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January 1, 2019, when the fee legislation would go into effect. This green sheet would also add \$457,000 and three new inspector positions in 2019 and \$483,000 in 2020 for an enhanced Vacant Building Monitoring Program (VBMP), and provide appropriation authority from SDCI operating fund balance for initial start-up costs, including three vehicle purchases. Appropriations in 2019 assume nine months of program operation and \$105,000 for vehicle purchases.

The proposed amendments, shown in attachment A, would:

1. Increase the Land Use Hourly fee to a full inflationary adjustment. This would result in a land use hourly rate of \$386 in 2019 and \$394 in 2020. This increase is estimated to produce \$623,000 of additional revenue in 2019 and \$633,000 of additional revenue in 2020 over SDCI's 2019-2020 proposed budget submittal.
2. Apply the lower maximum \$4,000 fee to projects subject to a historic landmarks review that choose the performance option under the Mandatory Housing Affordability (MHA) program. SDCI's proposed Fee Ordinance would increase the maximum certificate of approval fee that the Department of Neighborhoods' (DON) charges for historic reviews to \$20,000 for new construction projects. Rehabilitation projects and affordable housing projects financed, at least in part, by public funds, would be exempt from this increase to encourage rehabilitation of existing buildings and to encourage construction of affordable housing. Those projects would continue to be subject to the existing maximum \$4,000 fee.
3. Increase fees for an enhanced VBMP. This increase is estimated to produce \$316,300 of additional revenue in 2019 and \$421,730 of additional revenue in 2020 over SDCI's 2019-2020 proposed budget submittal. Green sheet 33-11-A-1 is a budget action approving legislation modifying the VBMP. Fee modifications for the VBMP would take effect on April 1, 2019 to mirror the effective date of changes to the program.

The fee adjustments proposed by this legislation will result in an estimated total net increase in SDCI's 2019 fee-based revenue of \$5.8 million, equivalent to approximately eight percent of projected fee revenue. Fee revenues are designed to cover the costs of SDCI's permitting, inspection and enforcement functions and are used for those activities.

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Budget Action Transactions

Budget Action Title: Amend and pass CB 119386, SDCI's Fee Ordinance, add 3 FTE Inspectors, and appropriate \$457,000 in 2019 and \$483,000 in 2020 from SDCI fund balance to expand the Vacant Building Monitoring Program

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Increase revenue from the increased land use hourly rate and new VPMP fee				SDCI	Land Use	322030	48100	2019	\$939,300	
2	Contribute new revenue to Fund Balance				SDCI	Use of (Contribution To) Fund Balance	379100	48100	2019	(\$939,300)	
3	Increase revenue from the increased land use hourly rate and new VPMP fee				SDCI	Land Use	322030	48100	2020	\$1,054,730	
4	Contribute new revenue to Fund Balance				SDCI	Use of (Contribution To) Fund Balance	379100	48100	2020	(\$1,054,730)	
5	Increase revenue from Fund Balance for 3 FTE Inspectors and onetime costs for enhanced VBMP				SDCI	Use of (Contribution To) Fund Balance	379100	48100	2019	\$457,000	
6	Increase appropriation for 3 FTE Inspectors for VBMP	Housing/Zoning Inspector - FT	3	3	SDCI	Compliance	BO-CI-U2400	48100	2019		\$352,000
7	Increase appropriation for vehicle purchases				SDCI	Compliance	BO-CI-U2400	48100	2019		\$105,000

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
8	Increase revenue from Fund Balance for enhanced VBMP staffing and operations				SDCI	Use of (Contribution To) Fund Balance	379100	48100	2020	\$483,000	
9	Increase appropriation for enhanced VBMP				SDCI	Compliance	BO-CI-U2400	48100	2020		\$483,000