

Planning & Development Department: Fee Modification & Special Revenue Fund Proposals

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Budget and Fiscal Affairs Committee
December 8, 2015



**PLANNING &
DEVELOPMENT
DEPARTMENT**

Presentation Overview

- Proposed fee modifications
- Proposed special revenue fund
- Next steps

Fee Modifications

- 2013 – City initiates city-wide fee study
 - First time in over 10 years
 - Included all fees not set by other requirements (contracts, statute)
 - All departments, including Planning
 - Currently finalizing recommendations
 - Council consideration expected early 2016
- Basis: align fees with cost of service
 - City policy

Planning & Development Fees

- 48 fees
 - 28 existing fees
 - 20 authorized, not yet assessed

Proposed 2016 Planning & Development Department Fee Modification

Draft Document: For discussion purposes only. This information may be modified prior to Council Consideration
Document Date: 11/12/2015

Name	Description	Current Fee ⁽¹⁾	Proposed Fee ⁽²⁾	Statutory Authority
Certificate of Appropriateness	Application - Construction Plan Review	\$ -	\$ 49.44	33-238
Certificate of Appropriateness	Application - Construction Plan Review (Accessory Structure)	\$ -	\$ 27.67	33-238
Certificate of Appropriateness	Application - Construction Plan Review (Single-Family Residential Only)	\$ -	\$ 27.67	33-238
Certificate of Appropriateness	Application - Demolition/Recreation	\$ -	\$ 62.42	33-238
Chapter 42 ⁽³⁾	Special Exception ⁽⁴⁾	\$ 237.41	\$ 194.48	42-54(a); 42-54
Chapter 42 ⁽⁵⁾	Variance Application	\$ 237.41	\$ 168.96	42-54(a); 42-47
Development - General	Investigation - Unpermitted Work	\$ -	\$ 328.37	42-54(a); 42-46
Development - General	Investigation - Unpermitted Work (Single Family Only)	\$ -	\$ 168.18	42-54(a)
Development Flat	Application - Additional Review/Revision ⁽⁶⁾	\$ -	\$ 87.34	42-54(a); 42-46
Development Flat	Application - Base Fee (Affordable Housing - three reviews/revisions) ⁽⁷⁾	\$ 509.13	\$ 286.73	42-54(a); 42-46
Development Flat	Application - Base Fee (Single Family Only - three reviews/revisions) ⁽⁸⁾	\$ 509.13	\$ 430.10	42-54(a); 42-46
Development Flat	Application - Base Fee (three reviews/revisions)	\$ 509.13	\$ 581.35	42-54(a); 42-46
Hazardous Enterprises	Permit, restricted or unpermitted	\$ 276.70	\$ 332.10	28-233(d)
Hazardous Enterprises	Registration	\$ 27.67	\$ 61.15	28-233(d)
Hazardous Enterprises	Transfer fee for HAZMAT permit	\$ 27.67	\$ 55.94	28-234
Location of Notes/Notes	Permit to construct, alter or remodel	\$ 221.38	\$ 296.62	28-204
Location of Notes/Notes	Variance Application	\$ 221.38	\$ 294.44	28-207(a)
Notification Requirement	Notification of property owner	\$ -	\$ 2.91	42-54(a); 54-48(a)
OM-Street Parking and Loading	Annual Certification of Valet Parking	\$ -	\$ 239.64	26-502(b)
OM-Street Parking and Loading	Application - Additional Review/Revision ⁽⁹⁾	\$ -	\$ 38.27	26-473(b)
OM-Street Parking and Loading	Application - Designation/Modification of a Special Parking Area	\$ -	\$ 2,482.89	26-511
OM-Street Parking and Loading	Application - Parking Site Plan Review (three reviews/revisions)	\$ -	\$ 217.89	26-473(b)
OM-Street Parking and Loading	Commission consideration for loss of assessed parking	\$ -	\$ 446.25	26-501(d)
OM-Street Parking and Loading	OM-Site Lease Annual Renewal (per lease)	\$ -	\$ 97.35	26-501(c)
OM-Street Parking and Loading	OM-Site Lease Review (per lease)	\$ -	\$ 211.52	26-501(a)
OM-Street Parking and Loading	Parking Management Plan Review	\$ -	\$ 1,664.79	26-516(a)
OM-Street Parking and Loading	Variance Application	\$ 1,042.61	\$ 997.38	26-561(a)
OM-Street Parking and Loading	Variance Application (Single-Family Only) ⁽¹⁰⁾	\$ 1,042.61	\$ 498.59	26-561(a)
Regulation of Towers	Tower Permit	\$ 365.23	\$ 446.81	28-530(a)
Site Plan Compliance	Application - Additional Review/Revision ⁽¹¹⁾	\$ -	\$ 27.67	42-54(a)
Site Plan Compliance	Application - Base Fee (Affordable Housing - three reviews/revisions) ⁽¹²⁾	\$ 49.81	\$ 63.80	42-54(a)
Site Plan Compliance	Application - Base Fee (Single Family Only - three reviews/revisions) ⁽¹³⁾	\$ 49.81	\$ 97.31	42-54(a)
Site Plan Compliance	Application - Base Fee (three reviews/revisions)	\$ 49.81	\$ 135.68	42-54(a)
Subdivision Flat	Application - Class I Flat Base Fee	\$ 509.13	\$ 554.69	42-40(a); 42-54(a)
Subdivision Flat	Application - Class II Flat Base Fee	\$ 791.37	\$ 891.63	42-40(a); 42-54(a)
Subdivision Flat	Application - Class III Flat Base Fee	\$ 791.37	\$ 891.63	42-40(a); 42-54(a)
Subdivision Flat	Application - General Plan	\$ 791.37	\$ 763.75	42-50; 42-54(a)
Subdivision Flat	Application - Street Dedication Flat	\$ 791.37	\$ 763.75	42-50; 42-54(a)
Subdivision Flat	Direction of Approval	\$ 791.37	\$ 274.62	42-54(a)
Subdivision Flat	Lot Fee (per lot)	\$ 17.88	\$ 34.56	42-54(a)
Subdivision Flat	Flat Name Change	\$ 263.10	\$ 296.82	42-54(a)
Subdivision Flat	Flat Recreation	\$ 287.76	\$ 391.65	42-54(a)
Subdivision Flat	Flat Recreation - Missed Appointment ⁽¹⁴⁾	\$ -	\$ 39.15	42-54(a)
Subdivision Flat	Recordation of Requirement	\$ -	\$ 118.62	42-54(a); 54-79(a)
Subdivision Flat	Reserve Fee (per acre)	\$ 116.22	\$ 237.86	42-54(a)
Subdivision Flat	Title & Deed Restriction Review	\$ -	\$ 583.03	42-40(a); 42-54(a)
Subdivision Flat	Vacating Flat	\$ 791.37	\$ 193.67	42-54(a)
Trees, Shrubs, and Screening Fences	Variance Application	\$ 221.38	\$ 274.62	33-137(a)

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Billor's Note

⁽¹⁾ Annual increase of 2015 fees based on U.S. Consumer Price Index for All Urban Consumers (CPI-U) in Houston area (0.535%) - Fee Effective 01/01/2016

⁽²⁾ This is a newly stratified fee that is currently part of another classification under the fee schedule

⁽³⁾ Includes two separate fee types - "Development Flat" and "Subdivision Flat" variances and special exceptions

⁽⁴⁾ Hearing requested 54 hours or more in advance will not be assessed the fee

⁽⁵⁾ Fee per additional review/revision beyond the three included in the base fee

⁽⁶⁾ Proposed fees effective 04/01/2016

Cost of Service Methodology

- Direct costs
 - Staffing needs for adequate level of service
 - Position level, time required per review
 - Supplies
- Indirect costs
 - Legal, rent, payroll, HR, IT, etc.
- Market-based compensation
 - Recent salary survey
 - Salaries should align with peer cities
 - Staff attraction, retention challenges

Study Conclusions

- Fees out of alignment
 - General fund is subsidizing development-related services
- Proposal to modify fees
 - 9 reduced
 - 19 increased
 - 20 new
- Adjusted revenue will cover expenditures
 - Ends subsidy

Factors Driving Fee Adjustments

- New services
 - Authorized by code change
- Efficiencies through consolidation
 - Ending duplication of development, City efforts
- Alignment with cost of service
 - Some fees under or over-charging

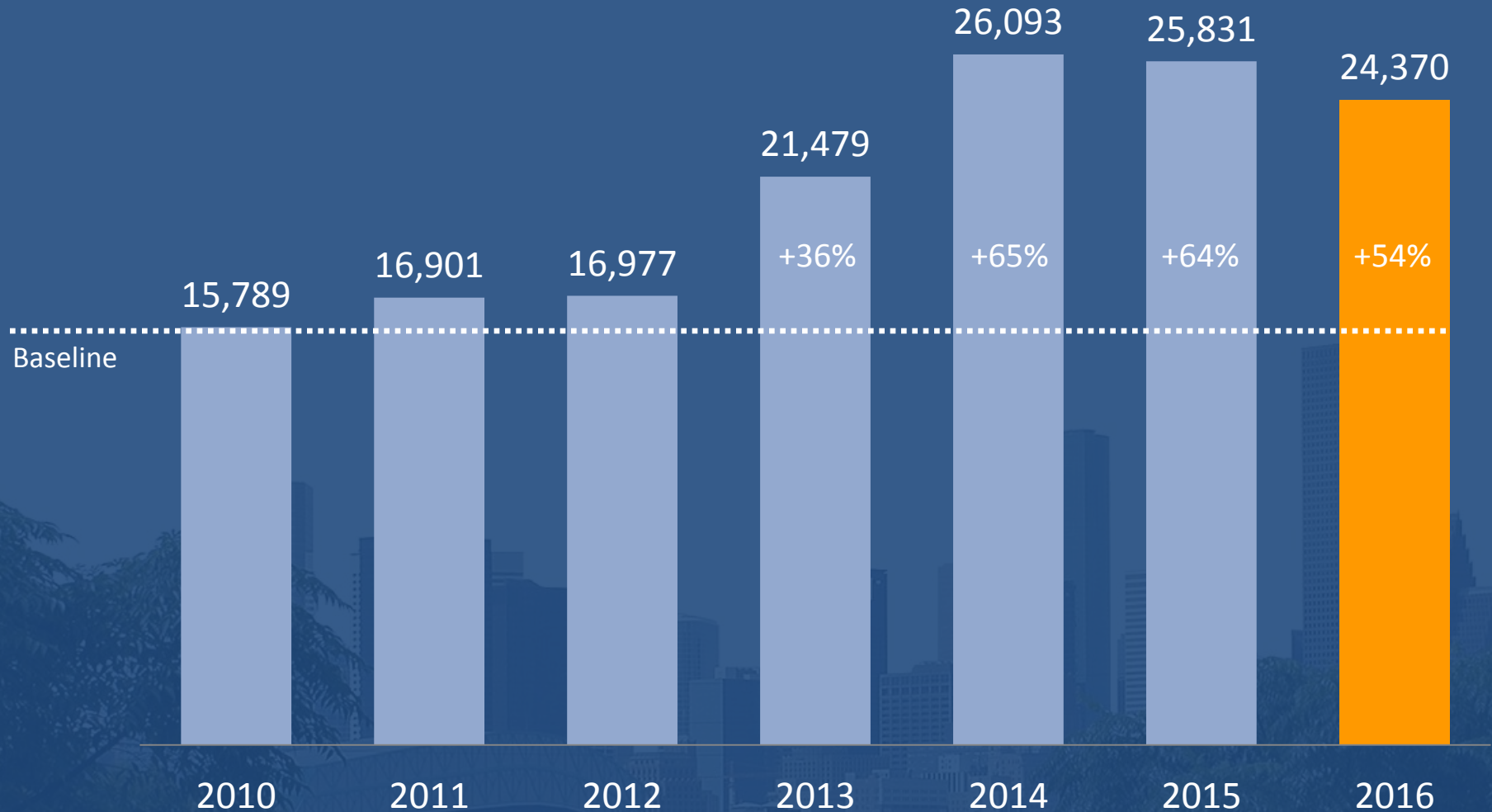
Special Revenue Fund

Background – Special Revenue Fund

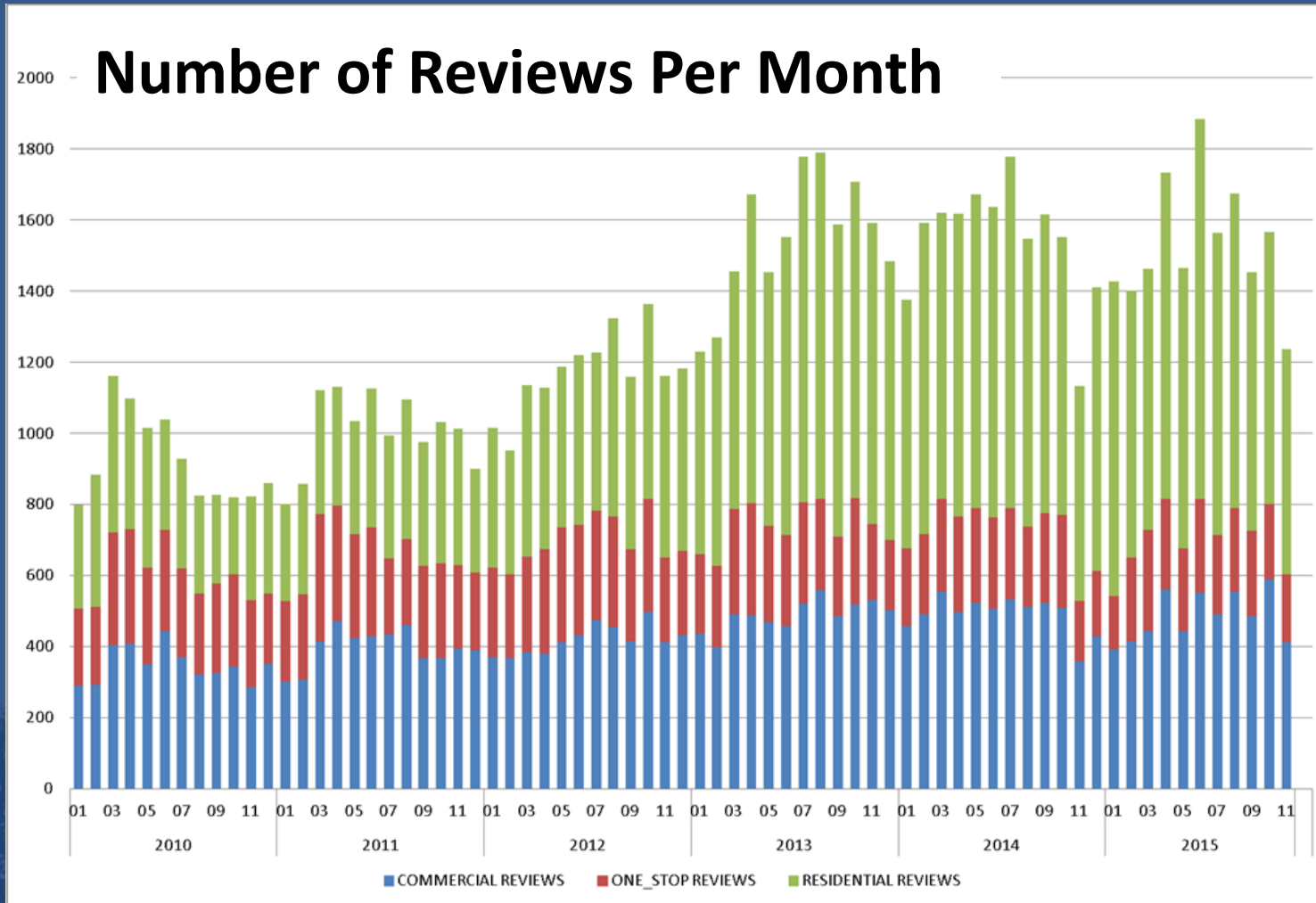
- Numerous prior proposals
- Problem: resources out of alignment with permit volume
- Challenges to level of service
 - Permit delays
 - Quality reviews
 - Personnel resources & retention
- FY16 City Council budget amendment request
 - Market fluctuations
 - Service delivery challenges

Market Fluctuations

Subdivision and Permit Related Application Activity
(Fiscal Year)



As Permit Review Numbers Increase...



2010

2011

2012

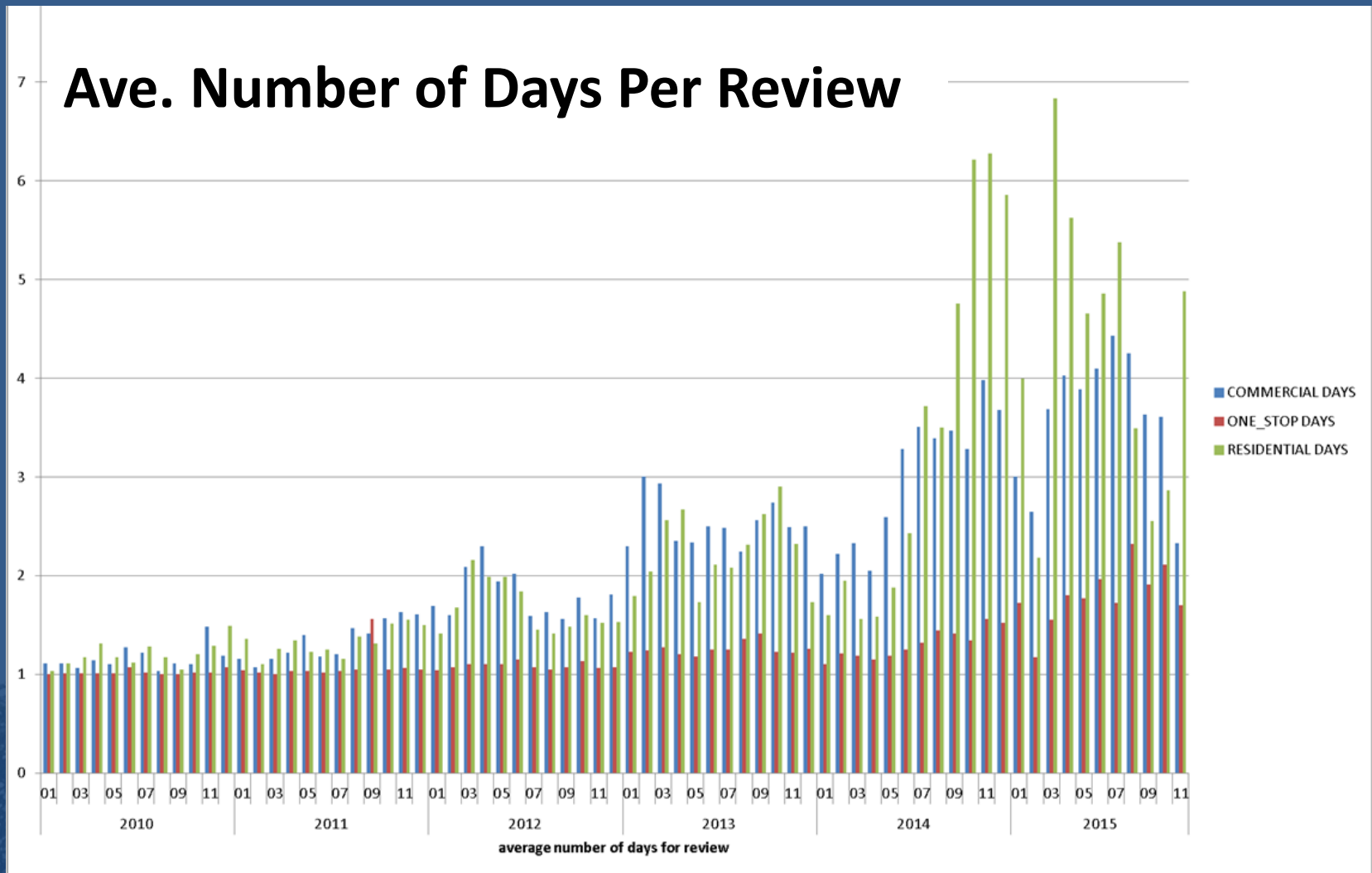
2013

2014

2015

2016

... Level of Service Decreases



2010

2011

2012

2013

2014

2015

2016

Special Revenue Fund Basics

- Special Revenue Funds - Revenues placed into special funds
 - Better track revenues
 - Proceeds spent on specified purposes
- Proposal dedicates fees toward development-related expenditures
 - Preserves level of service through market fluctuations
- Contrast to General Fund department
 - Development revenues may be spent toward non-development-related expenditures

Services in Proposed Fund

- Subdivision plat review
- Permit review (Chapter 42, Off-Street Parking, Landscaping, etc.)
- Minimum lot size program (1/2)
- Historic preservation (1/2)

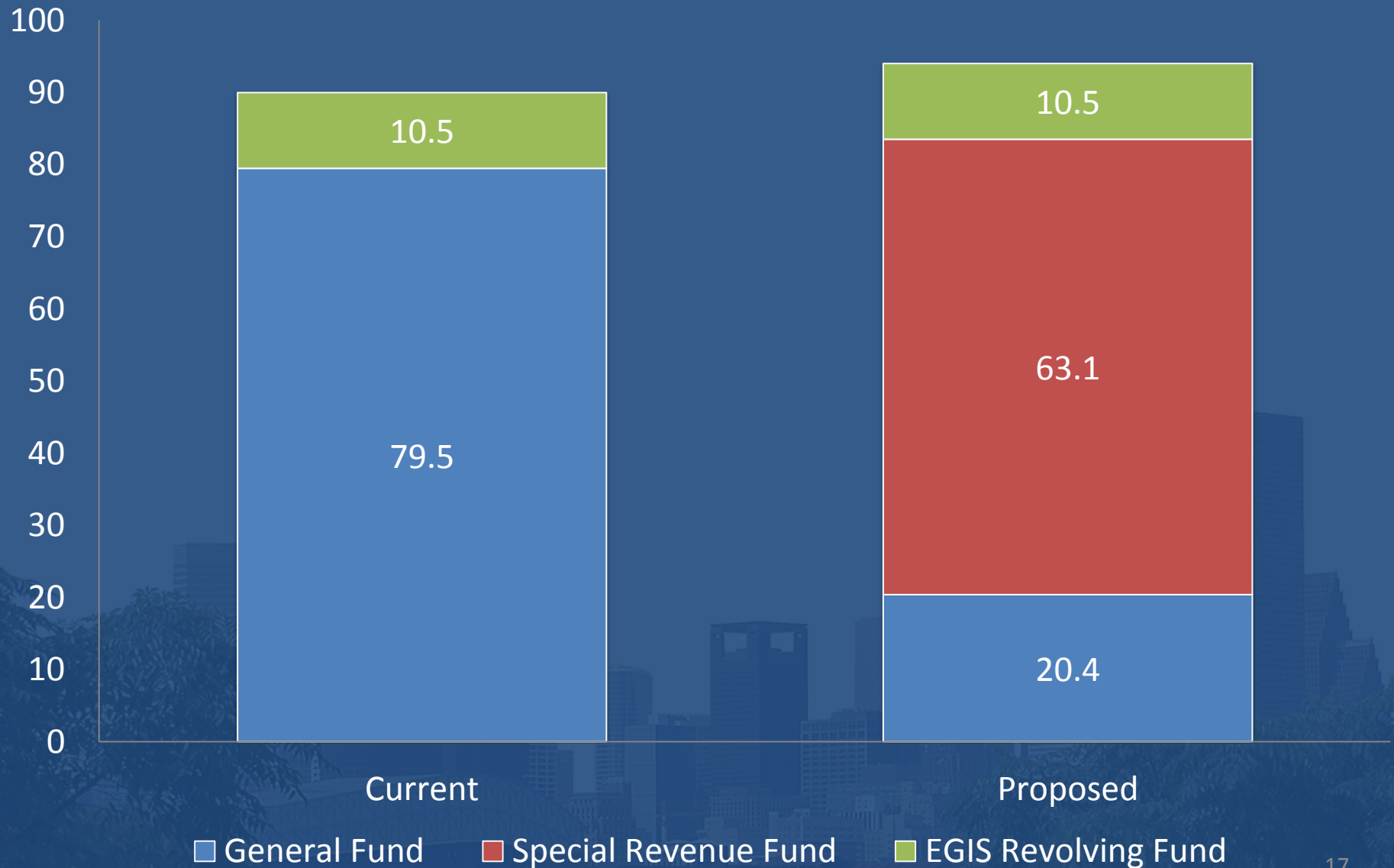
Special Revenue Fund Summary

- Returns department to adequate level of service
 - Serves continuing high development volumes
 - Increased staff levels
- Expenditures exceed current annual revenue
 - Fees out of alignment with cost of service
 - Consistent with cost of service study
 - Fee adjustment necessary for fund sustainability

Benefits of Proposed Fund

- Accelerated reviews
- Improved enforcement & compliance resolution
- Attract & retain quality employees
- Technology & software upgrades
- Improved training
 - Internal: Department employees & commissions
 - External: Applicants & general public
- Revenue supports development-related services
 - Eliminates General Fund subsidy

FTEs – Before and After SRF



Proposed Operating Budget

	General Fund	Special Revenue Fund	EGIS Revolving Fund
Expenditures	\$3.7M	\$8.8M	\$1.3M
FTEs	20.4	63.1	10.5

Next Steps

- Discussion
- City Council consideration
 - December 16
- Fee modification effective
 - February 1, 2016

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Presented by Patrick Walsh, P.E.

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Budget and Fiscal Affairs Committee
November 19, 2015



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Subdivision Plat Activity

Plat Applications Jan - Nov 16, 2015

