



**BOARD OF SUPERVISORS
AGENDA LETTER**

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

Agenda Number:

Submitted on:
(COB Stamp)

Department Name: Planning and Development
Department No.: 053
Agenda Date: December 9, 2025
Placement: Departmental Agenda
Estimated Time: 1 HOUR
Continued Item: No
If Yes, date from: n/a
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Lisa Plowman
Contact: Andrew Rasura, Deputy Director, Administration
SUBJECT: Proposed Fee Ordinance Update for Planning and Development Department

DocuSigned by:
Lisa Plowman
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County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors (Board):

- a) Approve the introduction (first reading) of "An Ordinance Amending Fees for Planning and Development Department Services" included as Attachment A;
- b) Read the title "An Ordinance Amending Fees for Planning and Development Services" and waive full reading of the Ordinance, as shown in Attachment A; and
- c) Set a hearing on the Administrative Agenda of December 16, 2025, to:
 - i) Determine that the adoption of an ordinance amending fees for Planning and Development Department services is not subject to the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Sections 15273(a)(1) and 15378(b)(5), included as Attachment C to this Board Letter; and
 - ii) Adopt (second reading) "An Ordinance Amending Fees for Planning and Development Services", included as Attachment A.

Summary Text:

This Board item recommends that the Board update the existing hourly rates and fees and simplify the fee structure for the Planning and Development Department (P&D). P&D is engaged in regulatory oversight of land development, construction, oil and gas development, and film permitting. These activities are authorized and governed by various County and State codes which prescribe P&D's responsibilities and represent the majority of P&D's work.

P&D is recommending the adoption of the revised hourly rates, fees and fee schedule to ensure the fees continue to align with the Board's policy of full cost recovery. The proposed fees will provide an additional \$2.1 million in annual revenue to cover costs assuming full staffing levels and workload levels consistent with recent activity. While some fees are reduced due to greater efficiencies, the fees are generally increasing to cover the cost of the services provided by the Department.

Additionally, the department recommends the adoption of surcharges to ensure sufficient revenue to support growing technology costs and to offset costs of State general plan update mandates. The recommended surcharge changes would result in an additional \$241,000 thousand in revenue to support general plan mandates and an additional \$707,000 in revenue to support improvements in automation and other technology needs.

Discussion:

The current fee ordinance for P&D was adopted in 2017. At that time, the department moved to a full cost recovery model, with specified exceptions, per Board direction. Since 2017, department costs have increased and services have changed. Changes include new development regulations, new clean energy regulations, sustainable construction practices, a new Cannabis Land Use Ordinance, continued streamlining of procedures, and a shift of administrative, planning and building divisions to an enterprise fund format. In general, fees should be reviewed and updated regularly to ensure fees align with services, profits are not being generated and costs are recovered at levels reflective of Board policy.

P&D contracted with Government Consulting Partners (GCP), experts in local government fee analysis, to conduct the department's fee study (Attachment B). The goals of this fee study were to analyze the costs to deliver services and the revenue generated from fees to determine whether costs are being appropriately recovered, identify areas that could be streamlined, increase user friendliness, and restructure fees to align with services.

GCP comprehensively evaluated the estimated reasonable cost of providing planning, plan check, inspection and administrative services to P&D customers. The study found that P&D's current fees are not achieving the Board's policy of 100 percent fee recovery as they currently do not capture all overhead costs and in the case of residential building construction, do not accurately reflect the time it takes to deliver building inspection services to a significant degree.

GCP calculated hourly rates to establish actual costs to deliver services and examined data from average annual case volumes and actual intake, review and inspection data, employing averages to determine reasonable fixed fees or deposit amounts for each specific permit or service. They proposed changes to existing fees and hourly rates to establish a transparent, legally compliant fee structure that supports fiscal sustainability and sound cost recovery practices.

Consistent with Board policy, P&D is recommending adoption of the proposed fee schedules with 100 percent cost recovery to the greatest extent feasible, with the exception of the services subsidized by the general fund as outlined below.

Table 1. Recovery Rates

Percent Cost Recovery Rates from Fees		
	Current	Proposed
Planning, Planning Compliance & Film	88.5%	95.5%
Cannabis & Cannabis Compliance	81.6%	92.6%
Building Services	81.9%	99.2%
Petroleum Services	83.7%	100%

The review of the department's fees revealed a need to realign some fees to better reflect the County's various ordinances and services. The proposed building fee schedule has been restructured significantly to reduce the number of fees and simplify the fee model using current industry standards.

In addition, to improve transparency and to align with industry standards, the proposed fee structure moves the general plan maintenance and technology and record maintenance charges that are currently embedded in the hourly rates, to separate surcharges on applicable fees. A proposed increase in the technology and record maintenance surcharge reflects the cost of automation and modernization, and proposed changes in the general plan maintenance surcharge provide additional revenue to help the county keep pace with numerous state mandates.

The proposed fees will provide an additional \$2.1 million in annual revenue to cover costs assuming full staffing levels and workload levels consistent with recent activity.

In addition, the proposed changes to surcharges would provide an estimated additional \$706,834 which would pay for P&D's Accela subscription as well as proposed technology and equipment upgrades and an estimated additional \$240,803 which would be transferred to P&D's Long Range Planning division to support State-mandated General Plan updates.

Background:

P&D, in accordance with State law and County policy, collects fees to cover the cost of providing required building, grading, planning, petroleum, and film permitting services. County policy states that departments shall "ensure appropriate maximum reimbursement of...user fees that fully offset user costs..." and "Departments are responsible for ensuring that all legally allowed fees and charges are presented to the Board for adoption and for reviewing/adjusting as appropriate."

As noted above, the current P&D fee schedule, approved by the Board, has not been comprehensively reviewed since 2017. P&D has regularly adjusted fees through the application of a Consumer Price Index adjustment. These adjustments have partially offset increased salary and benefit costs but have not kept up with other growing costs of doing business, such as utilities, insurance rates, and technology costs, and they have not accounted for workflow changes, Accela-related improvements, or ordinance changes. GCP used the FY 2025/26 budget as the basis for analyzing costs and carefully analyzed intake, review and inspection data and changes to department structure, and permit service delivery over the past eight years to capture all the costs built into today's department and county structure and service model.

A. Planning Fees

The proposed planning fee schedule (see Attachment A) has been restructured to better align with the current permit types and processes. The proposed fee structure continues to include a mix of fixed fees and deposit-based fees.

Permit Fees

Planning fees can generally be broken down into three categories:

- Fixed fees based on the average time typically required
- Deposit-based fees when project review times vary significantly: These services are assessed as an initial security deposit and then billed based on actual costs
- Actual cost fees: pass through costs such as display ads

The proposed planning fee changes include but are not limited to:

- New fixed fees such as:
 - Senior Mobile Home Compliance Fee consistent with recent ordinance
 - Homestay Renewals (previously charged same as new)
 - Lower Minor BAR review fee (for revisions, signs)
- Fixed fees that were reduced due to efficiencies in the processing of these permits:
 - Fences, Walls, Pools, Spas
 - Pool Houses, Guest Houses, Artist Studios
 - Commercial/Industrial Minor Additions/Alterations
 - Permit Exemptions
 - Homestay Renewals
 - Noticing Fees
 - BAR Hearing Fees
- Fees proposed to be converted from fixed fee to deposit due to variation in cost of permitting:
 - Large residential additions
 - Emergency Permits
 - Sign Certificates of Conformance
- Reduced deposit amounts due to efficiencies in the processing of these permits:
 - Variance
 - Modification

Subsidized Planning Fees

Appeal Fees: Historically, the Board supported the subsidization of appeal fees. P&D currently proposes to increase appeal fees from current \$667 to \$1,500 to recover a greater portion of the cost while ensuring appeal fee rates remain accessible. The average actual cost of appeals cases was \$19,000 in FY 23-24. In that period 64 percent of appeals were denied and another 14 percent withdrew after significant staff time was spent. There are a variety of approaches to appeal fees. Below is a table that outlines some of these approaches in comparable counties.

Table 2. Appeals

Appeals Fee Comparison				
Santa Barbara County	Ventura County	San Luis Obispo County	Monterey County	Sonoma County
\$667 - current	\$1,000 Deposit	\$925	\$1,500 -3,000	\$1,200 – \$1,600
\$1,500 -proposed	Appeal: <ul style="list-style-type: none"> • Of violation, full cost • By applicant, full cost • Non-applicants pay up to \$1,000; applicants also pay up to \$1,000 	Includes tech surcharge	<ul style="list-style-type: none"> • \$1,500 – admin, director decisions • \$3,000 – completeness, other decision makers 	\$1,200 for admin or waivers, \$1,600 for appeals of Commission

Other GF Subsidized Planning Services: The department provides some services for which we do not collect fees, these include appeals where the project is appealable to the Coastal Commission, public information, enforcement investigations where no notice of violation is issued, and county-initiated projects such as Agricultural Preserve Contract non-renewals and Historic Landmarks Advisory Committee-initiated projects. These services will continue to be supplemented by General Fund Contribution.

Increased Revenue

The proposed planning fee adjustments are projected to generate an estimated additional \$452,491 or 8.0 percent in annual planning revenue. P&D proposes to increase cost recovery of permit fees to 100 percent for all fees except appeal fees which is proposed to be subsidized as discussed below. The estimated increases in revenue are discussed in greater detail in the Fiscal and Facilities Impacts Section.

Changes to the hourly rates are discussed below in Section F.

Surcharge Changes

Technology and Record Maintenance Fee: P&D is recommending that technology and record maintenance charges be removed from the hourly rate and charged as a six percent surcharge which will apply to almost all fees (exceptions include mobile home fees, display ads, issuance fees, reinspection fees). For a list of applicable fees, see proposed planning fee schedule, Appendix A.

General Plan Maintenance Fee: The general plan maintenance surcharge is currently included in the building fee hourly rates and charged only on building permits. The department is recommending that this fee be applied to applicable planning project fees as a 3.7 percent surcharge. Planning project fees excluded from this surcharge include compliance fees, emergency permits, consultations, home occupations, time extensions, and hearing fees. Applying this surcharge to both planning and building permits is the industry standard.

See Section G, Surcharges below for more detailed information.

B. Building and Safety Fees

Plan Check Fees

The proposed building fee schedule (see Attachment A), has been completely restructured to significantly simplify and reduce the number of fees, making it more user-friendly. In the current fee schedule, plan check fee amounts vary by individual fee category and square footage. GCP recommends an industry-standard approach of assessing the total estimated inspection costs and then applying a factor to determine plan check fees. This streamlines the fee schedule and reduces administrative time calculating fees. The current building fee schedule also has add-on fees and factors that make it time-consuming to calculate fees and difficult for applicants to estimate fees, with 28 potential plan check multipliers and 16 potential inspection multipliers. These have been replaced by a single multiplier for site constraints and complex construction techniques that add significantly to staff time. The proposed building fees also use common terminology where possible and are more transparent and predictable for applicants.

Inspection Fees

GCP analyzed the level of work effort required for each permit fee category to ensure appropriate fee levels for inspections. They found the current fee schedule did not charge larger square foot projects commensurate with the level of effort they actually require. For example, a new 2,500 square foot home requires 34 inspection hours based on field data. Currently, the inspection hours for a 10,000 square foot home only increases by nine hours. The research completed for the study showed that a 10,000 square foot home actually required nearly 100 inspection hours due to the complexity of construction for these larger homes.

Increased Revenue

The proposed fees have accounted for actual average costs of different projects. As a result, annual building revenue from the proposed fees is estimated to increase by \$1.5 million, or 23 percent. The estimated increases in revenue are discussed in greater detail in the Fiscal and Facilities Impacts Section.

P&D proposes to ensure 100 percent cost recovery, with the exception of permit fees for:

- Water heaters
- Residential furnaces/forced air units
- Solar permits

Water heaters and furnaces/forced air units are appliances required in almost any residential unit. If installed incorrectly these can endanger residents. P&D recommends continuing the Board's policy keeping fees for these below estimated actuals ensure safety inspections are carried out. Solar permit fees are capped by the state.

See Section F, Departmental Hourly Rates for more detailed information regarding the changes to the hourly rates.

Surcharge Changes

Consistent with the planning fees discussed above, general plan maintenance and technology and record maintenance charges are proposed to be removed from the hourly rate and charged as a separate surcharge on applicable permit fees. The general plan maintenance surcharge is not applied to mechanical, electrical, plumbing, or administrative fees. This change is discussed further in Section G, Surcharges below.

Fee Comparison with Neighboring Jurisdictions

As part of the restructuring process, GCP surveyed county development-processing fee schedules from comparison agencies to better understand regional best practice fee structures and trends. They then shared this compiled data and the actual fee schedules with staff.

Key considerations when reviewing comparison survey results include:

- Service Costs Vary - Differences in staffing, operations, and overhead costs mean fees aren't always directly comparable
- General Fund Contribution – Many agencies subsidize fees to keep them low
- Different Services - Fees may reflect different levels or types of service, even if the name is the same

Table 3, below, shows the County's current and proposed building fees as well as the fees charged by other comparable counties for the same project type. Some of the Department's existing fees will be decreased where it was found that the cost to process and inspect these projects were less than the current fee (green). In other cases, the fees are proposed to be increased where it was found that the fees were not sufficient to cover the cost of the services provided (blue). Table 4 compares the cost of building permits for a 20,000 square foot, 20-unit multi-family project.

Table 3. Building Projects Fee Comparison

Typical Building Projects Plan Check & Inspection Fee Comparison					
Project Type	SB County Current	SB County Proposed	Marin County	San Luis Obispo Co.	Ventura County
800 sf new ADU meeting setbacks & height limits	\$6,186	\$6,104 ¹	\$4,092	\$1,328	\$3,852
1,200 sf new ADU meeting setbacks & height limits	\$7,028	\$8,776	\$ 5,423	\$1,992	\$5,104
300 sf addition to an SFD	\$4,069	\$1,705	\$2,217	\$1,180	\$2,091
500 sf addition to an SFD	\$5,554	\$2,607	\$3,048	\$1,180	\$2,871
1000 sf tenant improvement to an existing commercial space	\$2,600	\$4,858	\$7,091	\$2,140	\$5,956
1000 sf new garage	\$6,607	\$2,764	\$2,563	\$1,990	\$2,416

¹768 sf pre-approved ADU will be \$4,438; 900 sf pre-approved ADU will be \$4,964

Table 4. Multi-Family Residential Building Fee Comparison

Multi-Family Residential Building Fee Comparison					
	SB County Current	SB County Proposed	Marin County	San Luis Obispo Co.	Ventura County
Multi Family Building 20,000 sq ft, 20 units	\$42,849	\$62,152	Varies: \$29,800 - \$120,600	\$61,000	Based on Valuation

C. Film Permit Fees

Film permitting has shifted from the building fee schedule to the planning fee schedule and has undergone a significant restructuring process as well. There are currently 21 film permit fees; 13 fixed fees are proposed. P&D issues about 50 film permits per year. Film permit fees will have a six percent technology and records surcharge added but are not subject to general plan maintenance surcharges. (See fee schedule in Attachment A).

D. Cannabis Fees

The County's Cannabis Program was adopted after the 2017 fee study was approved. Since that time, fees for cannabis and cannabis compliance have mirrored the planning fee structure and building fee structures and used the planning and building hourly rates, respectively. Applicable cannabis permit fees will have a 3.7 percent general plan maintenance surcharge added and cannabis permit fees will have a six percent technology and records surcharge added. (See fee schedule in Attachment A).

E. Petroleum Fees

The schedule of fees for P&D's petroleum unit, which consists of two Petroleum Technicians and one administrative staff who oversee onshore oil and gas facilities (Energy Division planning work is included in planning fees), remains unchanged in structure. Proposed petroleum fees are in accordance with the County's fund balance policy governing special revenue funds. Because petroleum fee revenue is restricted to expenditure for petroleum operations, petroleum fund balances should support annual operations without General Fund Contribution (other than reimbursement for costs incurred in the General Fund on behalf of petroleum permitting and inspection operations). Petroleum permit fees will have a six percent technology and records surcharge added. Petroleum permit fees are not subject to general plan maintenance surcharges. (See fee schedule in Attachment A).

F. Departmental Hourly Rates

GCP's analysis concluded that P&D's hourly rates required adjustment. The methodology for calculating hourly rates has not changed, with the exception of pulling out the cost for general plan maintenance and technology and record maintenance as separate surcharge fees. GCP collected salary information for all staff who work directly or indirectly on permitting, compliance and enforcement services. GCP analyzed data in Accela and the county's Financial Information Network to determine staff time spent directly working on cases. Staff time not spent training or in general meetings and other indirect costs were determined based on P&D's approved FY 25-26 budget. These costs include insurance, building costs, utilities, and other department service costs. These costs are included as part of the fully burdened hourly rate to ensure 100 percent cost recovery, to the greatest extent feasible. The proposed hourly rates are as follows:

- **Planning:** The planning hourly rate will decrease from the current rate of \$302 to \$299, primarily resulting from the removal of the technology and record maintenance costs from the hourly rate. P&D is recommending a six percent technology and records maintenance surcharge be applied to almost all planning permit fees and a 3.7 percent surcharge be applied to most planning permit fees. See Section G. Surcharges for more details.
- **Building:** Building fees are currently based on two hourly rates, \$337 for plan check and \$287 for inspection. GCP's analysis concluded that these rates were converging; therefore, the new building rate is proposed to be \$303 for all services. The technology and record maintenance costs and the general plan maintenance charges were removed from the hourly rate. A technology and records maintenance surcharge of six percent will be applied to most building, mechanical, plumbing, electrical and grading permits, and the general plan maintenance

charge is recommended to increase from three percent to 3.7 percent and be charged as a surcharge on building permits.

- **Film Permits:** The proposed film permit fees are based on the planning hourly rate of \$299 per hour. A technology and records maintenance surcharge of six percent will be applied to film permits.
- **Cannabis:** The proposed cannabis permit fees are based on the planning hourly rate of \$299 per hour. Surcharges will apply as for planning permits, above.
- **Petroleum:** The proposed hourly rates for petroleum fees are increasing from \$176 to \$206 per hour for petroleum inspectors and from \$129 to \$156 per hour for the unit's assigned administrative staff. A technology and records maintenance surcharge of six percent will be applied to petroleum permits.

Charts 1 and 2 below show the components of the hourly rates for planning and building. The hourly rate for planning services can be broken into four categories:

- **Direct Time:** Time spent on cases (70% of staff time charged to cases)
- **Indirect Time:** Administrative costs including division deputies, supervising planners, and 30% of staff time
- **Departmental Administration:** Administrative services such as fiscal services, information technology, the executive team, and the cost allocation plan (e.g., ITD, County Counsel, General Services charges)
- **Operating Expenses:** Insurance, equipment, and supplies

The hourly rate for building and safety services are broken into the same four categories, with one key difference, the supervisors in B&S are working supervisors and bill their time to projects.

Chart 1. Planning Hourly Rate

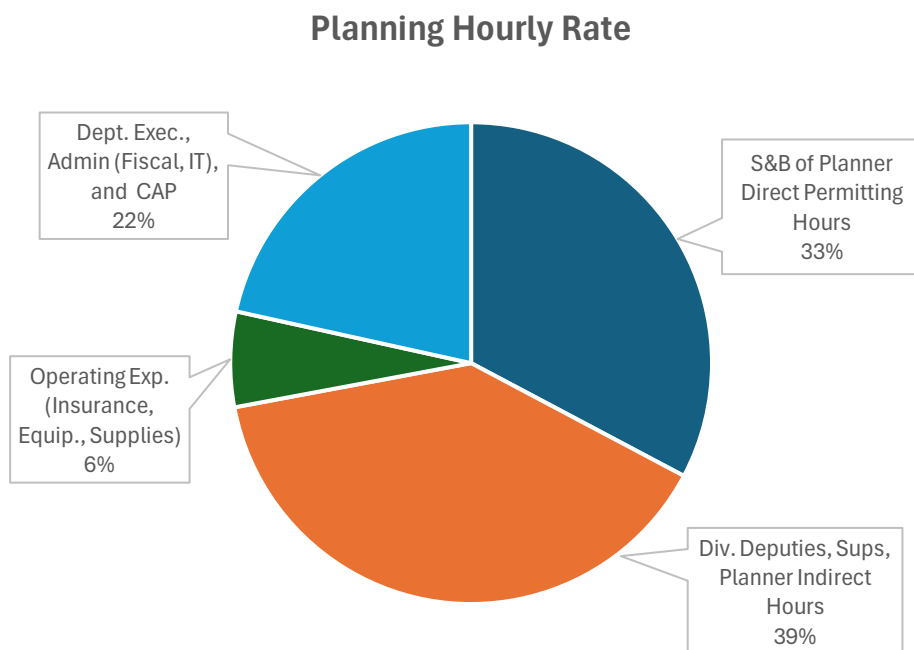


Chart 2. Building and Safety Hourly Rate
Building and Safety Hourly Rate

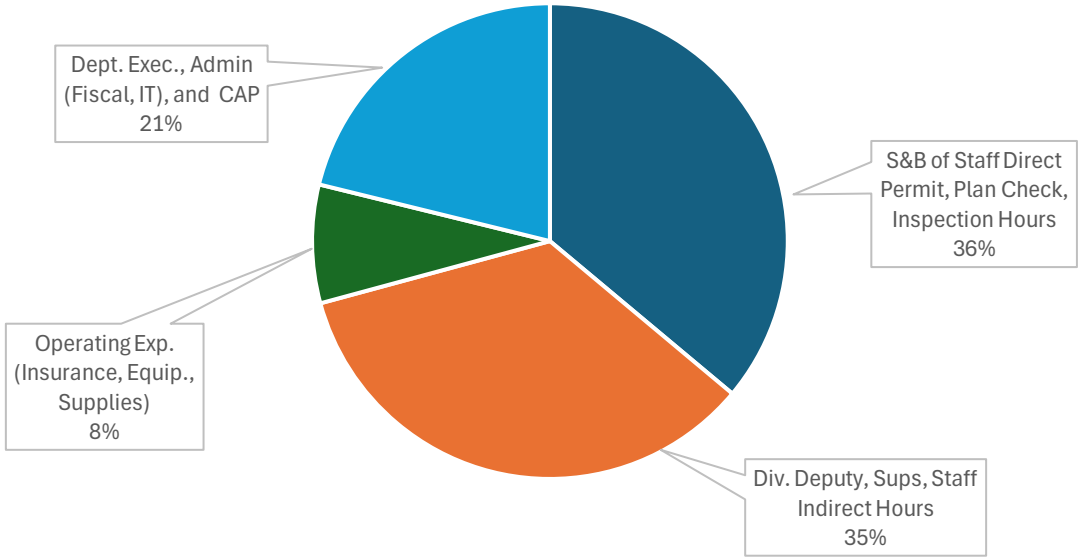


Table 5 below shows current and proposed planning and building hourly rates compared with other agencies’ planning and building rates. It is important to note that the rates for comparable jurisdictions are subsidized by these agencies and as a result are not a direct comparison.

Table 5. Hourly Rates Comparison

Hourly Rates Comparison						
	Santa Barbara County Current	Santa Barbara County Proposed	Ventura County ¹	San Luis Obispo County	Monterey County (2024)	Sonoma County
Planning						
	\$302	\$299	\$187	\$142	\$175 - \$186	\$208
Building						
Plan Check	\$337	\$303	\$143-\$155	\$140	\$195	\$206-\$278
Inspection	\$287					\$203

¹Technology and Records charge removed

G. Surcharges

It is common for local government agencies to assess surcharges on planning and building fees to ensure reliable and adequate funding for projects that support the permitting and service delivery processes. As discussed above, currently a general plan maintenance charge is applied to building fees, and technology and record maintenance charges are applied to both planning and building fees; a technology fee is applied to Petroleum. These charges are currently embedded in the applicable

hourly rates. P&D proposes to remove these charges from hourly rates and charge them as separate surcharges on applicable permits.

Table 6. Surcharges

Surcharges					
	Technology & Records Maintenance			General Plan Maintenance	
	Current		Proposed ¹	Current	Proposed ¹
	Technology	Records	Combined		
Planning	1.5%	0.15%	6%	n/a	3.7%
Cannabis	1.5%	0.15%	6%	n/a	3.7%
Building	1.5%	0.15%	6%	3%	3.7%
Petroleum	1.5%	n/a	6%	n/a	n/a
Total Revenue	\$235,526		\$942,350	\$179,197	\$420,000

¹ Not applied to all fees

For permit fees where both surcharges apply, for every \$1,000 in fees, applicants will pay an additional \$97.

Technology and Record Maintenance Surcharge

P&D currently embeds a 1.5 percent technology charge and a 0.15 percent records maintenance charge in hourly rates. As stated above, P&D is recommending removing these charges from hourly rates. P&D also recommends combining the technology and records maintenance charges into one surcharge. Due to increasing technology hardware and software costs, digitization and records storage costs, and permitting automation costs, P&D is recommending increasing this surcharge to six percent on applicable planning, building and petroleum fees. This will ensure that the department can continue to support the complete transition to online permitting services to the public.

General Plan Maintenance Surcharge

This surcharge is included in accordance with Government Code 66014(b), which allows recouping of costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt. P&D currently embeds a three percent general plan maintenance charge into the building fee hourly rates only. As discussed above, P&D is recommending that the surcharge apply to applicable planning permit fees as well. This apportions the general plan maintenance fees equitably and results in an increase in general plan maintenance revenue to offset some of the costs of state-mandated General Plan Element updates. This approach is consistent with how other jurisdictions have structured their fees. P&D proposes applying this surcharge to applicable planning and building fees at a rate of 3.7 percent. General Plan Maintenance surcharges will not apply to many building permit fees including mechanical, electrical, plumbing, roofing, grading, solar, and some planning permit fees such as film permits, consultations, hearing and noticing fees, and permit compliance.

Table 7. Sample Fees with Surcharges

Sample Fees with Surcharges					
Fee Category	Current Fee (includes applicable surcharges)	Proposed Fee	Proposed Technology & Records Maintenance Surcharge (6.0%)	Proposed General Plan Maintenance Surcharge (3.7%)	Proposed Total Charge
PLANNING					
Residential Fence/Wall over 8'	\$773	\$598	\$36	\$22	\$656
Residential Addition 500 sf	\$980	\$1,197	\$72	\$44	\$1,313
Commercial/Industrial Addition	\$1,492	\$898	\$54	\$33	\$985
Deposit Project w/10 hours	\$3,020	\$2,990	\$179	\$111	\$3,280
Planning Commission Hearing	\$2,199	\$2,091	\$125	n/a	\$2,216
BUILDING					
Residential Fence/Wall over 8' w/1 hr plan check	\$1,176	\$606	\$36	n/a	\$642
Residential Addition 500 sf	\$5,716	\$2,607	\$156	\$96	\$2,860
Electrical: Residential Fixed Appliances (up to 5)	\$288	\$394	\$24	n/a	\$418
New 2,500 sf home ¹	\$10,115	\$17,462	\$1,048	\$646	\$19,155

¹Fee changes primarily driven by inspection services

Comparison of Surcharges with Other Agencies

Charts 3 and 4 below compare proposed surcharges to other agencies.

Chart 3. Technology Surcharge Comparison

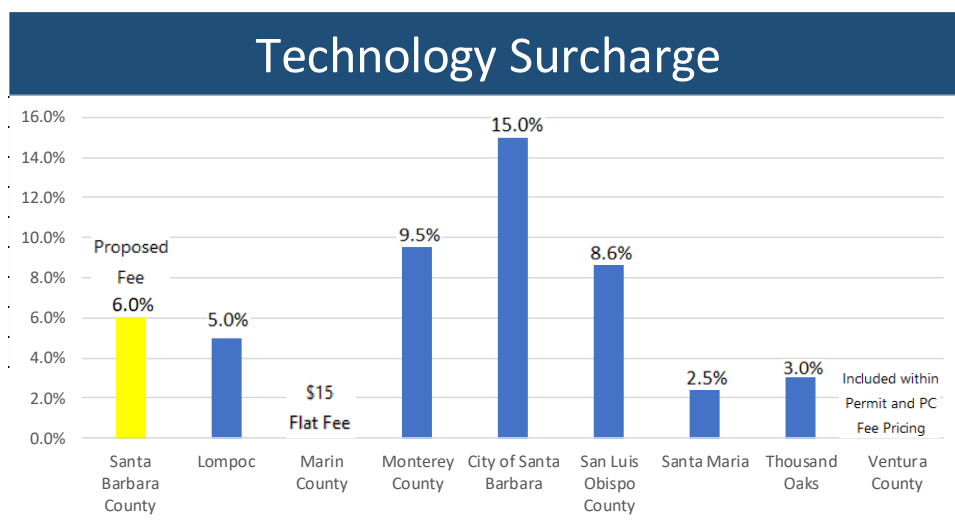
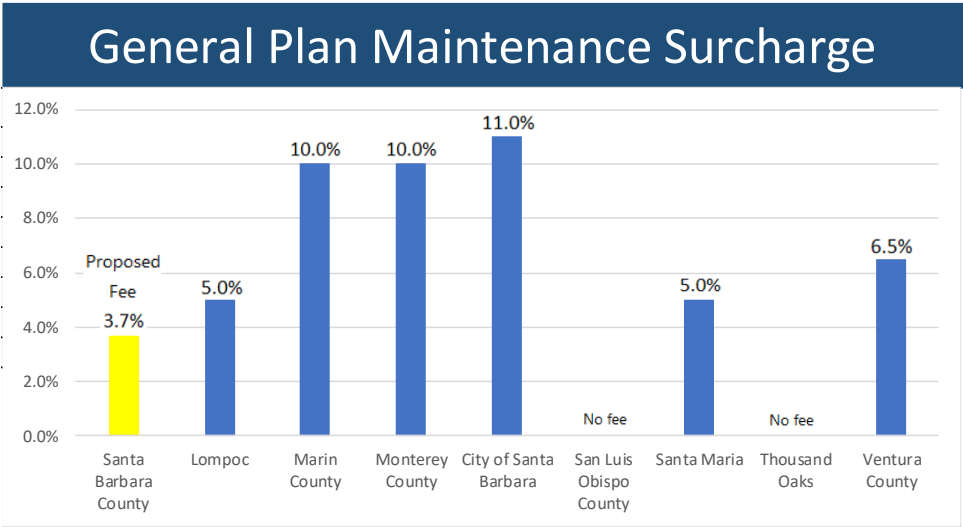


Chart 4. General Plan Maintenance Surcharge Comparison



H. Future Fee Analysis

Due to significant fee restructuring, GCP recommends that P&D monitor actual fiscal impacts beginning with the first six months of actual revenue data to ensure the fees are performing as anticipated.

Fiscal and Facilities Impacts:

Budgeted:

If the proposed ordinance is adopted on December 16, 2025, the new fee structure will become effective 60 days thereafter, on February 14, 2026. The proposed adjusted fees comply with the Board’s policy of full cost recovery for services supported by user fees.

The total annual revenue from this proposed fee schedule, once fully effective and assuming full staffing and workload levels consistent with recent activity, is estimated to be approximately \$16 million based on the approved FY 25-26 budget. This represents an increase of \$2.1 million in revenue.

The new fees will be in place for approximately four and a half months of FY 2025-26; the partial-year revenue increase in the current fiscal year is estimated at approximately \$802,000. In the first full fiscal year of implementation (FY 2026-27), the annualized increase is projected to be approximately \$2,137,793.

There are no facilities impacts.

Fiscal Analysis:

The recommended fee changes will move the department closer to full cost recovery for permit-related fees, with an overall estimated recovery rate of 97.6 percent. The recovery rate is not 100 percent per the Board’s previous direction in 2017 to provide reduce fees for certain permits as discussed above.

The analysis prepared by GCP, including time and travel analysis and actual billed time on projects, provides an accurate summary of the time spent by permitting and support staff in the delivery of permitting and code compliance services. In addition to the GCP analysis, P&D, in consultation with

County Auditor-Controller staff, analyzed all indirect costs associated with the permit and code compliance functions as they are conducted today. Indirect costs associated with the divisions and the department administration were included as overhead costs and applied to the direct salary and benefit expenses to calculate the fully burdened hourly rates.

- Division level indirect costs include costs such as labor from managers, supervisors and support staff, internal meetings, training, and shared supplies that support overall service delivery within the division.
- Department level indirect costs include the department's administrative services such as fiscal, personnel and information technology services as well as the County's central services such as the County Executive, County Counsel, Auditor-Controller and Procurement that support all departments across the organization.

As previously noted, the indirect cost analysis found that P&D's current fees do not capture all overhead costs and, in some cases, do not accurately reflect the time it takes to deliver services. Table 9 below shows the current and proposed cost recovery rates for fee services, as well as increased revenue that would be realized with implementation of the recommended fee levels assuming full staffing levels and workload levels consistent with recent activity.

General Fund Contribution will continue to be used to subsidize some permit types and departmental services such as the public counter and enforcement. However, the proposed increased revenue will reduce the general fund contribution for appeals and resolve revenue shortfalls resulting from the current low percentage of cost recovery.

Table 8. Fees Shortfall

Fees Shortfall		
	Current	Proposed
Planning, Planning Compliance & Film	\$452,491	\$288,905
Cannabis & Cannabis Compliance	\$54,053	\$36,566
Building Services	\$1,496,002	\$70,595
Petroleum Services	\$135,247	\$0
Totals	\$2,137,793	\$396,066

Table 9. Current and Proposed Cost Recovery Rates and Revenues

Fee Service Cost Recovery Rates and Revenues						
Fee Service Area	Total Costs, User Fee Services	Current Revenue (Based on FY 23-24 Volume)		Proposed Fee Revenue		Projected Increased Revenue
Planning and Film Permits	\$6,427,935	\$5,686,538	88.47%	\$6,139,029	95.51%	\$452,491
Cannabis & Cannabis Compliance	\$493,546	\$402,927	81.64%	\$456,980	92.59%	\$54,053
Building & Safety	\$8,676,511	\$7,109,914	81.94%	\$8,605,916	99.19%	\$1,496,002
Petroleum	\$827,789	\$692,542	83.66%	\$827,789	100%	\$135,247
Total	\$16,425,781	\$13,891,921	84.57%	\$16,029,714	97.59%	\$2,137,793

Proposed changes to surcharges and additional costs are summarized in Tables 8 and 9, below. Revenue generated through surcharges will offset general fund contribution for general plan maintenance in the Long Range Planning division, fund technology maintenance and upgrades to support and improve the permit process, and fund records management services to finish developing and to maintain a publicly accessible digital permit library.

Table 9. General Plan Maintenance

General Plan Maintenance Surcharge Projected Revenue			
Service Name	Current Recovery	Projected Recovery	Projected Increased Revenue
Planning*	\$0	\$212,519	\$212,519
Cannabis & Cannabis Compliance*	\$0	\$9,102	\$9,102
Building Permits	\$179,197	\$198,379	\$19,182
Total General Plan Maintenance Surcharge	\$179,197	\$420,000	\$240,803

* Is not part of the current fees.

Table 10. Technology and Records Management

Technology and Records Management Surcharge Projected Revenue			
Service Name	Current Recovery	Projected Recovery	Projected Increased Revenue
Planning	\$126,171	\$363,625	\$237,454
Cannabis & Cannabis Compliance	\$7,532	\$17,344	\$9,812
Building & Safety	\$92,786	\$511,859	\$419,073
Petroleum	\$9,027	\$49,522	\$40,495
Total Technology and Records Management Surcharge	\$235,516	\$942,350	\$706,834

Special Instructions:

P&D will fulfill noticing requirements.

The Clerk of the Board shall provide a copy of the signed ordinance and resolution, and minute order, to P&D, attention: Andrew Rasura, Deputy Director.

Attachments:

Attachment A – Ordinance Amendment and Planning and Development Permitting and Services Fee Schedule

Attachment B – Fee Study Report

Attachment C – CEQA Notice of Exemption

Contact Information:

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