



Determining Construction Valuation for Change-in-Use Permits Policy

Purpose:

The purpose of this policy is to clarify the building permit and development fee calculation of a tenant improvement permit that contains a Change-in-Use (CIU) to the occupancy of a tenant space.

Policy:

Change-in-Use project fees will be calculated based on the following guidelines:

A. Building Permit Fees (building permit, plan review, zone check, Green Building, SMIP, etc.)

Fees for these types of permits are based on one of two methods:

1. An applicant may provide a signed, valid construction contract that shows all work to be done to achieve the scope of work. The construction contract must include all work being proposed to complete the project, and a final dollar figure for the contract.

OR

2. Using the Building Valuation Table (RCB0206), determine the New Use “per square foot” cost (“N”) – Existing Use “per square foot” cost (“E”) x square footage of space by use (“SF”) = Construction Valuation (“CV”) used for fee calculation

$$(N - E) \times SF = CV$$

For those projects where the New Use “per square foot” cost is less than the Existing Use “per square foot” cost, or where the construction contract valuation is *higher* than the calculated Change-in-Use Construction Valuation, building permit fees will be determined using the provided construction contract.

B. Development Impact Fees:

Change-in-use factors are potentially applicable to all Development Impact Fees. These fees must be reviewed and adjusted as necessary by the following working groups:

- *Transportation fees, Specific Plan Fees (SDCP, VOZ, etc.), Measure A* are to be reviewed and approved by the **Community Development Department**.
- *Community Facilities Fees (CFF), Sac RT fees, Park Development fees and Community Places fees* are to be reviewed and approved by the **Finance Department**.
- *Housing Trust Development Impact Fee (HTDIF)* are to be reviewed and approved by the **Housing Services Division**.
- *County of Sacramento Development Impact Fees* are to be reviewed and approved by **Sacramento County Technical Resources**.

No reduction, waiver or change to any fee may occur without the written direction of the city staff responsible for the fee.



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