



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: October 26, 2007 REPORT NO. 07-175
ATTENTION: Council President and City Council
Docket of October 30, 2007
SUBJECT: Waiver of City Fees Associated with City of San Diego 2007
Wildfire Damage

REQUESTED ACTION:

Should the City Council waive building permit and demolition permit fees and provide vouchers for recycling of source separated concrete slabs and bricks, and for disposal of unrecyclable debris associated with the demolition of fire damaged or destroyed building property within the City of San Diego (City)?

STAFF RECOMMENDATIONS:

1. Adopt the resolution waiving demolition permit and building permit fees and provide vouchers for recycling of source separated concrete slabs and bricks, and for disposal of unrecyclable debris associated with the demolition of fire damaged or destroyed building property within the City.
2. Adopt the resolution designating fire reconstruction permit applications resulting from the 2007 wildfires to be the highest priority for expedited development review of building permits in the City.

SUMMARY:

The recent wildfires resulted in significant property destruction and damage within the City of San Diego. Latest damage assessments indicate that 362 homes were destroyed and another 62 homes sustained fire damage in Rancho Bernardo; property damage was also sustained in the San Pasqual Valley.

Following the Cedar Fire, the City Council adopted Resolution R-298600 which waived demolition permit fees and waste disposal fees at the Miramar Landfill, and reimbursed costs of recycling concrete slabs and bricks, all associated with the demolition of fire damaged or destroyed buildings within the City. The Resolution also waived building permit fees and gave priority to permit applications for reconstruction of such buildings. The General Fund reimbursed the Development Services Department (DSD) and Environmental Services Department (ESD) Enterprise funds for this waiver and reimbursement program. The same permit fee waivers are being recommended for those property owners affected by this year's fire. Similar relief is proposed for recycling mixed construction and demolition waste, concrete slabs

and bricks, and unrecyclable debris generated as a result of the demolition related to the damaged residences, with a new emphasis on recycling.

DISCUSSION:

The attached resolution provides for waiver of demolition permit fees, a voucher program for waste disposal fees at the Miramar Landfill, recycling fees at City approved facilities, and waiver of building permit fees associated with the demolition of fire damaged or destroyed buildings within the City.

Building Permit and Demolition Permit Fees:

Development impact fees, water and sewer connection fees, and capacity fees will not be charged for new structures replacing those destroyed in the fire because there are no new development impacts to the community and reconstructed buildings can use their existing water and sewer connection. Fire reconstruction related demolition permits will be administered as a no-charge administrative process.

Waste Disposal and Recycling Vouchers:

The attached resolution provides for the provision of vouchers for waste disposal fees at the Miramar Landfill, and recycling costs at City approved facilities associated with the demolition of fire damaged or destroyed building property within the City of San Diego. Unless otherwise directed by the City Council, these vouchers will only apply to fire-related debris generated in the City of San Diego during the demolition phase.

Given the expected volume of concrete slab and brick debris which can be recycled at several facilities around the region; and soft, above slab debris which can be recycled at a recently opened mixed C & D recycling facility; recycling of these materials should be implemented in conjunction with any disposal fee voucher for Miramar Landfill. Currently, it is common practice in the industry to recycle these materials at privately operated facilities. Providing only disposal fee waivers for C & D waste disposed to Miramar Landfill will reduce the incentive for haulers to recycle these materials at local recycling facilities. In order to demonstrate good faith efforts to comply with State waste diversion mandates and to comply with its own C & D policy, the City will provide vouchers to offset the cost paid at approved facilities to recycle these materials and not allow the material to be disposed of in the City's landfill. The ESD is coordinating with private concrete recyclers to determine if they will provide free recycling for concrete slabs and chimney, garden, and wall paver materials delivered to their facilities.

A process will be developed and implemented by ESD in cooperation with DSD to ensure that vouchers are distributed at the time demolition permits are issued. Recycling of these materials must occur in order for the City to continue to demonstrate a good faith effort to achieve state waste diversion mandates and avoid penalties for non-compliance. State mandates require the City to divert 50 percent of the waste generated in the City from disposal. Currently, the City's diversion rate is 52 percent. If the 50 percent diversion is not maintained, the City faces fines of up to \$10,000 per day. Consequently, the City should encourage the diversion of recyclable wastes to the maximum extent possible. It is recommended that the City provide recycling vouchers as the most cost effective way to accomplish this portion of the fee waiver proposal.

Estimated Costs:

Building Permit and Demolition Permit Fees:

Based on the results of the Cedar fire, the estimated cost to waive all fire reconstruction building permits and building demolition permits for 362 destroyed homes and 62 damaged homes is estimated to be \$500,000 in Fiscal Year (FY) 2008 and \$200,000 in FY 2009 for a total of \$700,000.

The replacement of destroyed homes with an equivalent structure will not require any discretionary permits. New homes that exceed the equivalency of the previous structure (e.g. substantial increase in floor area, replacement of previous single story structure with a multistory structure) could trigger the need for a discretionary permit. Any new discretionary permit costs associated with proposed construction that is not in substantial conformance with prior discretionary permits are not included in the fee waiver.

Waste Disposal and Recycling Vouchers:

Based on the results of the demolition of homes damaged and destroyed by the Cedar fires of 2003, it is estimated that from each destroyed and damaged home there will be approximately 90 tons of concrete and brick (including slabs, chimneys, garden walls and pavers), which will generate 38,160 tons of concrete; 41 tons per home of above slab debris, which will generate approximately 17,380 tons of recyclable mixed C&D; and 5 tons of un-recyclable waste, which will generate 2,120 tons of waste disposed. Using a mixed C & D recycling fee of \$65/ton, a concrete recycling fee of \$9.26/ton, and a disposal fee of \$43.00/ton this equates to approximately \$1.3 million to \$1.6 million total impact for FY 2008-09. The range is predicated on finalizing the extent of the participation of the private sector in providing recycling discounts.

Funding Sources:

The Development Services building permit fee and Environmental Services refuse disposal fees are Enterprise Fund fees. Development Services Department is financed and operated by development fees in accordance with Government Code sections 66000 through 66025. The Refuse Disposal and Recycling Enterprise Funds have been established to provide for specific services funded directly by fees to users limited by San Diego Municipal Code section 66.0127(c)(4) and Government Code section 66016. Payment of fees by some users cannot be used to subsidize services provided to other users. Waiving the building and waste disposal fees requires reimbursement by the General Fund or other sources. Staff will return to City Council to request that funds be appropriated from General Fund reserves or other sources to reimburse the Development Services and Environmental Services funds for revenue not realized due to the waiver of fees. The Mayor will work with the Auditor and Comptroller and other government agencies to explore additional funding sources.

Additionally, the proposed waiver of fees for property owners affected by wildfires has raised a similar question about assistance to those property owners recently impacted by the Mount Soledad landslides. Staff will revisit this issue once additional technical information is received and will report back to City Council.

FISCAL CONSIDERATIONS:

Based on the results of the Cedar fire, it is estimated that the combined cost of waiving building and demolition permit fees and the voucher program for waste disposal fees and recycling costs totals \$ 2.3 million. The estimated impact by fiscal year is \$1.7 million in FY 2008 and \$580,000 in FY 2009.

Plan check and building inspection services due to the reconstruction of fire destroyed buildings will be provided by current staff.

PREVIOUS COUNCIL/COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH:

None.

ENVIRONMENTAL IMPACT:

The proposed waiver of permit and waste disposal fees are exempt from CEQA Pursuant to Section §15061 (b) (3).

CONCLUSION:

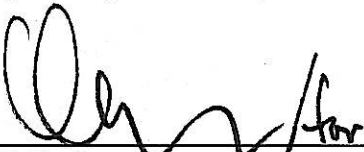
The passage of the attached resolution will provide all building owners who were affected by the 2007 wildfires relief from building and demolition permit costs needed to rebuild or repair buildings. It will also establish a voucher program for waste disposal and recycling costs for the demolition of buildings that were destroyed or damaged within the City.

Based on City Council approval, staff will work closely with affected property owners and any homeowners associations in each affected community to assist in the rebuilding process.

ALTERNATIVE:

Do not waive fees and provide recycling vouchers for all owners of fire destroyed or damaged structures but instead waive fees only for homeowners who are uninsured or underinsured. This will require an amendment to the attached resolution.

Respectfully submitted,



Patti Boekeamp
Development Services Director



Elmer Heap
Environmental Services Director



Approved: William Anderson, FAICP
Deputy Chief Operating Officer