



MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,
Mayor

PAUL T. GRAZIANO,
Executive Director, HABC
Commissioner, HCD

To: The Honorable President and Members of the Baltimore City Council
c/o Karen Randle, *Executive Secretary*

From: Paul T. Graziano, *Commissioner*

Date: February 17, 2012

Re: **City Council Bill 12-0009 - Building, Fire, and Related Codes - Application Fees**

The Department of Housing and Community Development has reviewed City Council Bill 12-0009, which was introduced for the purpose of increasing the fee for permits that require the submission of plans.

The Department of Housing and Community Development (HCD) is upgrading its ability to receive and review electronic versions of plans. Currently, all permit requests submitted to HCD which require plans are submitted in physical, ink-and-paper format. In these situations, an applicant often uses a computer program to create a rendering of the plan or drawing which they then print out; these costs run between \$500 and \$1000, on average. Once the plans are submitted, HCD staff stamps these multiple pages and drawings—this currently takes one full time staffer and costs \$39,000 annually; the paper pages are then scanned so HCD can store them electronically, which we estimate costs about \$15,000 annually.

Switching to electronic submission significantly alters this process. For example, HCD expects Plans Examining Office to decrease review time by 5-10%; makes simultaneous reviews within HCD and between HCD and other agencies possible, which would save an estimated total review time of 10-15%; and allows both the City and the customer the ability to e-track the review process. However, there is an initial cost of building the infrastructure (computer programs, online services, etc.) as well as the cost of ensuring the information technology is properly maintained for which these fee increases are needed in order to off-set.

This bill only applies to permits that require plans review, where the proposed fees will increase from \$25 to \$125 for one- and two-dwelling units. All others will increase from \$50 to \$150. Any permit that does not require plans review is not subject to this higher fee. HCD believes these fee increases are fair, reasonable, and necessary to create the more accessible and efficient electronic plans review system; and, given the savings that will be realized once it is in place by both the City and the customer, we believe this bill is well-tailored to achieve the ends of this modernization.

The Department of Housing and Community Development supports the adoption of City Council Bill 12-0009.

PTG:nb

cc: Ms. Angela Gibson, *Mayor's Office of Government Relations*
Ms. Kaliope Parthemos, *Deputy Mayor*

