

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 3/5/03
Department Name: Planning and Development
Department No.: 053
Agenda Date: 3/25/03
Placement: Departmental
Estimate Time: 10
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors
FROM: Dianne Meester, Interim Director
Planning and Development
STAFF CONTACT: Steve Mason, Deputy Director, (568-2070)
SUBJECT: Land Use Fee Adjustments

Recommendation(s):

That the Board of Supervisors:

Adopt the attached resolution revising land use fees for Planning and Development.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

The Board of Supervisors' approved fee policy dated 1/94 directs departments to adjust fees annually to reflect cost of living, salary equity adjustments and other increased business costs attributed to processing permit applications. The County Auditor-Controller annually reviews the Indirect Cost Rate Plan and overhead rates for Planning and Development, and the hourly rate charged for planning permits. This annual review ensures that salary increases and other required business costs associated with permit processing are included in permit fees and not supported by an increased general fund contribution.

Annual adjustments to the fee resolution are in accordance with the Board's fee policy and adopted budget principles. The last approved adjustment to the hourly rate was effective in August 2002.

The proposed hourly rate from \$100 to \$110 would offset increased salary costs (4%) and indirect costs (17%). Exhibit A, attached, is the proposed update to the August 2002 fee resolution. Over seventy-five percent of the hourly rate is salary cost. The remaining 25% of the hourly rate is overhead costs. Overhead includes both the County Indirect Cost Rate Plan and department overhead. Indirect costs are overhead or administrative costs that can come from within or outside the department. Costs such as electricity, building maintenance, or charges from other county departments such as Human Resources are examples of indirect costs. Indirect costs for County Counsel support to the department are not included in the overhead calculation. When the Auditor Controller calculates overhead rates, the indirect cost component is generated from actual costs from two years earlier. Approving these proposed adjustments to fixed fee and deposit permits will provide revenue to fund these activities and reduce the need for additional County general fund support for permit review.

In fiscal year 2000-2001 the department restructured the permit processing function creating Development Review divisions in North and South county. This restructure provided the opportunity to more precisely budget and allocate costs related to permit processing; previously these costs were in the departmental overhead category. Allocation of data processing, computer upgrades, telephone services, motor pool, furniture, etc. increased indirect costs by nearly \$140,000. Increased workers compensation premiums added another \$26,000. The combination of the re-allocation of indirect costs to permit processing and increased costs in general have caused the overhead rate to rise 17%. Additionally, since June 2002 county employees have been awarded cost of living and benefit increases of approximately 4%. The combination of salary and indirect cost increases drives the need to adjust the hourly rate. The Auditor Controller has reviewed and approved this hourly rate.

The department has 71 fixed fee permit types (listed in Exhibit A). The hourly rate is used to set the cost of fixed permit fees and this rate change is incorporated into fixed fee permits costs. There have been no other adjustments to fixed fees.

The Energy Division will continue to directly bill all costs except lease costs. In November 2000, the Energy Division moved to 30 E. Figueroa Street to accommodate the expansion of County Human Resources. The Energy Division, through charges to the offshore oil industry, purchased the office space that Human Resources moved into, with the final debt payment made in October 1998. Energy Division will continue to utilize an existing general fund allocation of \$146,000 to offset lease costs as a result of vacating office space for the expansion of the Human Resources Department.

In 1993, the Board of Supervisors capped the fees required to file an appeal of a project to the Planning Commission or Board of Supervisors. For “non-applicant” appeals the fee is \$292, plus \$103 for County Counsel; for project applicants to appeal their own project, the fee is capped at \$1,897, plus \$103 for County Counsel. In Fiscal Year 2001-2002, the cost to process appealed projects was \$140,000, beyond the fees collected, about 2 FTE. The bulk of the cost, \$110,000, was from appeals filed by “non-applicants”. For both “non-applicant” and applicant filed appeals, the projects were half discretionary projects and half ministerial. The proposed fee resolution retains appeal fee at the existing level.

Mandates and Service Levels:

No change.

Fiscal and Facilities Impacts:

The net fiscal impact of these changes is an increase of \$300,000 in revenue to offset permitting costs, and is included in the proposed 2003-2004 Fiscal Year Budget.

Special Instructions:

The Clerk of the Board ensures that noticing of the hearing for the proposed fee adjustment is completed in two general circulation publications 5 and 10 days prior to the hearing, in accordance with Government Code §66016.

Concurrence:

Auditor-Controller
County Administrator

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF CORRECTING) RESOLUTION NO.
THE LAND DEVELOPMENT FEES FOR)
PLANNING AND DEVELOPMENT)
_____)

IT IS HEREBY RESOLVED THAT:

1. The Land Development Fee Schedule shall be set forth in Exhibit A, which is attached and incorporated by reference. This change to the Land Development Fees shall become effective sixty (60) days after adoption of this resolution.
2. All other fees of Planning and Development, not referenced in Exhibit A, shall remain in full force and effect.
3. Upon a showing of good cause, the Board of Supervisors may, by minute order or resolution, adjust or waive the fees set forth in Exhibit A.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this ____ day of _____, 2003, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair, Board of Supervisors

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By
Deputy

APPROVED AS TO FORM:
SHANE STARK
COUNTY COUNSEL

By _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM
ROBERT GEIS
AUDITOR-CONTROLLER

By

PLANNING AND DEVELOPMENT
Land Development Fee Schedule

The County of Santa Barbara requires payment for all processing costs associated with the review of applications for permits for development and other uses of property as required by the County Zoning Ordinances. Planning and Development (P&D) reviews each application and determines what permits or other approvals are required and how the California Environmental Quality Act and other state and local regulations apply. P&D uses the criteria outlined below to determine whether a FIXED FEE or a DEPOSIT shall be required. The Director or designee shall determine the appropriate fee based on similarity of processing requirements with other cases if a project does not fall within any of the permit categories listed in the land development fee categories listed in Exhibit A, pages 8 - 12.

I. FIXED FEE

P&D collects a non-refundable FIXED FEE when a project requires only a ministerial or minor discretionary permit or other approval with a consistently predictable level of staff review for that application type. These fees are computed using the following formula: average number of hours multiplied by the Standard Salary Cost plus Non-Salary Costs. If a FIXED FEE is collected for the application, applicants will not be billed for any additional costs unless the applicant is informed that the case is being converted to a DEPOSIT as described below.

CONVERSION OF FIXED FEES TO A DEPOSIT: P&D carefully assesses a case during the review of the application and may reconsider the appropriateness of submitted fixed fees if the case has unique characteristics or raises complex issues which would make the case much more expensive to process than the typical case upon which the FIXED FEE was established, or if the applicant submits substantial revisions later in the review process, or if unforeseen circumstances arise. Factors that may warrant conversion from a FIXED FEE to a DEPOSIT include: development on constrained lots, projects that are not CEQA exempt, a zoning violation onsite, coastal frontage, special site characteristics, or changes to the scope of the project by the applicant. For such cases, the P&D Director or designee may require the case be converted to full cost recovery. Any unused portion of the FIXED FEE will be credited to the project account. The applicant will be required to submit an Agreement for Payment of Processing Fees and may be required to submit an initial deposit before case processing is resumed. Staff will inform applicants in writing when this situation arises.

COORDINATION WITH OTHER DEPARTMENT FEE COLLECTIONS

P&D is also charged with collecting fees, as authorized by separate Board of Supervisors resolutions, for other County departments involved in the review of land use developments. In the interest of improved public service it is the intent of the Board that P&D serve as the lead department in the review of development applications and collect all initial county land development processing fees based on a single integrated schedule. P&D is also authorized to determine which fees, including those identified in separate resolutions of the Board for other County departments, are inappropriate to be collected for specific development proposals. The information in this resolution refers to P&D fees only. Please see *County of Santa Barbara Land Development Fees* (available at P&D Zoning Counter) for information on other department fees.

II. DEPOSIT FOR COST REIMBURSEMENT

A DEPOSIT is collected when a project requires higher level review, preparation of an environmental document or a public hearing for approval. For such cases, the level of staff effort required varies significantly based on complexity, specific site characteristics and the extent of public interest rather than on permit type. A DEPOSIT, equivalent to approximately 2 months costs for a typical project of the same type will be required and will be held on account to ensure cost reimbursement.

Upon submittal of an application the applicant will be required to submit a signed Agreement for Payment of Processing Fees and a deposit. Applicants will receive a monthly invoice for all charges incurred in the previous four weeks and any unpaid balance due. Applicants will be required to pay the invoice within 30 days. Non-payment of an invoice will result in staff stopping work and possible denial of the project in the event that processing cannot be completed due to inability of P & D to adequately assess the case and prepare necessary documentation for decision-maker hearing.

During the first 30 days of review, staff will provide the applicant with a Project Cost Estimate Worksheet. The Project Cost Estimate Worksheet provides applicants with the estimated processing costs of the project based on current information. If changes to the project description or other factors are encountered that will change the scope or length of processing, staff will provide the applicant with an updated Project Cost Estimate Worksheet

If an Environmental Impact Report (EIR) is required, a separate payment for the EIR consultant costs is required prior to approval of the contract or notice to proceed.

After the final decision all unexpended funds will be refunded to the applicant.

III. STANDARD COSTS

SALARY COST: P&D's standard salary cost (the hourly rate at which planner's time is billed) is approved by the Auditor-Controller's office annually. It is calculated using the average hourly cost including salary and benefits for planners and indirect salary costs attributable to the case processing function, e.g. supervision, clerical support, and planner case processing functions. The billing rate for trainees is 75% of standard salary cost.

NON-SALARY COSTS: P&D has developed standard charges to recover non-salary costs associated with processing cases. The charges recover costs ranging from office supplies to public hearing costs. A charge will be made against the fee or deposit for each non-salary cost category which applies to that case. See the table on Exhibit A-3.

NON-SALARY COSTS for DEPOSIT CASES	
HEARING RELATED CHARGES	
Consent Agenda (Zoning Administrator or Planning Commission)	\$200
Planning Commission Hearing (not consent)	\$900
Zoning Administrator Hearing (not consent)	\$275
Continuance (Applicant Requested)	\$150
Environmental Review Hearing	\$400
Hearing Stenographer	Actual Cost
Special Planning Commission Hearing	Actual Cost
OTHER NON-SALARY CHARGES	
Any Case Not Falling Into Any Other Category Of Non-Salary Charges	\$50
Required Special Noticing (for CDPs and BAR in specified areas)	\$200
Environmental Review Noticing for Negative Declaration without Hearing	\$200
Director Decision Cases	\$200
Case Withdrawal prior to Completion	\$150
Display Advertisement in Newspaper	Actual Cost

IV. MULTIPLE PERMIT APPLICATIONS

P&D recognizes that the cost for review of cases requiring multiple permits may not equal the costs of the permits taken separately. The department's policy is to process these cases in a concurrent fashion which minimizes overall time and cost requirements. For multiple ministerial cases with fixed fees P & D will collect the highest ministerial fee and \$100 for each additional fixed fee permit type; for discretionary cases with fixed fees the entire fixed fee will be collected for each discretionary case type; and for any deposit case the highest deposit will be collected. Grading review fees will be collected in full for any project where grading review is required.

V. APPEALS

If the appellant for the permit subject to appeal is not the applicant, a non-refundable FIXED FEE is paid upon submittal of the appeal and no additional costs will be billed. If the appellant is the applicant for the permit subject to the appeal, then upon submittal of the appeal, the appellant must also submit a DEPOSIT of \$2,000, which consists of FIXED FEES for County Counsel and Clerk of the Board and a DEPOSIT amount for P&D. Upon completion of processing the appeal, any remaining balance will be refunded to the applicant. No costs will be charged beyond the initial DEPOSIT amount.

Appeals on projects located within the Coastal Zone of the County of Santa Barbara which qualify under the State of California Public Resources Code §30603 are exempt from the appeal fees stated above.

VI. ZONING VIOLATIONS

All zoning violation cases (those cases where an actual violation is determined to exist) will be billed for actual staff time spent investigating and correcting the violation at the STANDARD SALARY COST and applicable NON-SALARY COSTS. The fee applies to cases where either the property owner elects to abate or discontinue the violation and therefore no permit is issued or cases where the property owner elects to obtain the permits required to legalize the violation. Where the applicant elects to obtain permits to legalize a violation, standard permit fees described in this fee schedule apply. A penalty fee, equal to all applicable permit fees, but not to exceed \$2,000 is also required.

VII. NON-PAYMENT OF FEES OR DEPOSITS

P&D will not issue land development permits or building permits until all P&D case processing costs and/or zoning violation costs have been paid. The Building Official may defer the collection of zoning violation costs as a condition to issuance of the building permit if the official determines it is necessary to issue the building permit immediately to protect the health and safety of the public. Deferred zoning violation fees, plus charges for past due amounts, are still due to P&D.

If the owner or applicant owes an amount due on any other land use development case with the County, any past due amount must be paid by the applicant before P&D will accept a subsequent application from the applicant.

VIII. MISCELLANEOUS COSTS

Documents and other types of miscellaneous costs not detailed below will be sold at cost of reproduction plus 20% surcharge to cover handling costs, plus tax and shipping (if applicable).

MISCELLANEOUS COSTS	
Photocopies	\$.25/page
Assessor Parcel Maps w/ Zoning Information	\$ 1.50/page
Planning Commission Minutes Subscription	\$50.00/year
Zoning Administrator Marked Agenda Subscription	\$25.00/year
Ordinance Amendment Information Subscription	\$40.00 per Binder & Ordinance initially 75.00/year thereafter
Microfiche Copies	\$ 1.00/page
Electronic Parcel Information (disk/print-out)	\$50.00 flat fee + \$.07/parcel
Hearing Tape Copies (Cassette or Video)	Cost of tape + \$10.00/hr. reproduction time
Returned Check for Insufficient Funds	\$40.00/each
Maps (Resource, Zoning Ordinance, Comprehensive and Coastal Plan)	\$ 5.00 + reproduction + tax add shipping if applicable

IX. ENERGY OR INDUSTRIAL PROJECTS

Energy and/or industrial projects are processed by the Energy Division and the Building & Safety Division of Planning and Development (P&D). Developers will be billed on a monthly basis for all direct and indirect costs related to permit processing, including appeals, permit compliance, and engineering plan review. Direct costs are actual labor and office expenses, and indirect costs, based on the developer's pro-rated share of each month's direct expenses, including reimbursement for County and department overhead costs, which are calculated annually. A signed Agreement for Payment of Processing Fees and Consultant Costs for Major Projects and an initial fee deposit must be submitted to the Energy Division prior to permit processing, compliance, activity, or engineering plan review.

After an application has been accepted as "complete", P&D will review average monthly costs for the first two months of case processing activity for the project and may request an additional deposit. It is P&D's intention to have on deposit a balance that would cover four months of project processing and compliance costs.

The direct and indirect costs associated with permit processing, on-going permit compliance and engineering plan review for staff in other County departments will also be billed through P&D on a monthly basis. Any permits required by other departments will be billed separately by those departments.

Energy Division initial deposits include an amount for Building & Safety staff costs associated with engineering plan review. An additional deposit may be required by Building & Safety to cover costs associated with consultant plan review.

Deposits and fees for processing applications for change of owner, operator, or guarantor under Chapter 25B of the County code fall into four categories, as shown in the following table. In the simplest cases (25B-9.3 and 9.4), a flat fee will be charged for application processing. In the case of mergers and changes of business organization (25B-9.2), existing deposits for case processing or compliance can normally be utilized, and no additional deposit is required (unless special circumstances preclude drawing against the existing deposits). For changes of owner, guarantor, or operator (25B-9.1, 9.5, 9.6, and 10.1), deposits are required. However, the requirement for such a deposit may be waived in these cases, if existing deposits are available and considered sufficient.

ENERGY DIVISION DEPOSITS	
PRE-APPLICATION	
Production and Processing	\$ 5,000
Transportation Facilities	\$ 5,000
Supply Base	\$ 5,000
Exploratory Drilling	\$ 2,500
Mine or Power Generation	\$ 5,000
Other Energy Projects	\$ 2,500
Other Industrial Projects	\$ 5,000
CASE PROCESSING: ONGOING (General Plan Amendment, Rezone, Conditional Use Permit, Development Plan, Production Plan)	
Total Value less than \$5,000,000	\$12,500
Total Value between \$5,000,000 and \$30,000,000	\$25,000
Total Value greater than \$30,000,000	\$50,000
Certificate of Financial Responsibility	\$ 5,000
Certificate of Financial Responsibility (certificate for reliance upon owner of facility and shipper of oil)	\$ 2,500
PERMIT COMPLIANCE: ONGOING	
Total Value less than \$5,000,000	\$12,500
Total Value between \$5,000,000 and \$30,000,000	\$25,000
Total Value greater than \$30,000,000	\$50,000
PERMIT COMPLIANCE: MINOR	
Review of Minor Projects	\$ 5,000
CHANGE OWNER, OPERATOR, OR GUARANTOR	
Existing partner becomes managing partner Change of non-managing partner of owner	\$250 (flat fee)
Merger or change of form of business organization of owner or operator	use existing deposit
Change of owner Change of guarantor	\$5,000
Change of operator Temporary operator	\$12,500