



Administrative Report

H.5., File # 25-1714

Meeting Date: 1/6/2026

To: MAYOR AND CITY COUNCIL

From: MARC WIENER, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

APPROVE BY 4/5THS VOTE AND TITLE ONLY RESOLUTION NO CC-2601-001, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A 2025-2026 FISCAL YEAR BUDGET MODIFICATION APPROPRIATING \$650,000 TO THE COMMUNITY DEVELOPMENT DEPARTMENT (CDD) - BUILDING AND SAFETY DIVISION - CONTRACT AND PROFESSIONAL SERVICES (OUTSOURCED PLAN-CHECKS) AND PLAN CHECK REVENUE BUDGETS REFLECTING BUILDING PERMIT FEE REVENUE IN EXCESS OF ANTICIPATED BUDGET TO SUPPORT OUTSOURCED PLAN-CHECK SERVICES

EXECUTIVE SUMMARY

With the FY 2025-26 Budget, the Community Development Department (CDD) implemented a third-party plan check program to supplement and increase the pace of Department services. The program has exceeded expectations and has been coupled with an extremely high volume of applications through the first five months of the year, resulting in fee revenue of approximately \$1.2 million above projections. Due to the increased number of plan check requests, the original \$700,000 expenditure budget set aside for the third-party plan check services is close to exhausted. Recommended is an adjustment to the Department's revenue and expenditure budgets of \$650,000 to accommodate the increased volume of work.

BACKGROUND

The CDD recently developed a Departmental Strategic Plan which established goals and performance standards for the Department. A key objective of the plan is to improve customer service and reduce the average building plan check review time from the historic 6-10 weeks to 2 weeks or less. To help achieve this goal, the FY 2025-26 Budget included a Decision Package with a proposal to supplement the City's in-house building plan check review with third-party consultants, paying them 60% of the plan check fee collected by the City. The CDD's two in-house full-time plan checkers manage the consultant's work, performing quality control on the outsourced plan checks, and issuing over-the-counter permits.

The third-party plan check program has been successful in improving customer service and reducing average review times. In the first quarter of FY 2025-26 (July-Sep) the average review time for a building plan check was 15 days, while average review time to process a minor project was 8 days. The review times were improved upon in the first two months of the second quarter, with a 12-day review time for building plan checks in October, and 8 days in November. The CDD also received 85% positive scores from its customer survey for the first quarter of the year.

Due to a higher than anticipated volume of building permit applications, and the submittal of several large projects, the CDD-Building and Safety Division has exhausted most of its Contract and Professional Services Budget for outsourcing building plan-checks. The high application volume is reflected by the fee revenue, which is approximately \$1.2 million (153%) above projections through the first five months of the fiscal year. The projected application fee revenue at this point in the fiscal year is \$2.2 million, while the CDD has taken in \$3.37 million in fee revenue (see table below).

Month	CD Collected	Projected Revenue	Difference	% Projection
July	\$ 577,466	\$ 441,611	\$+\$135,855	130.8%
August	\$ 553,751	\$ 441,611	\$+\$112,140	125.4%
September	\$ 586,986	\$ 441,611	\$+\$145,375	132.9%
October	\$ 790,020	\$ 441,611	\$+\$348,409	178.9%
November	\$ 862,457	\$ 441,611	\$-\$420,846	195.3%
YTD TOTAL	\$ 3,370,680	\$ 2,208,055	\$+\$1,162,625	152.7%

Staff recommends that the City Council approve a 4/5ths Resolution authorizing a FY 2025-26 Budget Modification to appropriate \$650,000 to the CDD, Building and Safety Division, Contract and Professional Services Budget, with the same amount added to the Department's revenue budget. This amount is supported by the increased revenue, which has substantially surpassed projections. The requested budget modification will cover the CDD operations through March 2026, at which time the CDD will assess whether any additional funding is needed as part of the mid-year budget review process.

COORDINATION

The Community Development Department coordinated the preparation of this item with the Finance Department and City Attorney's Office.

FISCAL IMPACT

The \$650,000 appropriation to the CDD Contract and Professional Services Budget, will be fully offset by plan check fee revenue.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Reso - No. CC-2601-001 Adopt a 4/5ths Resolution Authorizing FY 2025-26 Budget Modification