

10. 4419 Pacific Boulevard Plan Check and Inspection Fee Waiver

Recommendation:

- A. Find that granting a fee waiver for building plan check and inspection for the construction of the first private housing in Vernon to be built in 40 years provides a substantial benefit to the public because it will start the implementation of Mixed-Use Zoning along Santa Fe Avenue; and
- B. Waive the Building Plan Check and Inspection fees for the construction of an apartment building at 4419 Pacific Boulevard.

City Council Agenda Report

Meeting Date: March 18, 2025
From: Daniel S. Wall, P.E., Director of Public Works
Department: Public Works
Submitted by: Daniel S. Wall, P.E., Director of Public Works

Subject

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B. Waive the Building Plan Check and Inspection fees for the construction of an apartment building at 4419 Pacific Boulevard.

Background

On August 1, 2023, the City Council adopted Ordinance No. 1293 allowing Mixed Use Industrial Zoning along Santa Fe Avenue. Over the past 18-months, Public Works staff have engaged with property owners within the mixed-use zone. Despite significant interest in residential development, the development community has been hesitant to make initial investments due to uncertainties in residential demand and market rents in Vernon.

The owners of 4419 Pacific Boulevard are now prepared to pioneer residential development in the mixed-use zone. They have requested that the City waive plan check and inspection fees to help reduce the total investment required and incentivize this initial project.

Below is a breakdown of all fees included in the waiver request based on a \$8,760,000 valuation:

Green Standard Fee	\$351.00
Permit Energy Fee	\$3,885.04
Permit Fee	\$38,850.40
Plan Check Fee	\$25,252.76

Total fees to be waived	\$68,339.20
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In evaluating potential implications of granting the fee waiver request for the proposed apartment building, City staff examined whether providing the fee waiver would turn it into a “public work” subject to prevailing wages. Specifically, the City Attorney’s office evaluated applicability of California Labor Code Sections 1720(c)(3)(A) and (B) regarding public subsidies to private development projects and prevailing wage requirements. Staff determined that the proposed subsidy would qualify under the Labor Code de minimis exception as long as the public subsidy is less than 2 percent of the total project cost. If the fee waiver is granted, the developer will be required to confirm in writing that they agree to defend and indemnify the City for any claims that may arise related to the waiver including prevailing wages actions in the event the project costs are off.

Vernon is committed to residential development in the mixed-use zones. Supporting this pioneering effort will encourage other developers to build additional housing in the City.

Fiscal Impact

The fiscal impact is a waiver of General Fund permit and charges for services revenue of \$68,339.20. It should be noted that if this project were not to move forward this revenue would not be received.

Attachments

None.