



COUNTY OF MENDOCINO

DEPARTMENT OF PLANNING AND BUILDING SERVICES

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MEMORANDUM

DATE: DECEMBER 13, 2011

TO: BOARD OF SUPERVISORS

FROM: NASH GONZALEZ, DIRECTOR

RE: **RCHDC/LAKEWOOD HOMES SUBDIVISION BUILDING PERMIT
APPLICATIONS EXTENSION**

It has come to the Department's attention that due to the current economic climate a number of applicants for building permits are facing fiscal constraints, especially non-profits which is causing some concern. When an individual applies for a building permit they typically pick up and pay for the permit when it completes the plan check process. From the time individuals apply for a permit, they must pick up the permit within six months. There is a possible extension for six months to this time frame. From the time the permit is issued, the applicant then must call and request an inspection within one year and thereafter must have inspections every six months. Within this time frame, an individual can request two extensions of time for six months each. As can be seen by these standards, the permit process can be stretched out for quite a bit of time. An individual can have up to three years before the first inspection is required from the time the application is submitted.

The Department is currently in receipt of a request by the Rural Communities Housing Development Corporation (RCHDC) who have pending building permit application that have reached the time period that this office can no longer hold before a plan check is commenced. In consulting with the County's Building Official, pursuant to Section 105.3.2 of the California Building Code, the Department is unable to hold the applications as incomplete beyond the one year time period, unless the applicant (RCHDC) is issued all of the remaining 40 permits for the Lakewood Subdivision, then additional extensions of time could be granted by the Building Official. Currently, RCHDC submitted 40 applications in December 2010, and under the current process, the applicant would be required to pay for and pick up their permits before December 15, 2011. RCHDC has submitted a request seeking a one-year extension of the 40 permit applications submitted in December 2010 for the Lakewood Homes Subdivision on Lake Mendocino Drive.

RCHD's Self Help Housing program enables low-income families to become homeowners through a program in which they actually construct their own homes. The Lakewood Homes Subdivision (58 lots) has been under construction for the past 2 ½ years, and RCHDC has completed 13 homes, with 5 more currently under construction.

In essence, RCHDC submitted the 40 applications in December 2010 in order to qualify for the prior Building Code cycle (2007 California Building Code), which went into affect in January 2008.

This prior Code did not mandate for fire sprinklers and green building standards that the current code contains. RHDC has informed Planning and Building Services that in order to expedite the project, RCHDC must qualify families for USDA loans, develop a construction budget and find additional subsidies to fully pay for construction and fees well in advance of the start of construction.

The primary purpose of the subdivision project is to provide affordable housing for the community. Due to the current economics surrounding affordable housing and the current availability of funding alternatives have had an impact on the Lakewood Subdivision. RCHDC has indicated that if an extension request is not granted, the feasibility of the ability to complete the construction of the additional 40 lots will be jeopardized by the additional funds necessary to update the construction plans and the additional costs to the construction budget of each home attributed to the new Building Code regulations, such as the requirement for fire sprinklers.

In reviewing the circumstances, RCHDC submitted their building permits applications in December 2010 in order to qualify for processing under the 2007 Code cycle. This would enable the units to be maintained as affordable by not having the additional requirements imposed by the current code, which would add on average an additional \$7,000 per unit or an additional \$380,000 for the entire remaining 40 lots.

Staff would note that this project is very unique compared to other situations, in that RCHDC needs to place and qualify the families first, before on determining the exact floor plan/model as this is based on income qualifications on a case by case basis. Once the family is qualified, and federal funding is secured, which includes the cost of permits, then RCHDC submits the appropriate permit fee to the County. As the Board is aware, Planning and Building Services is in the midst of revising the County's Zoning Ordinance and there is the opportunity to look at other sections of the County Code, including Title 18 (Building) to bring into compliance with the General Plan, including the Housing Element, that could result in amendments to Title 18 providing for the ability for staff to handle such extensions as administrative matters.

While there certainly is rationale to provide an extension, given the economy, there are also reasons for insuring that the existing time constraints remain. The applications were submitted pursuant to the 2007 California Building Codes. Since that time, the State of California adopted the 2010 California Building Codes that now mandate the installation of fire sprinklers in all residential structures. Should the building permits expire now, the plans would have to be updated to conform with the current codes causing RCHDC to incur additional costs and potentially jeopardizing the completion of the subdivision build-out. Building codes are updated to address contemporary standards that are developed to address building safety and efficiency that represents good public policy.

In attempting to provide balance, staff is suggesting that the Board find that there are special circumstances associated with this affordable housing development and grant an extension of time to the application submittals requiring the applicant to secure all 40 permits by December 31, 2013. Currently there are 13 completed homes, with 5 additional homes under construction, all of which were processed under the 2007 Building Code. If the remaining 40 lots are to be processed under the current Building Code, 1/3 of the development will be constructed under one code and the remaining two-thirds of the development will be constructed under a different code. Staff believes that for consistency purposes on a large project as this, it would be

beneficial if one set of standards were applicable as opposed to having two sets of regulations apply.

Although, the applicants have only requested a one-year extension, staff would be inclined to recommend that the extension be granted for two years (until December 31, 2013), thus at the end of the current code cycle. Additionally, this would provide RCHDC an additional year to secure the remaining permits without the need to request any additional extensions beyond 2013. It should also be noted that if the project is jeopardized, the County may not meet its Regional Housing Needs Allocation (RHNA) target numbers under the current Housing Element for low income housing units to be constructed within the County, and potential loss of approximately \$139,000 in permits fees to the County over the next two years.

Therefore, staff is recommending that the Board grant a two-year extension of time to the Lakewood Homes Subdivision allowing for the 40 permit applications to be administratively extended to December 31, 2013, allowing RCHDC to complete the build out of the subdivision under the 2007 California Building Code so long as the all of the 40 proposed units remain as affordable units. Attached for the Board's consideration is the list of the 40 applications, including addresses and Assessor's Parcel Numbers for reference.

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