



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: September 17, 2019

Subject: Public Hearing to consider changes to the Land Development Fee Schedule

RECOMMENDATION(S):

1. Acting as the governing body of Contra Costa County and the Contra Costa County Flood Control and Water Conservation District, OPEN the public hearing on Resolution No. 2019/553 to establish new land development fees charged for services performed by the Department of Conservation and Development and the Public Works Department on behalf of the County and the District beginning March 1, 2020;

2. RECEIVE testimony; CLOSE the public hearing. DETERMINE that, based on the attached "Contra Costa County Update of the County's Land Development Fee Schedule," dated July 15, 2019, each of the fees listed in Exhibit A attached to Resolution No. 2019/553 does not exceed the estimated reasonable costs to perform the service or activity for which the fee is charged.

3. ADOPT Resolution No. 2019/553.

4. FIND that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(4); or, alternatively, that the action is exempt from review under CEQA under CEQA Guidelines Section 15273 because

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/17/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 17, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Jami Napier, Deputy

Contact: Jason Crapo,
925-674-7722

cc:

the action relates to the adoption of fees to meet operating expenses, and additionally under CEQA Guidelines Section 15061, subdivision (b)(3), because it can be seen with certainty that

RECOMMENDATION(S): (CONT'D)

there is no possibility that the activity may have a significant effect on the environment.

5. DIRECT the Director of Conservation and Development, or designee, to file a CEQA notice of exemption with the County Clerk-Recorder, and authorize payment of the \$50 filing fee.

6. DIRECT the Director of Conservation and Development and the Public Works Director to evaluate the County's land development fees every five years to ensure such fees are kept up to date and maintain a close relationship to the cost of providing services.

7. DIRECT the Auditor-Controller to continue maintaining a trust fund for joint Community Development/Public Works application review fees, and further DIRECT the Treasurer-Tax Collector to invest said deposits, with interest to accrue in the trust fund.

FISCAL IMPACT:

The proposed changes to the Land Development Fee Schedule will enable the Department of Conservation and Development and the Public Works Department to charge fees for services they provide that more closely align with the cost of providing the services, thereby improving the ability of these Departments to effectively recover the cost of providing services.

BACKGROUND:

At the July 23, 2019 Board of Supervisors meeting, DCD and PWD staff, along with a representative from the consulting firm NBS, provided an informational presentation concerning the fee study and cost analysis recently completed by NBS, and the new Land Development Fee Schedule proposed by DCD and PWD, which is consistent with NBS's fee study analysis. The Board accepted the report and proposed fee schedule as presented. The Board also provided direction to staff to update land development fees with greater frequency so that fees are kept current and in line with the cost of providing services.

Purpose of Fee Study and Cost Analysis

The County Department of Conservation and Development (DCD) and the County Public Works Department (PWD) hired the firm NBS to perform a fee study and cost analysis of the County's land development services. The County has not enlisted an outside consultant to perform such a review of its land development services since the mid-1990s. The County's chief purposes in conducting this study were to ensure that fee amounts are updated to reflect the County's current cost of providing services, and to ensure that the fees listed in the fee schedule are updated to reflect land development services currently provided by DCD and PWD.

As described in greater detail within the attached NBS report, the County has the legal authority to charge user fees for land development services, such as those services provided by DCD and PWD. The fees charged by the County must not be more than the estimated cost that the County incurs to provide the services for which the fees are charged. One purpose of hiring NBS was to perform a cost analysis for the County's land development services in order to establish the estimated cost of services provided by DCD and PWD. Fees charged by the County for services cannot exceed the costs of providing those services. The main cost the County incurs providing land development services is the cost of County staff time.

The methods NBS used to perform its cost analysis and the resulting conclusions are stated in its attached report. The NBS report also includes tables showing the current and recommended fees for land development services provided by DCD and PWD. These recommended fees are reflected in the new proposed Land Development Fee Schedule that is Exhibit A to the Resolution No. 2019/553 attached to this agenda item.

Summary of Key Findings

PWD and Planning Fees. One main finding of the NBS report is that many of the deposits and flat fees currently collected for land development services by PWD and by the Planning Division of DCD are low relative to the cost of the services provided. Most current deposit and flat fee levels were established over 20 years ago, and the cost of providing County services has increased significantly over the ensuing years.

Most land development services provided by PWD and DCD Planning are charged on a "time and materials" basis, meaning the fee charged to the applicant is calculated based on the cost of the staff time spent on the project, plus any "materials" or other costs associated with processing the application. The departments collect an initial deposit from the applicant at the time the application is submitted, creating an account from which funds are withdrawn to reimburse the County for costs spent on the project. While deposit amounts have not been adjusted for many years, billing rates for staff time are adjusted each year, so applicants do pay for actual current costs.

As a result of deposits currently being set low relative to the estimated cost of services, the amount of funds initially deposited in a project account is often exhausted quickly, resulting in staff needing to collect additional funds from applicants. This is both an inconvenience to applicants and an inefficient use of County staff time. Furthermore, setting deposits at their current low levels creates an inaccurate impression of what the likely final cost of the service will be, making it difficult for applicants to accurately plan for the cost of their projects. Therefore, the NBS report recommends increasing fee deposits to levels that more closely align with the estimated cost of services.

It should be noted that increasing such deposits will not increase the final amount the public pays for services because the final fee amount will still be based on the time and

materials spent on the project. Further, any unspent deposit amounts are returned to the applicant at the conclusion of the project.

Building Inspection Fees. In contrast to PWD and DCD planning services, Building Inspection services are charged in-full at the time a building permit is issued rather than on a “time and materials” basis. Most Building Inspection fees are determined based on the value of the construction work covered by a building permit, which serves as a proxy for the estimated amount of staff time, and therefore cost, to be spent on the project by the County. Since such fees are tied to the value of construction, fee amounts generally increase over time as construction costs increase.

The cost analysis performed by NBS results in only minor changes to the Building Inspection fees currently charged by DCD. For smaller projects, characterized as projects having a construction value under \$500,000, building inspection fees will be generally unchanged. Projects ranging in value from \$500,000 to \$5 million may see either a small increase or small decrease in fees, depending on the details of the projects. Larger projects, defined as those with construction value exceeding \$5 million, will generally see a small reduction in fees, again depending on the specific details of the project.

NBS also recommends the County simplify fees for certain routine building permits, such as fences and roof replacements, by converting these to flat fees rather than the current method of charging based on the value of construction. Flat fees work well for services where the cost to the County is highly predictable and consistent. Greater use of flat fees makes the cost of services more transparent to applicants and simplifies the administration of such fees for County staff.

The NBS report identifies two new categories of Buildings Inspection fees. These are fees for debris recovery and for drainage plan review. Both of these fees relate to services that DCD has been mandated to perform in recent years resulting from requirements in the County Ordinance Code and in State and Federal law. Debris recovery fees are for implementation of regulations concerning disposal and recycling of construction debris. Drainage plan review involves enforcement of regulations concerning management of drainage to prevent erosion and control pollutants to prevent them from entering the waters of the Bay and Delta.

Base Map Revision Fee. In addition to fees for services provided by DCD and PWD, staff also recommends updating fee item S-088F, Base Map Revision fee, for services provided by the County Assessor's Office. The cost analysis provided by the Assessor's Office (attached) supports increasing this fee to \$60 from the current approved level of \$50 per lot.

Comparison with Neighboring Jurisdictions. The scope of NBS's report includes comparison of the County's land development fees with those of several neighboring jurisdictions. The group of jurisdictions surveyed includes the cities of Brentwood,

Concord and Richmond, and the counties of Alameda and Sonoma. Although it is often difficult to make direct fee comparisons between jurisdictions because each jurisdiction organizes its services differently, where direct comparisons are possible, the NBS report found that the recommended fees for County land development services are generally consistent with those charged by the neighboring cities and counties included in the comparison survey.

For the reasons set forth above, Department of Conservation and Development and Public Works Department staff recommend that the Board of Supervisors adopt Resolution No. 2019/553.

CONSEQUENCE OF NEGATIVE ACTION:

If the recommended actions are not approved, the Department of Conservation and Development and the Public Works Department will not be able to efficiently recover the cost of land development services they provide to the public.

CHILDREN'S IMPACT STATEMENT:

N/A

CLERK'S ADDENDUM

Public Speakers: Carol Jensen

Acting as the governing body of Contra Costa County and the Contra Costa County Flood Control and Water Conservation District, OPEN the public hearing on Resolution No. 2019/553 to establish new land development fees charged for services performed by the Department of Conservation and Development and the Public Works Department on behalf of the County and the District beginning March 1, 2020; Received testimony; closed the public hearing. Determined that, based on the attached "Contra Costa County Update of the County's Land Development Fee Schedule," dated July 15, 2019, each of the fees listed in Exhibit A attached to Resolution No. 2019/553 does not exceed the estimated reasonable costs to perform the service or activity for which the fee is charged. Adopted Resolution No. 2019/553. Found that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(4); or, alternatively, that the action is exempt from review under CEQA under CEQA Guidelines Section 15273 because the action relates to the adoption of fees to meet operating expenses, and additionally under CEQA Guidelines Section 15061, subdivision (b)(3), because it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. Directed the Director of Conservation and Development, or designee, to file a CEQA notice of exemption with the County Clerk-Recorder, and authorize payment of the \$50 filing fee. Directed the Director of Conservation and Development and the Public Works Director to evaluate the County's land development fees every five years to ensure such fees are kept up to date and maintain a close relationship to the cost of providing services. Directed the Auditor-Controller to continue maintaining a trust fund for joint Community Development/Public Works application review fees, and further directed the Treasurer-Tax Collector to invest said deposits, with interest to accrue in the trust fund. _____

Approve fees as presented. Direct staff to report to the Board of Supervisors by the end of the year describing the authority of the department to adjust or waive fees for the Historical Nomination Application and a plan to create a uniform policy about how to waive/adjust these fees for non-profits and owners of historical properties in Contra Costa.

ATTACHMENTS

Resolution 2019/553

NBS Final Report

Cost Analysis for Fee S-088F

Comments from HLAC

Fee Study Presentation for Board of Supervisors

Exhibit A to Resolution 2019/553