



## POLICY FOR DETERMINING THE COST OF IMPROVEMENT

**PURPOSE:** To clearly establish the basis and methodology for calculation of project cost that ensures consistent and uniform application to all projects.

**POLICY/PROCEDURE:** “COST OF IMPROVEMENT” means all structural costs, including (1) all materials, (2) labor, (3) built-in appliances, (4) overhead, (5) profit, and (6) repairs made to damaged parts of the building worked on at the same time. (See attached list of items to be included and excluded.) Building Division staff will use the cost figure supplied by the applicant on the permit application form. If there are any other open building permits, the total cost of improvement will be combined by all the open permits and the current permit application. Typically cost of improvement may be obtained from one of the following sources:

- Licensed general contractor
- Professional construction estimator
- A construction contract for the project that is signed and accepted by the property owner and the contractor or their respective agent(s) authorized in writing.
- Building Official or designee (See note 1)

Note 1: When the cost of improvement is determined by the Building Official, the cost factor per square foot of floor area may be based on the minimum construction valuation established by the city that is used to determine the building permit fee. Additionally, floor areas shall be in accordance with the following:

- Floor area for the addition is defined per the current California Building Code.
- The remodel floor area is the existing floor area being altered and/or repaired.

Given the unique nature of each project, the Building Official may request additional information to establish the actual cost of the project.

### REFERENCES:

None

## Project Cost Estimate:

### Items to be included:

1. All structural elements, including:
  - Spread or continuous foundation footings and pilings
  - Monolithic or other types of concrete slabs
  - Bearing walls, tie beams and trusses
  - Floor and ceilings
  - Attached decks and porches
  - Interior partition walls
  - Exterior wall finishes (brick, stucco, siding) including painting and moldings
  - Windows and doors
  - Reshingling or retiling a roof
  - Hardware
2. All interior finishing elements, including:
  - Tiling, linoleum, stone, or carpet over subflooring
  - Bathroom tiling and fixtures
  - Wall finishes (drywall, painting, stucco, plaster, paneling, marble, etc.)
  - Kitchen, utility and bathroom cabinets
  - Built-in bookcases, cabinets, and furniture.
  - Hardware
3. All utility and service equipment, including:
  - HVAC equipment
  - Plumbing and electrical services
  - Light fixtures and ceiling fans
  - Security systems
  - Built-in kitchen appliances
  - Central vacuum systems
  - Water filtration, conditioning, or recirculation systems
4. Cost to demolish storm-damaged building components
5. Labor and other costs associated with moving or altering undamaged building components to accommodate improvements or additions
6. Overhead and profits

### Items to be excluded:

1. Plans and specifications
2. Survey costs
3. Permit fees
4. Post-storm debris removal and clean up
5. Outside improvements, including:
  - Landscaping
  - Sidewalks
  - Fences
  - Yard lights
  - Swimming pools
  - Screened pool enclosures
  - Detached structures (including garages, sheds and gazebos)
  - Landscape irrigation systems