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HOUSING AND COMMUNITY DEVELOPMENT USER FEE STUDY REPORT

NOVEMBER 2025

MONTEREY COUNTY, CA

MATRIX
CONSULTING GROUP

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INTRODUCTION AND EXECUTIVE SUMMARY

The report, which follows, presents the results of the Development Cost of Services (User Fee) Study conducted by Matrix Consulting Group for the Housing and Community Development of County of Monterey, California.

PROJECT BACKGROUND AND OVERVIEW

The Housing and Community Development Department in Monterey County has not previously conducted a formalized fee study. Internal evaluations have been completed periodically. The purpose of this study is to evaluate and determine the full cost (direct and indirect) of providing development-related services. Matrix Consulting Group analyzed the cost-of-service relationships that exist between fees for service activities in the following areas: Building Services and Planning Services. The results of this study provide a tool for understanding current service levels and the cost for those services.

GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by the Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Department or Program. Once time spent for a fee activity is determined, all applicable Department costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of types of costs applied in establishing the “full” cost of services provided by the Department:

TABLE 1: OVERVIEW OF COST COMPONENTS

| <i>Cost Component</i> | <i>Description</i> |
|------------------------------|---|
| <i>Direct</i> | Fiscal Year 2026 Budgeted salaries, benefits, and allowable expenditures. |
| <i>Indirect</i> | Program, departmental, clerical, and Countywide support. |

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing a service, regardless of whether a fee for that service is charged.

The work accomplished by the Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Department Staff Interviews:** The project team interviewed Department staff regarding their needs for clarification to the structure of existing fee items or for the addition of new fee items.

- **Data Collection:** Data was collected for each permit / service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 2026 were entered into Matrix Consulting Group's analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.
- **Review and Approval of Results with County Staff:** Department management has reviewed and approved these documented results.

A more detailed description of user fee methodology and legal and policy considerations are provided in subsequent chapters of this report.

SUMMARY OF RESULTS

When comparing FY25 fee-related revenue with the total calculated cost of providing the associated services, the Department is under-recovering its costs by approximately \$2.5 million or recovering 78% of its costs. The following table shows the annual revenue collected, total annual cost, resulting difference, and cost recovery level by service area:

TABLE 2: ANNUAL COST RECOVERY ANALYSIS

| Service Area | Total Revenue | Total Annual Cost | Difference | Cost Recovery % |
|--------------|--------------------|---------------------|----------------------|-----------------|
| Building | \$6,190,632 | \$7,870,114 | (\$1,679,482) | 79% |
| Planning | \$2,495,833 | \$3,330,203 | (\$834,370) | 75% |
| Total | \$8,686,465 | \$11,200,317 | (\$2,513,852) | 78% |

Building constitutes the largest portion of the overall deficit at around \$1.7 million, which is driven largely by the miscellaneous flat building permit fees, such as residential re-roofs. These differences highlight the disparity between the current fees charged and the actual cost of providing services. As such, the County should closely evaluate and modify fees where appropriate to help bridge the cost-recovery gap.

The detailed documentation of this study will show an over-collection for some fees (on a per unit basis) and an undercharge for most others. The results of this analysis will provide the Department with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service. The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among Board members and Department staff and do not represent a recommendation for where or how the Board should act. The setting of the "rate" or "price" for services, whether at full cost recovery or lower, is a policy decision to be made only by the Board with input from Department staff and the community.

CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the Department use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, including a mechanism for the annual update of fees for service.

ADOPT A FORMAL COST RECOVERY POLICY

The Matrix Consulting Group strongly recommends that the Board of Supervisors adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

ADOPT AN ANNUAL FEE UPDATE / INCREASE MECHANISM

The purpose of a comprehensive update is to completely revisit the analytical structure and service level estimates and assumptions and to account for any major shifts in cost components or organizational structures that have occurred since the County's previous analysis. It's recommended the County adopt the practice of conducting comprehensive analyses every five to seven years as this practice captures any changes to organizational structure, processes, as well as any new service areas.

In between comprehensive updates, the County should utilize published industry economic factors such as Consumer Price Index (CPI) or other regional factors to update the cost calculations established in the Study on an annual basis.

LEGAL FRAMEWORK

This section of the report is intended to provide an overview of the legal rules and regulations that govern what is considered a fee for service, how those fees can be calculated, general principles, philosophies, and general policy considerations for setting fees for service.

LEGAL FRAMEWORK

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. California has several Government Codes and Propositions that regulate fees for service, with the purpose of ensuring that fees are reasonable and justified. The most prominent and relevant of these includes:

- **Proposition 26:** Passed in 2010, specifically outlined the difference between a fee and a tax and dictates that fees must be directly related to a service and cannot exceed the reasonable cost of that service.
- **Government Code § 50076:** clarifies that fees for service costs are not special taxes and do not need voter approval.
- **Government Code § 65104:** gives local governments the authority to charge planning and zoning fees to recover processing costs.

When determining fees for service it is important to ensure there is a **direct benefit** – the service is provided directly to the payer, and that it is **cost based**, and does not exceed the reasonable cost of providing the service.

GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

TABLE 3: SERVICES IN RELATION TO BENEFIT RECEIVED

| "Global" Community Benefit | "Global" Benefit and an Individual or Group Benefit | Individual or Group Benefit |
|---|--|---|
| <ul style="list-style-type: none"> •Police •Park Maintenance •Fire Suppression | <ul style="list-style-type: none"> •Recreation / Community Services •Fire Prevention | <ul style="list-style-type: none"> •Building Permits •Planning and Zoning Approval •Engineering Development Review |

Funding for local government is obtained from myriad revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the "global community benefit" section tend to be funded primarily through voter-approved tax revenues. In the middle of the table, one typically finds a mixture of taxes, user fees, and other funding sources. Finally, in the "individual / group benefit" section of the table are the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- ❖ **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain to the applicant, whereas Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- ❖ **A profit-making objective should not be included in the assessment of user fees.** In fact, California laws require that the charges for service be in direct proportion to the costs associated with providing those services. Once a charge for service is assessed at a level higher than the actual cost of providing a service, the term "user fee" no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax-based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons why County staff or Board of Commissioners may not advocate the full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit on the jurisdiction's ability to charge a fee. Examples include time spent copying and retrieving public documents and / or transportation permits.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for changing a water heater in residential home is higher than the cost of the water heater itself, many citizens will avoid pulling the permit.
- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community. Examples include Planning Design Review, historical dedications, and certain types of special events.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the County complies with State law.

SUMMARY OF LEGAL RESTRICTIONS AND POLICY CONSIDERATIONS

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than, the full cost amount. The Board of Supervisors is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and at times fall into a "grey area." However, with the resulting cost of services information from a User Fee Study, the Board of Supervisors can be assured that the adopted fee for service is reasonable, fair, and legal.

USER FEE STUDY METHODOLOGY

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The following subsections discuss the two components of the basis of the full cost.

TIME ESTIMATION

Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the Department developed these estimates. The project team worked closely with Department staff in developing time estimates with the following criteria:

- Estimates are representative of **average times** for providing services. Extremely difficult or abnormally simple projects are not factored in the analysis.
- Estimates reflect the time associated with the **position or positions** that typically perform a service.
- Estimates are reviewed by the project team for “**reasonableness**” against their experience with other agencies.
- Estimates were not based on time in motion studies, as they are not practical for the scope of services and time frame for this project.
- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service on which to base a jurisdiction’s fees for service and meets the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except in the case of anomalous or very large and complex projects, Matrix Consulting Group believes this approach to not be cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.
- Additional costs are associated with administrative staff's billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrants time tracking and billing on a "time and materials" basis. The Matrix Consulting Group has recommended taking a deposit and charging Actual Costs for such fees as appropriate and itemized within the current fee schedule.

FULLY BURDENED HOURLY RATES

The fully burdened hourly rates calculated through this study include the following components:

- **Salaries:** FY25-26 Budgeted salaries were utilized and consolidated at the positional level.
- **Benefits:** FY25-26 Budgeted benefits were utilized and consolidated at the positional level.
- **Productive Hours:** Based on Monterey's current personnel system rules, working or productive hours were calculated. This means taking the starting total working hours and reducing the hours by vacation, sick, holidays, trainings, and administrative leave based on each bargaining unit
- **Departmental / Divisional Overhead:** This captures any internal service charges or operating supply costs such as vehicles, supplies, etc. Additionally, this component includes the cost associated with support from Director, Administrative and Analytical staff that do not directly work on fees.
- **Countywide Overhead:** This captures support provided by the Board of Supervisors, County Manager, County Clerk, County Attorney, Finance, and Human Resources. The costs are based on the Countywide Cost Allocation Plan (provided by County staff).

Together these components result in the generation of fully burdened hourly rates by position / classification. These rates were multiplied against the time assumptions to calculate the full cost of services noted in this report.

RESULTS OVERVIEW

The motivation behind a cost of services (User Fee) analysis is for the Board of Supervisors and Departmental staff to maintain services at a level that is both accepted and effective for the community and also to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost-of-service analysis takes a “snapshot in time,” where a fiscal year of financial and operational information is utilized. Changes to the structure of fee names, along with the use of time estimates, allow only for a reasonable projection of subsidies and revenue. Consequently, the Board and Department staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following chapters is intended as a summary of extensive and voluminous cost allocation documentation produced during the Study. Each chapter will include detailed cost calculation results for each fee, including the following:

- **Modifications:** discussions regarding any proposed revisions to the current fee schedule, including elimination or addition of fees.
- **“Per Unit” Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Annualized Results:** utilizing volume of activity estimates, annual subsidies, and revenue impacts were projected where workload was available.

The full analytical results were provided to Department staff under separate cover from this summary report.

BUILDING

The Building Division is responsible for overseeing the enforcement of building regulations to ensure the safety of the County's residents. The fees examined within this study relate to plan check and inspection for commercial and residential construction; mechanical, electrical, and plumbing permits; grading permits; encroachment permits; and miscellaneous other building improvements. The following subsections discuss fee schedule modifications, detailed per unit results, and annual revenue impacts for the fee-related services provided by Building.

FEE SCHEDULE MODIFICATIONS

In discussions with Department staff, the following modifications were proposed to the current fee schedule:

- **Valuation-Based Fees:** Housing and Community Development currently charges all building permits regardless of type based on the valuation of the project. Through this study, the project team discussed creating different valuation tables depending on the scope of the project and breaking out various flat fees. A table was proposed for residential projects and separate table for commercial / multi-family / industrial projects. Flat fees were proposed for items such as windows, pools, retaining walls, ADUs, heat pumps, generators, water heaters, etc.
- **Eliminated Fee:** The fee for 'Extraordinary Development Applications' was removed from the fee schedule.
- **New Fees:** Staff proposed the addition of the following fees as they highlight either services already offered but not codified on the fee schedule or new services the County is looking to provide:
 - 'Encroachment Base + Fees – Tree Installation'
 - 'Misc. Encroachment Fees – Complex Tents'
 - 'Re-Review'
 - 'Solar APP+'
- **Condensed Fees:** To streamline the fee schedule, staff proposed condensing the following fees:
 - The two 'Encroachment Maintenance Agreement' fees on the schedule were condensed into a single fee.
 - The 'Minor – Inspection' and 'Major – Inspection' fees under 'Encroachment Permits' were condensed into a singular 'Misc. Encroachment Fees – Inspection Fee.'
 - 'General Encroachment Permit – Minor – Fences' fee was condensed with the 'General Encroachment Permit – Major – Gates/walls.'
 - The 'General Encroachment Permit – Minor – Directional signage/traffic controls' was combined with the minor road use encroachment permit.

- The fee for a 'General Encroachment Permit – Major – Traffic striping, marking or signal improvements' was combined with the major road use encroachment permit.
- The 'Street & Signal Improvements' fee was condensed from a base fee and additional charge to a single fee.
- 'Storage & Electronic Conversion of Files' was combined with the Technology fee to better conform with best practices.
- **Expanded Fees:** Due to variability in how the fees are administered, staff proposed expanding the following fee categories into separate fees:
 - 'General Encroachment Permit – Minor' was expanded to include several new categories: 'Aerial Installation (Overlashing)', 'Tree removal & trimming (may require Arborist report)', and 'Construction / Destruction of Water Monitoring Wells (includes soil sampling borings & potholing).'
 - A fee for 'Landscaping Review for Tree Installation' was added as an expansion to the 'General Encroachment Permit – Major' category, and the 'Gates/walls' fee was expanded to include fences, columns, and keypads.
 - 'Special Event Construction and/or Encroachment Permit - Private Events' was expanded to include subcategories for '0-3 Tents' and '3+ Tents.'
 - 'Special Event Construction and/or Encroachment Permit - Public Events' was expanded to include '0-3 Tents' and '3+ Tents.'
- **Modified Fees:** The following miscellaneous modifications were proposed to the fee schedule:
 - The fees for special event permits 'Submitted < 30 Days Prior to Event' and 'Submitted < 60 Days Prior to Event' were moved from being specific to Public events to apply to all Special Event Construction and/or Encroachment permits.
 - 'Grading Permits' were modified from a valuation basis to a 'Per Cubic Yard' basis.
 - The fees for 'Underground Utility Trenching,' 'Utility Poles & Street Lights,' 'Boring & Existing Utility Underground Installation (overpull),' and 'Sidewalk, curb, or gutter' were moved to an 'Encroachment Base + Fees' category and were changed to a minor/major base classification plus a per unit fee.
 - The 'General Plan Update and Implementation Fee' was renamed the 'General Plan Management Fee' and was modified to only apply to Building permits.

The modifications proposed ensure that the fee schedule better reflects the services being provided by Building staff.

DETAILED RESULTS

The Building Division collects fees for plan check and inspection; mechanical, electrical, and plumbing permits; and common projects like re-roofs, fireplaces, and photovoltaic systems. The total cost

calculated for each service includes direct staff costs and Departmental, Divisional, and Countywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 4: TOTAL COST PER UNIT RESULTS – BUILDING FEES

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|--|--------------------------|-------------|------------|
| Building Inspection | | | |
| Single Family Residential - New Construction / Remodels / Additions | | | |
| \$1 - \$2,000 | Modified | \$329.36 | N/A |
| \$2,001 - \$25,000 – Base | Modified | \$329.36 | N/A |
| \$2,001 - \$25,000 – Per Add'l \$1,000 | Modified | \$52.18 | N/A |
| \$25,001 - \$50,000 – Base | Modified | \$1,529.56 | N/A |
| \$25,001 - \$50,000 – Per Add'l \$1,000 | Modified | \$68.77 | N/A |
| \$50,001 - \$100,000 – Base | Modified | \$3,248.89 | N/A |
| \$50,001 - \$100,000 – Per Add'l \$1,000 | Modified | \$34.83 | N/A |
| \$100,001 - \$500,000 – Base | Modified | \$4,990.57 | N/A |
| \$100,001 - \$500,000 – Per Add'l \$1,000 | Modified | \$2.18 | N/A |
| \$500,001 - \$1,000,000 – Base | Modified | \$5,861.41 | N/A |
| \$500,001 - \$1,000,000 – Per Add'l \$1,000 | Modified | \$2.61 | N/A |
| \$1,000,001 - \$5,000,000 – Base | Modified | \$7,167.68 | N/A |
| \$1,000,001 - \$5,000,000 – Per Add'l \$1,000 | Modified | \$0.44 | N/A |
| \$5,000,000 - \$10,000,000 – Base | Modified | \$8,920.53 | N/A |
| \$5,000,000 - \$10,000,000 – Per Add'l \$1,000 | Modified | \$0.35 | N/A |
| \$10,000,001 - \$25,000,000 – Base | Modified | \$10,673.39 | N/A |
| \$10,000,001 - \$25,000,000 – Per Add'l \$1,000 | Modified | \$0.19 | N/A |
| \$25,000,000+ – Base | Modified | \$13,542.74 | N/A |
| \$25,000,000+ – Per Add'l \$1,000 | Modified | \$0.10 | N/A |
| Commercial / Multi-Family / Industrial - New Construction / TI | | | |
| \$1 - \$2,000 | Modified | \$882.02 | N/A |
| \$2,001 - \$25,000 – Base | Modified | \$882.02 | N/A |
| \$2,001 - \$25,000 – Per Add'l \$1,000 | Modified | \$37.86 | N/A |
| \$25,001 - \$50,000 – Base | Modified | \$1,752.86 | N/A |
| \$25,001 - \$50,000 – Per Add'l \$1,000 | Modified | \$43.77 | N/A |
| \$50,001 - \$100,000 – Base | Modified | \$2,847.00 | N/A |
| \$50,001 - \$100,000 – Per Add'l \$1,000 | Modified | \$30.59 | N/A |
| \$100,001 - \$500,000 – Base | Modified | \$4,376.56 | N/A |
| \$100,001 - \$500,000 – Per Add'l \$1,000 | Modified | \$6.42 | N/A |
| \$500,001 - \$1,000,000 – Base | Modified | \$6,944.38 | N/A |
| \$500,001 - \$1,000,000 – Per Add'l \$1,000 | Modified | \$2.61 | N/A |
| \$1,000,001 - \$5,000,000 – Base | Modified | \$8,250.64 | N/A |
| \$1,000,001 - \$5,000,000 – Per Add'l \$1,000 | Modified | \$0.43 | N/A |
| \$5,000,001 - \$10,000,000 – Base | Modified | \$9,981.15 | N/A |
| \$5,000,001 - \$10,000,000 – Per Add'l \$1,000 | Modified | \$1.06 | N/A |
| \$10,000,000 - \$25,000,000 – Base | Modified | \$15,295.60 | N/A |

¹ Modified refers to the current fee being based on the valuation of the project.

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|--|--------------------------|-------------|------------|
| \$10,000,000 - \$25,000,000 – Per Add'l \$1,000 | Modified | \$0.31 | N/A |
| \$25,000,000+ – Base | Modified | \$19,973.68 | N/A |
| \$25,000,000+ – Per Add'l \$1,000 | Modified | \$0.16 | N/A |
| Building Plan Check | | | |
| Single Family Residential Plan Check | Modified | 65% | N/A |
| Commercial / Multi-Family / Industrial Plan Check | Modified | 80% | N/A |
| Standardized ADU Plan Review | New | \$646 | N/A |
| Accessory Dwelling Unit (New) - Up to 750 sf | New | 50% | N/A |
| Junior Accessory Dwelling Unit | Modified | 50% | N/A |
| Misc. Inspection & Plan Check Fees | | | |
| Reinspection | \$195 | \$217 | (\$22) |
| Inspection Outside of Normal Business Hours | \$293 | \$258 | \$35 |
| Inspection During a Holiday | \$390 | \$296 | \$94 |
| Inspection Fee for projects not Otherwise Specified | \$195 | \$217 | (\$22) |
| Re-Review | New | \$220 | N/A |
| Plan Review for projects not Otherwise Specified | \$195 | \$215 | (\$20) |
| Misc. Building Permits | | | |
| Permit Extension (includes Permit Card Replacement for Simple Permits) | \$195 | \$416 | (\$221) |
| Permit Renewal Investigation | \$195 | \$257 | (\$62) |
| Alternate Methods of Construction / Code Modification Request | \$195 | \$243 | (\$48) |
| Appeal | \$195 | \$289 | (\$94) |
| Deed Restriction | \$195 | \$468 | (\$273) |
| Inspection Card Replacement | \$90 | \$212 | (\$122) |
| Change of Record on Permit | \$195 | \$347 | (\$152) |
| Processing - Permit Front Counter Hourly Rate | \$90 | \$212 | (\$122) |
| Document Management - Escrow Report / Filing / Etc. | \$90 | \$212 | (\$122) |
| Extraordinary Development Applications | \$22,000 | \$22,000 | \$0 |
| Temporary Certificate of Occupancy | \$500 | \$1,887 | (\$1,387) |
| Pre-Fab Manufactured Homes | Modified | \$5,788 | N/A |
| Walls / Fences (No Retaining Walls): | | | |
| Up to 50 Linear Feet | Modified | \$1,698 | N/A |
| Each Additional 50 Linear Feet | Modified | \$217 | N/A |
| Retaining Walls: | | | |
| Up to 50 Linear Feet | Modified | \$2,911 | N/A |
| Each Additional 50 Linear Feet | Modified | \$497 | N/A |
| Swimming Pools & Spas: | | | |
| Residential | | | |
| Inground - No Hillside | Modified | \$3,303 | N/A |
| Inground - Hillside | Modified | \$4,376 | N/A |
| Aboveground - No Hillside | Modified | \$3,035 | N/A |
| Aboveground - Hillside | Modified | \$3,640 | N/A |
| Spa Only | Modified | \$2,937 | N/A |

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|--|--------------------------|------------|------------|
| Commercial | | | |
| Inground | Modified | \$5,289 | N/A |
| Aboveground | Modified | \$4,683 | N/A |
| Bathroom / Kitchen Remodels (non-structural) | Modified | \$3,046 | N/A |
| Window / Door / Skylight: | | | |
| Replacement | | | |
| First 5 Windows / Doors | Modified | \$1,632 | N/A |
| Each Additional Window / Door | Modified | \$113 | N/A |
| Install | | | |
| First 5 Windows / Doors | Modified | \$1,858 | N/A |
| Each Additional Window / Door | Modified | \$113 | N/A |
| Demolition: | | | |
| Structural | Modified | \$2,500 | N/A |
| Non-Structural | Modified | \$1,507 | N/A |
| Residential Reroof: | | | |
| Structural | Modified | \$2,188 | N/A |
| Non-Structural | Modified | \$1,210 | N/A |
| Residential Siding: | | | |
| Structural | Modified | \$2,188 | N/A |
| Non-Structural | Modified | \$1,407 | N/A |
| Residential Stucco Repair | Modified | \$1,645 | N/A |
| Residential Patio / Carport: | | | |
| Structural | Modified | \$3,112 | N/A |
| Non-Structural | Modified | \$1,993 | N/A |
| Hillside | Modified | \$3,125 | N/A |
| Residential Deck / Balcony: | | | |
| Structural | Modified | \$3,632 | N/A |
| Non-Structural | Modified | \$2,658 | N/A |
| Hillside | Modified | \$3,790 | N/A |
| Residential Fireplace: | | | |
| Pre-Fab | Modified | \$1,771 | N/A |
| Non Pre-Fab | Modified | \$2,667 | N/A |
| Commercial Signs: | | | |
| Replacement | Modified | \$1,801 | N/A |
| Electrical | Modified | \$2,043 | N/A |
| Structural | Modified | \$2,594 | N/A |
| Structural w/Electrical | Modified | \$3,032 | N/A |
| Environmental Services: | | | |
| ASBS Inspection | \$164 | \$224 | (\$60) |
| Plan Review | \$164 | \$217 | (\$53) |
| Revisions | | | |
| Plan Check | Modified | \$238 | N/A |
| Inspection | Modified | \$218 | N/A |
| Permit Support | Modified | \$241 | N/A |
| Miscellaneous Fees: | | | |
| Plan Check | Modified | \$249 | N/A |

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|---|--------------------------|------------|------------|
| Inspection | Modified | \$223 | N/A |
| Grading Permits | | | |
| 10-100 c.y. – Base | Modified | \$604 | N/A |
| 10-100 c.y. – Per Add'l 10 c.y. | Modified | \$213 | N/A |
| 100-1,000 c.y. – Base | Modified | \$2,519 | N/A |
| 100-1,000 c.y. – Per Add'l 100 c.y. | Modified | \$164 | N/A |
| 1,000-10,000 c.y. – Base | Modified | \$3,997 | N/A |
| 1,000-10,000 c.y. – Per Add'l 1,000 c.y. | Modified | \$193 | N/A |
| 10,000-100,000 c.y. – Base | Modified | \$5,738 | N/A |
| 10,000-100,000 c.y. – Per Add'l 1,000 c.y. | Modified | \$18 | N/A |
| 100,000+ c.y. – Base | Modified | \$7,377 | N/A |
| 100,000+ c.y. – Per Add'l 1,000 c.y. | Modified | \$9 | N/A |
| MEPs | | | |
| Mechanical Fees | | | |
| Kitchen Hood / Ventilation System: | | | |
| Residential | Modified | \$618 | N/A |
| Commercial | Modified | \$1,466 | N/A |
| Whole House Fan | Modified | \$777 | N/A |
| Residential Heat Pump | Modified | \$777 | N/A |
| Electrical Fees | | | |
| Residential Battery / Energy Storage System | Modified | \$1,224 | N/A |
| Residential EV Charging Station | Modified | \$1,336 | N/A |
| Commercial EV Charging Station: | | | |
| 1-6 stations | Modified | \$2,694 | N/A |
| 6+ stations | Modified | \$3,706 | N/A |
| Panel Replacements / Service: | | | |
| Less than 400 amps | Modified | \$441 | N/A |
| 400 amps or larger | Modified | \$1,409 | N/A |
| Generators | Modified | \$1,342 | N/A |
| Commercial Electrical Upgrades | Modified | \$2,025 | N/A |
| Outlets: | | | |
| 1-10 outlets | Modified | \$393 | N/A |
| Each add'l 5 outlets | Modified | \$37 | N/A |
| Key Pads and Gates | Modified | \$333 | N/A |
| Plumbing Fees | | | |
| Residential Water Heater Replacement | Modified | \$276 | N/A |
| Residential Tankless Water Heater | Modified | \$498 | N/A |
| Residential Misc. (Gas / Water / Sewer Line or Fixture) Replacement | Modified | \$663 | N/A |
| Commercial Ag Pumps | Modified | \$658 | N/A |
| Solar / Photovoltaic² | | | |
| Residential: | | | |
| Roof Mounted | | | |
| 15kW or Less | \$390 | \$1,222 | (\$832) |
| Each Additional kW Above 15kW | \$15 | \$15 | \$0 |
| Ground Mounted | | | |

² GOV § 66015 (a & b)

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|--|--------------------------------|------------|------------|
| 15kW or Less | \$780 | \$2,842 | (\$2,062) |
| Each Additional kW Above 15kW | \$15 | \$15 | \$0 |
| Commercial: | | | |
| <u>Roof Mounted</u> | | | |
| 50kW or Less | \$1,170 | \$1,781 | (\$611) |
| Per kW Between 50kW - 250kW | \$7 | \$7 | \$0 |
| Each Additional kW Above 250kW | \$7 | \$7 | \$0 |
| <u>Ground Mounted</u> | | | |
| 50kW or Less | \$2,340 | \$3,402 | (\$1,062) |
| Per kW Between 50kW - 250kW | \$0 | \$7 | (\$7) |
| Each Additional kW Above 250kW | \$7 | \$7 | \$0 |
| Solar APP+ | New | \$446 | N/A |
| Special Event Construction and/or Encroachment Permit | | | |
| Submitted < 30 Days Prior to Event | Double Plan Review or Base Fee | | |
| Submitted < 60 Days Prior to Event | 1.5 x Plan Review or Base Fee | | |
| Special Event Construction and/or Encroachment Permit - Private Events: | | | |
| 0-3 Tents | New | \$2,346 | N/A |
| 3+ Tents | New | \$545 | N/A |
| Special Event Construction and/or Encroachment Permit - Public Events: | | | |
| 0-3 Tents | New | \$3,716 | N/A |
| 3+ Tents | New | \$872 | N/A |
| Encroachment Permits per MCC 14.04 | | | |
| General Encroachment Permit - Minor: | | | |
| Driveway Approach Connection (Residential or Commercial) | \$390 | \$599 | (\$209) |
| Aerial Installation (Overlashing) | \$390 | \$599 | (\$209) |
| Low Growing Landscaping (12" in height or less; includes irrigation and hardscape) | \$390 | \$599 | (\$209) |
| Tree removal & trimming (may require Arborist report) | \$390 | \$599 | (\$209) |
| Utility cabinet & power supply (may require separate construction permit) | \$390 | \$1,460 | (\$1,070) |
| Construction / Destruction of Water Monitoring Wells (includes soil sampling borings & potholing) | \$390 | \$766 | (\$376) |
| Special event up to one-hundred-ninety-nine (199) daily participants | \$390 | \$1,244 | (\$854) |
| Road & right of way usage, road/lane/sidewalk closure, traffic control & signage, less than one (1) day (includes filming & photography) | \$390 | \$1,389 | (\$999) |
| General Encroachment Permit - Major: | | | |
| Landscaping Review for Tree Installation | \$1,073 | \$1,210 | (\$137) |
| Fences/gates/walls/columns/keypads (may require separate design approval and/or construction permit) | \$1,073 | \$2,731 | (\$1,659) |
| Street & Signal Improvements | \$1,073 | \$2,731 | (\$1,659) |
| Special event two hundred (200) or more daily participants | \$1,073 | \$1,867 | (\$795) |

| Fee Name | Current Fee ¹ | Total Cost | Difference |
|---|--------------------------|------------|------------|
| Road usage, road/lane/sidewalk closure, traffic control & signage, more than one (1) day (includes filming and photography) | \$1,073 | \$2,011 | (\$939) |
| Misc. Encroachment Fees | | | |
| Administrative Fee | \$355 | \$600 | (\$245) |
| Inspection Fee | \$195 | \$222 | (\$27) |
| Annual Blanket Encroachment Permit for Utility Companies | \$3,005 | \$43,313 | (\$40,308) |
| Encroachment Maintenance Agreement | \$7,000 | \$11,532 | (\$4,532) |
| Complex Tents | New | \$222 | N/A |
| Encroachment "Base +" Fees | | | |
| Minor Base Fee | \$390 | \$599 | (\$209) |
| Major Base Fee | \$1,073 | \$2,731 | (\$1,658) |
| Underground Utility Trenching | \$1.50 | \$2.22 | (\$0.72) |
| Utility Poles & Street Lights | \$50 | \$111 | (\$61) |
| Boring & Existing Utility Underground Inspection (overpull) | \$100 | \$111 | (\$11) |
| Sidewalk, curb, or gutter | \$2 | \$2.22 | (\$0.22) |
| Tree Installation | New | \$322 | N/A |
| Transportation Permits³ | | | |
| Single Trip | \$16 | \$16 | \$0 |
| Annual Trip | \$90 | \$90 | \$0 |
| Code Enforcement | | | |
| Code Enforcement Investigations and Compliance Support | \$180 | \$226 | (\$46) |

The fees administered by the Building Division generally under-recover the associated costs. The fee with the largest under-recovery is the 'Annual Blanket Encroachment Permit for Utility Companies' at around \$40,000. The next largest undercharge is associated with the 'Encroachment Maintenance Agreement' at about \$4,500. The smallest undercharge is in relation to the Commercial Solar / Photovoltaic fees; the 'Per KW Between 50kW – 250kW' fee for ground-mounted systems under-recovers by \$7. Only the fees for 'Inspection Outside of Normal Business Hours' and 'Inspection During a Holiday' show over-recoveries at about \$35 and \$100, respectively.

ANNUAL REVENUE IMPACT

Based on the prior year's (FY24/25) workload information, Building has a deficit of roughly \$1.7 million. The following table shows the revenue at current fee, total projected annual cost, and resulting difference by major fee category.

TABLE 5: ANNUAL RESULTS – BUILDING

| Fee Category | Revenue at Current Fee | Annual Cost | Difference |
|---------------------------|------------------------|-------------|------------|
| Single Family Residential | \$3,688,770 | \$3,084,429 | \$604,341 |

³ CA Veh Code § 35795; Cal. Code Regs. tit. 21 § 1411.3 (a)

| Fee Category | Revenue at Current Fee | Annual Cost | Difference |
|--|------------------------|--------------------|----------------------|
| Commercial / Multi-Family / Industrial | \$692,581 | \$619,350 | \$73,230 |
| Misc. Inspection & Plan Check Fees | \$502,517 | \$556,173 | (\$53,656) |
| Misc. Permit Fees | \$443,641 | \$1,551,607 | (\$1,107,965) |
| Grading Permits ⁴ | \$495 | \$1,209 | (\$714) |
| Mechanical Fees | \$28,275 | \$97,242 | (\$68,967) |
| Electrical Fees | \$87,945 | \$280,152 | (\$192,207) |
| Plumbing Fees | \$33,735 | \$91,439 | (\$57,704) |
| Solar / Photovoltaic | \$362,300 | \$918,225 | (\$555,925) |
| Encroachment Permits | \$339,737 | \$659,652 | (\$319,915) |
| Transportation Permits | \$10,636 | \$10,636 | \$0 |
| Total | \$6,190,632 | \$7,870,114 | (\$1,679,482) |

Building has an annual cost recovery of about 80%. The largest source of the subsidy is in relation to the miscellaneous permit fees that were previously charged on a valuation basis (over 65% of the total cost recovery gap). The 'Single Family Residential' and 'Commercial / Multi-Family / Industrial' fees currently show a combined over-recovery of close to \$700,000. When considered together, these differences emphasize the importance of adjusting the current valuation schedule to more accurately account for different project types. Right sizing these fees will help the department ensure greater, more accurate cost recovery.

⁴ Grading fees are currently processed as part of general project valuation; as such, the information related to current revenue is limited.

PLANNING

The Planning Division is responsible for overseeing current and future development within the County. The fees examined within this study relate to appeals, zoning, use permits, development agreements, signs, variances, and special events, among others. The following subsections discuss fee schedule modifications, detailed per unit results, and annual revenue impacts for the fee-related services provided by Planning.

FEE SCHEDULE MODIFICATIONS

In discussions with County staff, the following modifications to the current fee schedule were proposed:

- **Fee Schedule Organization:** In order to more accurately capture the costs associated with Planning's fee-related services, the department proposed moving away from the current tiered system and reorganizing the fee schedule alphabetically.
- **Eliminated Fees:** Staff proposed eliminating the following fees as these services are no longer offered or they are covered by another department or another fee category:
 - 'Certificate of Compliance Conditional – Each Additional Lot'
 - 'Certificate of Correction – Map modification (except change of scenic easement)'
 - 'Change of Commercial or Industrial Use'
 - 'Commercial Cannabis Business Permit'
 - 'Design Approval – Limited in scope, no hearing required, no other departmental review required, minor change to existing structure, no addition'
 - 'General Plan Update and Implementation Fee'⁵
 - 'Lot Line Adjustment or Merger (No Public Hearing) Amendment, Revision, or Extension'
 - 'Mills Act Contract Selected Contract Processing'
 - 'Oak Woodland Guidelines Consistency Certification'
 - 'Personal Cannabis Permit'
 - 'Record of Survey'
 - 'Road Abandonment'
 - 'Transfer of Development Credit'
 - 'Voluntary Merger'

⁵ It is recommended that this fee only apply to Building permits moving forward.

- **New Fees:** Staff proposed the addition of the following fees as they highlight either services already offered but not codified on the fee schedule or new services the County is looking to provide:
 - 'Address – Address Reassignment'
 - 'Development Agreement – Extension'
 - 'Historic Register Listing'
 - 'Local Coastal Program Amendment'
 - 'Tree Removal – User Permit/Costal Development Permit'
 - 'Vacation Rental Operator License'
 - 'Vacation Rental Operator License – Renewal Fee – Change'
 - 'Vacation Rental Operator License – Renewal Fee – No Change'
 - 'Zoning Verification Letter – Base'
 - 'Zoning Verification Letter – Each Addl. Hour'
- **Condensed Fees:** To streamline the fee schedule, the following fees were condensed or combined:
 - The Coastal and Inland Appeal fees were condensed into a single fee: 'Appeal – Coastal/Inland Permit.'
 - The tiers associated with the 'Condition Compliance / Mitigation Monitoring' fees were condensed into two fees: 'Condition Compliance (First Three Conditions Included in the Cost of Entitlement)' and 'Conditional Compliance – Mitigation Monitoring.'
 - The two fees related to Environmental Review Addendums were combined into a single fee.
 - The Coastal and Williamson Act 'Lot Line Adjustment or Merger' fees were combined into a singular fee covering both permit types.
 - The 'Storage and Electronic Conversion of Files Fee (File Storage Fee)' was combined with the 'Technology Fee' to better align with best practices.
- **Expanded Fee:** The 'Landscape Management Plan Review (No Discretionary Planning Permit Required)' was expanded to 'Minor' and 'Major' to better specify the service provided. This fee now also specifies that there is no discretionary planning permit required.
- **Modified Fees:** The following miscellaneous modifications were proposed:
 - The 'Certificate of Compliance Conditional' fee was changed from a flat fee for up to two lots to a deposit-based fee, regardless of the number of lots.
 - The 'Flood Zone Inquiry Report or Flood Zone Inquiry Cover Page' fee was renamed 'Floodplain Determination' for clarity.
 - The 'Application Request' fee was renamed 'Pre-Application Request' and a note was added that it includes Builder's Remedy.

- The 'Subdivision – Minor' fees were changed from a deposit-basis to flat fees.
- References to the GPUI fee were removed, as it is recommended that this fee no longer apply to Planning permits.

The modifications proposed ensure that the proposed fee schedule better reflects the services being provided by Planning staff.

DETAILED RESULTS

The Planning Division collects fees for zoning, use permits, design review, administrative and ministerial permits, code compliance, appeals, and environmental review, among other services. The total cost calculated for each service includes direct staff costs and Departmental, Divisional, and Countywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

TABLE 6: TOTAL COST PER UNIT RESULTS – PLANNING

| Fee Name | Current Fee | Total Cost | Difference |
|---|-------------|------------|------------|
| HCD Land Use Fee Schedule | | | |
| Address - Address Reassignment | New | \$561 | N/A |
| Address - Each Additional Address | \$90 | \$761 | (\$671) |
| Address - First Address Assignment | \$0 | \$761 | (\$761) |
| Address - Address Verification | \$0 | \$761 | (\$761) |
| Administrative Permit or Coastal Administrative Permit (General) | \$5,000 | \$6,861 | (\$1,861) |
| Airport Land Use Commission Application Review | \$1,500 | \$1,908 | (\$408) |
| Appeal - Coastal/Inland Permit | Modified | \$3,780 | N/A |
| Appeal - Director's Interpretation | \$1,500 | \$1,825 | (\$325) |
| Appeal - Fee Determination | \$1,500 | \$2,171 | (\$671) |
| Appeal - Incomplete or Completeness Determination | \$3,000 | \$2,171 | \$829 |
| Certificate of Compliance Conditional | \$7,000 | \$1,825 | \$5,175 |
| Certificate of Compliance Unconditional (up to 2 lots) | \$3,000 | \$739 | \$2,261 |
| Certificate of Compliance Unconditional - Each Additional Lot | \$1,000 | \$217 | \$783 |
| Coastal Development Permit | \$10,000 | \$12,513 | (\$2,513) |
| Coastal Implementation Plan Amendment | \$20,000 | \$10,859 | \$9,141 |
| Contract Administration (New contracts and amendments) | 15% | 15% | \$0 |
| Combined Development Permit | \$10,000 | \$17,939 | (\$7,939) |
| Condition Compliance (First Three Conditions Included in Cost of Entitlement) | Modified | \$212 | N/A |
| Condition Compliance - Mitigation Monitoring | Modified | \$424 | N/A |
| Design Approval - Administrative, review & approval required, no hearing required | \$1,500 | \$1,218 | \$282 |

| Fee Name | Current Fee | Total Cost | Difference |
|--|-------------|------------|------------|
| Design Approval - Over the Counter, limited in scope, no hearing required | \$500 | \$648 | (\$148) |
| Design Approval - Public hearing required | \$3,000 | \$3,755 | (\$755) |
| Development Agreement/Amendment | \$20,000 | \$10,859 | \$9,141 |
| Development Agreement - Extension | New | \$5,000 | N/A |
| Development Review Committee Conference | \$3,000 | \$2,882 | \$118 |
| Director's Interpretation | \$1,500 | \$1,520 | (\$20) |
| Emergency Permit | \$5,000 | \$2,218 | \$2,782 |
| Environmental Review - Addendum (tiered from earlier Environmental Impact Report or MND; fees are additive to permit fees) | \$5,000 | \$1,303 | \$3,697 |
| Environmental Review - Environmental Impact Report (Extraordinary Development Application) | \$20,000 | \$21,719 | (\$1,719) |
| Environmental Review - Initial Study (ND/MND; fees are additive to permit fees) | \$10,000 | \$15,203 | (\$5,203) |
| Extraordinary Development Application | \$20,000 | \$26,063 | (\$6,063) |
| Floodplain Determination | \$0 | \$1,405 | (\$1,405) |
| Franchise Agreement | \$7,000 | \$13,584 | (\$6,584) |
| Franchise Agreement, Extension or Amendment | \$5,000 | \$9,456 | (\$4,456) |
| General Development Plan | \$10,000 | \$7,872 | \$2,128 |
| General Plan / Land Use Inland Area or Master Plan Amendment | \$20,000 | \$9,773 | \$10,227 |
| Hazardous Vegetation/Fuel Management Plan Review | \$0 | \$106 | (\$106) |
| Historic Register Listing | New | \$3,271 | N/A |
| Landscape Management Plan Review (No Discretionary Planning Permit Required) - Major | \$500 | \$750 | (\$250) |
| Landscape Management Plan Review (No Discretionary Planning Permit Required) - Minor | \$500 | \$310 | \$190 |
| Letter of Public Convenience and Necessity | \$1,500 | \$1,278 | \$222 |
| Local Coastal Program Amendment | New | \$10,859 | N/A |
| Lot Line Adjustment or Merger (Coastal or Williamson Act) | Modified | \$6,016 | N/A |
| Lot Line Adjustment Or Merger (Inland) | Modified | \$3,701 | N/A |
| Mills Act Contract Application | \$3,000 | \$6,528 | (\$3,528) |
| Minor & Trivial Amendment or Minor Amendment, no hearing required | \$3,000 | \$3,670 | (\$670) |
| Monterey Peninsula Water Management District Allocation Tracking | \$182 | \$212 | (\$30) |
| Parcel Legality Determination | \$3,000 | \$4,343 | (\$1,343) |
| Permit Amendment, Renewal, or Revision (not otherwise specified) | \$5,000 | \$7,450 | (\$2,450) |
| Permit Extension | \$5,000 | \$1,967 | \$3,033 |
| Pre-Application Request (Incl. Builder's Remedy) | \$500 | \$757 | (\$257) |

| Fee Name | Current Fee | Total Cost | Difference |
|---|-------------|------------|------------|
| Restoration Plan - Administrative | \$5,000 | \$3,271 | \$1,729 |
| Restoration Plan - Hearing required | \$10,000 | \$5,571 | \$4,429 |
| Road Name | \$3,000 | \$10,031 | (\$7,031) |
| Scenic Easement Amendment | \$3,000 | \$4,411 | (\$1,411) |
| Special Event Questionnaire Processing (other permits may be required; fees captured through other permits) | \$0 | \$1,698 | (\$1,698) |
| Specific Plan | \$20,000 | \$34,325 | (\$14,325) |
| Specific Plan Amendment | \$20,000 | \$14,933 | \$5,067 |
| Specific Plan Conformance Determination, Director's Approval, no hearing | \$1,500 | \$3,475 | (\$1,975) |
| Specific Plan Conformance Determination, hearing required | \$5,000 | \$4,774 | \$226 |
| Subdivision - Minor - Extension / Subdivision Improvement Agreement Extension | \$20,000 | \$2,828 | \$17,172 |
| Subdivision - Minor - Tentative / Vesting Tentative Map Amendment | \$20,000 | \$6,363 | \$13,637 |
| Subdivision - Minor - Tentative / Vesting Tentative Map Application | \$20,000 | \$13,365 | \$6,635 |
| Subdivision - Minor - Tentative / Vesting Tentative Map Extension | \$20,000 | \$2,171 | \$17,829 |
| Subdivision - Standard - Extension / Subdivision Improvement Agreement Extension | \$20,000 | \$8,885 | \$11,115 |
| Subdivision - Standard - Tentative / Vesting Tentative Map Amendment | \$20,000 | \$16,877 | \$3,123 |
| Subdivision - Standard - Tentative / Vesting Tentative Map Application | \$20,000 | \$27,041 | (\$7,041) |
| Subdivision - Standard - Tentative / Vesting Tentative Map Extension | \$20,000 | \$11,057 | \$8,943 |
| Surface Mine Annual Inspection (disturbed area < 20 acres) | \$5,000 | \$4,461 | \$539 |
| Surface Mine Annual Inspection (disturbed area > 20 acres) | \$10,000 | \$4,461 | \$5,539 |
| Surface Mine Reclamation Plan | \$20,000 | \$28,060 | (\$8,060) |
| Transfer of Development Credit - Big Sur Viewshed Acquisition | \$3,000 | \$6,019 | (\$3,019) |
| Transfer of Development Credit - Big Sur Viewshed Acquisition - part of an existing application | \$3,000 | \$1,303 | \$1,697 |
| Tree Removal - Director's Approval or Waiver (Inland Zone only) | \$500 | \$479 | \$21 |
| Tree Removal - Hazard | \$0 | \$373 | (\$373) |
| Tree Removal - Use Permit/Coastal Development Permit | New | \$2,748 | N/A |
| Use Permit – General | \$5,000 | \$12,463 | (\$7,463) |
| Use Permit - Oil & Gas | \$20,000 | \$8,656 | \$11,344 |
| Vacation Rental Operator License | \$965 | \$977 | (\$12) |
| Vacation Rental Operator License - Renewal Fee - Change | \$135 | \$380 | (\$245) |

| Fee Name | Current Fee | Total Cost | Difference |
|---|-------------|------------|------------|
| Vacation Rental Operator License - Renewal Fee - No Change | \$357.50 | \$162 | \$196 |
| Variance | \$7,000 | \$5,877 | \$1,123 |
| Vested Rights Determination | \$20,000 | \$9,773 | \$10,227 |
| Williamson Act - Farmland Security Zone Contract or Williamson Act Contract Amendment | \$5,000 | \$5,463 | (\$463) |
| Zone Change / Code Amendment | \$20,000 | \$9,773 | \$10,227 |
| Zoning Verification Letter - Base | New | \$945 | N/A |
| Zoning Verification Letter - Each Addl. Hour | New | \$214 | N/A |
| Hourly Rates | | | |
| Code Enforcement Investigations and Compliance Support | \$180 | \$226 | (\$46) |
| Environmental Services | \$164 | \$222 | (\$58) |
| Planning | \$175 | \$217 | (\$42) |
| Development Services | \$186 | \$247 | (\$61) |
| Public Works | \$175 | \$238 | (\$63) |
| Housing Division | \$165 | \$219 | (\$54) |
| Front Counter Processing | \$90 | \$212 | (\$122) |
| Activities / Services Provided Billed on Hourly Rates: | | | |
| Code Enforcement Activities | \$180 | \$226 | (\$46) |
| Deed Restriction Processing (ministerial permits) | \$175 | \$217 | (\$42) |
| Research | \$175 | \$217 | (\$42) |
| Site Visit | \$175 | \$217 | (\$42) |
| Subdivision - Minor or Standard – Amend Final Map (Deposit Required \$6,000) | \$175 | \$217 | (\$42) |

The fees administered by the Planning Division show a mix of under- and over-recoveries. Many of the fees that show the largest overcharges are currently charged as deposits; as such, exact costs would be recovered, and they are not true over-recoveries. Examples include the subdivision fees, 'Vested Rights Determination,' and 'Development Agreement/Amendment,' among others. The non-deposit-based fees that show the largest overcharges are the 'Surface Mine Annual Inspection' fee (\$5,500) and the 'Certificate of Compliance Conditional' fee (\$5,200). Because of the complex and varied nature of conditional certificates of compliance, that fee will be converting to a deposit basis.

Similar to the fees that show over-recoveries, several of the fees with the largest under-recoveries are deposit-based fees, so all costs would be recovered. Of the fees that are not deposits, the 'Combined Development Permit' shows the largest under-recovery at about \$8,000. The 'Road Name' and 'Use Permit – General' fees show similarly large under-recoveries at around \$7,000 and \$7,500, respectively.

ANNUAL REVENUE IMPACT

Based on the prior year's (FY24/25) workload information, Planning has a deficit of roughly \$835,000. The following table shows the revenue at current fee, total projected annual cost, and resulting difference by major fee category.

TABLE 7: ANNUAL RESULTS – PLANNING

| Fee Category | Revenue at Current Fee | Annual Cost | Difference |
|---|-------------------------------|--------------------|--------------------|
| Addressing | \$7,650 | \$64,685 | (\$57,035) |
| Administrative Permit | \$290,000 | \$397,938 | (\$107,938) |
| Certificate of Compliance | \$34,000 | \$8,778 | \$25,222 |
| Coastal Permits | \$50,000 | \$62,565 | (\$12,565) |
| Combined Development Permit | \$540,000 | \$968,706 | (\$428,706) |
| Design Approval | \$306,500 | \$341,843 | (\$35,343) |
| Lot Line Adjustment or Merger | \$48,000 | \$37,010 | \$10,990 |
| Permit Amendment, Extension, Renewal, or Revision | \$64,000 | \$45,096 | \$18,904 |
| Pre-Application Request | \$38,000 | \$57,532 | (\$19,532) |
| Subdivisions | \$20,000 | \$20,000 | \$0 |
| Tree Removal | \$11,000 | \$10,538 | \$462 |
| Use Permit | \$105,000 | \$261,723 | (\$156,723) |
| Misc Land Use Fees | \$397,670 | \$317,432 | \$80,238 |
| Hourly Rates | \$584,013 | \$736,357 | (\$152,344) |
| Total | \$2,495,833 | \$3,330,203 | (\$834,370) |

Planning has an annual cost recovery of about 75%. Approximately \$430,000 of that subsidy is in relation to Combined Development Permits. The per unit deficit for that fee is approximately \$8,000, and it was administered 54 times in FY25, resulting in a large annual deficit. The next largest source of deficit is in relation to Use Permits at around \$157,000. Modifying these fees will result in a large impact to the Division's revenue.

DEVELOPMENT SERVICES SURCHARGES

There are two typical surcharges assessed as part of the development review process – General Plan Maintenance Fee and Technology fee. Currently, Monterey County Housing and Development assesses both of these fees. The following subsections discuss the calculation and application of the General Plan Maintenance Fee and Technology Fee and provides comparative context to other jurisdictions.

GENERAL PLAN MAINTENANCE FEE

A General Plan Maintenance fee is meant to account for updates to the general plan, zoning ordinance, housing elements, and other long-range planning activities that are part of the larger General Plan.

The General Plan Maintenance fee is governed by Government Code Section 66014(b) which states that fees “may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and recommendations.” This code states that fees can be charged against zoning changes, zoning variances, use permits, building inspections, and filing applications.

More typically, the fee is charged during the building permit phase to ensure any development project that progresses to that phase and makes enough of an impact to require the need for an update to the Zoning Code or the General Plan bears its fair share of the costs, without burdening smaller projects that will not have an impact. This fee should only be applied to major building permits (i.e., new or remodel / tenant improvements) rather than standalone permits for water heaters or electrical outlets.

The project team took the estimated cost associated with updating the General Plan and annualized it over the life of the plan. Additionally, the team also anticipated annual staff costs associated with updating the long-range activities. The following table breaks out by category the components that comprise the total annual cost calculation.

TABLE 8: GENERAL PLAN MAINTENANCE FEE – ANNUAL COSTS

| Task | Estimated Cost | Years | Annualized Cost |
|--------------------------|-----------------------|--------------|------------------------|
| General Plan Update | \$5,000,000 | 15 | \$333,333 |
| Staff Cost | \$258,663 | 1 | \$258,663 |
| Total Annual Cost | | | \$591,996 |

The annual cost to the County for working on its long-range activities is approximately \$600,000. The County currently assesses this fee as a percentage of the applicable permits. The project team calculated the full cost of the General Plan Fee based on the recommended methodology of applying the fee only to major building permits. The following table shows this calculation:

TABLE 9: GENERAL PLAN MAINTENANCE FEE CALCULATION

| Category | Amount |
|--|-------------|
| Total Annual Cost | \$591,996 |
| Building Permit Fee Revenue – New construction | \$3,703,780 |
| General Plan Maintenance Fee | 15% |

The full cost of the General Plan Maintenance fee is 15%. The County currently charges this fee on both Planning and Building projects. It is recommended that the fee only be assessed on building projects, as this has the strongest nexus for the application of the fee. The following table compares the County's current fee to the full cost fee and associated difference:

TABLE 10: GENERAL PLAN MAINTENANCE FEE – PER UNIT RESULTS

| Category | Current Fee | Full Cost | Difference |
|------------------|-------------|-----------|------------|
| General Plan Fee | 10% | 15% | (5%) |

The County is currently under-recovering by approximately 5 percentage points for its General Plan Maintenance Fee.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of a General Plan Maintenance Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

TABLE 11: GENERAL PLAN MAINTENANCE FEE – COMPARATIVE SURVEY

| Jurisdiction | Fee Amount |
|------------------------|---|
| City of Monterey | 15% of Building Permit Fee |
| San Luis Obispo County | N/A |
| Santa Barbara County | N/A |
| Santa Clara County | 0.205% of Building Permit Valuation |
| Santa Cruz | 1.22% of Building Permit Valuation for Non-ADUs |
| Santa Cruz County | 7% of Permit Fee |

As the table indicates, some jurisdictions charge their General Plan Maintenance Fee based on valuation, while others charge it based on the full permit fee. Of those that charge the surcharge based on the building permit fee, the full cost calculated for the County is higher than Santa Cruz County but comparable to the City of Monterey. Additionally, all of the jurisdictions only assess this on Building Permits.

TECHNOLOGY SURCHARGE FEE

A Technology Fee allows a jurisdiction to support the costs associated with its permitting system, staff time for managing the systems, acquiring the system, mobile devices used for permitting, etc. The project team used knowledge from working with a wide range of jurisdictions to estimate annual permit-

related technology costs. The costs included in this estimate are the capital costs for a permitting system, annualized over 10 years. The following table shows the annual cost by cost category:

TABLE 12: TECHNOLOGY SURCHARGE COST COMPONENTS

| Item | Total Cost | # of Years | Annualized Cost |
|--------------------------|--------------|------------|--------------------|
| System Replacement | \$15,000,000 | 10 | \$1,500,000 |
| Total Annual Cost | | | \$1,500,000 |

To replace the system, the County would need to set aside approximately \$1.5 million annually. While this is based on the system replacement, it is meant to be a proxy to capture any and all technology related costs for the department – hardware, software, scanning, etc. To calculate the fee needed to recover this full cost, the project team took the annualized cost of the system replacement and divided it by the potential permit and application fees to which it would be applicable. The following table shows this calculation:

TABLE 13: TECHNOLOGY FEE CALCULATION

| Category | Amount |
|-------------------------------|--------------|
| Total Annual Cost | \$1,500,000 |
| Total Development Fee Revenue | \$11,200,317 |
| Technology Fee | 13% |

Based upon this calculation, the County's full cost Technology Fee would be 13% of the permit fee. Therefore, if a permit fee was \$100, the Technology fee collected would be \$13; whereas if a permit fee was \$1,000, the Technology fee collected would be \$130. This type of structure enables the Technology fee to be more proportionately distributed based upon the projects and their impact upon the system.

The County currently assesses two separate technology fees, a fee for the storage and electronic conversion of files and a more general technology fee. Through this study, merging these fees into a singular technology fee was proposed, consistent with best practices. The following table compares the County's current fee (with both fees included) to the full cost and provides the associated difference:

TABLE 14: TECHNOLOGY FEE – PER UNIT RESULTS

| Category | Current Fee | Full Cost | Difference |
|----------------|--------------------|-----------|------------|
| Technology Fee | 9.42% ⁶ | 13.00% | (3.58%) |

The Department is currently under-recovering by about 3.6 percentage points for its Technology Fee. As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of a Technology Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

⁶ Includes the 7.49% Technology Fee and the 1.93% scanning / records fee.

TABLE 15: TECHNOLOGY SURCHARGE – COMPARATIVE SURVEY

| Jurisdiction | Fee Amount |
|------------------------|-------------------------|
| City of Monterey | N/A |
| San Luis Obispo County | 8.9% of Applicable Fees |
| Santa Barbara County | N/A |
| Santa Clara County | 3% of Permit Fee |
| Santa Cruz | 6% of Permit Fee |
| Santa Cruz County | 3% of Permit Fee |

For those jurisdictions that do charge a fee, their fee is charged as a percentage of the permit or applicable fees. The Department's current fee and full cost fee are higher than the surveyed jurisdictions and most comparable to San Luis Obispo County's fee.

SURCHARGE FUND BEST PRACTICES

It is a best practice to collect and account for General Plan Maintenance and Technology surcharges in separate accounts, as doing so ensures compliance with funding requirements, enables appropriate allocation of funds to general plan or technology-related activities, and mitigates any potential issues with the comingling of funds. The Department already tracks this revenue in a separate subaccount and meets this best practice.

COST RECOVERY CONSIDERATIONS

The following sections provide guidance regarding how and where to increase fees, determine annual update factors, and develop cost recovery policies and procedures.

FEE ADJUSTMENTS

This study has documented and outlined on a fee-by-fee basis where the Department is under- and over-collecting for its fee-related services. County and Department management will now need to review the study results and adjust fees per Departmental and County philosophies and policies. The following points outline the major options the County has in adjusting its fees:

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for costs of services provided, the Department should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the Department may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low-cost recovery levels, or which would have a significant impact on the community, the Department could choose to increase fees gradually over a set period.

The Department will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are straightforward, the following subsections provide further detail on why and how the Department should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

FULL COST RECOVERY

Based on the permit or review type, the Department may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery can potentially bring a department's overall cost recovery level higher. Often, these minimal increases can provide necessary revenue to counterbalance fees that cannot be increased.

The Department should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise and can involve more complex research

and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the Department is recovering the full cost of its services.

PHASED INCREASES

Depending on current cost recovery levels, some current fees may need to be increased significantly to comply with established or proposed cost recovery policies. Due to the type of permit or review or the amount by which a fee needs to be increased, it may be best for the Department to use a phased approach to reaching its cost recovery goals.

As an example, you may have a current fee of \$200 with a full cost of \$1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by \$600, bringing the fee to \$800, to comply with proposed recovery levels. Assuming this service is something the Department provides quite often and affects various members of the community, an instant increase of \$600 may not be feasible. Therefore, the Department could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period not only allows the Department to monitor and control the impact to applicants but also ensure that applicants have time to adjust to significant increases. Continuing with the example above, the Department could increase the fee by \$150 per year for the next four years, spreading out the increase. Depending on the desired overall increase and the impact to applicants, the Department could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the Department not phase increases for periods greater than five years, as that is the maximum window after which a comprehensive fee assessment should be completed.

ANNUAL ADJUSTMENTS

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general recommendation is that a comprehensive fee analysis should be conducted every five to seven years. This allows jurisdictions to ensure they account for organizational changes, such as staffing levels and merit increases, and process efficiencies, code or rule changes, or technology improvements. Developing annual update mechanisms allow jurisdictions to maintain current levels of cost recovery, while accounting for increases in staffing or expenditures related to permit services. The two most common types of update mechanisms are Consumer Price Index (CPI) and Cost of Living Adjustment (COLA) factors. The following points provide further detail on each of these mechanisms:

- **COLA / Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local cost of living. These increases are not tied to merit or seniority but rather meant to offset rising costs associated with housing, gas, and other livability factors. Sometimes these factors vary depending on the bargaining group of a specific employee. Generally, these factors are around two or three percent annually.

- **CPI / ECI Factor:** A common method of increasing fees or cost is to look at regional cost indicators, such as the Consumer Price Index or Employment Cost Index. These factors are calculated by the Bureau of Labor Statistics, are put out at various intervals within a year, and are specific to states and regions.

The County of Monterey should review its current options internally (COLA) as well as externally (CPI / ECI) to determine which option better reflects the goals of the Departments and the County. If choosing a CPI / ECI factor, the County should outline which CPI / ECI should be used, including specific region and adoption date. If choosing an internal factor, the County should be sure to specify which factor if multiple exist.

POLICIES AND PROCEDURES

This study has identified areas where the Department is under-collecting the costs associated with providing services. This known funding gap is therefore being subsidized by other County revenue sources.

Development of cost recovery policies and procedures will ensure that current and future decision makers understand how and why fees were determined and set, as well as provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits of developing target cost recovery goals and procedures for achieving and increasing cost recovery.

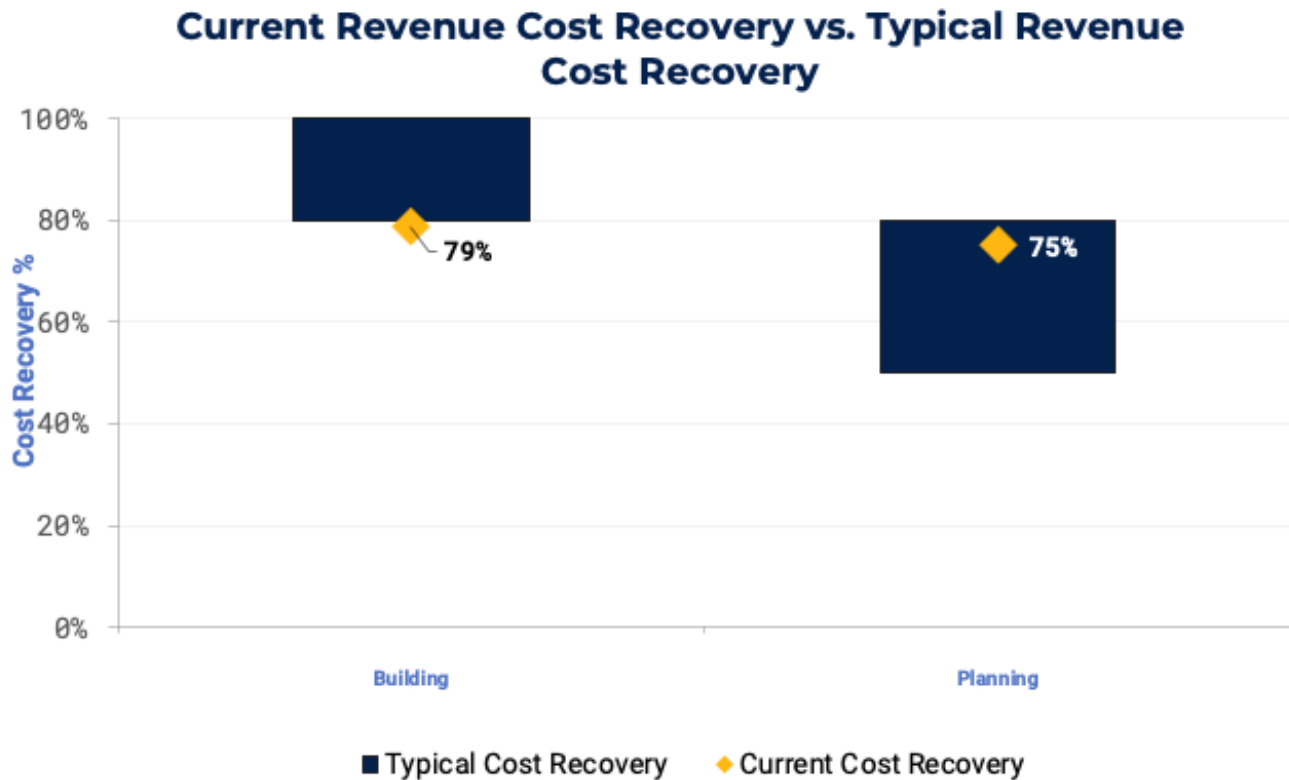
TYPICAL COST RECOVERY

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery ranges. The following table outlines cost recovery ranges by major service area.

TABLE 16: TYPICAL COST RECOVERY RANGES BY MAJOR SERVICE AREA

| Service Areas | Typical Cost Recovery Ranges |
|----------------------|-------------------------------------|
| Building | 80-100% |
| Planning | 50-80% |

Information presented in the table above is based on the Matrix Consulting Group's experience in analyzing local governments' operations across the United States and within California and reflects typical cost recovery ranges observed by local adopting authorities. The following graph depicts how Monterey compares to industry cost recovery range standards.



Building is slightly lower than the typical cost recovery range, while Planning is within the typical range seen for those services.

DEVELOPMENT OF COST RECOVERY POLICIES AND PROCEDURES

The Department should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the Department as a whole or to each division specifically. A division-specific cost recovery policy would allow the Department to better control the cost recovery associated with different types of services being provided and the community benefit received.

APPENDIX – COMPARATIVE SURVEY

As part of the Cost of Services (User Fee) study for the County of Monterey, Matrix Consulting Group conducted a comparative survey of user fees. The County identified six municipalities to be included in the comparative survey: City of Monterey, San Luis Obispo County, Santa Barbara County, Santa Clara County, City of Santa Cruz, and Santa Cruz County. The project team then reviewed public documents (i.e., agenda items, staff reports, budgets, fee schedules, and ordinances) and or contacted jurisdictions to get comparative information.

While this full report provides the County with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to benchmark themselves against other comparable jurisdictions to understand the local “rates” for comparable services. This type of comparative analysis allows for the County to assess what types of changes in fee levels their community can bear. However, benchmarking does not provide adequate information regarding the relationship of other jurisdiction’s costs to their fees (i.e., policy decisions to subsidize, cost recovery goals, etc.). To contextualize this portion of the analysis, the project team provided economic and recency factors for the comparable jurisdictions.

The following sections detail various factors to consider when reviewing comparative survey results, as well as graphical comparisons of current fees and total calculated costs for various permits issued or services provided by the County.

ECONOMIC FACTORS

To provide additional context for the comparative survey information, the project team collected economic data for the included jurisdictions. Three important economic factors to consider when comparing fees across multiple jurisdictions are: population, budget, and workforce size. These factors can impact how and when fees are administered, as a jurisdiction with a smaller population may choose to not charge a fee, or a smaller workforce size may inhibit their ability to administer a fee.

The following tables rank each jurisdiction from smallest to largest for each of these economic factors:

TABLE 17: RANKING OF JURISDICTIONS BY POPULATION

| Jurisdiction | Population⁷ |
|------------------------|-------------------------------|
| City of Monterey | 27,273 |
| City of Santa Cruz | 62,972 |
| Santa Cruz County | 263,710 |
| San Luis Obispo County | 279,337 |
| Monterey County | 438,831 |
| Santa Barbara County | 447,132 |

⁷ California Finance estimates as of 1/1/2025 were used to determine each jurisdiction's population.

| Jurisdiction | Population ⁷ |
|--------------------|-------------------------|
| Santa Clara County | 1,922,259 |

TABLE 18: RANKING OF JURISDICTIONS BY DEVELOPMENT-RELATED FTE

| Jurisdiction | FY25-26 Development FTE |
|--------------------------------|-------------------------|
| City of Monterey | 29.25 |
| City of Santa Cruz | 35.00 |
| Santa Clara County | 96.00 |
| Monterey County | 108.00 |
| Santa Barbara County | 114.25 |
| San Luis Obispo County | 115.50 |
| Santa Cruz County ⁸ | 362.50 |

TABLE 19: RANKING OF JURISDICTIONS BY DEVELOPMENT-RELATED BUDGET

| Jurisdiction | FY25-26 Development Budget |
|------------------------|----------------------------|
| City of Santa Cruz | \$10,076,133 |
| City of Monterey | \$12,985,552 |
| San Luis Obispo County | \$20,472,275 |
| Monterey County | \$26,063,271 |
| Santa Barbara County | \$27,945,200 |
| Santa Clara County | \$29,572,412 |
| Santa Cruz County | \$247,715,144 |

When compared to the surveyed jurisdictions, the County of Monterey ranks near the middle in terms of population, budget, and staffing.

RECENCY FACTOR

While the above comparative information can provide some perspective when paralleling Monterey's fees with surveyed jurisdictions, other key factors to consider are when a jurisdiction's fee schedule was last updated and when the last comprehensive analysis was undertaken.

Regarding fee schedule updates, all surveyed jurisdictions have updated their fee schedules within the last year (2025).

However, as it relates to the previous fee study, there is variable information regarding that. It is important to note that even though jurisdictions may have conducted recent fee studies, their fees are not always adopted at full cost recovery. The following tables detail when each surveyed jurisdiction last conducted a fee analysis and when they last updated their fee schedule

TABLE 20: LAST FEE STUDY CONDUCTED

| Jurisdiction | Response |
|------------------|----------|
| City of Monterey | 2024 |

⁸ Includes Public Works.

| Jurisdiction | Response |
|------------------------|----------------------|
| City of Santa Cruz | 2024 |
| San Luis Obispo County | Currently Undergoing |
| Santa Barbara County | 2021 |
| Santa Clara County | Currently Undergoing |
| Santa Cruz County | 2017 |

All jurisdictions are either undergoing a study or have done one within the last 10 years.

The comparative results only show the adopted fee for the surveyed jurisdiction, not necessarily the full cost associated with the comparable service.

ADDITIONAL FACTORS

Along with keeping the statistics outlined in the previous sections in mind, the following issues should also be noted regarding the use of market surveys in the setting of fees for service:

- **Cost Recovery Factors:** Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services as various policy decisions may subsidize services.
- **Fee Variance Factors:** The same “fee” with the same name may include different steps or sub-activities. Jurisdictions also provide varying levels of service and have varying levels of costs associated with providing services such as staffing levels, salary levels, indirect overhead costs, etc.

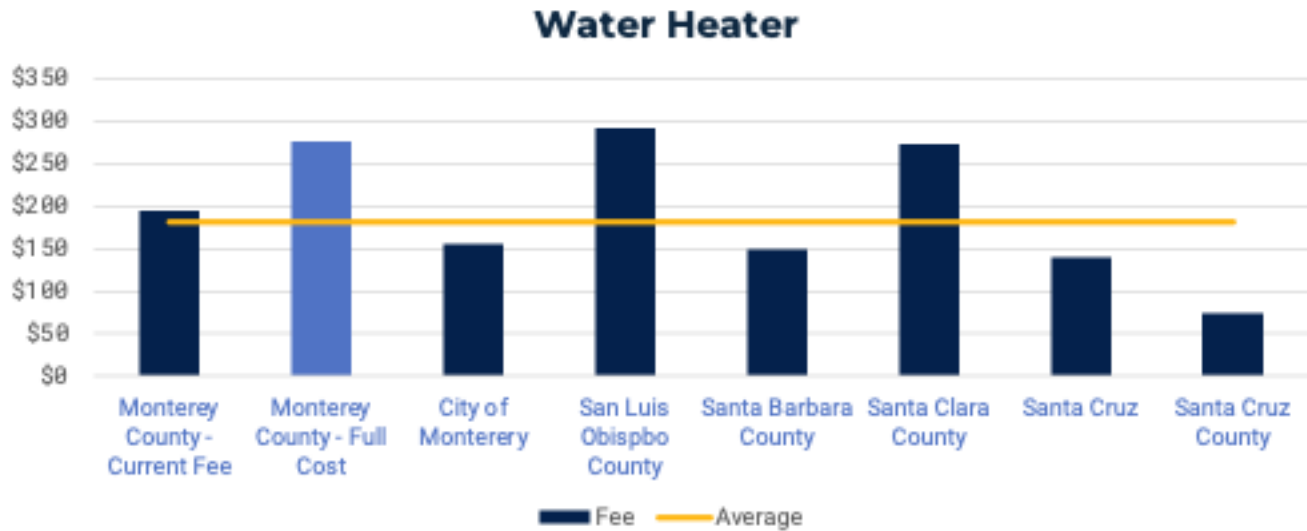
In addition to the issues noted, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than the primary method for determining an acceptable price point for services.

COMPARATIVE SURVEY RESULTS

As part of this study, the project team conducted a survey of how the Department’s current user fees and calculated full cost compare to other identified jurisdictions. The following subsections provide a comparative look at several fee-related services provided by the County versus the surveyed jurisdictions.

1 WATER HEATER

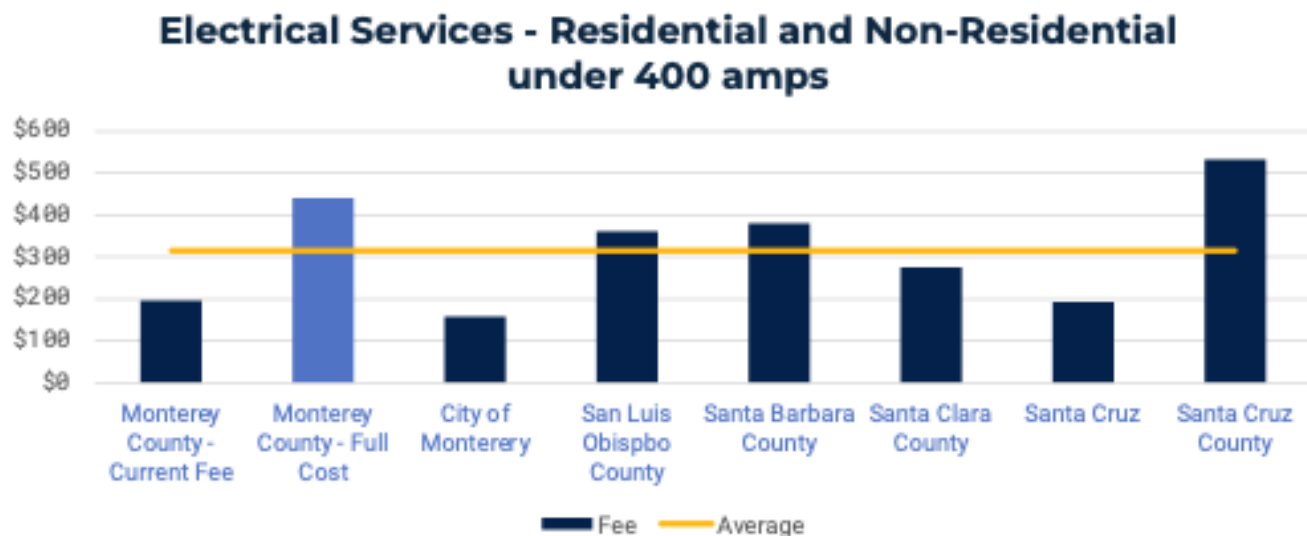
Building currently charges a fee of \$195 for a Water Heater. Through this study, the project team calculated the full cost of this service to be \$276. The following graph shows how County of Monterey’s current fee and full cost compare to the surveyed jurisdictions.



The County of Monterey's current fee is near the jurisdictional average of \$181. The full cost calculated is the second highest and is comparable to Santa Clara County's fee of \$274. Santa Cruz County charges the least for this service with a fee of \$75.

2 ELECTRICAL SERVICES - RESIDENTIAL AND NON-RESIDENTIAL UNDER 400 AMPS

Building currently charges a fee of \$195 for to review an electrical service under 400 amps. Through this study, the project team calculated the full cost of this service to be \$441. The following graph shows how County of Monterey's current fee and full cost compare to surveyed jurisdictions.

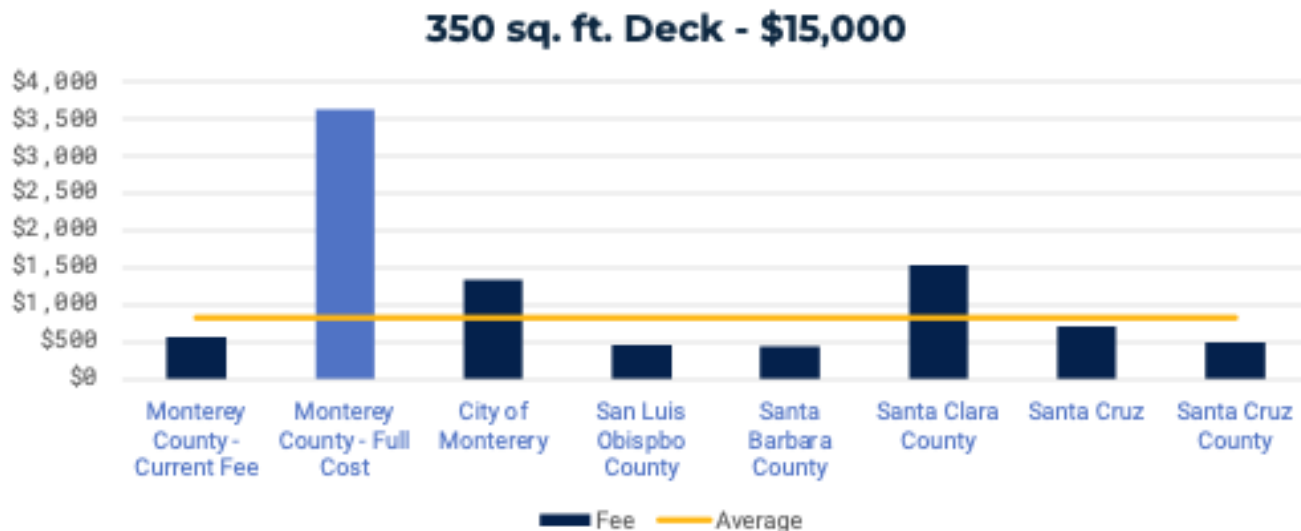


The County of Monterey's current fee is below the jurisdictional average of \$302 and is most similar to the City of Santa Cruz's fee of \$193. The full cost calculated is the second highest and is greater than the

fees charged by the surveyed jurisdictions, except for Santa Cruz County (\$533). The City of Monterey charges the lowest fee at \$156.

3 350 SQ. FT. DECK, VALUED AT \$15,000

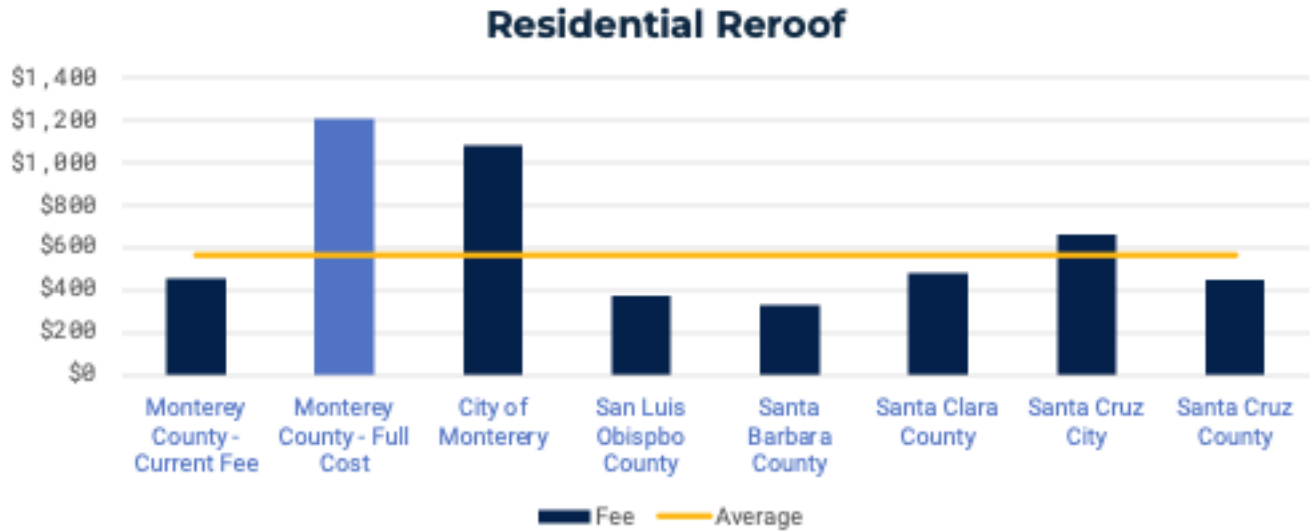
Building currently charges a fee of \$570 for a 350 sq. ft. deck valued at \$15,000. Through this study, the project team calculated the full cost of this service to be \$3,632. The following graph shows how County of Monterey's current fee and full cost compare to surveyed jurisdictions.



The County of Monterey's current fee is below the jurisdictional average of \$825 and is most comparable to Santa Cruz County's fee of \$493. Building's full calculated cost is higher than all surveyed jurisdictions. Santa Barbara County's fee is the lowest at \$435. The City of Monterey, Santa Clara County, and the City of Santa Cruz all charge this fee based on valuation, while the other jurisdictions have a flat fee specific to decks.

4 RESIDENTIAL REROOF, VALUED AT \$12,000, 1,800 SQ. FT.

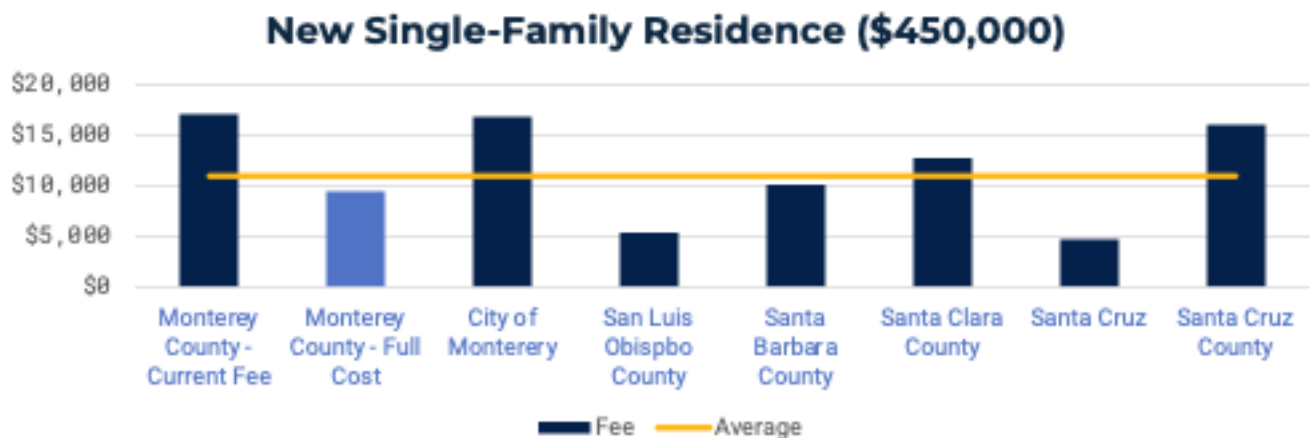
Building currently charges a fee of \$456 for an 1,800 sq. ft. residential reroof valued at \$12,000. Through this study, the project team calculated the full cost of this service to be \$1,210. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



The County of Monterey's current fee is below the jurisdictional average of \$563. The full calculated cost is the highest among the surveyed jurisdictions and is most comparable to the City of Monterey's fee of \$1,082. Santa Barbara County's fee is the lowest at \$329. The City of Monterey and the City of Santa Cruz charge this fee based on valuation, while the other jurisdictions have a flat fee.

5 2,500 SQ. FT. NEW RESIDENTIAL RESIDENCE - \$450,000

Building currently charges a fee of \$17,100 for the plan check and inspection of a 2,500 sq. ft. new residential single-family home valued at \$450,000. Through this study, the project team calculated the full cost of this service to be \$9,492. The following graph shows how the County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

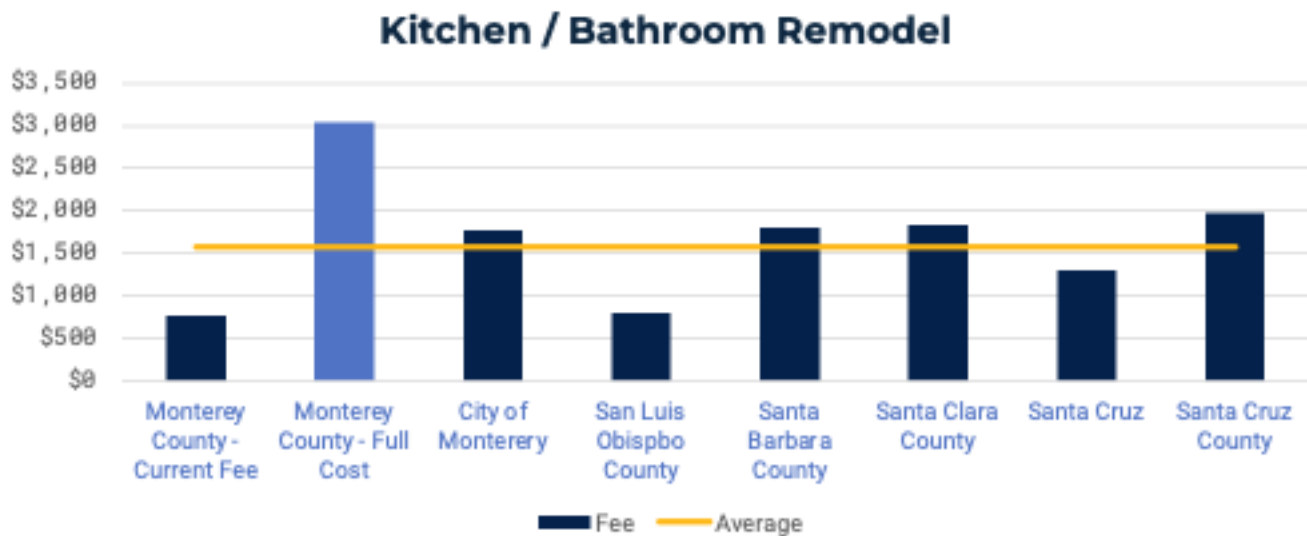


The County of Monterey's current fee is above the jurisdictional average of \$10,989 and is most comparable to the City of Monterey's fee of \$16,890. The full cost is below average and is most

comparable to Santa Barbara County's fee of \$10,115. Santa Cruz charges the lowest for this review at \$4,759.

6 KITCHEN / BATHROOM REMODEL (NO STRUCTURAL)- \$20,000 VALUATION

Building currently charges a fee of \$760 for the plan review and inspection of a non-structural kitchen or bathroom remodel valued at \$20,000. Through this study, the project team calculated the full cost of this service to be \$3,046. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

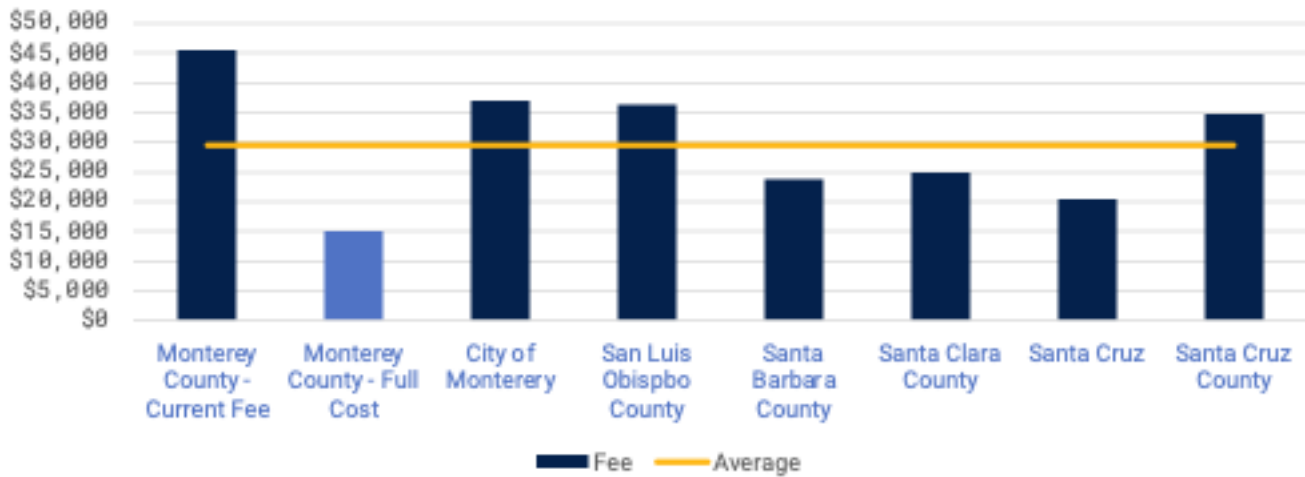


The County of Monterey's current fee is below the jurisdictional average of \$1,576; it is most similar to San Luis Obispo County's fee of \$796. The full cost calculated is higher than any surveyed jurisdiction. Santa Cruz County has the highest fee surveyed at \$1,980. Santa Barbara County's fee is based on the square footage of the project, and San Luis Obispo County has a flat fee for residential remodels. The other fees are based on project valuation.

7 NEW COMMERCIAL/INDUSTRIAL – 10,000 SQ. FT., \$1.2 MILLION

Building currently charges a fee of \$45,600 for the plan review and inspection of a 10,000 square foot new commercial construction project valued at \$1.2 million. Through this study, the project team calculated the full cost of this service to be \$15,007. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

Commercial - New Construction - \$1.2 Million

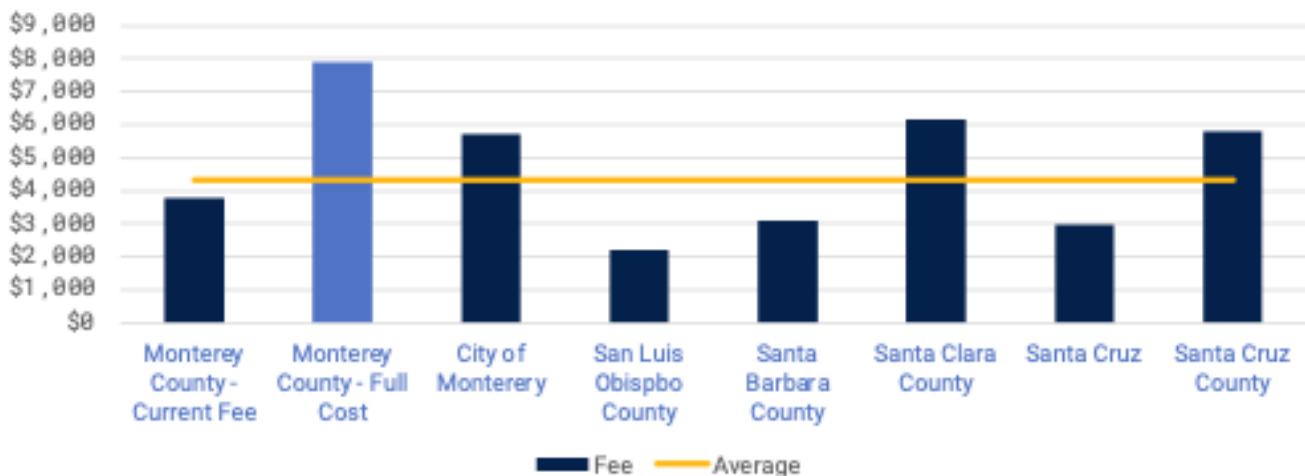


The County of Monterey's current fee is the highest of the surveyed jurisdictions and falls above the jurisdictional average of \$29,564. The full cost is below average and closest to Santa Cruz County's fee at \$20,451. San Luis Obispo County and Santa Barbara County charge their fees based on occupancy type and square footage; all other jurisdictions charge based on valuation.

8 COMMERCIAL TENANT IMPROVEMENT - \$100,000 VALUATION

Building currently charges a fee of \$3,800 for a 1,000 square foot commercial tenant improvement valued at \$100,000. Through this study, the project team calculated the full cost of this service to be \$7,878. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

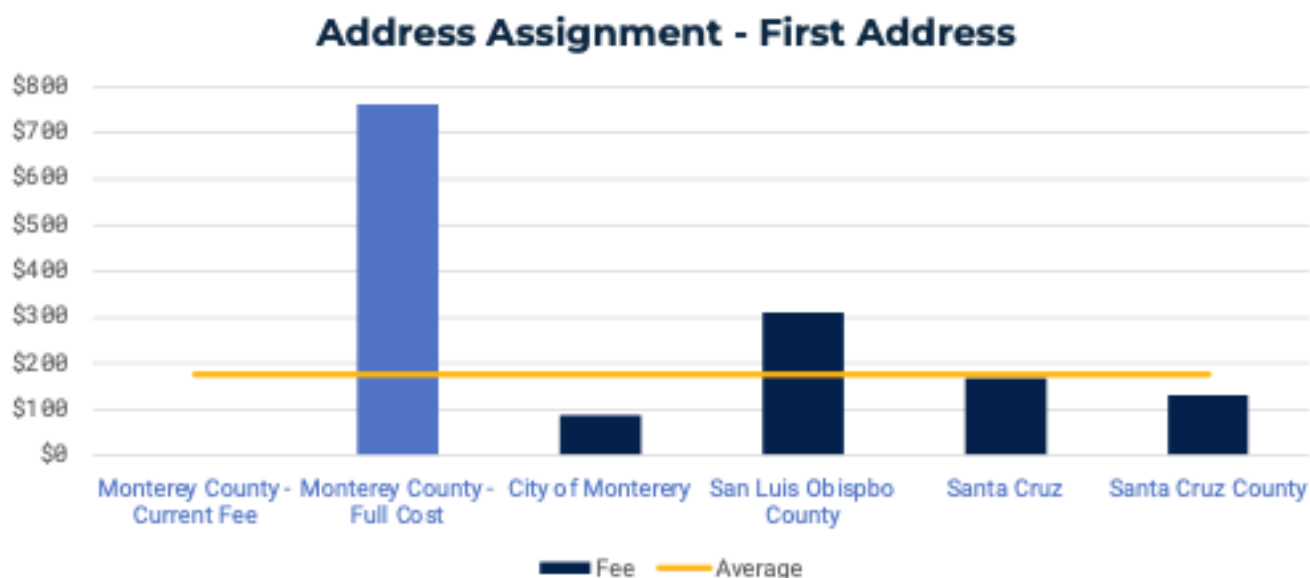
Tenant Improvement - \$100,000



Building's current fee is below the jurisdictional average of \$4,320 and is most comparable to Santa Barbara County's fee of \$3,102. The County of Monterey's full cost is the highest among the surveyed jurisdictions; it is closest to Santa Clara County's fee of \$6,157. San Luis Obispo County and Santa Barbara County charge their fees based on occupancy type and square footage; all other jurisdictions charge based on valuation

9 ADDRESS ASSIGNMENT - FIRST ADDRESS

For the first address assignment, Monterey County's Planning Division currently charges \$0. Through this study, the project team calculated the full cost of this service to be \$761. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

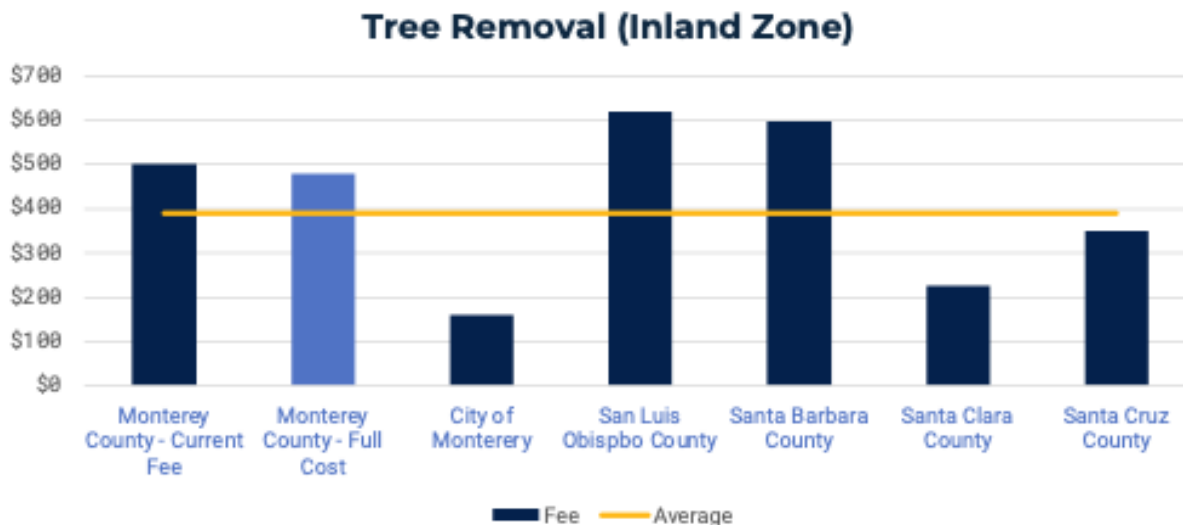


The County of Monterey currently chooses to offer this service for free. The County's full cost of providing addressing services is higher than the fees charged by all surveyed jurisdictions and above the jurisdictional average of \$175. The City of Monterey charges the least among the surveyed jurisdictions at \$88, while San Luis Obispo charges the most at \$311. It is important to note, however, that the City of Santa Cruz and Santa Cruz County charge their fees on an hourly basis; as such, they may recover additional costs if additional time is required for processing.

10 TREE REMOVAL (INLAND ZONE)

For an inland zone tree removal permit, the County of Monterey's Planning Division currently charges \$500. Through this study, the project team calculated the full cost of this service to be \$479. The

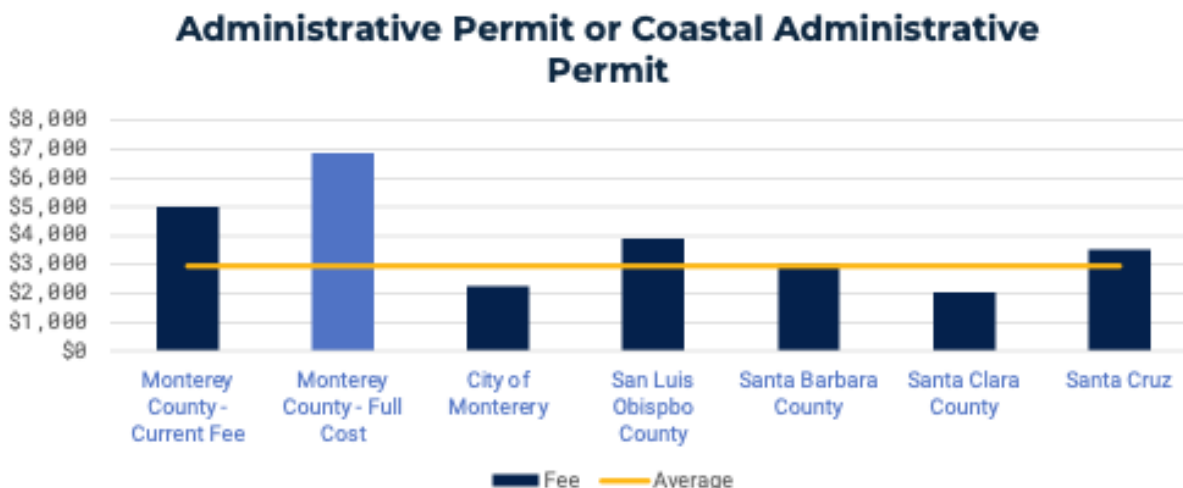
following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



Planning's current fee and full cost are above the jurisdictional average of \$390; both fall between Santa Cruz County's fee (\$349) and Santa Barbara County's fee (\$596). San Luis Obispo County charges the highest for this service at \$619.

11 ADMINISTRATIVE PERMIT OR COASTAL ADMINISTRATIVE PERMIT (GENERAL)

Planning currently charges a fee of \$5,000 for an Administrative Permit or Coastal Administrative Permit. Through this study, the project team calculated the full cost of this service to be \$6,861. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.

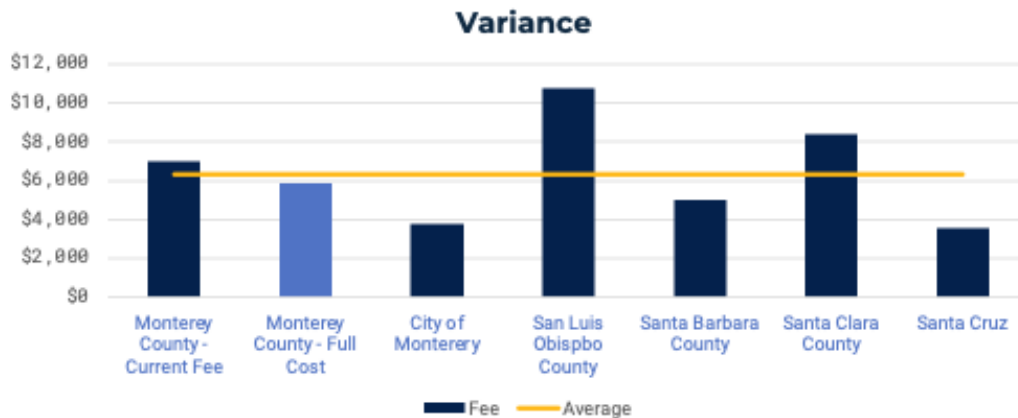


The current fee is most comparable to San Luis Obispo County's fee of \$5,987 and is above the jurisdictional average of \$2,944. The County of Monterey's full cost is above average and is not

comparable to the other jurisdictions' fees. Santa Barbara County, however, charges this fee as a deposit; as such, they will recover actual costs that may be higher or lower than the fee listed here.

12 VARIANCE

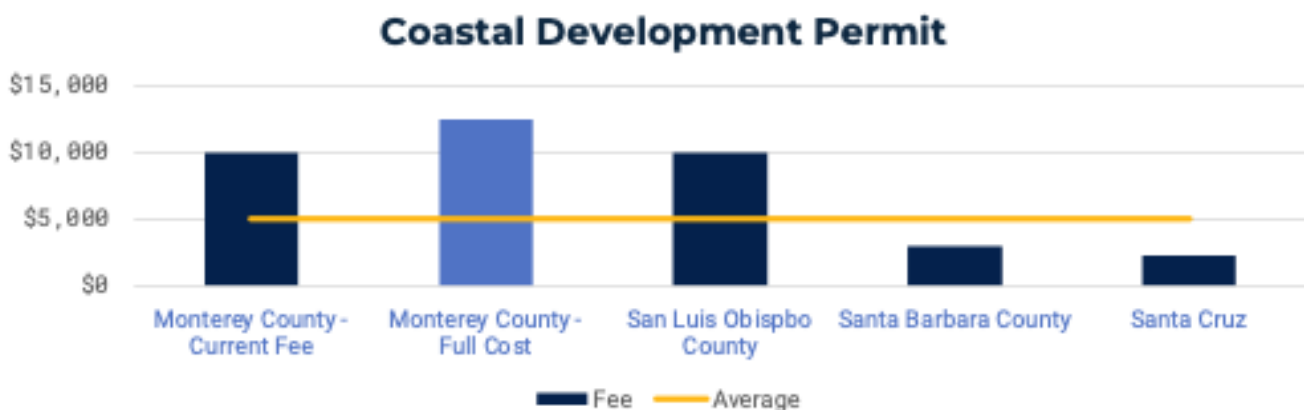
Planning currently charges a fee of \$7,000 for a variance. Through this study, the project team calculated the full cost of this service to be \$5,877. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



Planning's current fee is above the jurisdictional average of \$6,304; it falls between Santa Barbara County's fee of \$5,000 and Santa Clara County's fee of \$8,414. The County of Monterey's full cost is below average and most comparable to Santa Barbara County's fee. Santa Barbara County and Santa Clara County charge this fee as a deposit, which means they may recover more or less than is represented here depending on the scope of the project.

13 COASTAL DEVELOPMENT PERMIT

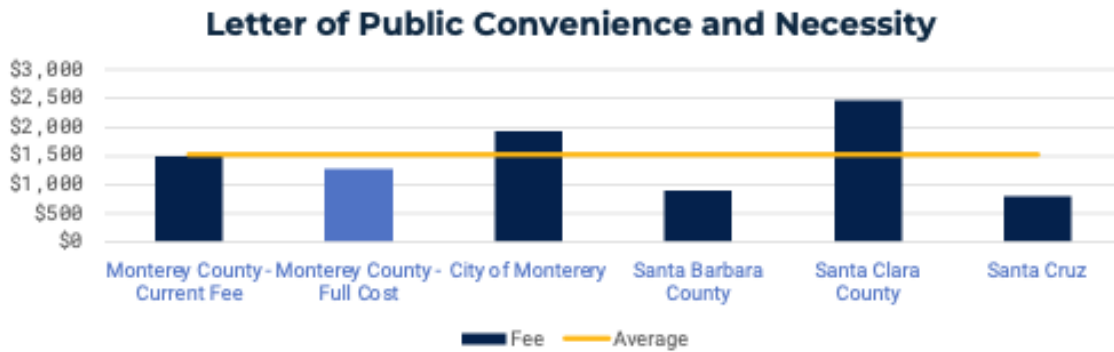
Planning currently charges a fee of \$10,000 for a Coastal Development Permit. Through this study, the project team calculated the full cost of this service to be \$12,513. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



The County of Monterey's current fee and full cost are both above the jurisdictional average of \$5,102 and are most comparable to San Luis Obispo County's fee (\$9,962). Santa Barbara County charges this fee as a deposit; as such, the total cost of the permit may be more or less than is reflected here.

14 LETTER OF PUBLIC CONVENIENCE AND NECESSITY

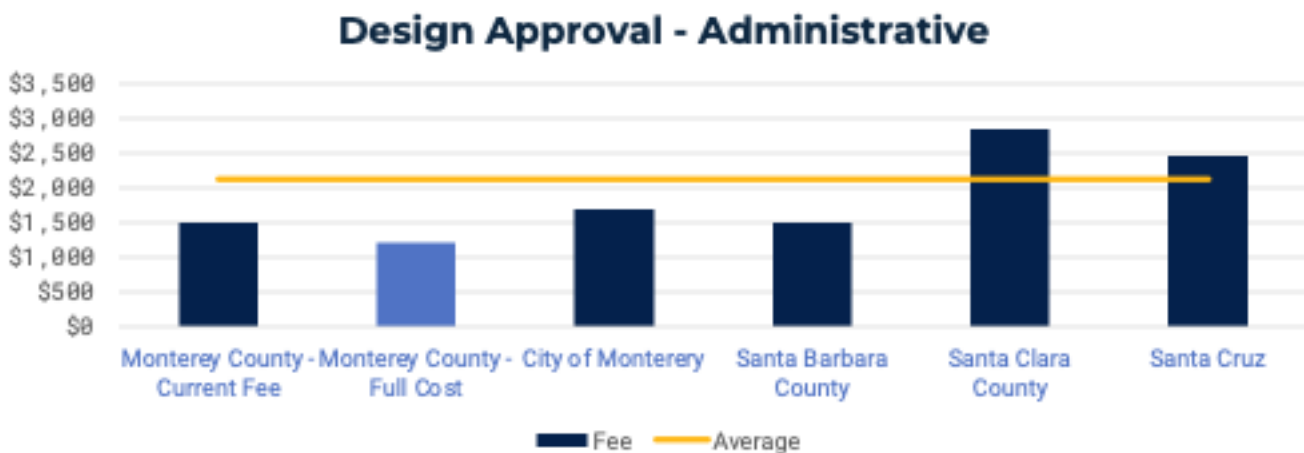
Planning currently charges a fee of \$1,500 for a Letter of Public Convenience and Necessity. Through this study, the project team calculated the full cost of this service to be \$1,278. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



The County of Monterey's current fee is near the jurisdictional average of \$1,525. It is most similar to the City of Monterey's fee (\$1,931). The full cost is below average and falls between Santa Barbara County's fee (\$894) and the City of Monterey's fee. Santa Cruz County and the City of Santa Cruz both charge this fee as on a deposit basis.

15 DESIGN APPROVAL - ADMINISTRATIVE

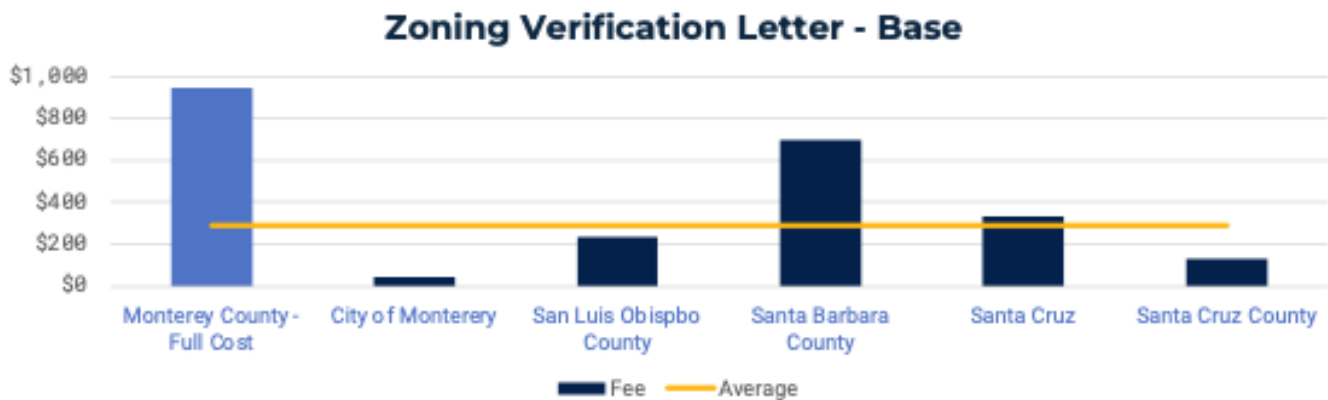
Planning currently charges a fee of \$1,500 for an administrative design approval. Through this study, the project team calculated the full cost of this service to be \$1,218. The following graph shows how County of Monterey's current fee and full cost compare to the surveyed jurisdictions.



The County of Monterey's current fee and full cost are both below the jurisdictional average of \$2,131 and are both most comparable to Santa Barbara County's fee (\$1,500). Santa Barbara County and Santa Clara County both charge this fee as a deposit, however, which means that they will recover actual costs.

16 ZONING VERIFICATION LETTER - BASE

The County of Monterey has proposed a new fee for Zoning Verification Letter. This fee is composed of a base fee plus an hourly rate for any additional time needed. Through this study, the project team calculated the full cost of the base service to be \$945. The following graph shows how County of Monterey's full cost compares to the surveyed jurisdictions.



The County of Monterey's calculated full cost is above the jurisdictional average of \$287 and is most similar to Santa Barbara County's fee (\$695). Santa Cruz County charges this fee as a minimum of one hour but also includes costs for additional time in 15-minute increments above the base amount. The other surveyed jurisdictions charge this as flat fee.

SUMMARY

For the included fees, County of Monterey generally has current fees that are below the fees charged by the surveyed jurisdictions. The full cost of providing these services is generally above the jurisdictional average. The Department's current fees are generally most similar to the City of Monterey's fees and Santa Barbara County's fees, while the full cost tends to be most comparable to Santa Barbara County and Santa Clara County. It is important to note that the results of this survey only show the fees adopted by the governing board, not the cost recovery policy decisions for departments or a jurisdiction. As such, the results of this survey should be used as a secondary decision-making tool.