

ATTACHMENT A DISCUSSION

SUMMARY:

This resolution makes several updates to the RMA-Building Services fee matrix including clarifying existing fee categories, establishing two new construction permit fees related to special events, adding the “extraordinary development applications” fee category, reducing fees for two fee categories to reflect lower department costs and increasing fees for two fee categories to reflect the department cost.

AUTHORITY FOR CHARGING FEES:

State law authorizes the County to charge fees for building inspections, building permits, and other land use entitlements, provided that the fees do not exceed the estimated reasonable cost of providing the service. (Government Code section 66014.) Construction permit and inspection fees are not a “tax” and are exempt from voter approval under section 1(e)(1)-(3), (5) and (6) of Article XIII C of the California Constitution (Proposition 26, excepting certain fees and charges from the definition of “tax”.) These fees 1) are imposed for a specific government service provided directly to the applicant that is not provided to those not charged, 2) are imposed for the reasonable regulatory costs to the County for issuing permits for property development and the administrative enforcement thereof, and 3) do not exceed the reasonable or actual costs to the County of performing the services, processing land use applications and associated permitting, monitoring, and enforcement activities.

Any and all of the adjustments to the fees reflect no more than the actual cost of the service or benefit received by the payor. To the extent that the fees do not result in full cost recovery, the discount does not result in increased charges to other payors; the increased cost will be covered by an increased subsidy from the County General Fund.

DETAILED DISCUSSION:

RMA- Building Services is recommending a few adjustments to the Master Fee Matrix intended to reflect issues that have come up over the past year:

- **Permit Extension Fees.**
 - Currently, there is one fee of \$90 applied to permits/applications expired for less than one year and another fee of \$220 applied to permits/applications expired for more than one year.
 - This item removes the differentiation between permits/applications expired for less than one year and permits/applications expired for greater than one year.
 - It creates a single extension fee of \$90 that more accurately reflects departmental costs for processing extension requests and is equivalent to one hour of permit counter personnel time at the fully burdened labor rate approved by the Board on February 25, 2014.
 - The \$220 fee was intended to cover costs for clerical and one inspection. However, in practice, an extension does not always trigger the need for an additional inspection.

- The proposed amendment distinguishes between extensions requiring multiple inspections and those requiring one or fewer by establishing a separate line item related to extension inspections.
- Considering the establishment of a separate line item to recover costs associated with extension inspections, the department does not anticipate budgetary or financial impacts associated with this item.
- This item will allow the department to more accurately recover costs by allowing the assessment of the fee per inspection needed to final the extended permit.
- **Electronic Submittals.**
 - Staff proposes to reduce fees for plans submitted electronically from \$500 to \$410 to reflect the lower departmental costs associated with routing to County departments, such as the Environmental Health Bureau, and outside agencies, such as Fire Departments, for review. Electronic submittals entail less paper processing work such as stamping and labeling, and do not incur the added cost of handling and shipping paper plans to outside agencies.
 - Staff estimates this time saving to be approximately one hour on average which equates to the \$90 proposed reduction per the fully burdened labor rate for counter personnel approved by the Board on February 25, 2014.
 - As this amendment will bring Departmental fees in line with Departmental costs, no financial impacts are anticipated.
- **Special Handling for Event Permits.**
 - Staff has informed the hospitality industry that RMA generally needs 60 days to process a permit application.
 - Hospitality requested that this change not go into effect until January 1, 2017 since budgets have been created for this year's events.
 - This item establishes two new fees pertaining to late submittals of special event construction permit applications.
 1. The first fee applies to construction permit applications submitted 31 to 60 days prior to a special event and establishes that 150 percent of the regular plan review fee will apply in addition to all other standard fees. This increased plan review fee is designed to cover the department's increased costs associated with expedited plan review and is in line with the Department's existing expedited plan review fee.
 2. The second fee applies to construction permit applications submitted 30 days or fewer prior to a special event and establishes that 200 percent of regular plan review fee will apply in addition to all other standard fees. This additional increase in the plan review fee reflects the Department's extraordinary costs incurred, such as unplanned overtime, which apply when plan check must occur on such an abbreviated timeline.
- **Extraordinary Development Applications.**
 - Building Services is requesting to include a fee category for "extraordinary development applications" similar to the land use fee schedules for RMA-Planning and the other land use departments. Extraordinary applications are those applications that will require staff time well beyond the typical application, as determined by the RMA Director or designee. These applications may include, by way of example and without limitation, applications involving

significant/unique technical review and/or an anticipated lengthy time frame for processing because of their scope and complexity.

- This item establishes that the amount paid by the applicant for “extraordinary development applications” is based on actual staff time spent processing or inspecting the project rather than a flat fee.
- This item also provides that if County utilizes a consultant, the expenses shall be fully funded by the project applicant.
- In line with other County land use agencies such as RMA-Planning, for “extraordinary development applications” a deposit is collected at the beginning of the project and the applicant is charged over the course of the project for the cost of staff time. The applicant is required to pay the deposit indicated on the Article XIX Building Services Master Fee Matrix. Alternatively, the applicant and the RMA Director or designee may elect, on a case-by-case basis, to agree on a different deposit amount based on the estimated actual cost of processing a specific application.
- **After Hours Inspections.**
 - This item increases the weekend inspection fee from \$180 to \$270 in order to reflect the actual staff time costs incurred by the Department for after hours inspections. Staff performing these inspections is compensated at a rate of 150 percent of the regular hourly wage and as such the Department proposes a fee of \$270/hr that reflects 150 percent of the \$180 fully burdened labor rate for inspection personnel. Additionally, the Article creates a separate fee category for holidays and any other scheduled office closures. Staff performing these inspections is compensated at a rate of 200 percent of the regular hourly wage, and as such the Department proposes that the fee of \$360/hr to reflect 200 percent of the \$180 fully burdened labor rate for inspection personnel.
 - This item also strikes the references to 2 and 4 hour minimums charged for after hours inspections and instead substitutes a reference to including travel time to allow the department to more accurately recover costs associated with travel time.
- **Clarifying Fee Matrix Verbiage.**
 - Upon reviewing the Master Fee Matrix, staff identified several small edits to the verbiage that would increase the clarity and readability of the document:
 1. Delete footnotes 3 and 4 and clarify that the applicable fees are charged at 150 percent of the regular fees.
 2. Insert a line item to reflect the \$90 per hour counter personnel hourly rate as adopted by the Board on February 25, 2014.
 3. Several capitalization edits, updated references for CBO as Building Official, and substituted full text references for acronyms.