



## CITY OF UNIVERSITY PARK AGENDA MEMO

**Meeting Date:**  
11/7/2023

**Item Type:**  
Action Item

**Subject:** Consider an Ordinance amending the International Residential Code, Sections R505.5 and 505.5.1 regarding permit extensions and fees

**Prepared By:** Patrick Baugh, Community Development Director

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### Update:

During the September 19, 2023 meeting, staff was directed to ask active builders their opinion regarding the proposed permit extension and fees. Staff issued a survey on an internet tool called Survey Monkey to 53 new residence permit applicants from the previous 24 months. At the time of this writing, **responses totaled 25(47%)** in number. The survey was brief (attached) and consisted of the following questions and general responses:

1. In the past three years, have the major residential construction projects you have worked on been:
  - \_ Less than or equal to 10,000 square feet floor area (18 months permit validity) **18 (72%)**
  - \_ Greater than 10,000 square feet floor area (24 months permit validity) **7 (28%)**
2. If your project has/had been behind schedule or lagging in project delivery time, was the primary cause (check all that apply):
  - \_ Material shortages **21 (84%)**
  - \_ Delivery delays **15 (60%)**
  - \_ Labor availability **15 (60%)**
  - \_ Owner finishes selection **16 (64%)**
  - \_ Other \_\_\_\_\_ **8 (32%)**
3. If a schedule overrun or delay in completion was imminent, would possible imposition of a daily fee provide necessary impetus to accelerate the work to completion?
  - \_ Yes **1 ( 1%)**
  - \_ No **21 (84%)**
  - \_ Only if contributing factors to the delay could be overcome by a like expenditure **3 (12%)**

4. Is there something the City of University Park can do that would reduce the length of time to construct a new house? (open ended response w/3 major categories of recommendations)
  - a. No – **7 (28%)**
  - b. Have City staff accelerate their plan review and inspection responses – **5 (20%)**
  - c. Permitted Construction Time should be extended when project scope expands due to scheduling subcontractors, owner decisions, or weather – **7 (28%)**

City Council also indicated that the over 10,000 square feet floor area threshold for a 24 month construction time ought to remain a regulation. This would leave less floor area houses to be completed in 18 months, including accessory permits issued concurrent with new building projects.

### **PREVIOUS REPORT (modified) BEGINS**

#### **Background:**

The City Council requested a review of new residential major construction schedules and referred the issue to the Zoning and Development Advisory Committee for recommendations on actions. The committee recommendations were to advise neighbors of project scheduling, which has been implemented.

City Council desired a strong incentive to motivate the builders and accelerate the project schedules. That incentive was to impose a daily fee on schedule overruns under the authority of an extended valid building permit. That has been incorporated into the amending ordinance under this cover. The ordinance breaks down into two tiers of extended permits: up to 60 days and over 60 days. The time periods are important because the entire neighborhood is affected by each construction project. The brief extension is less impact and is proposed as a lesser cost of \$250 per day. The longer period is more onerous of an imposition on the neighborhood and a higher degree of incentive to complete is considered warranted at \$500 per day.

Application of these extended permits would be on any project that is a complete new house (Detached, SF-A or Duplex), as well as, any project of long duration work schedule or high impact on the neighborhood.

This proposed ordinance also considers the series of permits that regularly accompany the new home construction. The proposed ordinance sets a new permit validity period of 24 months, regardless of house size. The proposed increase in time facilitates restructuring the new residence permit as a combination permit to include, not only the primary structure, but also any new fence, concrete walls or paving, and accessory structures. Often, permit applications are received for co-locating accessory structure projects on a lot having an active building permit for a house. Regardless of the lagging permit issuance date, the project must be complete upon the expiry date of the house permit. If projected schedule completion dates indicate later completion, the project site will be subject to a project extension permit requirement and applicable fees.

It is proposed that this ordinance will allow ample time to complete a major residential construction project in a reasonable time without requiring an extension and associated fees.

**Fiscal Impact:**

- ☒ Not Applicable
- ☐ Proposed Expenditure
- ☐ Proposed Revenue
- ☐ Budget Amendment Required

**Master Plan Goal (optional):**

	Theme	Action Item
<input type="checkbox"/>	Affirming Sense of Place	Click or tap here to enter text.
<input type="checkbox"/>	Assuring Connectivity	Click or tap here to enter text.
<input type="checkbox"/>	Innovative Governance	Click or tap here to enter text.
<input type="checkbox"/>	Technological Integration	Click or tap here to enter text.
<input type="checkbox"/>	Preparing for the Future	Click or tap here to enter text.

**Recommendation:**

Staff recommends that the City Council consider adoption of the ordinance to amend the International Residential Code, Sections R505.5 and 505.5.1 regarding permit extensions and fees.

**Attachments:**

1. Proposed Ordinance