



City of San Antonio

Agenda Memorandum

File Number:19-4773

Agenda Item Number: 20.

Agenda Date: 6/20/2019

In Control: City Council A Session

DEPARTMENT: Development Services

DEPARTMENT HEAD: Michael Shannon, PE, CBO

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amending Chapter 10 of the City Code of San Antonio, Texas, to modify certain sections and the fee schedule in order to comply with HB 852.

SUMMARY:

House Bill 852 was signed by the Governor on May 21, 2019, and became effective immediately. This Act prohibits cities from considering the value of the dwelling or the cost of constructing or improving the dwelling when determining the amount of a building permit or inspection fee for the construction or improvement of a residential dwelling. Additionally, the Act prohibits the disclosure of information related to the value or cost of construction or improvement of a residential dwelling as a condition for obtaining a building permit except as required for participation in the National Flood Insurance Program. As a result of these changes in State Law, it is necessary for the amendments to Chapter 10 of the City Code to be made.

BACKGROUND INFORMATION:

House Bill 852 was passed by the Texas Legislature and signed by the Governor on May 21, 2019. The bill was effective immediately as it received a vote of two-thirds of all members elected to each house as provided in the Texas Constitution.

Two sections of the City Code are affected by HB 852: Section 10-10 relating to Building Related Codes Fees and Section 10-38 relating to the residential plan review and permit fee schedule.

Section 10-10(c) of the City Code states the following: “the applicant for a permit shall provide an estimated permit value at time of application.” HB 852 requires a change in the language to exclude residential valuations except when the permit is within a FEMA-designated flood zone.

Section 10-38 of the City Code is the residential fee schedule itself. Currently, valuations are utilized to calculate the plan review and permit fees for residential structures for remodels and additions only. As such, this fee calculation structure must be revised to be compliant with HB 852. New residential construction plan review and permit fees are based upon square footage and are compliant with HB 852.

ISSUE:

HB 852 only regulates permit and inspection fees associated with the construction or improvement of a “residential dwelling.” Neither the bill, the Local Government Code, the 2018 International Residential Code (IRC), nor the Unified Development Code, include a definition of “residential dwelling.” The IRC, however, does include the following definition of a “dwelling”:

Dwelling. Any building that contains one or two dwelling units used, intended to be used, or designed to be built, used, rented, leased, let or hired out to be occupied, or that are occupied for living purposes.”

Additionally, the construction of multi-family buildings is regulated under the 2018 International Building Code (IBC) with commercial uses, and not under the IRC. Using the IRC definition as a guide, and given that multi-family buildings are regulated under the IBC, and absent of further clarification from HB 852, it can be reasonably assumed that the restriction on using valuations for the calculation of plan review fees and building permit fees does not apply to multi-family buildings. As such, the revisions to the City Code are limited in scope.

ALTERNATIVES:

HB 852 requires a change in City Code in order to be compliant with State Law.

FISCAL IMPACT:

Fees generated by residential building activity are deposited into the Development Services Fund. The changes to the fee schedule will result in an estimated annual net loss of revenue of approximately \$23,131.51. The list of changes to the fee schedule is described in the table below.

Changes Required by HB 852			
Project Class	Current Fee/Permit*	Revised Fee/Permit (Flat Fee)	Estimated Annual Revenue Impact
Existing Residential Projects	\$172.39	\$106.30**	(\$30,931.02)
Swimming Pools	\$360.26	\$360.00	(\$111.11)
Carports and Decks	\$147.82	\$160.00	\$6,982.01
Foundations	\$163.85	\$160.00	(\$5,144.24)
General Repairs (Windows, Doors, Siding)	\$147.00	\$150.00	\$4,672.78
General Repairs (Full Remodel)	\$207.92	\$210.00	\$1,400.07
Estimated Annual Revenue Impact			(\$23,151.51)

*Average Fee; current structure takes valuation into account which is prohibited under HB 852

**Estimated Average Fee; for projects larger than 1,000 square feet, Existing Residential project fees will be determined using the New Residential Fee Structure which is based on the project’s square footage; for projects 1,000 square feet or less, the plan review fees will not be applied

RECOMMENDATION:

Staff recommends approval of the changes to the City Code to bring them into compliance with HB 852.

