

Agenda Report

January 28, 2019

TO: Honorable Mayor and City Council
FROM: Planning & Community Development Department
SUBJECT: AMENDMENT TO THE OCCUPANCY INSPECTION PROGRAM AND FISCAL YEAR 2019 GENERAL FEE SCHEDULE

RECOMMENDATION:

It is recommend that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment and;
2. Adopt a resolution amending the Fiscal Year (FY) 2019 General Fee Schedule as detailed in the "Proposed Fee Schedule Amendment" section of this report.

BACKGROUND:

Presale Self-Certification Program

On May 7, 2018, the City Council considered staff's proposal of 4 options respective to modification of the Occupancy Inspection Program (OIP). Options included A) Streamlining the program by reducing scope of inspections and exempting condominiums/townhouses from inspections; B) Discontinuation of inspections and requiring a City issued property records report; C) Discontinuation of the OIP; and D) Retain OIP as current.

The City Council discussed the potential of an additional option that would utilize private inspections that are already taking place; and minimize delay in the sale/transfer of residential properties. The City Council directed staff to explore an additional self-certification option and return with a recommendation.

On August 27, 2018, the City Council considered a new self-certification option whereby the sale and transfer of single family residential properties will require either a Certificate of Completeness (through self-certification) or a Certificate of Inspection (through City inspection). City Council directed the City Attorney's Office to prepare an amendment to the Inspection Ordinance allowing self-certification which is under a separate agenda item this evening.

Staff met with representatives of the Pasadena Foothill Association of Realtors (PFAR) on December 19, 2018 and January 15, 2019 to review the proposed Presale Self-Certification Ordinance and the respective Rules and Regulations. The new ordinance is consistent with City Council's direction and will address the most critical life and safety violations while minimizing adverse impacts to the real estate transaction. The significant components of the new ordinance are:

- Limiting the scope of the program to clearly defined life/safety issues only. These include unpermitted additions or conversions, unpermitted accessory structures over 120 square feet, and fire safety requirements such as alarms, self-closing doors, proper egress, etc.
- Establishing a new Presale Self-Certification Program, whereby eligibility is met if there are no open code compliance cases on the property and none of the following conditions are present: unpermitted additions or conversions, unpermitted accessory structures over 120 square feet; non-compliance with fire safety requirements; and actual square footage of the living area is not 10% or greater than the square footage recorded with the Los Angeles County Tax Assessor.
- Maintaining the option for a seller to request an inspection by Code Compliance (for the same life/safety items as listed above only) if desired.
- Streamlining the OIP by developing an on-line submittal and payment portal.

Proposed Fee Schedule Amendment

While the General Fee Schedule is typically reviewed and updated annually, revisions may be made periodically throughout the year as the need may arise. The Planning and Community Development Department is proposing a new application review fee for a Presale Certificate of Completion, required as part of the proposed Presale Self-Certification Program. The first reading of the ordinance for the Presale Self-Certification Program is included as a separate item on today's City Council agenda.

The Planning and Community Development Department proposes a new Presale Self-Certification Program which is replacing the existing Occupancy Inspection Program; and will allow eligible property owners to acquire a Presale Certificate of Completion via submittal of a self-certification application. Applications for a Presale Certificate of Completion will be reviewed for eligibility and completeness. The proposed fee of \$26.97 was calculated estimating staff costs involved with reviewing the application.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through the periodic review and update of the General Fee Schedule and by ensuring that where appropriate, the City is reimbursed for the cost of providing selected services.

FISCAL IMPACT:

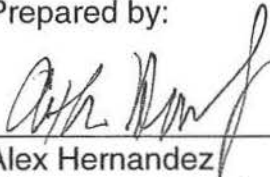
It is anticipated that the proposed amendment to the General Fee Schedule will result in approximately \$50,400 in annual revenue to the General Fund.

Respectfully submitted,



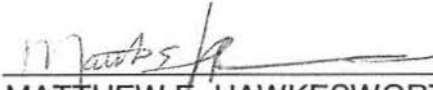
DAVID M. REYES
Director of Planning & Community
Development Department

Prepared by:



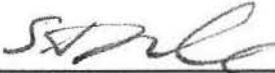
Alex Hernandez
Management Analyst IV

Concurred by:



MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:



STEVE MERMELL
City Manager

Attachments: (2)

Attachment A – Fiscal Year 2019 General Fee Schedule

Attachment B – Agenda Report (August 27, 2018) for Amendment to the Inspection Ordinance