

**CITY OF SACRAMENTO
DEVELOPMENT OVERSIGHT COMMISSION
SYNOPSIS**

Monday, June 29, 2006

Commissioners Present:	Mark Abrahams, Holger Fuerst, Brian Holloway, Kristina McBurney, John Nunan, John Packowski, Bruce Starkweather, Roger Valine
Commissioners Absent:	Michael Malinowski

AGENDA ITEM	DISCUSSION	ACTION
1. Call to Order	Chairman Nunan called the meeting to order at 5:40 PM.	Information Only
2. Approval of 6/5/06 Synopsis	Holloway moved approval Valine seconded. Approved unanimously as submitted.	Approved (8-0)
3. Communications a. Comments from the Audience b. Written comments received	a. No comments from the audience were noted. b. No written comments were received.	Information Only
4. ACM Updates	ACM Hanneman had no new updates to report.	Information Only
5. FY07 Development Services MATRIX Staffing Proposal and Supporting Funding Mechanism	Bill Thomas, Director of Development, presented a report on the MATRIX Staffing Proposal and Supporting Mechanism, in response to Council direction. He stated that the fee structure would remain, for the most part, intact but that the valuation tables would change to the 2002 ICBO tables, commonly used by neighboring jurisdictions and industry wide. The valuation tables had not been revised since 1998. He also reminded the Commission about the complexity of the fee structure and the two phase approach to simplifying the fees. Bill Thomas added that the change in the valuation tables would assist in paying for the new positions, and that the Utilities Department had recently come forward requesting another 2 FTE and that request was under review. He added that the fees for residential plan review services would be changed to make up for the difference. He stated that citywide MATRIX would be offered in exchange for those fees. Bill Thomas added that focused outreach meetings would be held on July 6 th and July 13 th to include invitees from the organizations of AGC, BIA, AIA, SBX, Chamber of Commerce, DOC Members and several key customers. Commissioner Packowski asked about the valuation of dwellings on handwritten page 18 which changed significantly from \$60.34 to 92.40. Kimberlee Alling from the Development Services Department answered that the ratings of structures had changed from average to good, and that industry average was \$160 per foot, and that the proposal was to change it to \$92.40. Commissioner Valine asked about prior feedback from customers, and Bill Thomas answered that initial conversations had occurred with the BIA, and that they had expressed concerns about building fees in general, but that the fees that were addressed in their concerns included fees charged by other agencies and jurisdictions. Commissioner Valine added a question about the control of the final decision regarding FTE additions. Bill Thomas answered that the final decision would be made by ACM Hanneman. ACM Hanneman added that a final nexus would be proved by Development Services prior to FTE additions. Commissioner Nunan	Information Only

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	<p>asked about the FTE addition for the City Attorney’s office. Bill Thomas answered that it was up to the office of the City Attorney to prove the nexus for that FTE addition.</p> <p>Commissioner Holloway stated that the price per foot for residential units was the highest and that affordable housing in Sacramento would be impacted. He added that when paying high dollar cost per square foot, office space was revenue generating where housing was not. Bill Thomas added that the recovery for commercial was already higher than the industry recommendation. Commissioner Abrahams stated that he submitted plans for a residence two weeks ago, with minimal revisions, and wanted to see what more he could get for his client’s dollar than he was getting now. He stated that he had seen great changes already in the process, and that it would be a significant price increase for his clients. Commissioner Fuerst stated that he spoke with a couple of builders in the past weeks and that they were unsure about how the MATRIX process would benefit them, and also asked about the updating of the ICBO table and the possible provision of automatic increases in the table.</p> <p>Kimberlee Alling answered that the 2002 table was more readily accepted and that the definitions types also changes significantly in the 2004 tables. She added that automatic increases were not recommended and that the nexus of cost needed to be proven when fees were changed.</p> <p>Commissioner Fuerst questioned the additional value of MATRIX versus the cost. Kimberlee Alling stated that the valuation table was not used in all fees. Commissioner Fuerst asked if there was a value to the residential builder.</p> <p>Bill Thomas answered that due to the lack of Greenfield development in the Central City, it was difficult to prove, but that his experience indicated that the MATRIX team approach would add value based on the experience in other development types in the pilot. He added that the new process empowered staff with new ideas that new creative programs should result. In addition he added that the valuation tables indicated that they were significantly under cost. Commissioner Fuerst added a question about the FTE request, specifically related to the Fire Department.</p> <p>Commissioner Holloway indicated that they had historically been significantly performing behind benchmark standards. Commissioner Nunan added that up until last year, consultants only were used for these plan checks.</p> <p>Commissioner McBurney added that she would recommend more than 4FTE for Fire, and that their work was behind to begin with. Bill Thomas answered what he knew, with the volume of work proposed in the City, that the FTE request would not be sufficient. This request would simply staff MATRIX citywide. He added that there were challenges to recruiting for the open positions, and that discussions with Human Resources were underway. Commissioner McBurney stated that she was told that Fire needed 4 FTE before the MATRIX. She also asked about the increase of fees in the Central City and was concerned about the 7% change in residential fees versus the other changes, and wanted to make sure that the residential customers were not taking the burden for this program. Bill Thomas answered with the number of field inspections necessary for residential projects. Commissioner Holloway stated that residential</p>	

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	<p>subdivision projects recognized the real benefits of MATRIX, and suggested that some of the costs shift from the building permit to the subdivision map fee or the rezone fee, where the most benefits of MATRIX would be felt. Commissioner Starkweather commented on the value proposition regarding the new business model, and stated that the traditional nexus study did not address the more fundamental issue of working as effectively as possible. Cost accounting systems were not utilized to create a business model, and as a result we did not know how the model would work citywide. Commissioner Valine asked about what could be given to the Commission in terms of a pro-forma to assess the success of the program, which would provide more objective data. Art Gee, Operations Manager, answered that there was a MATRIX benefits analysis, including a cost for enhanced services. He added that there were no additional fees assessed during the MATRIX pilot. Commissioner Abrahams asked for a nexus between the building inspectors and the plan checkers, with increased communication between the office and field inspectors. Commissioner Nunan asked about the difference in the first and second draft of the reports, and about the back up data for the staff reports. Greg Schulte answered that the first iteration of the report included fees assessed for other areas that would not be changed as a result of this request. Bill Thomas will ask staff to present an exhibit of all fees charged for a project example and compare it to other jurisdictions. Commissioner Nunan added that on page two of the Staff report, three bullet points should be consolidated to two, and also stated that the last sentence of the staff report should be amended to be clearer. He added that the resounding theme of the feedback was the demonstration of the benefits and value to the residential customer. Commissioner Nunan also recommended reviewing the totality of benefits to the customer, and noting the increase in costs. Commissioner Packowski added that incremental contributions towards the value of building in the City should be considered. Bob Chase, CBO, commented on the fee proposal including the reasonable test in comparison to other jurisdictions, and cited the plan checking fees that had not been revised since 1993. He added comments regarding the cross training of plan examiners and field inspectors. Commissioner Valine stated that rather than bringing fees up to the norm did not provide as much value as increasing efficiencies and lowering costs as a result. Bill Thomas thanked the Commissioner for their comments. Commissioner Holloway moved to approve the item, Commissioner Packowski seconded. Item was passed unanimously (7-0)</p>	
11. Miscellaneous Reports	No reports were noted	Information Only
12. Adjournment	Chairman Nunan adjourned the meeting at 6:35PM.	