



Monterey County

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Board Report

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Matter Type: BoS Resolution

Public hearing to consider adoption of a resolution to amend the Monterey County Fee Resolution to establish new fees and revise existing fees for land use permitting activities in the following Articles of the County Fee Resolution:

- a. Article IX (RMA-Planning);
- b. Article X (RMA-Public Works);
- c. Article XVII (County Counsel);
- d. Article XIX (RMA-Building Services); and
- e. Article XX (RMA-Environmental Services)

(Fee Update - REF150007/County Master Fee Resolution, County-wide)

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution (**Attachment C**) to establish new fees and revise existing fees for land use permitting activities in the following Articles of the County Fee Resolution:

- a. Article IX (RMA-Planning);
- b. Article X (RMA-Public Works);
- c. Article XVII (County Counsel);
- d. Article XIX (RMA-Building Services); and
- e. Article XX (RMA-Environmental Services)

SUMMARY:

Last year, the Board approved amendments for all land use departments/agencies, except RMA-planning. Recommended actions include revisions to the land use fees based on new hourly rates for RMA-Planning, RMA-Environmental Services, and County Counsel. In addition, separation of the condition compliance fee from the upfront application fee for RMA-Planning and RMA Environmental Services is proposed to make the fee schedule consistent with changes made for the other land use departments last year. In addition, RMA-Environmental Services staff proposes establishing some new fee categories.

While land use departments have dedicated themselves to streamlining processes to increase efficiencies (see **Attachment A**), substantial increases in salary and overhead costs present a challenge to maintain current levels of service. As a result, hourly rates and fees for services are proposed to increase for most permit categories in order to recover the increases in these costs. Overhead costs for RMA-Planning include a proportional share of RMA General Liability insurance costs.

DISCUSSION:

Monterey County land use departments have reviewed their land use application fees. Changes

to land use fees are not proposed by Environmental Health or the Monterey County Water Resources Agency at this time. As part of this fee update process, the following changes are recommended in the attached fee articles:

- Hourly rates are proposed to be increased for RMA-Planning, RMA-Environmental Services, and County Counsel.
- RMA-Environmental Services and RMA-Planning will separate the application fee from the condition compliance fee to allow the departments to align revenue more appropriately to the year that related work is actually conducted. This same separation was adopted for the other land use departments in last year's fee update. This will allow customers to be subject to a consistent approach by all the departments related to land use application fees.
- RMA-Planning will convert some flat fee projects to a deposit fee structure.
- RMA-Public Works will convert deposits for subdivision condition compliance to a flat fee.
- RMA-Public Works has incorporated the fee for encroachment permits into their fee article.
- RMA-Building Services proposes changing the mechanism for calculating fees for projects valued over \$1,000,000.00 (\$1 million). The fee will be based on the value of the structure rather than the value of the structure plus amenities. This will result in permit costs that better reflect County inspection costs.

In most cases, recommended fees are aligned with Board policy to recover costs for conducting services. However, there are a number of services where the County does not recover costs through fees (code enforcement, front counter assistance, appeals, etc.). Other than hourly rate changes, no significant changes are recommended other than a few fees expected to be reduced. The cumulative effect of adjustments is that fees are recommended to rise to recover increased salary and overhead costs. See **Attachment A** for a detailed discussion.

OTHER AGENCY INVOLVEMENT:

The land use application fees charged to applicants are a composite of the fees for each of the County land use departments and the Monterey County Water Resources Agency (WRA). Accordingly, RMA-Planning staff has worked with staff from RMA-Public Works, RMA-Building Services, RMA-Finance, RMA-Administration, and Office of County Counsel in the preparation of the fee articles and this report. Changes to land use fees are not proposed by Environmental Health or the Monterey County Water Resources Agency at this time.

FINANCING:

The effect of fee changes on the departments' budgets will depend on final decisions from the Board of Supervisors. Recommendations contained in this report include a recommendation to increase the hourly rate for three departments to recover increased salary and overhead costs to maintain current levels of service. The proposed adjustments to fees are intended to help recapture costs associated with the provision of land use permitting services and associated planning, monitoring, and enforcement activities for which the fees are imposed. Recommended fees are no more than is necessary to cover the reasonable costs of the governmental activity, and do not exceed the reasonable and actual costs to the County of providing these services. It is important to note that absent cost recovery through fee increases, substantial increases in departmental costs for services present a significant challenge to maintaining existing levels of service in FY 2015-16 and moving forward.

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Carl Holm, Acting Director, Resource Management Agency *CH*

This report was prepared with assistance from the land use departments and County Counsel.

cc: Front Counter Copy; California Coastal Commission; The Open Monterey Project;
LandWatch; Jane Haines; Janet Brennan; Lino Belli; Richard Rudisill; Michael Waxer;
Robert Carver; Ernie Mill; Monterey/Santa Cruz Building and Construction; AIA
Monterey Bay; Central Coast Builders Exchange; Monterey County Bar Association;
Monterey County Farm Bureau; Salinas Valley Chamber of Commerce; Land Use
Departments; Project File REF150007.

Attachment A Discussion

Attachment B-1 Current Fee Matrix (Land Use Permits and associated)

Attachment B-2 Proposed Fee Matrix (Land Use Permits and associated)

Attachment C Draft Resolution to adopt fee changes, including Fee Articles (changes
shown in strikeout and underline)

Attachment D Draft Fee Articles (clean versions)