

Santa Barbara County Land Development Fee Proposal

January 27, 2009

Principles

- Conform with Board Approved Fee Policy
- Protect General Tax Payers from Subsidizing Development
- Ensure Annual Expenditure and Revenue Review

Fee Policy 1/94

Where allowed or mandated, the County will charge a fee for services provided at a level consistent with the procedures of this policy. Departments are responsible for insuring that all legally allowed fees and charges are presented to the Board for adoption and for reviewing/adjusting as appropriate. Fees should be reviewed at least annually by departments to determine that fee levels are consistent with current cost basis and/or established current criteria.

Protect General Tax Payers from Subsidizing Development

- Incremental Cost Increases Funded through Automatic Adjustment to Fees based on CPI
- Extraordinary Cost Increases Require Recalculation of Hourly Rate

Ensure Annual Review of Expenditures and Revenues

- CPI adjustments linked to the All Urban Consumers, Los Angeles-Anaheim-Riverside Index
- Fee resolutions require Department Directors to annually review costs to ensure that fees charged fairly reflect the cost of the services provided

Planning and Development Fee Analysis

- Reviewed costs and expenditures of permit process
- Completed annual fee analysis each year since 2000
- Received Auditor-Controller's approval of rate calculation
- Compared rates with other jurisdictions in accordance with Board Fee Policy
- Evaluated permit process and procedures for efficiency and effectiveness

Comparison of Current Planning Hourly Rates

Jurisdiction	Hourly Rate	Comments
City of Santa Barbara	\$ 180	Building Permits that create new development (no remodels) are assessed 11% general plan update surcharge
County of Ventura	\$ 158.5	Entire department, hrly rate \$158.5, including \$12.75/hr long range planning, \$5/hr technology
County of Santa Barbara	\$ 152.55	Includes \$2.61 technology fee, \$10.19/hr long range planning
City of Ventura	\$ 151	Includes Admin, Advance and Current Planning. Revenue is not broken down. If all revenue is attributed to current planning the general fund subsidy is 30%
County of San Luis Obispo	\$ 115	Technology fee of 5.4% on hourly rate. Building Permits are assessed 9.4% general plan update surcharge
City of Lompoc	\$ 103-196	Revenues and costs not tracked to this level
City of Carpinteria	\$ 40-110	Revenues not tracked by function
City of Goleta	\$ 95	
City of Santa Maria	\$66.60	
City of San Luis Obispo	\$	Revenues and costs not tracked to this level

Note: Subsidy often reflected in low fixed cost permits

P&D Rate Change

Comparison of Current with Proposed

	Current	Proposed	% of Total Rate Change
Hourly Rate	\$134.42	\$139.75	5.9%
General Plan Fee	0.0	10.19	7.6%
Technology Fee	2.61	2.61	0%
Total	\$ 134.42	\$ 152.55	13.5%

Salary Costs Funded by Current Hourly Rate

- Direct Wages
- Medical Insurance
- Retirement Benefits
- Medicare
- Social Security
- Life and Disability Insurance

Project Billing

For projects that are directly billed (not a fixed fee)

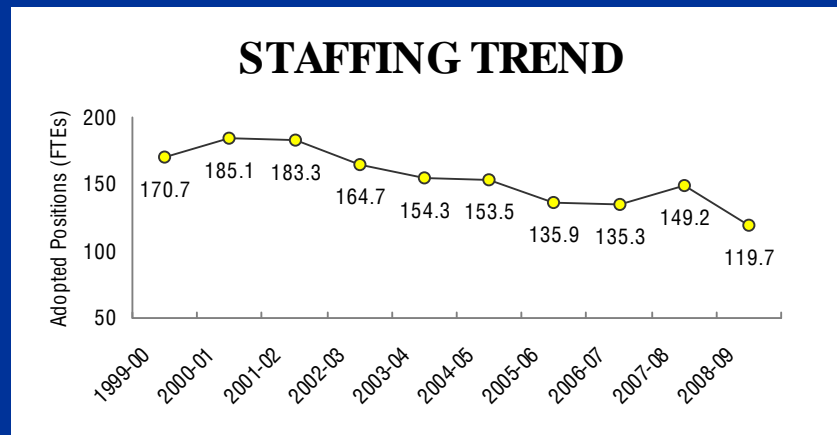
- All projects receive a project costs estimate, prepared by the planner and approved by the supervisor
- All time is tracked and documented by task and activity notes
- Supervisors review time billed bi-weekly
- Managers review random timesheets monthly
- Monthly invoices are prepared, with billing detail
- Email progress updates are available upon request

Cost Increase 08-09

- **Planning and Development Hourly Rate** increase will generate approximately \$175,000 to offset increased costs

Budget Reductions 08-09

- Reduced General Fund Contribution \$510,000
- Positions reduced 149 to 119 from prior year



Breakdown of Proposed Hourly Rate

Average hourly cost for planners (includes benefits)		\$58.10
Planner cost for time which is not directly billed		11.62
Supervision		14.58
Management		4.81
Support Staff		14.41
Total P&D Salary Cost		103.52
Cost Rate Proposal 0.35		36.23
Hourly Rate		\$139.75
Technology Fee		2.61
General Plan Fee		10.19
Hourly Rate		152.55
		12

General Plan Surcharge

Costs for Long Range Planning staff support to current planning activities is currently not recovered through fees. The surcharge will fund the following:

- Annexation
- General Plan Consistency Review
- Responsible Agency Review
- Regional Planning/Interagency Coordination
- General Plan Annual Report

Recommended Actions

- Approve hourly rate increase to fund current salary and benefit costs.
- Approve General Plan Surcharge to fund Long Range Planning work related to development

Policy Alternatives

- Increase General Fund contribution to P & D to offset increased costs (\$175,000)
- Waive Budget Principle for 10% reduction of General Fund Contribution.
- Increase Appeal fees. (\$100,000-\$150,000)
- Reduce P & D public counter hours (\$105,000)
- Consolidate Architectural Review Boards- Central, North and South into a single body, requires ordinance change, (\$78,000)
- Reduce regulatory requirements in LUDC and Community Plans (to be determined)
- Reduce long range planning projects by 2 FTE (\$170,000)

Appeal Costs

- Appeal Fees are currently fixed at \$443. P&D receives \$300.
- No fee can be collected in the appeals jurisdiction of the Coastal Zone
- The cost of processing appeals far exceeds fees collected

Year	Appeals Filed	Unreimbursed Cost
2008	43	\$210,000
2007	40	\$226,000
2006	54	\$235,000

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Conclusion