

Special Edition
Developers Focus Group Meeting
June 20, 2019

Process Improvement....an Ongoing Practice!



Directors Update

- ❑ **House Bill 852**
Relating to information a municipality may consider in determining the amount of certain building permit and inspection fees
- ❑ **House Bill 2439**
Relating to certain regulations adopted by governmental entities for the building products, materials, or methods used in the construction or renovation of residential or commercial buildings
- ❑ **House Bill 3167**
Relating to county and municipal approval procedure for land development applications



2019 Texas Legislature

Residential Permit Fee Modification, relative to HB 852

Effective May 21, 2019

1. Understanding of the Bill
2. How does it impact the City of Arlington and our current processes or practices?
3. Implementation Plan
4. What changes are required?
5. How does it impact our development community?

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=86R&Bill=HB852>

□ Applicable to:

- Single-family residential dwelling unit
- For construction or improvement

□ Prohibits a municipality from:

1. Considering the value of a dwelling or the cost associated with constructing or improving a residential dwelling associated to determine building permit fees.
2. Requiring the disclosure of information related to the value of or cost of constructing or improving a residential dwelling.

Exception: as required by the Federal Emergency Management Agency (FEMA) for participation in the National Flood Insurance Program.

PROHIBITION ON CERTAIN
VALUE-BASED BUILDING PERMIT
AND INSPECTION FEES.

(a) In determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a municipality may not consider:

- (1) the value of the dwelling; or
- (2) the cost of constructing or improving the dwelling.

(b) A municipality may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit, except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

1. Understanding of the Bill

- ❑ Currently, most of our building permit fees are calculated based on total valuation of the proposed improvement.
 - We will need to use an alternate method in determining fees for specific residential permits.
 - This will need to be a simple and seamless process to minimize the impact on the development community.

- ❑ Additionally, since HB 852 prohibits municipalities from requiring valuation data, information on permit values may be delayed or reported in a different manner in the quarterly financial reports.
 - Following the exception stated in HB 852, we need to continue to ask for valuation data for residential permits related to improvement of dwelling units in floodplain properties, in order to comply with FEMA regulations.

2. How does it impact the City of Arlington and its current processes/practices?

ACTION STEPS:

Since the law became immediately effective (May 21) and did not provide enough time to make the necessary changes in our processes and application forms, our City Attorney's Office suggested a stop-gap measure for implementation:

1. Develop and implement a non-valuation based fee schedule by June 10.
2. Applications processed between May 21 and June 9, may request a refund, if at all they were charged more.
3. Take formal Fee Resolution to Council on June 25 for adoption.

RESIDENTIAL PERMIT FEE MODIFICATIONS, PER HB 852

Types of Permits, which will have fees based on “square footage”:

1. New
2. Addition
3. Remodel/alteration/repair
4. Garage conversion

Other Permit Types, which will have “flat” fees:

5. Window/Door Replacement
6. Foundation Repair
7. Re-roof
8. Solar panels
9. Carports / Porte-co-chere
10. Decks/Gazebos/ Covered Patios/Porches

NO CHANGES REQUIRED

- i. Retaining Wall
- ii. Boat Docks
- iii. Accessory Structures
- iv. Fire Permits

4. What changes are required in our current processes/practices?

Modifications required to the following:

- Application forms
- ArlingtonPermits.com (online portal for permitting)
- Update website with Revised Fee Schedule

Until the above steps are completed, staff will manually calculate the fees and let applicants know. This may delay some of our processes.

* IT plans to have the fee automation completed by end of June.

Additional items:

- Staff training will be required
- Information and education will need to be provided to our customers

5. How does it impact our development community?

Existing
Fee

TABLE 1

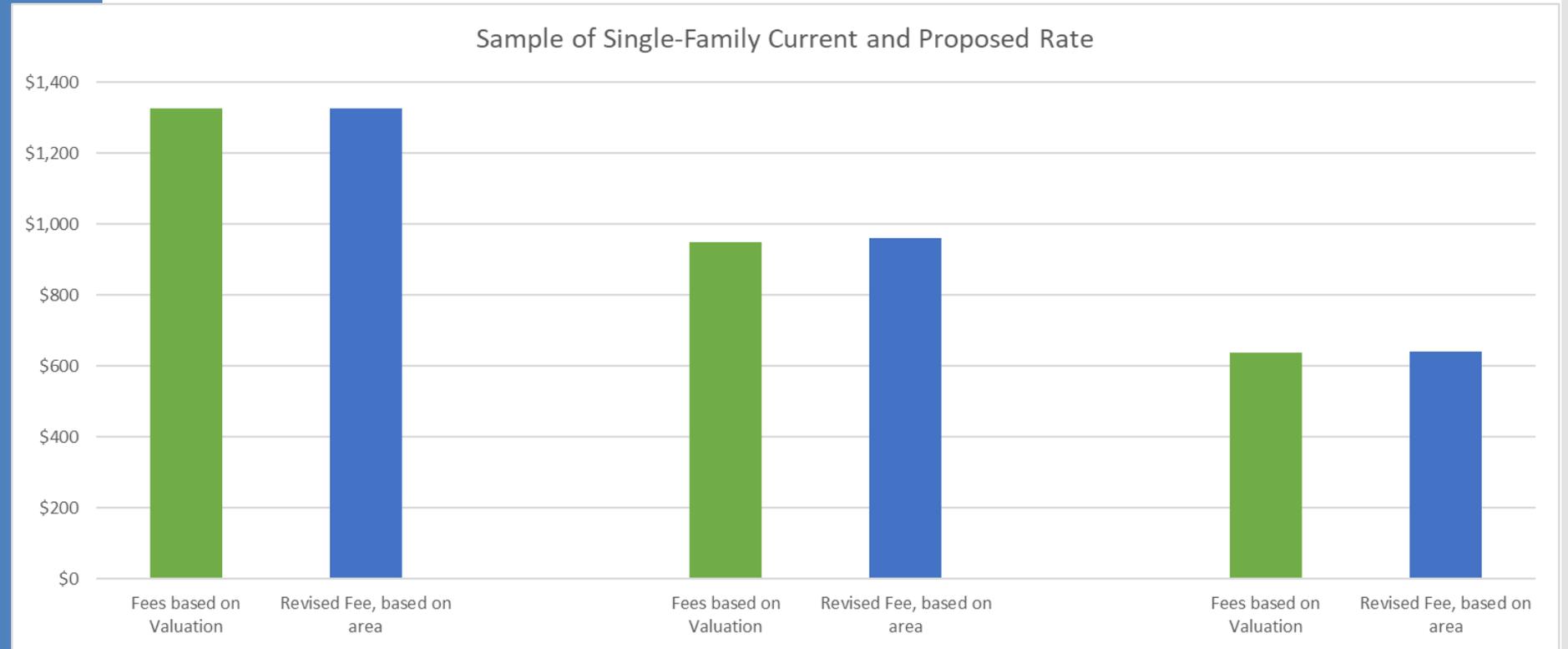
| Declared Valuation of Project | Permit Fees |
|---|--|
| \$0 TO \$2,000 | \$62.25 |
| More than \$2,000 and up to \$25,000 | \$62.25 for the first \$2,000 plus \$12.50 for each additional \$1,000 or fraction thereof, to and include \$25,000 |
| More than \$25,000 and up to \$50,000 | \$349.75 for the first \$25,000 plus \$9.00 for each additional \$1,000 or fraction thereof, to and include \$50,000 |
| More than \$50,000 and up to \$100,000 | \$574.75 for the first \$50,000 plus \$6.25 for each additional \$1,000 or fraction thereof, to and include \$100,000 |
| More than \$100,000 and up to \$500,000 | \$887.25 for the first \$100,000 plus \$5.00 for each additional \$1,000 or fraction thereof, to and include \$500,000 |
| More than \$500,000 and up to \$1,000,000 | \$2,887.25 for the first \$500,000 plus \$4.25 for each additional \$1,000 or fraction thereof, to and include \$1,000,000 |
| More than \$1,000,000 | \$5,012.25 for the first \$1,000,000 plus \$2.75 for each additional \$1,000 or fraction thereof |

Revised Fee

| Adjusted One & Two Family Dwelling Permits | Existing Fees – based on Valuation of Project | Revised Fees – based on Square Footage | |
|--|---|--|--|
| New | Refer Table 1 | For an area < = 1,200 SF | \$0.80/square foot; |
| Addition | | From 1,200 SF to 2,000 SF | \$0.64/square foot; |
| Remodel/Alteration/Repair | | For area > 2,000 SF | \$0.53/square foot; |
| Garage Conversion | | | with a minimum building permit fee of \$225.00 |

| Other Residential Permit Applications | Existing Fees – based on Valuation of Project | Revised to Flat Fees |
|---------------------------------------|---|----------------------|
| Window/Door Replacement | Refer Table 1 | \$100.00 |
| Decks/Gazebos/Covered Patios/Porches | | \$225.00 |
| Foundation Repair Permit | | \$150.00 |
| Re-Roof (Residential) | | \$275.00 |
| Solar Panels (Residential) | | \$275.00 |
| Carports/Porte Cochere (Residential) | | \$200.00 |

Fee Comparison



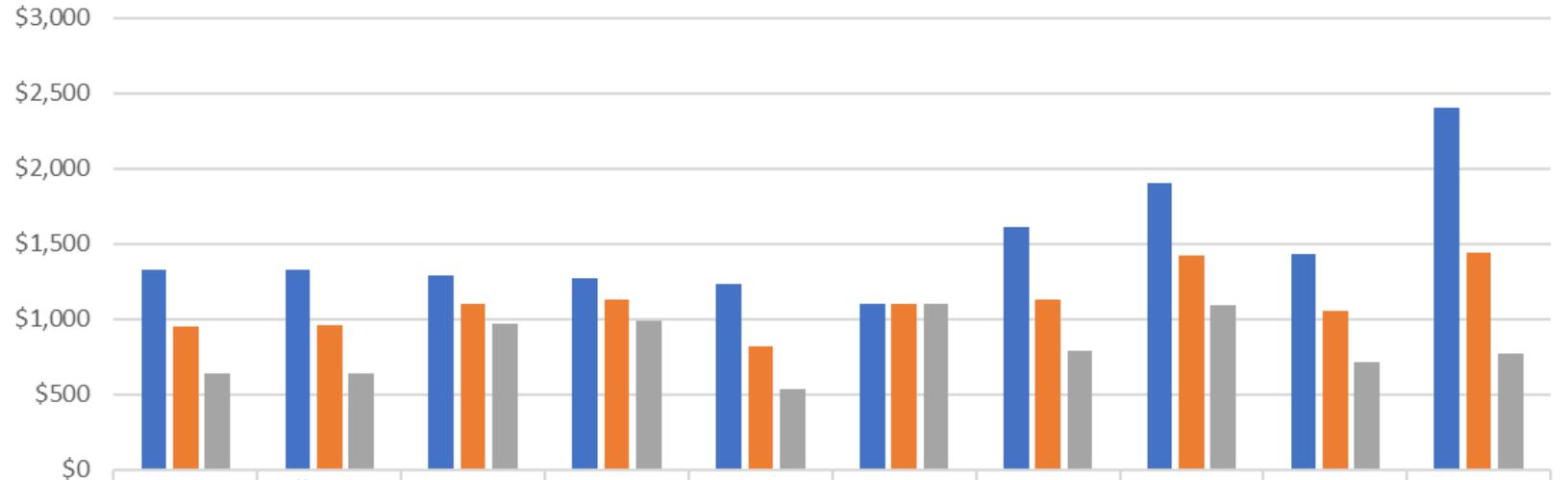
New 2,500 SF home

New 1,500 SF home

New 800 SF home

Fee comparison for surrounding communities

Existing & Proposed Single Family New Construction Fees



| | Arlington - Current Rate \$75 per sf | Arlington - Proposed Rate (Sliding Scale) | Dallas | Fort Worth | Irving | Grand Prairie | Mansfield | Plano <i>(Fees revised in April 2019)</i> | Frisco | McKinney <i>(Fees revised after HB 852)</i> |
|------------|--------------------------------------|---|---------|------------|---------|---------------|-----------|--|---------|--|
| ■ 2,500 sf | \$1,325 | \$1,325 | \$1,287 | \$1,271 | \$1,230 | \$1,100 | \$1,610 | \$1,905 | \$1,431 | \$2,400 |
| ■ 1,500 sf | \$950 | \$960 | \$1,099 | \$1,131 | \$820 | \$1,100 | \$1,130 | \$1,425 | \$1,056 | \$1,440 |
| ■ 800 sf | \$637 | \$640 | \$970 | \$985 | \$533 | \$1,100 | \$788 | \$1,089 | \$714 | \$768 |

■ 2,500 sf ■ 1,500 sf ■ 800 sf



2019 Texas Legislature

HB 2439: Building Materials

Signed by Governor on June 14, 2019

Effective on September 1, 2019

1. Understanding of the Bill
2. Implementation Options
3. Options Details

□ Applicable to:

- Residential or Commercial buildings
- For new or renovation projects

□ Does not allow prohibition or limitation of approved building material or methods in the IRC and IBC (2012, 2015, 2018) as well as NEC (2011, 2014, 2017)

- Materials such as Corrugated Metal, EIFS, Wood, Vinyl, PVC siding, Aluminum siding would be allowed as exterior building materials for both residential and non-residential buildings
- Corrugated metal, R-panel, wood shingles, clay tiles would be allowed as roofing materials
- Affects the method of construction for hotels; thus left with only have chain-scale rating requirement

“Prohibits or limits, directly or indirectly, the use or installation of a building product or material in construction, renovation, maintenance, or other alteration of a residential or commercial building if the building product or material is approved for use by a national model code published within the last three code cycles that applies to construction, renovation, maintenance, or other alteration of the building.”

Applicable to:

- Residential and Commercial Buildings
- For new, addition, or renovation projects

Examples of exterior materials that would be permitted for commercial structures include;

| | | |
|---|--|----------------------|
| Aluminum Siding | Hardboard Siding | Polypropylene Siding |
| Basic Hardboard | High Pressure Decorative Exterior Grade Compact Laminate Systems (HPL) | Porcelain Tile |
| Exterior Insulation and Finish Systems (EIFS) | Masonry | Veneer |
| Fiber – Cement Siding | Metal | Vinyl Siding |
| Glass – Unit Masonry | Metal Composite Material Systems (MCM) | Wood |

“Prohibits or limits, directly or indirectly, the use or installation of a building product or material in construction, renovation, maintenance, or other alteration of a residential or commercial building if the building product or material is approved for use by a national model code published within the last three code cycles that applies to construction, renovation, maintenance, or other alteration of the building.”

1. Understanding of the Bill (cont.)

Applicable to:

- Residential and Commercial Buildings
- For new, addition, or renovation projects

Examples of exterior materials that would be permitted for residential structures include;

| | | |
|---|----------------------|----------------------------------|
| Aluminum Siding (Horizontal) | Masonry | Steel |
| Basic Hardboard | Metal | Veneer (Attached & Adhered) |
| Exterior Insulation and Finish Systems (EIFS) | Particleboard Panels | Vinyl Siding |
| Fiber – Cement Siding | Plaster/Stucco | Wood Siding |
| Hardboard Siding (Panel and Lap Siding) | Masonry | Wood (Structural and Lap Siding) |
| Insulated Vinyl Siding | Polypropylene Siding | Wood Shakes and Shingles |

“Prohibits or limits, directly or indirectly, the use or installation of a building product or material in construction, renovation, maintenance, or other alteration of a residential or commercial building if the building product or material is approved for use by a national model code published within the last three code cycles that applies to construction, renovation, maintenance, or other alteration of the building.”

1. Understanding of the Bill (cont.)

❑ Does not interfere with requiring certain building materials through consensual agreements, such as:

- ✓ Development agreements where authorized
- ✓ POA covenants and conditions
- ✓ 380 agreements
- ✓ * **Clarification needed:** Planned Developments
- ✓ * **Clarification needed:** Overlay districts
 - EDO, LCMUO
 - DB and DNO
 - Village on the Green

HOUSE RESEARCH ANALYSIS

Supporters say:

CSHB 2439 would reduce and prevent burdensome regulations that affect housing affordability and introduce government-driven distortions into the market for building materials and products.

The bill would pre-empt city ordinances and building codes that were enacted not for safety reasons but for the benefit of a particular vendor or industry that dealt in a certain building material or product. By mandating the use of expensive and exclusive building materials, cities drive up the cost of housing and other real property.

Concerns that the bill could lead to the proliferation of aesthetically out-of-place buildings such as metal homes are unfounded because the bill would not affect deed restrictions or development agreements, which allow property owners and developers to attain a certain consistent aesthetic throughout a community. In cases where deed restrictions or developer agreements did not apply, the market itself would provide a check on the construction or renovation of homes in aesthetically unappealing ways because homes of this kind are not in demand.

“This section does not apply to... a building located in a place or area designated for its historical, cultural, or architectural importance and significance by a governmental entity, if designated before April 1, 2019.”

☐ Incentivize developers to use preferable materials:

- Less time for approval process
- Less cost for application preparation OR application fees
- More certainty

Example 1: Require all Site Plans (SP) to go through P&Z and/or CC for approvals. However, if the developer is willing to use preferred materials, SP could be administratively approved.

Also, develop additional standards to screen buildings that are proposed to be built of materials other than the preferred such as larger front setbacks, larger buffer areas, and more landscape requirements, and infill compatibility standards.

☐ Create boiler plate Development or 380 Agreements – to be tied to the land with Zoning entitlements or Site Plan approvals

☐ Not entertain general use rezoning (encourage PD... based on the interpretation we find out)



REMEMBER: The goal is to have high-quality and aesthetically pleasing developments in Arlington

2. Implementation Options

| | Impact on Processes |
|------------------------------|--|
| SP – process (as an example) | <ul style="list-style-type: none"> ▪ Administrative SP process to be changed to P&Z and/or CC approval process. ▪ Development Agreements filed with the SP approval, or PD or SUP approvals. |
| PD vs. general use zoning | <ul style="list-style-type: none"> ▪ More PD cases |
| UDC Amendment | Typically, UDC amendments take 6 to 7 months time, to go through the entire process of public input, open house, chamber meetings, public hearing at P&Z, and two readings at City Council. |

Remember, the City's goal is to have high-quality and aesthetically pleasing developments in Arlington.

We DO NOT want to create poor developer-city working relationship. It is just the opposite of what we have been trying to accomplish in the last decade.

3. Option Details



2019 Texas Legislature

HB 3167: Shot Clock

Signed by Governor on June 14, 2019

Effective on September 1, 2019

1. Understanding of the Bill
2. Implementation Options
3. Option Details

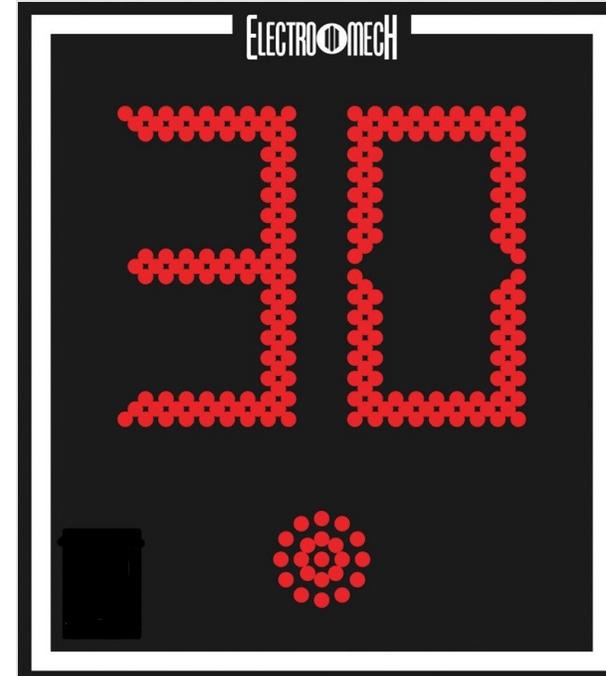
- ❑ Expands scope to include “plans” associated with subdivisions, such as:
 - Subdivision construction plans
 - Site plans
 - Land development applications
 - Site development plans
- ❑ Must “approve, approve with conditions, or disapprove” a plat **or plan**; otherwise automatically approved
- ❑ Establishes detailed form and content of responses to development applications

Legislative Purpose of the Bill

“It has been suggested that some political subdivisions circumvent statutory timelines for approving an application by simply denying the application with generic comments that do not fully address specific deficiencies with the application. [This bill] seeks to provide greater certainty and clarity for the process by setting out provisions relating to county and municipal approval procedures for land development applications.”



- ❑ Successive submittals:
 - 15 day shot clock
 - Limited to comments from the first round
- ❑ Applicant may request one 30-day extension, which requires P&Z approval
- ❑ Shot clock waivers, previously accepted by staff, will require Planning Commission approval
- ❑ Cities can't request waivers or set deadlines



□ Tighten completeness requirements

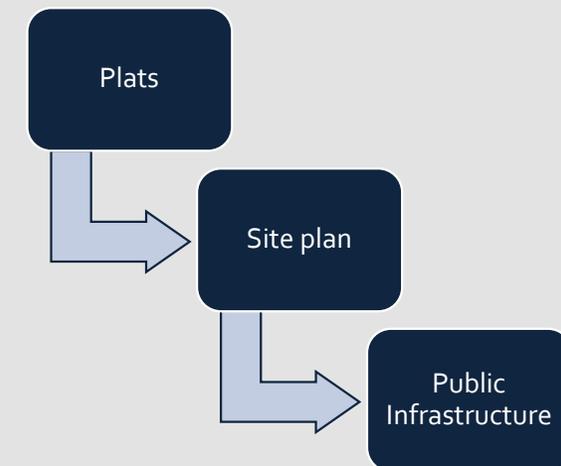
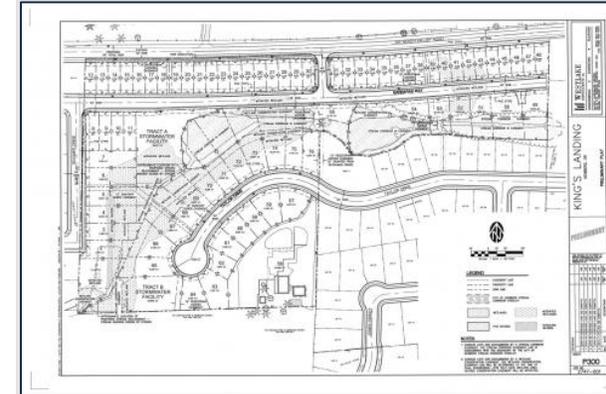
- Controls the shot clock
- Reduces deficiencies that must be cured

□ Sequencing versus concurrent review

- Preliminary Plat
- Site plan
- Public infrastructure
- **Final Plat**

□ Rigid agenda management

- Set intake calendar, back-tracking from P&Z meeting dates



2. Implementation Options

| | Impact on Processes |
|-----------------------------------|---|
| Tighten completeness requirements | <ul style="list-style-type: none"> More documents / information to be required for a complete submittal |
| Sequencing of plats and plans | <ul style="list-style-type: none"> Concurrent submittal process must change as each component is subject to the shot clock. Preliminary plat → Site plan Site plan → Public Infrastructure Public Infrastructure → Final Plat Final Plat → Building Permit |
| Rigid agenda management | <ul style="list-style-type: none"> No more light agenda months for Planning Commission; some special meetings may be needed Greater precision needed with written comments Revisions to standard comments generated during EPR |

3. Option Details

1. Pre-Application Meetings:

- Only available on certain days of the month.
- \$100 fee/ half-hour
- These fees could be credited towards the permit fee when an application is submitted.

2. Site Plan & PI – fold it into one application:

- Separate fee
- A residential subdivision (after Final Plat) will need a Site Plan approval, prior to accepting residential building permits. Impacted by the Shot Clock bill. A Site Plan conditioned upon preferred building materials on the homes can be administratively approved. If not using preferred materials, that Site Plan will need P&Z approval ... placed on agenda within 30 days of submittal completeness.
- A Commercial Site Plan for one lot will only need to be approved by P&Z, if they are not using preferred materials

3. Expedited Review

- SP/PI review by team of senior reviewers together in a meeting
- Separate fee
- Available only for projects using preferred materials

3. Option Details

Other applications ready to be submitted online on [ArlingtonPermits.com](https://www.ArlingtonPermits.com)

Application and Fee

- Plat
- Zoning
- Public Improvement
- Site Plan (no fee)

Gas Well

- Annual Inspection Fee
- Application Fee (application submitted in person)

Questions?