

#### **AGENDA TITLE**

Zoning Ordinance Amendment to Add Construction Time Limit Regulations; Modify the Length of Validity of Certain Permits; and Modify the Duties of the Zoning Administrator - ZOA 09-002

#### RECOMMENDATIONS

- Conduct a public hearing on the proposed Zoning Ordinance Amendment to add Construction Time Limit Regulations, modify the Length of Validity of Certain Permits; and modify the duties of the Zoning Administrator; and
- Introduce the Zoning Ordinance Amendment for a first reading.

#### SUMMARY

The draft ordinance amends the Zoning Ordinance to add regulations on the duration of construction projects; modify the period of validity for Administrative Design Review Permits, Design Review Permits, and Non-Conformity Permits; and modify the duties of the Zoning Administrator. The City Council reviewed the draft ordinance on October 20, 2009, made several changes, and referred the ordinance to the Planning Commission for further review. The Planning Commission recommended City Council approval of the draft ordinance with additional wording to clarify that:

- The Construction Time Limit regulations are applicable to projects which obtain an amendment of an existing design review permit;
- The maximum penalty for failure to complete construction is the <u>lesser of 20%</u> of the project value or \$200,000; and
- The Zoning Administrator can grant time extensions for Design Review Permits, or refer the request to the Planning Commission.

#### **BACKGROUND**

Sausalito does not currently have a time limit on the duration of construction projects. There are time limits imposed under the Zoning Ordinance on the period of validity for some types of permits and the Building Code requires that a project have periodic "inspectable" events for the building permit to remain active. These types of time limits do not, however, address the problem which the attached ordinance is designed to mitigate – the ongoing construction project.

In response to the negative impacts caused by lengthy construction projects including the detrimental effects on residential neighborhoods caused by noise and construction traffic the City Council directed staff to prepare construction time limit regulations.

Beginning in May 2009 the Planning Commission held public hearings on the draft regulations, followed by City Council public hearings in July and September 2009. The draft regulations were considered by the Legislative Committee in late September and mid-October 2009. On October 20, 2009 the City Council directed staff to make several modifications and referred the draft regulations to the Planning Commission for consideration of deletion of a requirement that applicants must complete a foundation inspection in order to implement certain discretionary permits (Section 10.50.120.A).<sup>1</sup>

Item: 58
Meeting Date: 11-17-09

Page: 1

The October 20, 2009 the City Council staff report is available at the following website link: http://www.ci.sausalito.ca.us/index.aspx?recordid=1306&page=43.

The Planning Commission's recommendations, including the direction provided by City Council on October 20, 2009, are reflected in the attached clean copy of the ordinance (**Attachment 1**). Also attached is a redlined copy of the ordinance (**Attachment 2**) which highlights the changes made since the Council's last review of the draft ordinance on October 20, 2009.

#### DISCUSSION

The modifications directed by the City Council are listed below and discussed in the November 4, 2009 Planning Commission staff report (see **Attachment** 3):

- Additional time for construction time limit extensions.
- Addition of a "weather-related grading restrictions" factor as a basis for granting a time extension for the construction time limits.
- Require noticed public hearings when the Staff Committee meets to consider time extension requests. Upon further review, staff revised this section to allow the Zoning Administrator to review time extensions requests instead of the Staff Committee.
- Clarify that the construction time limit "clock" is not stayed as a result of enforcement actions (e.g., red-tags, citations) for violations of the Municipal Code.
- Revise the Zoning Ordinance regulations pertaining to Implementation of Permits to delete wording that a foundation inspection must be conducted by the Building Official.

The Planning Commission also recommended the following modifications:

- Clarify that the Construction Time Limit regulations are applicable to projects which obtain an amendment of an existing design review permit. [Section 10.54.100.B]
- Stipulate that the maximum penalty for failure to complete construction by the applicable time limit is the <u>lesser of 20%</u> of the project value or \$200,000. Prior staff reports and draft ordinances contained conflicting wording on whether the maximum penalty is the <u>lesser of 10%</u> or <u>greater of 10%</u> of the project value or \$200,000. [Section 10.54.100.E.1]
- Clarify that the Zoning Administrator can grant time extensions for Design Review Permits, or refer the request to the Planning Commission. Existing wording appeared to preclude the Zoning Administrator from making such decisions. [Section 10.54.050.K]

#### **ENVIRONMENTAL REVIEW**

The proposed amendments, which do not affect any changes in land use or density, are categorically exempt from environmental review in accordance with Section 15305 (Minor Alterations in Land Use Limitations) of the California Environmental Quality Act Guidelines

#### GENERAL PLAN CONSISTENCY

Staff has reviewed the General Plan objectives and policies and determined the proposed ordinance is consistent with the General Plan, including the following applicable objective, policy, and program:

 Objective LU-1.0. Protect and Maintain the Character of Residential Neighborhoods. Maintain the character, diversity and long term viability of the City's residential neighborhoods by establishing residential land use districts that reflect the predominant land use, scale, density, and intensity of existing development.

Meeting Date: 11-17-09

Page: \_\_\_\_\_2

- Policy LU-1.8. Consider the impact of traffic on the City street system in locating development in all residential zoning districts.
- Program LU-2.5.1. Review the existing zoning ordinance use restrictions and development standards to assure conflicts are minimized.

#### PUBLIC NOTICE AND CORRESPONDENCE

Notice of this public hearing was published in the *Marin Independent Journal* and posted in accordance with the requirements of Chapter 10.82 (Public Notice and Hearings).

Correspondence received after the preparation of the Planning Commission staff report is provided as **Attachment 4**. Correspondence submitted after the preparation of this staff report will be posted on the City's website (http://www.ci.sausalito.ca.us/) and available at the City Council public hearing.

#### **FISCAL IMPACT**

The proposed ordinance has the potential to generate an unknown amount of revenue for the City through the imposition of penalties. At this time it is not possible to project that revenue amount. There is also a cost to the City of staff time in implementing the regulations.

#### RECOMMENDATIONS

The Planning Commission and Staff recommend the City Council take the following actions:

- 1. Open the public hearing on the proposed Zoning Ordinance Amendment provided in Attachment 1;
- 2. Make any appropriate modifications;
- 3. Close the public hearing; and
- 4. Introduce the Zoning Ordinance Amendment for a first reading.

#### **ATTACHMENTS**

PREPARED BY:

- 1. Ordinance (Draft), dated November 11, 2009
- 2. Ordinance (Draft), dated November 11, 2009 -- Redlined copy showing revisions since Council's last review on 10/20/09
- 3. Planning Commission Staff Report, dated 11/4/09
- 4. Email from Raymond Withy, date stamped 11/4/09

Jeremy Graves, AICP

Community Development Director

**REVIEWED BY:** 

Mary Anne Wagner

City Attorney

SUBMITTED BY:

Adam Politzer
City Manager

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Meeting Date: 11-17-09

Page: \_\_\_\_3\_

and the community generally in the safe and peaceful enjoyment of their properties;

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5. The time limits adopted in this Section 10.54.100 allow an adequate and reasonable amount of time for the kinds of construction projects undertaken in the City; and

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6. Substantial penalties should be imposed upon persons who violate the time limits imposed pursuant to this Section 10.54.100, so as to encourage compliance with such time limits and achieve the purposes of this Section 10.54.100.

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**B.** Construction Time Limit Required. As part of any application for a construction permit for a project which obtained a design review permit, obtained an amendment of an existing design review permit, or should have obtained a design review permit (including, without limitation, any such application with respect to improvements that have been constructed without or in violation of an existing valid design review permit, or administrative design review permits for the purposes of this Section 10.54.100), the applicant shall file a reasonable estimate of the value of the project. and based thereon, a construction time limit shall be established for the project in accordance with the criteria set forth in subsection C below. The applicant shall submit information reasonably requested by the Community Development Director to support the estimated value of the project such documentation may include without limitation an executed construction contract. Compliance with such time limit shall become a condition of the design review permit. The time for completion of the construction shall also be indicated on the construction permit. For projects exceeding \$500,000 in project valuation, a detailed GANTT chart (or other graphic display acceptable to the Community Development Director) depicting the sequence of steps necessary for completion of the project, including detailed information on the critical path of the project, duration of critical tasks, and predicted inspection dates. shall be submitted prior to the issuance of any construction permit. Once approved. the property owner shall provide the City with written quarterly job progress reports consistent with the approved chart.

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C. Construction Time Limit. Except where a longer time period is approved pursuant to subsection D below, the maximum time for completion of approved alterations, additions, modifications, repairs, or new construction, following issuance of the construction permit, shall not exceed the following limits. These limits are not altered or extended by work delays or stoppages due to the enforcement actions resulting from violation(s) of the Municipal Code.

Estimated Value of Project	Construction Time Limit*	
\$0 to \$500,000	18 months	
\$500,001 to \$1,000,000	24 months	
Greater than \$1,000,000	30 months	

\* For landscaping work (including retaining walls and grading) approved as part of the construction project, the applicant shall have an additional ninety (90) days to complete the landscaping work after final building inspection approval or issuance of an occupancy permit (whichever occurs later) for the main construction project. This additional ninety (90) days shall not apply to construction projects solely comprised of landscaping.

#### D. Construction Time Limit Extension.

1. a. Construction Activities. Prior to or following the commencement of construction an applicant may apply for one or more extension(s) of the established construction time limit; provided, however in no event shall any single extension granted exceed one hundred eighty (180) days, nor shall the total extension(s) granted exceed the following:

Estimated Value of Project	Construction Time Limit Extension
\$0 to \$500,000	270 days
\$500,001 to \$1,000,000	360 days
Greater than \$1,000,000	360 days

b. Landscaping Activities. For landscaping work (including retaining walls and grading) approved as part of the construction project, the applicant may apply for an extension not to exceed thirty (30) days beyond the ninety (90)-day landscaping time limit specified in subsection C above. Such application shall be filed prior to the expiration of the 90-day time limit and shall be considered by the Community Development Director, who shall have the authority to grant said extension only if, in his or her opinion, such extension beyond the 90-day landscaping time limit is warranted because of delays caused by inclement weather or circumstances beyond the property owner's control.

2. Application Contents. An application for an extension of the construction time limit shall be accompanied by complete working drawings for the construction, a written explanation of the reasons for the requested extension, and a fee as established by resolution of the City Council.

3. Public Hearing and Notice. Within fifteen (15) working days of receipt of a complete application for an extension in accordance with subsection D.1.a above, the Zoning Administrator shall hold a public hearing on the said application. The Zoning Administrator may obtain input from the Building Inspector and the City Engineer.

4. Findings. The Zoning Administrator may grant an extension if the following findings can be made:

a. Such extension will not have a material deleterious effect on the neighborhood in which the project is located; and

- 1 b. Any one or more of the following factors is present and presents an unusual 2 and substantial obstacle to complying with the standard construction time 3 limit: 4 i. Site topography; 5
  - ii. Site access;

  - iii. Geologic issues;
  - iv. Neighborhood considerations;
  - v. Weather-related grading restrictions; or
  - vi. Other unusual factors (except lack of financing).
  - 5. Conditions of Approval. The Zoning Administrator may apply reasonable conditions of approval deemed necessary to fulfill the purposes of this Section 10.54.100.
  - 5. Notice of Decision. The decision of the Zoning Administrator shall be in the form of a written resolution and shall include the findings upon which the decision is based, applicable conditions of approval, and a summary of the appeal process. A written decision shall be mailed to the applicant and all parties who participated in the process via oral or written comments.
  - 6. Appeals. The decision of the Zoning Administrator may be appealed to the Planning Commission in accordance with the procedures of Chapter 10.84.

#### E. Penalties.

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29 30 1. If a property owner fails to complete construction by the applicable time limit established in this Section 10.54.100, the property owner shall be subject to the following penalties payable to the City:

Period of Time That Project Remains Incomplete Beyond Applicable Time Limit	Penalty
First 60 days	\$400 per day (i.e., \$24,000 maximum penalty applicable to this 60-day period)
61st through 120th day	\$600 per day (i.e., \$36,000 maximum penalty applicable to this 60-day period)
121st day and every day thereafter	\$800 per day (to a maximum of the lesser of 20% of project value or \$200,000)

2. Penalties, fees and costs due to the City pursuant to this subsection E are due each day as the penalties accrue.

#### F. Deposits.

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- 1. Upon reaching the time limits set out in subsections C and D, if construction has not been completed, or if no final inspection has been made or a certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department a refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time period of two (2) years) in the amount of Twenty Four Thousand Dollars (\$24,000), plus a non-refundable administrative fee as established by resolution of the City Council.
- 2. If no deposit is made as provided in subsection F.1 above, the building official shall issue a stop work order.
- 3. On or before the sixtieth (60<sup>th</sup>) day that the project has remained incomplete, and no final inspection has been made and no certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department an additional refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time period of two (2) years) in the amount of Thirty Six Thousand Dollars (\$36,000), plus a non-refundable administrative fee as established by resolution of the City Council.
- 4. If no deposit is made as provided in subsection F.3 above, the building official shall issue a stop work order.
- 5. On or before the one hundred twentieth (120<sup>th</sup>) day that the project has remained incomplete, and no final inspection has been made and no certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department an additional refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time period of two years) in the amount of One Hundred Forty Thousand Dollars (\$140,000), plus a non-refundable administrative fee as established by resolution of the City Council.
- 6. If no deposit is made as provided in subsection F.5 above, the building official shall issue a stop work order.
- 7. If the property owner fails to complete construction by the applicable time limit, the applicable penalties shall accrue daily up to the maximum set out in subsection E.
- 8. If the property owner believes that the failure to meet the applicable time limit was caused by circumstances beyond the property owner's control, the property owner may file a written statement to that effect with the Community Development Director at the time of making the deposit as described in subsections F.1, 3 and/or 5 above and provide any documentation substantiating

such grounds of appeal and the effect on the construction. If the property owner makes such filing, no part of the deposit cash or other security instrument shall be forfeited to the City if construction is completed within thirty (30) days of the deposit. If construction is completed after the thirty (30) days and the Community Development Director concurs with the property owner's statement as to the cause of the failure to meet the deadline, the Community Development Director shall waive the penalty and return the cash deposit or other security instrument to the property owner. If the Community Development Director does not concur with the property owner's statement, such statement shall be treated as an appeal under subsection G below and all the provisions of that subsection shall apply. As used in this Section 10.54.100, the term "circumstances beyond the property owner's control" shall mean events outside the property owner's reasonable control that are not caused by the property owner's willful or unlawful misconduct or gross negligence (or that of the property owner's contractor or subcontractors), such as acts of God, earthquake, labor disputes that are not caused, directly or indirectly by the property owner or the property owner's contractor or subcontractors, shortages of supplies, riots, war, acts of terrorism, fire, epidemics, or delays of common carriers. A failure of a lender to make or fund a loan commitment shall not be deemed to be a "circumstances beyond the property owner's control."

9. If construction is completed after the applicable time limit, and the Community Development Director does not concur with the property owner's statement pursuant to subsection F.8, the City shall draw on the deposit or other security instrument in the amount of the applicable penalties; provided, however, that in the event of an appeal, the City shall not draw on the deposit or other security instrument until the Planning Commission and, if applicable, the City Council has rendered its decision as set forth in subsection G.

10. After construction is completed and all applicable penalties received by the City, any remaining cash or security instrument deposit shall be refunded or returned to the account of the property owner.

### G. Appeals.

1. A penalty imposed pursuant to subsections B through F may be appealed to the Planning Commission on the grounds that the property owner was unable to comply with the applicable time limit as a result of circumstances beyond the property owner's control. There shall be no right to appeal until construction is completed. Any person aggrieved by the decision of the Planning Commission on the appeal may appeal to the City Council in accordance with the procedures of Chapter 10.84.

2. At the time the appeal is filed or within two (2) weeks thereafter, the appellant shall submit documentary and other evidence sufficient to establish that design decisions, construction drawings and documents, bids and construction contracts,

permit applications, and compliance with all required permit conditions were undertaken in a diligent and timely manner. Documentary evidence shall include, but not be limited to, dated design contracts, date-stamped plans, dated construction contracts and material orders, and proof of timely payment of any deposits or fees required pursuant to any of the foregoing items. The documentary and other evidence shall demonstrate that construction delays resulted from circumstances beyond the property owner's control and despite diligent and clearly documented efforts to achieve construction completion within the applicable time limit. Penalties imposed pursuant to this Section 10.54.100 shall not be modified or cancelled unless all evidence required by this subsection G.2 is submitted at the time of appeal.

#### H. Enforcement.

1. This Section 10.54.100 shall apply to all construction, including all additions, alterations, modifications, repairs, and improvements, that requires a design review permit, including a design review permit for such construction undertaken before the application for the design review permit or an amended design review permit with respect to such construction previously undertaken without a design review permit or outside a previously-issued design review permit. The time limit for completion of any design review permit issued after January 1, 2009 shall be extended from the effective date of this ordinance pursuant to the time limits specified in subsections C and D.

2. Any penalty due under subsection E in excess of the deposit made under subsection F shall be a personal debt owed to the City by the property owner(s) and, in addition to all other means of enforcement and collection, shall become a lien against the said property and shall be subject to the same penalties (including interest thereon at the maximum rate allowed by law from the date the lien attaches until the date of payment) and the same procedure and sale in case of delinquency as provided for ordinary municipal taxes.

#### I. Violations.

1. A violation of this Section 10.54.100 is a misdemeanor and shall be punished as provided in Chapter 1.05. A civil action may be commenced to abate, enjoin, or otherwise compel the cessation of violation of any provision in this Section 10.54.100. In a civil action brought pursuant to this Section 10.54.100 in which the City prevails, the court may award to the City all costs of investigation and preparation for trial, the costs of trial, reasonable expenses including overhead and administrative costs incurred in prosecuting the action, and reasonable attorney fees.

2. As part of a civil action brought by the City, a court may assess against any person who commits, allows, or maintains a violation of any provision of this Section 10.54.100 a civil penalty in an amount not to exceed Five Thousand

1 2		Dollars (\$5,000.00) per daily violation. The civil penalty is separate and distinct from penalties imposed pursuant to this Section 10.54.100.
3		nom penanties imposed parsuant to time section 2010 112001
4 5	3.	Upon any guilty plea or judgment or conviction, in any criminal proceeding brought for the violation of this Section 10.54.100, where the defendant is entitled
6		by law to probation, then the court may require the payment to the City of the costs and expenses as described above and the code provision incorporated by
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8 9		reference as one of the conditions of such probation.
10	4.	The building official or the Community Development Director is authorized to
11	4.	order work stopped whenever work is being done contrary to the provisions of
12		this Section 10.54.100.
13		this section 10.34.100.
14	5.	Any violation of this Section 10.54.100 shall constitute a public nuisance and, in
15	٦.	addition to being subject to any other remedies allowed by law, may be abated as
16		provided by law."
17		provided by law.
18	Section	<b>n 2.</b> Section 10.50.120.A of the Sausalito Municipal Code is hereby amended in its
19		y to read as follows:
20	CITCITO	to read as renews.
21	"A.	Conditions of approval prerequisite to construction have been satisfied and any
22		ed construction permits have been issued; or"
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24	Section	<b>n 3.</b> Section 10.54.040 of the Sausalito Municipal Code is hereby amended to add
25		Section J to read as follows:
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27	"J.	Expiration of Permit. Administrative Design Review Permits shall expire two (2)
28	years f	following the effective date of the permit, provided no extension has been filed
29	prior to	the expiration date."
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31	Section	<b>n 4.</b> Section 10.54.050. J of the Sausalito Municipal Code is hereby amended in its
32	entiret	y to read as follows:
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34	"J.	Expiration of Permit. Design Review Permits shall expire two (2) years following
35		ective date of the permit, provided no extension has been filed prior to the
36	expirat	tion date."
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38		<b>n 5.</b> Section 10.54.050.K of the Sausalito Municipal Code is hereby amended in its
39	entiret	y to read as follows:
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41	"K.	Extension. The applicant may request an extension of a Design Review Permit
42	•	the expiration of the permit. The Zoning Administrator or the Planning
43	Comm	ission (upon receipt of a referral from the Zoning Administrator) may grant one (1)

extension for up to one (1) year, in accordance with Section 10.50.140 (Extension of

Approved Permits)."

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1 2 3	<b>Section 6.</b> Section 10.62.070 of the Sausalito Municipal Code is hereby amended to add a new Section K to read as follows:		
5 6 7 8	following the eff at the time of app	n of Permit. Nonconforming Permits shall expire two (2) years ective date of the permit, unless a different expiration date is stip roval, a construction permit has been issued and construction dilermit is extended."	
9 10		on 10.80.040.B of the Sausalito Municipal Code is hereby amendation 6 to read as follows:	led to
11 12 13	"6. Extension	s of construction time limits, in accordance with Section 10.54.1	l00.D."
14 15 16 17	California Enviro	doption of this ordinance is exempt from the application of the inmental Quality Act, Public Resources Code section 21000, <i>et s</i> section 15305 (Minor Alterations in Land Use Limitations).	seq., in
17 18 19 20 21 22 23 24	preserve its valid ordinance is for a affect the validity declares that it w clause or phrase	ordinance shall be liberally construed to achieve its purposes and ity. If any section, subsection, sentence, clause or phrase of this my reason held to be unconstitutional or invalid, such decision slaw of the remaining portion of this ordinance. The City Council has build have passed this ordinance and every section, subsection, subsection, irrespective of the fact that any one or more sections, ences, clauses or phrases be declared unconstitutional or invalid.	hall not ereby entence,
25 26 27 28	Section 10. This of its adoption.	Ordinance shall be in full force and effect thirty (30) days after	the date
29 30		Ordinance shall be published once within fifteen (15) days after tion in a newspaper of general circulation in the City of Sausalit	
31 32 33 34 35 36	Council on the _	ING ORDINANCE was read at a regular meeting of the Sausali day of 2009, and was adopted at a regular meeting day of, 2009 by the following vote:	ito City 1g of the
37 38 39	AYES:	COUNCILMEMBER:	
40 41	NOES:	COUNCILMEMBER:	
42 43	ABSENT:	COUNCILMEMBER:	
44 45 46	ABSTAIN:	COUNCILMEMBER:	

1		Mayor
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3	ATTEST:	
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7	Debbie Pagliaro, City Clerk	
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10	CDD\Project - Non Address\ZOA\2009\09-002\Ord - 10-PC Recommendations - Review	sed November 11, 2009
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and the community generally in the safe and peaceful enjoyment of their properties;

5. The time limits adopted in this Section 10.54.100 allow an adequate and reasonable amount of time for the kinds of construction projects undertaken in the City; and

6. Substantial penalties should be imposed upon persons who violate the time limits imposed pursuant to this Section 10.54.100, so as to encourage compliance with such time limits and achieve the purposes of this Section 10.54.100.

**B.** Construction Time Limit Required. As part of any application for a construction permit for a project which obtained a design review permit, obtained an amendment of an existing design review permit, or should have obtained a design review permit (including, without limitation, any such application with respect to improvements that have been constructed without or in violation of an existing valid design review permit, or administrative design review permits for the purposes of this Section 10.54.100), the applicant shall file a reasonable estimate of the value of the project, and based thereon, a construction time limit shall be established for the project in accordance with the criteria set forth in subsection C below. The applicant shall submit information reasonably requested by the Community Development Director to support the estimated value of the project such documentation may include without limitation an executed construction contract. Compliance with such time limit shall become a condition of the design review permit. The time for completion of the construction shall also be indicated on the construction permit. For projects exceeding \$500,000 in project valuation, a detailed GANTT chart (or other graphic display acceptable to the Community Development Director) depicting the sequence of steps necessary for completion of the project, including detailed information on the critical path of the project, duration of critical tasks, and predicted inspection dates, shall be submitted prior to the issuance of any construction permit. Once approved, the property owner shall provide the City with written quarterly job progress reports consistent with the approved chart. Prior to the commencement of any construction work on the project, the applicant may apply for an extension of the established time limit as provided in subsection D below.

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38 39 C. Construction Time Limit. Except where a longer time period is approved pursuant to subsection D below, the maximum time for completion of approved alterations, additions, modifications, repairs, or new construction, following issuance of the construction permit, shall not exceed the following limits. These limits are not altered or extended by work delays or stoppages due to the enforcement actions resulting from violation(s) of the Municipal Code.÷

Estimated Value of Project	Construction Time Limit*	
\$0 to \$500,000	18 months	
\$500,001 to \$1,000,000	24 months	
Greater than \$1,000,000	30 months	

\* For landscaping work (including retaining walls and grading) approved as part of the construction project, the applicant shall have an additional ninety (90) days to complete the landscaping work after final building inspection approval or issuance of an occupancy permit (whichever occurs later) for the main construction project. This additional ninety (90) days shall not apply to construction projects solely comprised of landscaping.

### D. Extension of Construction Time Limit Extension.

1. a. Construction Activities. Prior to or following the commencement of construction an applicant may apply for one or more extension(s) of the established construction time limit; provided, however in no event shall any single extension granted exceed one hundred eighty (180) days, nor shall the total extension(s) granted exceed the following: an additional one hundred eighty (180) days.

Estimated Value of Project	Construction Time Limit Extension
\$0 to \$500,000	<u>270 days</u>
\$500,001 to \$1,000,000	<u>360 days</u>
Greater than \$1,000,000	<u>360 days</u>

- b. Landscaping Activities. For landscaping work (including retaining walls and grading) approved as part of the construction project, the applicant may apply for an extension not to exceed thirty (30) days beyond the ninety (90)-day landscaping time limit specified in subsection C above. Such application shall be filed prior to the expiration of the 90-day time limit and shall be considered by the Community Development Director, who shall have the authority to grant said extension only if, in his or her opinion, such extension beyond the 90-day landscaping time limit is warranted because of delays caused by inclement weather or circumstances beyond the property owner's control.
- 2. <u>Application Contents.</u> An application for an extension of the construction time limit shall be accompanied by complete working drawings for the construction, a written explanation of the reasons for the requested extension, and a fee as established by resolution of the City Council.
- 3. Public Hearing and Notice. Within fifteen (15) working days of receipt of a complete application for an extension in accordance with subsection D.1.a above, the Zoning Administrator shall hold a public hearing on the said application. The Zoning Administrator may obtain input from shall be reviewed by a committee consisting of the Community Development Director, the Building Inspector, and the City Engineer. meeting together with the project contractor, architect, and, at the applicant's option, the applicant and/or any other representatives of the applicant.

- <u>4.</u> Findings. The <u>Zoning Administrator committee</u> may grant an extension if <u>the following findings can be made:</u>
  - a. it is determined by the committee that (i) sSuch extension will not have a material deleterious effect on the neighborhood in which the project is located; and
  - a-b.(ii) aAny one or more of the following factors is present and presents an unusual and substantial obstacle to complying with the standard construction time limit:
    - ia. Site topography;
    - iib. Site access;
    - iiie. Geologic issues;
    - ivd. Neighborhood considerations;
    - ve. Weather-related grading restrictions; or
    - vif. Other unusual factors (except lack of financing).
- 54. The committee shall have the authority to approve requests for extension, subject solely to the guidelines of subsection D.3 above; provided, however, that such extensions do not result in a total construction time limit exceeding thirty-six (36) months. Any modification by the committee of the original construction time limit shall not extend the existing expiration date of the design review permit. Conditions of Approval. The Zoning Administrator may apply reasonable conditions of approval deemed necessary to fulfill the purposes of this Section 10.54.100.
- 5. Notice of Decision. The decision of the Zoning Administrator shall be in the form of a written resolution and shall include the findings upon which the decision is based, applicable conditions of approval, and a summary of the appeal process. A written decision shall be mailed to the applicant and all parties who participated in the process via oral or written comments.
- 4.6.Appeals. The decision of the eommittee Zoning Administrator to grant or deny the requested extension may be appealed to the Planning Commission and the decision of the Planning Commission may be appealed to the City Council in accordance with the procedures of Chapter 10.84.

#### E. Penalties.

1. If a property owner fails to complete construction by the applicable time limit established in this Section 10.54.100, the property owner shall be subject to the following penalties payable to the City:

Period of Time That Project Remains Incomplete Beyond Applicable Time Limit	Penalty
First 60 days	\$400 per day (i.e., \$24,000 maximum penalty applicable to this 60-day period)
61st through 120th day	\$600 per day (i.e., \$36,000 maximum penalty applicable to this 60-day period)
121st day and every day thereafter	\$800 per day (to a maximum of the greater of 10% lesser of 20% of project value or \$200,000)

2. Penalties, fees and costs due to the City pursuant to this subsection E are due each day as the penalties accrue.

#### F. Deposits.

- 1. Upon reaching the time limits set out in subsections C and D, if construction has not been completed, or if no final inspection has been made or a certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department a refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time period of two (2) years) in the amount of Twenty Four Thousand Dollars (\$24,000), plus a non-refundable administrative fee as established by resolution of the City Council.
- 2. If no deposit is made as provided in subsection F.1 above, the building official shall issue a stop work order.
- 3. On or before the sixtieth (60<sup>th</sup>) day that the project has remained incomplete, and no final inspection has been made and no certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department an additional refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time period of two (2) years) in the amount of Thirty Six Thousand Dollars (\$36,000), plus a non-refundable administrative fee as established by resolution of the City Council.
- 4. If no deposit is made as provided in subsection F.3 above, the building official shall issue a stop work order.
- 5. On or before the one hundred twentieth (120<sup>th</sup>) day that the project has remained incomplete, and no final inspection has been made and no certificate of occupancy issued, the property owner or his representative shall deliver to the Community Development Department an additional refundable deposit (in cash or other security instrument acceptable to the City and valid for a minimum time

period of two years) in the amount of One Hundred Forty Thousand Dollars (\$140,000), plus a non-refundable administrative fee as established by resolution of the City Council.

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6. If no deposit is made as provided in subsection F.5 above, the building official shall issue a stop work order.

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7. If the property owner fails to complete construction by the applicable time limit, the applicable penalties shall accrue daily up to the maximum set out in subsection E.

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8. If the property owner believes that the failure to meet the applicable time limit was caused by circumstances beyond the property owner's control, the property owner may file a written statement to that effect with the Community Development Director at the time of making the deposit as described in subsections F.1, 3 and/or 5 above and provide any documentation substantiating such grounds of appeal and the effect on the construction. If the property owner makes such filing, no part of the deposit cash or other security instrument shall be forfeited to the City if construction is completed within thirty (30) days of the deposit. If construction is completed after the thirty (30) days and the Community Development Director concurs with the property owner's statement as to the cause of the failure to meet the deadline, the Community Development Director shall waive the penalty and return the cash deposit or other security instrument to the property owner. If the Community Development Director does not concur with the property owner's statement, such statement shall be treated as an appeal under subsection G below and all the provisions of that subsection shall apply. As used in this Section 10.54.100, the term "circumstances beyond the property owner's control" shall mean events outside the property owner's reasonable control that are not caused by the property owner's willful or unlawful misconduct or gross negligence (or that of the property owner's contractor or subcontractors), such as acts of God, earthquake, labor disputes that are not caused, directly or indirectly by the property owner or the property owner's contractor or subcontractors, shortages of supplies, riots, war, acts of terrorism, fire, epidemics, or delays of common carriers. A failure of a lender to make or fund a loan commitment shall not be deemed to be a "circumstances beyond the property owner's control."

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9. If construction is completed after the applicable time limit, and the Community Development Director does not concur with the property owner's statement pursuant to subsection F.8, the City shall draw on the deposit or other security instrument in the amount of the applicable penalties; provided, however, that in the event of an appeal, the City shall not draw on the deposit or other security instrument until the Planning Commission and, if applicable, the City Council has rendered its decision as set forth in subsection G.

10. After construction is completed and all applicable penalties received by the City, any remaining cash or security instrument deposit shall be refunded or returned to the account of the property owner.

#### G. Appeals.

 1. A penalty imposed pursuant to subsections B through F may be appealed to the Planning Commission on the grounds that the property owner was unable to comply with the applicable time limit as a result of circumstances beyond the property owner's control. There shall be no right to appeal until construction is completed. Any person aggrieved by the decision of the Planning Commission on the appeal may appeal to the City Council in accordance with the procedures of Chapter 10.84.

 2. At the time the appeal is filed or within two (2) weeks thereafter, the appellant shall submit documentary and other evidence sufficient to establish that design decisions, construction drawings and documents, bids and construction contracts, permit applications, and compliance with all required permit conditions were undertaken in a diligent and timely manner. Documentary evidence shall include, but not be limited to, dated design contracts, date-stamped plans, dated construction contracts and material orders, and proof of timely payment of any deposits or fees required pursuant to any of the foregoing items. The documentary and other evidence shall demonstrate that construction delays resulted from circumstances beyond the property owner's control and despite diligent and clearly documented efforts to achieve construction completion within the applicable time limit. Penalties imposed pursuant to this Section 10.54.100 shall not be modified or cancelled unless all evidence required by this subsection G.2 is submitted at the time of appeal.

#### H. Enforcement.

 1. This Section 10.54.100 shall apply to all construction, including all additions, alterations, modifications, repairs, and improvements, that requires a design review permit, including a design review permit for such construction undertaken before the application for the design review permit or an amended design review permit with respect to such construction previously undertaken without a design review permit or outside a previously-issued design review permit. The time limit for completion of any design review permit issued after January 1, 2009 shall be extended from the effective date of this ordinance pursuant to the time limits specified in subsections C and D.

2. Any penalty due under subsection E in excess of the deposit made under subsection F shall be a personal debt owed to the City by the property owner(s) and, in addition to all other means of enforcement and collection, shall become a lien against the said property and shall be subject to the same penalties (including interest thereon at the maximum rate allowed by law from the date the lien

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attaches until the date of payment) and the same procedure and sale in case of delinquency as provided for ordinary municipal taxes.

#### I. Violations.

 1. A violation of this Section 10.54.100 is a misdemeanor and shall be punished as provided in Chapter 1.05. A civil action may be commenced to abate, enjoin, or otherwise compel the cessation of violation of any provision in this Section 10.54.100. In a civil action brought pursuant to this Section 10.54.100 in which the City prevails, the court may award to the City all costs of investigation and preparation for trial, the costs of trial, reasonable expenses including overhead and administrative costs incurred in prosecuting the action, and reasonable attorney fees.

 2. As part of a civil action brought by the City, a court may assess against any person who commits, allows, or maintains a violation of any provision of this Section 10.54.100 a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000.00) per daily violation. The civil penalty is separate and distinct from penalties imposed pursuant to this Section 10.54.100.

3. Upon any guilty plea or judgment or conviction, in any criminal proceeding brought for the violation of this Section 10.54.100, where the defendant is entitled by law to probation, then the court may require the payment to the City of the costs and expenses as described above and the code provision incorporated by reference as one of the conditions of such probation.

4. The building official or the Community Development Director is authorized to order work stopped whenever work is being done contrary to the provisions of this Section 10.54.100.

5. Any violation of this Section 10.54.100 shall constitute a public nuisance and, in addition to being subject to any other remedies allowed by law, may be abated as provided by law."

Section 2. Section 10.50.120.A of the Sausalito Municipal Code is hereby amended in its entirety to read as follows:

"A. Conditions of approval prerequisite to construction have been satisfied and any required construction permits have been issued; or"

**Section 3.** Section 10.54.040 of the Sausalito Municipal Code is hereby amended to add a new Section J to read as follows:

"J. Expiration of Permit. Administrative Design Review Permits shall expire two (2) years following the effective date of the permit, provided no extension has been filed prior to the expiration date."

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**Section 4.** Section 10.54.050.J of the Sausalito Municipal Code is hereby amended in its entirety to read as follows:

"J. Expiration of Permit. Design Review Permits shall expire two (2) years following the effective date of the permit, provided no extension has been filed prior to the expiration date."

**Section 5.** Section 10.54.050.K of the Sausalito Municipal Code is hereby amended in its entirety to read as follows:

"K. Extension. The applicant may request an extension of a Design Review Permit prior to the expiration of the permit. The Zoning Administrator or the Planning Commission (upon receipt of a referral from the Zoning Administrator) may grant one (1) extension for up to one (1) year, in accordance with Section 10.50.140 (Extension of Approved Permits)."

**Section 6.** Section 10.62.070 of the Sausalito Municipal Code is hereby amended to add a new Section K to read as follows:

"K. Expiration of Permit. Nonconforming Permits shall expire two (2) years following the effective date of the permit, unless a different expiration date is stipulated at the time of approval, a construction permit has been issued and construction diligently pursued, or the permit is extended."

Section 7. Section 10.80.040.B of the Sausalito Municipal Code is hereby amended to add a new subsection 6 to read as follows:

"6. Extensions of construction time limits, in accordance with Section 10.54.100.D."

**Section 8.** The adoption of this ordinance is exempt from the application of the California Environmental Quality Act, Public Resources Code section 21000, *et seq.*, in accordance with section 15305 (Minor Alterations in Land Use Limitations).

**Section 9.** This ordinance shall be liberally construed to achieve its purposes and preserve its validity. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

**Section 10.** This Ordinance shall be in full force and effect thirty (30) days after the date of its adoption.

1	Section 11. This Ord	imance snaii be j	published once within fifteen (15) days after its
2	passage and adoption in a newspaper of general circulation in the City of Sausalito.		
3			
4	THE FOREGOING	ORDINANCE	was read at a regular meeting of the Sausalito City
5	Council on the	day of	2009, and was adopted at a regular meeting of the
6	City Council on the	day of	, 2009 by the following vote:
7			
8			
9			
10	AYES:	COUNCILME	MBER:
11	NOEC.	COINCII ME	MDED.
12 13	NOES:	COUNCILME	MBEK:
14	ABSENT:	COUNCILME	MRED:
15	ADBLITT.	COUNCILIVIE	WIDEK.
16	ABSTAIN:	COUNCILME	MBER:
17			
18			
19			Mayor
20			
21	ATTEST:		
22			
23			
24	D 11' D 1' C'	C1 1	
25	Debbie Pagliaro, Cit	y Clerk	
26			
27 28	CDD\Project - Non Address\Z	OA\2009\09-002\Ord 1	10-PC Recommendations – Revised November 11, 2009
29	,		, , , , , , , , , , , , , , , , , , ,

## STAFF REPORT

#### SAUSALITO PLANNING COMMISSION

**PROJECT** 

Construction Time Limit Regulations/ ZOA 09-002

**MEETING DATE** 

November 4, 2009

**STAFF** 

Jeremy Graves, Community Development Director

APPLICANT

City of Sausalito

#### **REQUEST**

Review and make a recommendation to the City Council on the draft ordinance which adds a new Zoning Ordinance Section 10.54.100 regarding construction time limits, modifies Section 10.50.120.A regarding implementation of permits, modifies Sections 10.54.040, 10.54.050 and 10.62.070 regarding effectiveness of certain permits, and modifies Section 10.80.040.B regarding duties of the Zoning Administrator.

#### **BACKGROUND**

- On May 20, 2009 and June 17, 2009, the Planning Commission held public hearings on the draft regulations. At the conclusion of the hearings, the Commission suggested several modifications of the regulations and recommended City Council approval of the regulations.
- On July 7, 2009 and September 15, 2009, the City Council held public hearings on the draft regulations and directed staff to research and make several modifications.
- On September 23, 2009, the Legislative Committee (Mayor Leone and Vice-Mayor Weiner) and staff met with several interested parties regarding the draft regulations.
- On October 12, 2009 the Legislative Committee reviewed the draft regulations and forwarded the draft regulations to the full City Council.
- On October 20, 2009 the City Council held a public hearing on the draft regulations, directed staff to research and/or make several modifications (discussed below). The Council also referred the draft regulations to the Commission for consideration of deletion of a requirement that applicants must complete a foundation inspection in order to implement certain discretionary permits (Section 10.50.120.A). See Exhibit C for the October 20, 2009 City Council staff report.

#### **DISCUSSION**

At the conclusion of the City Council hearing on October 20, 2009 staff was directed to make the following modifications. These modifications are reflected in the attached clean copy (**Exhibit A**) and redlined copy (**Exhibit B**) of the ordinance.

• Allow applicants to request additional time extensions. The resultant total extensions which can be granted are listed below. (Section 10.54.100.D)

Estimated Value of Project	Construction Time Limit Extension
\$0 to \$500,000	270 days
\$500,001 to \$1,000,000	360 days
Greater than \$1,000,000	360 days

ATTACHMENT 3

- Add a "weather-related grading restrictions" factor as a basis for granting a time extension. (Section 10.54.100.D.3.e)
- Require noticed public hearings when the Staff Committee (i.e., Community Development Director, City Engineer, Building Inspector) meets to consider time extension requests. Upon further review, staff has revised this section to allow the Zoning Administrator (i.e., Community Development Director or designee) to review time extensions requests. This has the advantage of using an established entity for the reviews rather than creating an ad-hoc entity. The Zoning Administrator regularly holds noticed public hearings (e.g., variance, lot line adjustments, and minor use permits), consults with City staff members (e.g., City Engineer, Building Inspector), considers testimony from applicants and interested parties, sets conditions of approval, prepares notices of decision, and makes decisions which can be appealed to the Planning Commission. (Section 10.54.100.D)
- Clarify that the time limit "clock" is not stayed as a result of enforcement actions (e.g., red-tags, citations) for violations of the Municipal Code. (Section 10.54.100.C)
- Revise a separate section of the Zoning Ordinance pertaining to Implementation of Permits (Section 10.50.120). The current wording of this section reads in part:

"For purposes of this section the following shall be construed to be implementation of permits:

A. Conditions of approval prerequisite to construction have been satisfied, any required building or grading permits have been issued, and a foundation inspection has been conducted and approved by the Building Official or a designee; or . . ."

The effect of this wording requires applicants to take the following actions to implement a discretionary permit (e.g., a design review permit):

- Submit construction drawings for plan check;
- Make any necessary revisions to construction drawings;
- Obtain building permit;
- o Complete grading (if necessary);
- o Install foundation forms; and
- o Obtain foundation inspection approval by the building inspector.

Due to stormwater regulations and the unstable geologic formations in several areas of the community, the City Engineer severely limits grading in the affected hillside areas between October 15<sup>th</sup> and April 15<sup>th</sup>. Therefore the applicants in the affected hillside areas need to completed their grading, foundation work, and inspections prior to October 15<sup>th</sup>. This can reduce the time available to implement a discretionary permit by to up six months if the foundation inspection cannot be completed prior to October 15<sup>th</sup>. Therefore, the wording of Section 10.50.120 has been revised to read:

"For purposes of this section the following shall be construed to be implementation of permits:

A. Conditions of approval prerequisite to construction have been satisfied and any required construction permits have been issued; or . . ."

November 4, 2009

This modification stipulates that applicants must satisfy the required conditions of approval and pull a construction permit (e.g., grading or building permit) in order to implement the discretionary permit. This modification is consistent with the practice in most jurisdictions for implementation of a discretionary permit.

In addition, the City Council requested staff to research the following matters and report back to the City Council.

- Additional enforcement actions available if applicants have paid the maximum penalties (i.e., \$200,000) and construction has not been completed.
- Time limits for amendments of Design Review Permits for projects which originally received a Design Review Permit prior to the effective date of the construction time limit regulations.

In addition to the above City Council requests, staff has reviewed building permits issued for projects valued over \$500,000 between 2003-2008 to determine the elapsed time between issuance and final inspection (see **Exhibit D** for table and chart).

- \$500,000 to \$1 million Projects. For projects valued between \$500,000 to \$1 million, the time period for completion of construction ranged from 2 months to almost 5 years. The average construction time was approximately 26 months. The proposed regulations would allow projects in this value range 24 months for construction, with the ability to request time extensions of approximately 12 months.
- Over \$1 million Projects. For projects valued over \$1 million, the time period for completion of construction ranged from 16 months to 36 months. The average construction time was approximately 25 months. The proposed regulations would allow projects in this value range 30 months for construction, with the ability to request time extensions of approximately 12 months.

#### PUBLIC NOTICE AND CORRESPONDENCE

Notice: At least ten days prior to the hearing date on November 4, 2009, notice of this public hearing was published in the *Marin Independent Journal*. The notice was also posted at City Hall.

Correspondence received since preparation of the October 20<sup>th</sup> City Council staff report is provided as **Exhibits E - H**. Ray Withy in **Exhibits E** and **H** suggests the finding made by the Planning Commission to grant time extension of Design Review Permits should be amended.

#### STAFF RECOMMENDATIONS

Staff recommends the Planning Commission take the following actions regarding the attached draft ordinance which adds a new Zoning Ordinance Section 10.54.100 regarding construction time limits, modifies Section 10.50.120.A regarding implementation of permits, modifies Sections 10.54.040, 10.54.050 and 10.62.070 regarding effectiveness of certain permits, modifies Section 10.80.040.B regarding duties of the Zoning Administrator.

- Review the draft attached ordinance and make any appropriate modifications; and
- Recommend City Council adoption of the attached ordinance.

Alternatively, the Planning Commission may:

- Recommend City Council denial of the draft ordinance; or
- Continue the hearing for additional information and/or draft ordinance revisions.



#### **EXHIBITS**

- A Draft Ordinance, dated 10/30/09 Clean copy \*
- B Draft Ordinance, dated 10/30/09 Redline copy \*
- C City Council Staff Report, dated 10/20/09

  ★★
- D Project Completion Timeframes, 2003-2008
- E Letter from Michael Rex, date stamped 10/20/09
- F Email from Ray Withy, date stamped 10/22/09
- G Letter from Perry Biestman, date stamped 10/23/09
- H Correspondence from Ray Withy, date stamped 10/30/09

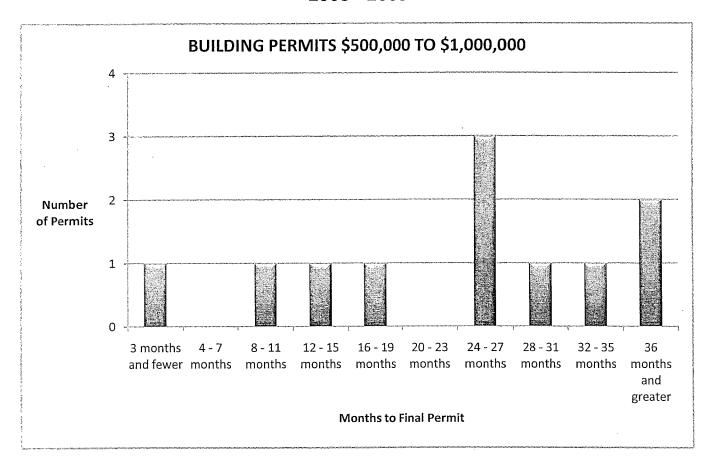
1:\CDD\PROJECTS - NON ADDRESS\ZOA\2009\09-002\ pcsr 11-04-09.doc

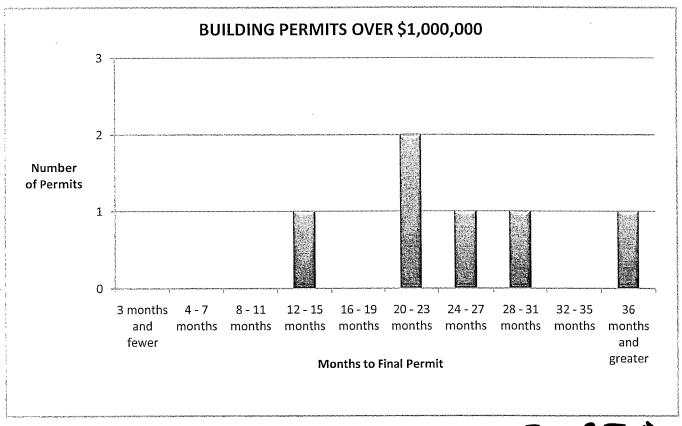
Notes for 11/17/09 · City Council Staff Report

\* See Attachments I and Z for current versions of draft ordinance.

\*\* See City Webrite for City Coincil Stall Report dated 10/20/09

## PRC SCT COMPLETION TIMEFRAN S 2003 - 2008







# PRC 'SCT COMPLETION TIMEFRAIN' S 2003 - 2008

BUILDING PERMITS \$500,000 TO \$1,000,000						
Shortest time to final:		2.1	months			
Longest time to final:		59.9	months			
Aveage time to final:		25.6	months			
		Date	Date	Months to		
Valuation	Address	Issued	Finaled	Final		
500,000	3 Harbor	4/24/2007	6/26/2007	2.1		
520,000	214 Richardson	7/26/2007	3/24/2008	8.1		
545,087	11 Wolfback Ridge	6/2/2008	6/4/2009	12.3		
935,000	40 Cazneau/88 & 90 Cazneau	8/21/2007	3/3/2009	18.7		
715,000	10 Wolfback	2/17/2007	2/18/2009	24.4		
598,000	50 Monte Mar	1/24/2007	1/26/2009	24.5		
603,738	96 Harrison	8/1/2005	8/15/2007	24.9		
662,710	26 Currey	8/17/2005	1/30/2008	29.9		
673,108	135 Bulkley	12/14/2004	8/3/2007	32.2		
781,000	20 Bulkley	9/7/2004	4/23/2008	44.2		
800,000	178 Santa Rosa	10/5/2004	9/3/2009	59.9		

BUILDING PERMITS OVER \$1,000,000						
	Shortest time to final:	15.7	months			
Longest time to final:		36.3	months			
Aveage time to final:		24.9	months			
		Date	Date	Months to		
Valuation	Address	Issued	Finaled	Final		
1,398,895	156 Harrison	10/25/2007	2/6/2009	15.7		
2,727,593	40 Alexander	10/10/2005	6/4/2007	20.1		
1,350,502	1050 Bridgeway	10/16/2003	7/7/2005	21.0		
1,275,590	309 Bridgeway	8/1/2005	9/20/2007	26.1		
1,020,643	94 Cloudview	11/9/2005	4/29/2008	30.1		
1,079,615	85 - 89 Crescent	7/7/2004	6/28/2007	36.3		

#### MICHAEL REX ASSOCIATES

ARCHITECTURE & DESIGN 1750 BRIDGEWAY S U I T E B 2 1 1 S A L I T O CALIFORNIA 94965 T 4 1 5 3 3 1 1 4 0 0 F 4 1 5 3 3 1 5 4 6 3

RECEVED

OCT 2 0 2009

October 20, 2009

Members of the City Council c/o Jeremy Graves, Community Development Director City of Sausalito 420 Litho Street Sausalito, CA 94965 CITY OF SAUSALITO COMMUNITY DEVELOPMENT

RE: ORDINANCE AMENDING THE ZONING CODE TO ADD CONSTRUCTION TIME LIMIT REGULATION/ZOA 09-002

Dear City Council Members,

Having received from Mr. Graves a copy of the revised Draft Ordinance around noon yesterday and following my meeting with him later yesterday afternoon so I'm clear on what is now proposed, I write this late mail to offer a response to the currently proposed changes.

- 1. Construction Time Frames: Extending the time frames for completing construction by one year, from 12 to 24 months for projects between \$500K to \$1M in value, and from 18 months to 30 for projects over \$1M, is an improvement, offering the minimal contingency to normal time frames for most construction projects before a penalty is applied.
- 2. Construction Time Frame Extension & Process: Allowing up to a six month extension for good cause, requiring Staff review and approval, rather than the Planning Commission, is also an improvement over the previous draft, although again, it's the minimum extension necessary. Two six month extensions would be more realistic.
- 3. Construction Time Frame Commencement: The Ordinance should make it clear that the construction time limit period commences when the Building Permit is picked up.
- 4. Construction Time Frame Extension Findings: The "good cause" necessary for an extension to the Construction Time Limit should include project financing beyond the applicant's control. (For example, these days a bank could fold and a new construction loan needed, which is certainly an event beyond one's control).
- 5. Building Permit overrides Design Review Approval: This is an error. In Section 10.54.100 D.4. of the draft Ordinance, the second sentence needs to be changed. It states, "Any modification by the committee of the original construction time limit shall not extend the existing expiration date of the design review permit." If construction has commenced,

EXHIBIT E
(2 PAGES)

- extending the construction time must extend the design review permit, because the Project is vested and the design review approval is no longer the controlling permit.
- 6. Design Review Approval Duration: Regarding the duration a Design Review approval is valid, reducing the period from the current 5 years with a possible one 2-year extension for a total of 7 years, to the proposed 2 years with one a possible 1 year extension for a total of 3 years, or a 57% reduction in entitlement, is still too restrictive and punitive. A limit of 2 years, plus two 1-year possible extensions for good cause, for a total of 4 years, is a reasonable compromise and a significant change from 7 to 4 years, or a 43% reduction.
- 7. Design Review Approval Duration Extension: This is the paramount concern with the second draft: The extension of a Design Review approval still requires going back to the Planning Commission. As defined in the current Zoning Ordinance, returning to the Commission results in opening up the entire application to scrutiny and possible revision as if it was an entirely new project. This was OK when projects had a five year term, but is not OK with they have only a 2-year term. The uncertainty and risks are too great. Plus, there is no good reason to require a return to the Commission, because unlike the current five year term, it is unlikely that neighborhood circumstances or public policy will have shifted significantly in just a two year period. The extensions should be reviewed and approved administratively.
- 8. Design Review Approval Extension Findings: The findings necessary to approve a request for an extension in the current Zoning Code, Section 10.50.140 D. 1 through 3 are fine.

Please consider the following revisions:

- 1. Add a second 6-month possible extension for good cause for construction time, allowing up to a full year extension.
- 2. Define that the Construction Time Limit commences when the Building Permit is picked up.
- 3. Add financial events beyond the applicant's control to the findings to grant an extension to the Construction Time Limit.
- 4. Delete the second sentence to Section 10.54.100 D.4. If construction has commenced then the Construction Time Limit can exceed the term of the Design Review Permit.
- 5. Add a second 1 year possible extension to Design Review Permits, allowing up to 4 years for such Permits to remain valid, if the findings can be made.
- 6. Delete the need to return to the Planning Commission for extensions to the 2-year Design Review Permit and allow Administrative review and approval instead. (This is a big one!)

Thank you for continuing the review of this Draft Ordinance to allow more time to obtain public input and make necessary revisions so the Ordinance will work better for all concerned.

Sincerely,

Michael Rex, Architect

#### **Jeremy Graves**

From: Sent: Ray Withy [Ray@TWGAdvisors.com] Thursday, October 22, 2009 8:14 AM

To: Cc: Jeremy Graves Flynn McDonald

Subject:

Design Review Permits

RECEIVED

OCT 22 2009

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT

Dear Jeremy:

It was a helpful discussion yesterday by phone. As I promised, I am enclosing some of the suggested language changes to the ordinance that deal with the consequences of lowering the term for the Design Review Permit from 5 years to 2 years. The first relates to the Implementation of permits and the second to their extension.

Section 10.50.120 (A) should be modified to read:

"Conditions of approval prerequisite to construction have been satisfied <u>and</u> any required building or grading permits have been issued, <del>and a foundation inspection has been conducted and approved by the Building Official or a designee</del>; or"

We also believe that language should be inserted giving the Community Development Director the discretionary authority to stop the clock on the expiration of a Design Review Approval Period on a <u>submitted</u> building permit application, if the application is deemed good by the Director and if a delay has not been caused by the applicant.

Section 10.50.140 (D) should be modified to remove the words "Design Review Permit" and a new Section 10.50.140 (E) should be added to read in its entirety as follows:

"E. Findings. Subject to subsection C (Public Hearing) above, the Planning Commission may extend the expiration date of the approved Design Review Permit by one year on the same conditions as the original approved permit for any good cause, if the applicant has been diligent in pursuing the permit."

Regarding the latter, Flynn and I still believe that it would be better to take this decision away from the Planning Commission and leave it to staff. However, if it is to remain with the Planning Commission, then 10.50.140 (D) in its current form does not provide the Commission with the necessary discretionary authority. It also opens the door to an extensive re-review of the whole application, something the staff surely does not want to have to deal with. This will cause chaos!

We will be sending our letter in the next few days. Cheers Ray



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ITEM NO. \_\_\_ 6 \_ PAGE \_ 70

## Perry Biestman

19 Prospect Avenue Sausalito, California 94965 Office (415) 332-0634 Fax (415) 332-5588 perry@biestman.com Post Office Box 340 Vineburg, California 95487 Sonoma County Office/Fax (707) 938-3940



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OCTOBER 20,2009

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SAUSALITO CITY COUNCIL SAUSALITO, CA. 94965 CITY OF SAUSALITO COMMUNITY DEVELOPMENT

RE; PROPOSED ORDINANCE BEFORE THE CITY COUNCIL TO REDUCE THE DURATION OF DESIGN REVIEW APPROVALS FROM FIVE YEARS TO ONE YEAR.

WE SUPPORT A TIME LIMIT ORDINANCE. WE,AS OTHER SAUSALITO RESIDENTS, HAVE BEEN A VICTIM OF THE OPEN ENDED BUILDING PERMIT.

OUR HOUSE IS 105 YEARS OLD LOCATED AT 19 PROSPECT AVE. WE HAVE LIVED HERE OVER FIFTY YEARS. THE HOUSE NEXT TO US, 8 SPENCER COURT, IS A "REMODEL". IT HAS FINALLY BEEN COMPLETED AFTER FOUR YEARS OF CONSTRUCTION.

WE ARE LOCATED NEXT TO AN EASEMENT WHICH WAS NOT CREATED FOR HEAVY TRAFFIC, HOWEVER, OVER THE PAST FOUR YEARS, THE EASEMENT WAS USED FOR HEAVY EQUIPMENT TRANSPORT, ENTRANCE AND EXIT OF CONSTRUCTION WORKERS, PORTA POTTIES ALL THE NECESSARY MATERIALS. OUR HEDGES, SPRINKLERS AT THE PROSPECT ENTRANCE TO OUR PROPERTY, WERE DAMAGED. THE SOUNDS OF CONSTRUCTION WERE MORE THAN NOISE-POLLUTION OVER THE PAST FOUR YEARS.

I WOULD VISIT THE "WINDOW" AT CITY HALL TO ASK WHEN WILL THE CONSTRUCTION BE COMPLETED. THE FILE WAS PULLED, THE BUILDING INSPECTOR SAID THEY WOULD TALK TO THE OWNER. NO ONE EVER CONTACTED ME WITH AN ANSWER. THE CONSTRUCTION CONTINUED, WITH NO INFORMATION ON A COMPLETION DATE. THE OWNER NEVER CONTACTED ME, BUT I CALLED HIM. HE REPLIED "WE ARE WORKING ON IT". IT STILL DRAGGED ON FOR FOUR YEARS.

WE ASK THE COUNCIL TO PASS A TIME LIMIT ORDINANCE FOR CONSTRUCTION.

SINCERELY,

PERRY BIESTMAN

EXHIBIT G 5B (1 page) 35

TTEM NO. 6 PAGE 7/

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## Raymond M. Withy, Ph.D. 99 Miller Lane Sausalito, CA 94965 1-650-799-3633 ray@twgadvisors.com

October 30, 2009

RECEIVED

Members of the City Council Members of the Planning Commission City of Sausalito 420 Litho Street Sausalito, CA 94965

OCT 3 0 2009

CITY OF SAUSALITO COMMUNITY DEVELOPMENT

RE: Ordinance Amending Title 10 of the Sausalito Municipal Code to Add a New Section 10.54.100 regarding Construction Time Limits and to Modify Sections 10.54.040, 10.54.050 and 10.62 regarding Effectiveness of Certain Permits – ZOA 09-002

Dear Council Members and Planning Commission Members:

On behalf of Flynn McDonald and myself, I would like to thank the Mayor, the City Council Members, Jeremy Graves, Mary Wagner, and Adam Politzer for the diligent efforts each of you has made to improve the above referenced ordinance. I would like to reiterate my comments at last week's city council meeting by commending you for having listened to the concerns of residents and then incorporated modifications to the draft ordinance that now provide for moderate, yet meaningful, time limits for construction.

The proposed new Section 10.50.100 has achieved a reasonable balance between the need for an enforcement mechanism, while reasonable enough so that construction can proceed in a timely yet cost-effective manner. It is necessary to build in the flexibility to deal with unexpected delays. I think that councilmember Kelly's suggestion to incorporate a second extension period is a wise modification that will help avoid unnecessary financial harm to well intentioned residents, trying to play by the rules, but who encounter unexpected difficulties.

As was clear at last week's city council meeting, one point of view is to "clamp down" on people while another is to give a little breathing room for the inevitable problems. I urge the Council to keep in mind that the primary goal of the ordinance is to get projects done well and on time with the secondary goal being to punish bad apples (who are blameworthy) if they fail to do so—not the reverse order. The "bell shaped curve" approach articulated at the legislative subcommittee session on the matter should enable good citizens to get their projects done. As was recognized last week at the City Council Meeting, this ordinance is a very important one and will have far-ranging impacts on the residents of Sausalito for years to come. The Mayor and the City Council are wise to take the time and have the discussions necessary to get it right. EXHIBIT H (4pages) 5B However, there remain serious problems with the changes to the duration and extension of the Design Review Permit. The proposed ordinance as currently drafted retains two provisions that become operationally problematic, I believe, once the time limit for the Design Review Permit is changed from 5 years to 2. These problems are a) the event that must be completed within the two year period to satisfy the Design Review Permit and b) the criteria that must be met to receive a one year extension of the Design Review Permit.

## When is the Design Review Permit satisfied—upon filing for a building permit, the issuance of a building permit, or a foundation inspection?

After the discussion at last week's city council meeting on this topic, I feel confident that the council recognizes that the requirement of a foundation inspection having been completed is too onerous once the duration of a design review permit is shortened to 2 years.

But should the filing of a building permit or its issuance be used instead? On one hand, if the filing date is used, a bad apple can game the system by filing a poor application and stringing the process along for weeks. On the other hand, a good citizen can run afoul of the timeline when he/she submits a good application and the delay is not his/her fault. (Jeremy gave the example of the "Gotcha" game that the plan checkers have played in the past by not identifying every issue upfront and stringing applicants along for weeks.)

One solution is to require that a building permit actually be obtained to satisfy the Design Review Approval Period, but the Community Development Director has the discretionary authority to stop the clock on the expiration of a Design Review Approval Period on a <u>submitted</u> building permit application, if the application is deemed good by the Director and if the delay has not been caused by the applicant. I urge the Planning Commission and the City Council to consider this solution as a reasonable approach.

## On what basis must the Planning Commission grant a Design Review Approval Period extension?

This is a very important issue in this ordinance, and the Council recognized that it needs careful thought.

The Staff report is advertising the new ordinance as 2 years with a 1-year <u>extension</u>—but upon closer look, that is not what it is. First, it appears to be a 2-year initial period after which the applicant is forced back to the Planning Commission for a new full blown review for the additional 1 year. It appears that the request for the extension is to be contested and not automatic for "good cause." This makes no sense. Why would anyone invest the time and expense for another full blown review and not simply start over and go for a full 2 year approval? This makes the ordinance's provision for a 1-year extension meaningless. Why would the City implement legislation that is meaningless?



Second, an extension means to the ordinary Sausalito citizen the grant of an additional year <u>on the same terms</u>. But that is not what the ordinance says. As currently constructed, the ordinance refers back to Section 10.50.140 D as the process at the Planning Commission to approve Design Review Approval Period extensions. According to that section, <u>all three of these conditions must be met to receive an extension</u>:

- 1. No change of conditions of circumstance has occurred that would have been grounds for denying the original application;
- 2. The applicant has been diligent in pursuing implementation of the permit; and
- 3. Modified conditions have been imposed which update the permit to reflect current adopted standards and ordinance requirements.

These requirements made sense when the initial Design Review Approval Period lasted for 5 years, but with the reduction to 2 years, they are too burdensome for a good citizen applicant.

Requirements 1 and 3 open the good citizen up to a new, full blown contested approval process just 2 years after the expense of the first one and impose all sorts of new conditions. This is not an extension!

More problematic, what evidence must the applicant present with respect to requirement 1 "no change of circumstance" to satisfy this requirement? Does this give the neighbors or the Planning Commission (whose members may have changed) another bite at the apple to demand more changes from the applicant that were not required the first time around? If so, this is not an extension on the same terms.

How about requirement 3 "modified conditions"? Must the applicant go back and change all his/her plans for any intervening standards or ordinances that have been adopted since the original Design Review Board approval was given? If so, that is not an extension on the same terms.

The new ordinance is being touted as providing a 2-year Design Review Approval Period with a 1-year extension. But if the extension is to be a real extension, it must be one that can be obtained by a good citizen with little risk or expense for any good cause and on the same terms.

I was not surprised to learn from Jeremy that there were very few requests for extensions in the past. But with the period shortened to only 2 years, I expect there will be many more such requests. One of the previous extensions was granted based on a death in the family. Where is that provided for in the ordinance? Can every Sausalito resident feel confident that they too can get an extension of the Design Review Permit for such a reason or was that just a special one-off only for that one applicant?

If the Planning Commission has a track record of granting Design Review Permit extensions for a death in the family of the applicant mentioned above, how about the following reasons for other ordinary Sausalito applicants:



- Death or sickness in the family;
- Inability to get financing;
- Loss of a job;
- Inability to find a contractor to do the job in the timeframe at an affordable price;
- Unavailability of materials;
- Rainy season hillside building moratorium;
- Value engineering of the project because it is too expensive;
- Etc.

An extension of the Design Review Approval Period must be just that—an extension under the exact same terms as the original 2 year period and with clear authority given to the Planning Commission to grant the extension "for any good cause."

To accomplish this, I suggest that the words "Design Review Permit" be removed from Section D and a new Section E be created to address the extension of a Design Review Permit. Suggested language is a follows:

E. Findings. Subject to subsection C (Public Hearing) above, the Planning Commission may extend the expiration date of the approved Design Review Permit by one year on the same conditions as the original approved permit for any good cause, if the applicant has been diligent in pursuing the permit.

This language gives a resident the certainty that he/she can get an actual extension of his/her Design Review Permit on the same terms for good cause so long as he/she has been diligent without the fear of a repeat of a full blown design Review Board hearing--with its attendant costs, risks, uncertainties, new ordinances, and new standards. This would also ensure that all Sausalito residents are treated the same, so that a death in one family is treated the same as a death in another family—and not made a political football.

Thank you for your consideration. I look forward to continuing a fruitful and constructive working relationship. Flynn and I love Sausalito, and we look forward to living in our home here for many years to come.

Respectfully submitted

Raymond M. Withy

Jeremy Graves

DISTRIBUTES @ 14/4/09 P/C MTG

RECEIVED

From:

Ray Withy [ray@twgadvisors.com]

Sent:

Wednesday, November 04, 2009 11:24 AM

To: Cc: Jeremy Graves 'Flynn McDonald'

Subject:

Construction Time Limits Ordinance

NOV - 4 2009

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT

Jeremy:

I have gone through the package published for tonight's Planning Commission meeting regarding the Construction Time Limits Ordinance. I have just noticed what I believe is a clerical error in the wording of one of the entries in the Table under Section E.1. starting at line 25 on page 4 of the draft Ordinance presented as Exhibit A of tonight's package. The Penalty, as currently drafted in the Ordinance, in the circumstance that the project remains incomplete 121 days or more from the Applicable Time Limit is

"\$800 per day (to a maximum of the greater of 10% of the project value or \$200,000)" – my underline added!

Surely this should read .... (to a maximum of the lesser of 10% of the project value or \$200,000)

I note that this was the language you used in the table on page 3 of your staff report of 10-20-09 and has been the general understanding throughout the discussion over the last several months.

Please would you clarify prior to tonight's meeting that this is simply a clerical error in the draft Ordinance.

Thanks

Ray