

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
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Agenda Number:
Prepared on: 10/24/2005
Department Name: Planning and Development
Department No.: 053
Agenda Date: 11/08/2005
Placement: Administrative
Estimate Time: 10 minutes on 11/8
Continued Item: Yes, 10/18/2005
If Yes, date from:

TO: Board of Supervisors

FROM: Ronald Cortez
Deputy County Executive Officer

Dianne Meester, Assistant Director
Planning and Development

STAFF CONTACT: Steve Mason, Deputy Director, (568-2070)
Planning and Development

SUBJECT: Land Use Fee Adjustments

Recommendation(s):

That the Board of Supervisors:

Consider the attached land development fee resolution with revisions to land use permit fees for Planning and Development and consider revising appeal fees as discussed in the following report.

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:

To better serve permit applicants, Planning and Development proposes several actions:

1. Modify several planning fee categories from variable fees to fixed fees;
2. Stop billing projects for meetings or phone calls with individual Board members;
3. Provide for expedited permit processing using consultants; and
4. Consider revising fees for the appeal of planning projects.

Each of these is described further below:

1. Fixed fees are often preferred by permit applicants because they provide more of a guarantee of project cost, insulating permit applicants from any costs related to staff turnover. Fixed fees are based on the average cost to process a group of permits within a range. Some are completed in less than the average time and some take more than the average time. Permits with unusual characteristics requiring extraordinary work may be converted to a variable fee.

P&D reviewed a number of permit categories to determine where fixed fees may be appropriate and has the concurrence of the Auditor-Controller for the following changes.

Fee Description	Current Fee	Proposed Fee
Conditional Certificate of Compliance	\$1,500 Deposit & Hourly Reimbursement	\$3,175 Fixed Fee
Conditional Certificate of Compliance, Not Buildable	\$1,500 Deposit & Hourly Reimbursement	\$3,175 Fixed Fee; No fees for other County Departments
Detached Residential 2 nd Dwelling Unit	\$1,500 Deposit & Hourly Reimbursement	\$2,355 Fixed Fee
Time Extension- Zoning Administrator	\$1,500 Deposit & Hourly Reimbursement	\$2,025 Fixed Fee
Zoning Modification	\$1,500 Deposit & Hourly Reimbursement	\$3,405 Fixed Fee

Permit Definitions

Conditional Certificate of Compliance. A method to legalize an illegally created lot pursuant to Section 66499.35 of the state Subdivision Map Act. This permit requires analysis under CEQA as development may result if the lot is legalized.

Detached Residential 2nd Dwelling Unit. A permit that allows for construction of a secondary residential unit separate from the primary structure.

Time Extension- Zoning Administrator. Extends the deadline for one or more phases of a development permit. Requires review of current planning and CEQA regulations to determine if findings for approval can still be made.

Zoning Modification. Allows for minor modifications to zoning ordinance standards, including height, parking, and set backs, providing better planning outcomes. This permit also requires Board of Architectural review.

2. Planning and Development's practice has been to bill projects for any work that was generated from the project, including meetings with individual Board members. Staff has been directed that these meetings and calls should not be billed to projects. This will reduce the amount billed hours for some permit applicants.

3. To decrease permit processing time for applicants, we propose to offer applicants of large and complex projects the option of having their permit application processed by a consultant that will be overseen by Planning and Development. In order for this to be fiscally possible, the applicant will be required to pay the consultant's charges as well as the indirect component of the hourly rate, about \$50/hour. Indirect rates are reviewed and approved annually by the Auditor-Controller, and often include liability insurance, electricity, building maintenance, charges from other county departments such as Human Resources, supervision, administrative costs, etc. These indirect costs are not avoided by contracting the permit processing work.
4. From your Board's comments in the hearing on October 18, 2005, the following background information is presented for your Board's consideration. Appeal fees have not been revised since May, 1994.

On May 3, 1994 the Board set appeal fees at \$292 for non-applicants and \$1,857 for applicants appealing their own project. There is no fee for projects being appealed in Appeals Jurisdiction area of the coastal zone. The Appeals Jurisdiction is the area of the coastal zone between the ocean and the first public street. Under state law, should the County impose a fee to appeal projects in the Appeals Jurisdiction area, applicants can elect to bypass local decision making bodies and have the appeal considered by the California Coastal Commission. Therefore, in 1994 the Board chose not to charge an appeal fee in Appeal Jurisdiction area and retain local decision-making control for those projects.

At the October 18th Board of Supervisor meeting, members of the Board expressed concern that applicants and non-applicants paid different fees to request an appeal. Staff researched this issue and found this structure unique to our County. All cities within our County and San Luis Obispo County charge the same fee to request an appeal to the applicant and non-applicant.

Therefore, based upon this research, staff recommends that staff set the appeal fee to \$300 to both the applicant and non-applicant for an appeal. The County will still be subsidizing the cost of appeal that costs on average \$6,250. Therefore, most of cost of appealed projects is not covered by the fees collected; this shortfall between fees collected and appeal costs will be approximately \$130,000 per year. It appears other jurisdictions in our area also subsidize the costs of appeals.

Therefore, the Board needs to deliberate the appropriate level of subsidy and provide staff with direction. The following survey of fees from surrounding jurisdictions is provided for your consideration:

Jurisdiction	Applicant Appeal	Non-Applicant Appeal
City of Santa Barbara	\$250-\$300	\$250-\$300
City of Santa Maria	\$129.70 + Staff time	\$129.70 + Staff time
City of Carpinteria	\$870	\$870
City of Goleta	\$200	\$200
City of Buellton	\$300	\$300
City of Solvang	\$594	\$594
County of Sant Barbara	Not-to-Exceed \$2,000	\$292
County of San Luis Obispo	\$450 discretionary	\$450 discretionary
	\$299 ministerial	\$299 ministerial
County of Marin	\$525 to Plann Comm	\$525 to Plann Comm
	\$700 to Board of Sups	\$700 to Board of Sups

None of the items being considered today (several variable fees to fixed fees, no billing to cases for meetings with Board members, expedited permit processing using consultants, and consider revising the appeal fees) will affect the current hourly rate. The estimated fiscal impact of these fixed fee permit changes is modest and is not expected to significantly impact revenues. If these changes are approved by your Board, they become effective on January 9, 2006.

Planning and Development will comprehensively review planning fees prior to the 2006-07 fiscal year budget. This fee review is consistent with the Board of Supervisors' approved fee policy dated 1/94 requiring fees be updated annually. These annual revisions incorporate the type of changes presented earlier in this report, as well as adjustments to the hourly rate to cover countywide salary increases, utility costs, liability insurance, etc.

Prior to fiscal year 2006-07 budget adoption, we will seek your Board's direction on fee and rate policy for planning permits, including:

- What level of general fund contribution should be provided for planning permits?
- Should there be more fixed fee permits?
- Are revenue and billing targets appropriate for planning staff?
- What range of activities should be billed to applicants?
- Should interest be paid on permit deposits (resolution 88-14049 provides interest on deposits of \$50,000 or more)?

Mandates and Service Levels:

No change.

Fiscal and Facilities Impacts:

Fiscal impacts from these changes are expected to be minimal. Permit revenues are budgeted in the following programs, Planning Support Services, of the Administration Division, Permitting and Compliance of Development Review North and South Divisions and in Property and Permit Information of the Building and Safety Division. These programs can be found on pages D-290, D-294, D-296, and D-300 of the adopted 2005-06 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:

County Executive Office

County Counsel

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