



Legislation Text

File #: 23-1672, **Version:** 1

HEARING - Planning and Building Department recommending the Board:

- 1) Adopt and authorize the Chair to sign Ordinance **5185** entitled "Planning and Building Department Fee Schedule;"
- 2) Adopt and authorize the Chair to sign Resolution **164-2023** entitled "Planning and Building Department, Policies and Procedures," superseding prior Resolution 183-2019 and 184-2019, adopted by the Board on October 22, 2019 (File No. 19-0663, Item No.31), Resolution 050-2020, adopted by the Board on January 14, 2020 (File No. 19-1826, Item No. 24), and Resolution 089-2021 adopted by the Board on July 21, 2021 (File No. 21-0872, Item No. 26); and
- 3) Direct staff to establish two new special revenue funds for administration of the updated General Plan Fee and new Technology Improvement/Enhancement Fee.

FUNDING: Fees for Service.

DISCUSSION / BACKGROUND

In prior years the Planning and Building Department fees have been adjusted and evaluated by the Chief Administrative Office, Community Development Finance and Administration (CDFA) with a focus on updating hourly rates used for the basis of permit and project fees for operating costs. On May 21, 2019 (File No. 19-0663 Item No. 31), Resolution 080-2019 was adopted by the Board to update the newly approved Fiscal Year 2018-19 hourly rate, multiplied by the number of hours it took to perform the service in the Fiscal Year 2015-16 hourly time study. On July 21, 2021 (File No. 21-0872, Item No. 26), the Board approved Resolution 089-2021 to make minor revisions to update costs of grading permits.

On May 20, 2021, the County awarded Request for Proposals 21-918-028 to NBS Government Finance Group, Inc. ("NBS") to complete the fee and nexus study with the goal of determining the County's current costs for providing Planning and Building services including personnel indirect and overhead costs, supervision, equipment, and other reasonable fees to close the gap on recovering the costs of those services, with a written report detailing findings and recommendations from NBS to be presented to the Board for consideration following completion of the project.

On August 15, 2023 (File No. 23-1487, Item No. 26), the Board received the Planning and Building Department (Department) Final Fee Study Report. The Board provided direction to staff for each division based on the final fee report. The following has been included in the Ordinance, based on this direction:

- 1) Planning: Increase the hourly rate from \$139.82 to \$219, convert select fees to a Time and Materials (T&M) basis from flat fee for 98% cost recovery.
- 2) Tahoe Planning, Stormwater and Vacation Home Rentals ("VHRs"): Add Stormwater State permit program recovery fees, increase existing VHR fees, approve the Stormwater/VHR hourly rate of \$190, and add the VHR Technology surcharge for a cost recovery of 100%.

3) Building: Increase the hourly rate from \$126 to \$144, update the building fee multiplier from 0.0139 to 0.0130, update the remaining fees based on the time study for cost per service for 100% cost recovery.

4) Code Enforcement: Approve an hourly rate of \$107, add penalty fees, pre-site inspection and appeal fees for a cost recovery of 82%.

5) Airports: Add \$0.10/gallon Fuel Flowage fee during emergencies, establish an hourly rate of \$171, and complete the Economic Development Study.

6) Cemeteries: No changes to the existing fees until the benchmark study has been completed but establish an hourly rate of \$189.

7) Technology Fee: Change the existing technology fee from \$3 minimum up to \$300 maximum, based on 0.0356% valuation to 3.20% of the County permit/project fee. The project fee will be based on 3.20% of the average number of hours estimated to complete the project, multiplied by the hourly rate for the total project fee. Also add the new Technology Enhancement/Improvement Fee of 2.45% to permit fees, along with establishing a special revenue fund for the new fee for future enhancement and technology improvement purchases. For technology fees charged on permits, the cost will be based on the actual County permitting cost. Total revenue for the two technology fees is estimated at \$507,000 annually, with \$160,000 of that amount per year to be reserved for future enhancements and improvements.

8) General Plan Fee: Change the General Plan fee from \$2 minimum, up to \$300 maximum, based on 0.0267% valuation to 7.59% of the County permit/project fee. The project fee only will be based on 7.59% of the average number of hours estimated to complete the project, multiplied by the hourly rate for the total project fee. The fees charged on permits will be based on the actual County permitting cost. The new fee will recover 25% of the general plan costs each year, with the total fee being placed in a newly established special revenue fund where staff would continue to draw from the account each year based on the current recovery amount of 9% to cover current staff/program costs for general plan activities while the remaining 16% will stay in the special revenue fund and accumulate for the future comprehensive general plan updates.

Based on the discussion at the meeting, staff has included two additional recommendations, which are included in the Ordinance.

First, during the workshop, the Board and staff discussed Code Enforcement appeal fees for administrative hearings. To clarify, there are two separate categories of appeals, one for non-VHRs (all other code case types) and one specifically for VHR code cases. On the existing fee schedule there is only one appeal fee for all code cases so the addition of a VHR appeal fee is a new fee on the new fee schedule. The ordinance as written would keep non-VHR appeals the same as the old schedule at \$200. For the new VHR appeals fee, staff are proposing a total \$1,000 fee. This includes the \$200 appeal fee plus staff preparation time equaling \$800. This is the result of the Board requesting increased enforcement on VHRs as the ordinance allows for the fee to be changed by resolution of the Board per County Code section 9.02.380.A - Procedures for requesting an administrative hearing.

Secondly, in the Ordinance, the Technology Surcharge Fee methodology mirrors the General Plan

Fee, taking the average cost per project multiplied by the Technology Surcharge to collect on each project.

The new and increased fees are proposed for adoption pursuant to Government Code (GOV) subsection (§) 54985 and County Ordinance Code Section 1.04.260, following today's required public meeting (GOV § 54986). Although Ordinance may be passed at a single meeting as this hearing has been publicly noticed pursuant to Government Code section. For ordinances which by statute can be passed only after notice and a public hearing, the usual requirement that ordinances shall not be passed within five days of their introduction does not apply (GOV § 25131). The Ordinance may be passed at today's meeting with no second reading. The Ordinance will take effect the first month following the sixty (60) days from execution to avoid unnecessary efforts and challenges of billing project applicants at two (2) different hourly rates during a single month, with the exception of the Code Enforcement Division, Airports Division, and Cemeteries Division, which shall become effective thirty (30) days from execution.

ALTERNATIVES

The Board may choose to provide alternative direction to staff regarding the proposed recommendations for an updated fee schedule. Additionally, the Board may choose to implement the recommended updated fee schedule for the Department as a whole or by individual divisions at this time.

PRIOR BOARD ACTION

October 22, 2019, (File No. 19-0663, Item 31) Resolution 183-2019 "Chief Administrative Office, Airports Division Fee Schedule", Resolution 184-2019 "Chief Administrative Office, Cemeteries Division Fee Schedule", and Resolution 186-2019 "Planning and Building Department Fee Schedule and Policies and Procedures."

January 14, 2020, (File No. 19-1826, Item No. 24), Resolution 050-2020 "Planning and Building Department Fee Schedule and Policies and Procedures."

July 27, 2021, (File No. 21-0872, Item 26) Resolution 089-2021 "Planning and Building Department Fee Schedule and Policies and Procedures."

August 15, 2023, (File No. 23-1487, Item 39) Fee Study Report and Conceptual approval for new fees.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office, Community Development Finance and Administration

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The proposed rates are based on cost recovery methodology in order that the affected programs either run without a Net County Cost or a greatly reduced Net County Cost. The recommended increases to the Department's current fees and cost recovery percentages will result in an overall annual increase to permit and project fee revenue totaling approximately \$2.9 million (a 22% increase) and an overall Department 91% targeted cost recovery.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on the original Ordinance for fees.
- 2) The Clerk of the Board will obtain the Chair's signature on the original Resolution for Policies and Procedures.
- 3) The Clerk of the Board will forward one (1) copy of each of the signed Ordinance and Resolution to the Planning and Building Department for implementation.
- 4) Clerk of the Board will publish a summary of this Ordinance pursuant to Government Code Section 25124(b)(1).

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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