



Introduction

REGION BUILDERS BACKGROUND

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The vision of Region Builders is to create a political climate in our region that encourages profitable building through decreased regulation and lower fees; as well as more governmental accountability, transparency and efficiency. Additionally, we promote the significant role of the building industry to the elected officials and the community. Region Builders is a political organization comprised of an alliance of building industry professionals (General Contractors, Subcontractors, Architects, Engineers, Suppliers, Industry Support Firms, Commercial Developers, and Commercial Brokers. Our Board includes representatives from associations and companies that represent a cross-section of the commercial, industrial, and public works building industry.

The purpose of this document is to provide a clear and public stance on what we as an organization believe as an educational tool. If you have any questions, please contact Scott Whyte at (916) 442-8991 or Joshua Wood at (916) 397-4776.

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Section 1.0

PROCUREMENT & ECONOMIC DEVELOPMENT

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The Procurement and Economic Growth Council is a policy sub-committee that strictly focuses on improving the project procurement process and stimulating the regional construction industry. This committee is in charge of bringing forward significant policy ideas that will create jobs and improve local processes to encourage successful building practices. Policy ideas discussed in this committee include initiatives that boost regional hiring and workforce readiness.

Section 1.1 **Support Facilitated Permit Program:** We support the adoption of the Facilitated Permit Program (FPP) that was implemented by the City of Sacramento under the Ray Kerridge administration as a regional model. This program provides businesses that work with the city on an ongoing basis a way to receive quick approval for tenant improvements or remodeling of commercial and industrial buildings. FPP is a regional model for streamlining the building process while providing reasonable check and balances for the public.

Section 1.2 **Support Regional Economic Development Incentive for Owners:** We support the adoption of a Regional Economic Development Incentive for Owners who use regional firms on their projects. Owner’s who use regional design firms, contractors, and subcontractors for more than 90% of their project would receive an impact fee reduction of 5% (Note: this number will vary based on the individual project’s correlated reduced infrastructure impact). Our proposal would put the onus on the Owner to provide proof of achieving the 90%. To qualify for the incentive, the regional firm would need to have a facility with an address located within the six-county region.

Section 1.3 **Oppose Local Hire Ordinances:** We oppose the adoption of local hire measures because they restrict free trade. Local Hire measures require a certain percentage of worker’s on a job to be residents from that particular jurisdiction. The general concept of hiring local people is a noble goal; however, trying to accomplish this goal in this manner has many drastic and serious flaws. Mandating construction companies to hire 50% of their workers locally (such as has been done in neighboring regions) is a high public safety risk. Especially in jurisdictions or relatively small population, companies will be forced to hire residents who do not have the qualifications or safety training, just to meet a city imposed quota. The employing of people based upon their residence and not their qualifications is a violation of the US Constitution (Equal Protection Clause, Commerce Clause). Not only will this practice invite a plethora of expensive law suits, but it will also drive up costs on projects because construction firms will be strictly limited to hiring the best available workforce.

Section 1.4 **Support Building Permitting Process Improvements:** These process improvements include online plan submittal and plan check, online project status & appointment scheduling, and E-Permitting. The City should create an “Express Line” for minor projects and plan check re-submittals at the counter. We advise the building department to also establish a list of “consistently-prepared customers” who have demonstrated quality plans to be qualified for expedited plan review.

Section 1.5 **Support Suspending Inflationary Adjustments on Development Impact Fees:** We support local jurisdictions suspending inflationary adjustments on development impact fees for inflation while the regional economy and the construction industry is still suffering from the recession. This small action will help small and large companies towards profitable building, and encourage companies to do businesses within those given jurisdictions.

Section 1.6 **Support the Extension of Building & Grading Permits:** Local governments should extend all active building permits to afford residents and smaller building companies additional time to finish their projects in a dismal economy, instead of having them forge through the extensive and costly permitting process all over again. This action would also save those individuals and companies on the verge of losing thousands of dollars worth of fees when their permits expire. This legislation protects the private owner and the County’s investment in local construction projects. In a normal economic climate, regular permit expirations are a fair and reasonable practice.



Section 1 Continued

PROCUREMENT & ECONOMIC DEVELOPMENT

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Section 1.7 **Support Establishing Fee Deferral Programs:** We support the establishment or extension of Fee Deferral Programs for all local governments. The temporary deferral of development impact fees undoubtedly helps assist local builders successfully fund and complete their projects. Deferral programs remove some of the barriers to funding development, while also giving building companies added flexibility in a tough economy.

Section 1.8 **Support for Career Technical Education Opportunities:** Region Builders supports local school districts establishing and protecting vocational education programs within the construction trades. These programs effectively promote career awareness of the construction industry among the region’s future workforce, provide students with valuable job-earning skills and knowledge of the trades, and allows school districts to offer a truly well-balanced curriculum.

Section 1.9 **Support “Teaming” on Local Signature Projects:** Region Builders supports, in concept, the establishment of mentor-protégé-like programs that encourage regionally based company’s participation on signature community projects (i.e. Sacramento International Airport, Entertainment & Sports Complex). This policy will build contracting experience by encouraging out of region businesses to partner with local regional businesses.



Section 2.0

GOVERNMENT REFORM & ACCOUNTABILITY

This Council is responsible for overseeing innovative ideas to re-organize and eliminate waste in local government. Equitable transparent treatment of local businesses and the community will be highlighted frequently. Items under discussion consist of local government charter reform measures or city incorporation efforts, equitable documented fee structures, and the combining of local duplicative City/County departments. The Council will address streamlining the local government permitting process, and ensure Industry friendly business policies within our region.

Section 2.1 Support Fixed Building and Planning Fee Structures: We support the adoption of fixed fees in lieu of time and materials billing by local planning and building departments. Charging fixed amounts allow our members to firmly budget fee costs into their projects. It also incentivizes local government staff to finish tasks in a timely and efficient manner. We acknowledge that in the private sector the use of time and materials is a common practice. However, government departments are not competing against anyone, thus the “longer you take the more profit you make”. Using fixed fees will prevent local building companies from being overcharged and mistreated.

Section 2.2 Support a Fair and Equitable Redistricting Process: Region Builders supports an equitable and transparent local government redistricting process. The process should first and foremost divide districts as evenly as possible (preferably under 5%) to abide by Federal and State law. These districts to the furthest extent possible should keep existing communities intact. Additionally the process should focus on compact connected districts, geography, and topography of the land (natural or man-made barriers, transportation corridors, etc.). District boundaries should also consider where proposed future development will take place.

Elected officials drawing their own representative districts is a hyper-political exercise. Thus, to ensure fairness, each local district should have at least one redistricting workshop where locals can be more informed on the process and have their voice heard. We also urge all local businesses to closely monitor and publicly advocate for reasonable common sense district boundaries.

Section 2.3 Support the Consolidation of Development-Related Boards and Commissions: We support the strategic consolidation of non-elected local government boards and commissions relating to development approval. Consolidation will streamline project approval, conserve staff resources and empower their decision making, and eliminate needless redundancies. Region Builders supports the removal of layers of government including numerous building appeals boards and multi-level project approval boards (i.e. design commissions, preservation commissions, and community planning advisory councils) that are created in addition to planning commissions.

Section 2.4 Support Regional Collaboration Among City-County Building Departments: Region Builders supports a collaboration effort between the City and County Building Departments. Department’s should explore options to share resources (including IT), locations, and some duplicative functions. This process should include making permitting processes and building codes as consistent as possible. These discussions could save both jurisdictions measurable time and funding, while also providing a more consistent and efficient service to the local building industry. This could be done through the use of creative strategies including the establishment of a joint powers authority to implement this policy.



Section 2 Continued

GOVERNMENT REFORM & ACCOUNTABILITY

Section 2.5

Support the Establishment of a “Minor Label Program” for Service Work: We support the establishment of a program aimed at streamlining the permitting process and reducing the cost of minor permits for the electrical, mechanical, and plumbing trades. This program would be designated for minor repairs, replacements, and installations that are under a certain specified dollar threshold (i.e. \$5-9,000). Applicants could receive up to ten minor permits (i.e. Minor Permit Log) at one time with the fee being based only on the administrative cost of the permit and one inspection. The Chief Building Official shall have the ability to inspect one project listed on the “minor permit log”. In the event the Building Official approves the inspected project, he will consider all other projects approved without further inspection.

We believe this program will provide local builders a reasonable avenue to obtain permits in an efficient manner. Currently, many of these projects go unpermitted and uninspected; leading to a serious public safety risk for the local community and builders being out of compliance with State law. This policy will allow the City/County to collect additional revenue, as well as provide the industry an expedited, cost-effective form of permitting.



Section 3.0

ENVIRONMENTAL & LAND USE

Region Builders supports public policy that finds the appropriate balance between the economy and the environment. Environmental stewardship and economic development should be viewed as interconnected policies areas that can complement one another. We feel that any new proposed regulation should take into account the economic impact it will have on businesses in our region. Environmental policies should be adequately weighed through a cost/benefit analysis that takes into account the pressing need to improve our local infrastructure, economy, and quality of life.

Section 3.1 **Oppose Local Cap and Trade on Building:** We oppose local Air Quality District’s adoption of Cap and Trade policies on construction projects. Cap and Trade would devastate the regional construction industry, increase local unemployment, and make it virtually impossible for small construction businesses to exist. Penalizing construction businesses for simply operating within our region by making them pay extremely high off-site fees is unethical.

Section 3.2 **Oppose All Local Green Building Mandates Above the State Required California Green Building Code:** Region Builders opposes any proposal trying to impose additional local green building mandates on our Industry above what is required by the State of California. Further green building requirements will increase costs for our Industry as well as consumers, while slowing our regional economic recovery.

Section 3.3 **Support Electronic Project Delivery:** Local Government should transition from paper to electronic procurement processes for project delivery. Delivering projects digitally saves valuable resources and eliminates needless waste of paper and travel, while protecting small business, increasing efficiency, and benefitting the community. This small but important step will help services such as “Online Planrooms” provide industry members projects in the most sustainable and efficient manner.

Section 3.4 **Support the Use of Online Technology in Building Plan Check/Permitting Processes:** Local Building Departments should embrace 21st century technology to make processes more environmentally sustainable, while at the same time saving valuable time and resources for the local jurisdiction and building industry. These building plan check and permitting process improvements include online plan submittal and plan check, online project status and appointment scheduling, and E- Permitting.

Section 3.5 **Support a Voluntary, Incentive Based Green Building Program:** Cities and Counties should consider streamlining and promoting the voluntary use of green building practices. Reducing the significant time and costs will encourage local businesses to build at higher green standards. Some examples of process improvements include: lowering impact fees on green projects that have a demonstrated lesser impact on infrastructure (Reward Cal Green Tier 1 Standards and Above), expediting permitting and plan check approval for projects built at higher sustainability standards, award density bonuses for projects that reach higher concentration thresholds, reducing costly open space and parking requirements to promote green development, and offering flat fixed fees and standardized permitting for green projects (i.e. Solar Pilot Program)