



CITY OF CITRUS HEIGHTS

BUILDING & SAFETY DIVISION

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Policy for Determining Valuations for Residential Building Permits

Background:

Most permit fees are determined by three methods:

- New square footage multiplied by the City's Building Valuation table
- Building Permit Valuation, or Construction Valuation, based on a contract with a licensed contractor
- Or a combination of both.

This policy is designed to help staff explain to the customer an acceptable method for determining Building Permit Valuation, or Construction Valuation, for building projects that are **not** covered by one of the methods described above, or are permits that are being prepared by an Owner-Builder.

The policy is also intended to be given to customers as a handout for assisting in the determination of an "owner-builder" permit valuation.

Definition:

Building Permit Valuation, also called "Construction Valuation" or "contract value", is the value used in computing the building permit and building plan review fees. This is defined in the most recent California Residential Code:

R108.3 Building permit valuations. Building permit valuations shall include total value of the work for which a permit is being issued, such as electrical, gas, mechanical, plumbing, equipment and other permanent systems including materials and labor

Policy:

Owner-Builders, "do-it-yourselfers" or people claiming "sweat-equity" will need to estimate the Building Permit Valuation for their permits as though they were hiring a licensed contractor to perform the work, as defined above. Written estimates from contractors or subcontractors would be an acceptable way to determine Building Permit Valuation.

Upon request, contractors may be required to provide a copy of their construction contract for verification of the Building Permit Valuation. Contractors providing low valuations on permit applications may be referred to the California Contractors State License Board (CSLB) for potential action.

The Owner-Builder can also determine a "ball-park" estimate for their construction valuation by providing a cost breakdown using the following formula:

Retail Cost of Materials + (# of labor hours to complete project x \$75.00 per hour)

Example:

A homeowner comes in to submit for a permit to remodel a bathroom. This will include replacement of toilet, shower enclosure, sink, flooring, and new outlets and lighting. The retail cost of materials is \$4,000.00.

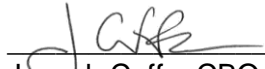
The customer will need to determine an approximate number of hours that each part of the project would logically take. For this example, we will use 40 hours to complete this project.

Now, the customer will multiply the number of hours (40 hours) by an average hourly rate that a contractor would charge. For estimating purposes, it has been determined that \$75.00 per hour is an adequate figure for residential permits.

So, having this information the following calculation can be made:

\$4,000.00 (retail cost) + (40 hours labor x \$75.00 per hour) = \$7,000.00 Building Permit Valuation for project.

Also keep in mind that the permit valuation does not have to be an exact science. For every \$1,000.00 of construction value, permit fees only increase about \$10.00 to \$15.00 for a residential permit and \$20.00 to \$30.00 for a commercial permit.



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