

***TIME AND MATERIAL (HOURLY) PROJECTS***

**PURPOSE**

The purpose of this policy is to provide guidelines and procedures for handling planning projects that are identified as an “hourly fee” in the Napa County Planning, Building and Environmental Services (PBES) permit fee schedule. (*See Napa County Policy Manual; Part III Fees; Part 80*).

**GENERAL**

Applications for certain planning projects are processed on a time and materials basis and are referred to in the adopted fee schedule as “hourly fee” applications (hereafter “Hourly”). The scope and complexity of these applications varies considerably, so the hourly processing fee is charged to ensure that the County fully recovers the actual cost of the County’s work on these projects (time and materials).

At the time the Hourly application is submitted, the project applicant must acknowledge and agree in writing to pay all costs associated with the processing of the application. Following application submittal, including the required deposit, staff will review the application for completeness and provide the applicant with a good faith written estimate of the cost of processing the permit. Sufficient funds (consistent with the adopted fee schedule) must be deposited by the project applicant in advance of department expenditures so that the actual costs can be charged against this deposit.

PBES will make every effort to ensure that expenses are not incurred in excess of the amount on deposit. If, at any time, funds on deposit are not sufficient, work on the project will be suspended until the required deposit is received. Except as otherwise provided in this policy, hearings on the project will be scheduled only if the account is current and there are sufficient funds on deposit to cover the estimated costs of the public hearing process.

While the applicant is responsible for paying all County costs associated with processing an Hourly application, PBES staff is responsible for ensuring that costs charged to the project are reasonable and appropriate. Staff has an obligation to work efficiently and avoid unnecessary charges. Likewise, staff must ensure that all time devoted to an Hourly project is recorded accurately.

**PROCEDURE**

**A. Application, Hourly Fee Agreement, and Initial Deposit.** All Hourly applications must be accompanied by: (i) an *Hourly Fee Agreement* ( Attachment A) signed by the applicant/ developer or property owner who is responsible for payment of fees, and (ii) an initial deposit of funds in accordance with the adopted PBES fee schedule. Hourly applications shall not be

accepted without a signed *Hourly Fee Agreement*. At the time of application, customers will be advised that the applicant will be responsible for all costs associated with processing the application and that estimated costs for processing the application must be paid in advance of staff work on the project. Customers will be advised that additional deposits may be due after staff reviews the initial application as well as periodically during the processing of the application to ensure that funds on deposit are adequate to cover anticipated costs.

**B. Completeness Review and Cost Estimate.** The assigned staff planner shall review the application for completeness within 30 days of application filing and prepare a completeness review letter along with an estimate of the cost of processing the application, using the *Cost Estimate for Planning Application Processing* form (Attachment B). The estimated cost of processing shall be noted in the *completeness review letter* sent to the applicant. If the estimated cost is not expected to exceed the fee taken in at the time of application, the letter should state that the cost is expected to be covered by the initial fee, but may exceed this estimate if unforeseen circumstances occur. If the cost is expected to exceed the initial deposit, that shall be noted in the letter and detailed in the *Cost Estimate*. The letter shall note that an additional deposit is required prior to the application being deemed complete for processing.

The permit processing costs shall include, but not be limited to the following:

1. All staff time for reviewing files, conducting research, conducting site inspections, evaluating relevant policies and code requirements, and in consultation with legal counsel, other divisions, departments and agencies.
2. All staff time for coordination with the applicant, the applicant's representatives and in responding to inquiries about the project from other parties.
3. All staff time for preparation of staff reports, environmental documents, attending meetings, including neighborhood meetings, and public hearings, making presentations, preparing resolutions, conditions, and required file processing, including processing after the decision is rendered.
4. Any consultant costs associated with processing the application, including but not limited to preparation of environmental documents, review of technical reports submitted by the applicant or preparation of any additional studies that may be required and contracted for by the County. The cost of any consultant work shall be reviewed with the applicant prior to incurring any consultant expenditures.
5. All costs of legal review and consultation provided by the office of the County Counsel in connection with the processing of the application, including preparation of related environmental documents.

**C. Deposits for Consultant Costs.** Where the County determines that consultant services are necessary to process the application, the applicant must provide a deposit sufficient for the

entire consultant cost, prior to approval of any contract for consultant work on the project or prior to the County incurring any consultant costs, whichever occurs first. Deposits for consultant contract costs shall be tracked separately. At the discretion of the Director or his or her designee, the deposit for consultant costs may be paid in increments or phases tied to completion of work products specified in the consultant scope of work. For example, an initial deposit sufficient for completion of the Draft EIR may be accepted to initiate the first work product and a second deposit submitted prior to authorizing work for completion of the Final EIR. The deposit shall not be less than the amount of the contract for each work product.

**D. Deposits for Staff Costs.** Deposits for staff costs must be paid in advance of work proceeding on the project. The initial deposit and any subsequent deposits must be sufficient to cover the entire estimated staff costs or \$5,000.00, whichever is less. If the amount on deposit falls below 10 percent of the initial deposit, the project planner shall request an additional deposit. If new issues arise or the project is modified by the applicant, then a new cost estimate of staff time may be prepared and the required deposit may be adjusted to account for any additional staff work.

**E. Initiate Processing.** Upon receipt of the additional deposit (if required) and any additional information requested in the completeness review letter, the planner shall review the application for completeness again to verify that all requested information was received. If the planner determines that the application is complete, the planner will make a note in the Department's permit tracking system (Accela) of the date the application is determined complete and initiate the processing of the application as part of their normal workload.

**F. Tracking Staff Time.** The planner shall record and charge all of his or her time attributable to the project in the Work Flow module of the Accela Automation system. Time shall be recorded to the nearest one-tenth hour (0.1 hour) increment. Each time entry must include a brief description of the work performed. The description need not be detailed but sufficient to convey to the applicant what work was done. For consistency, the terminology from Paragraph B should be used to describe the activity whenever appropriate. All correspondence with the applicant and their representative(s) shall be downloaded in Accela.

**G. Deposits and Accounting.** When an Hourly project is first initiated in Accela, the applicant's initial deposit is automatically placed into a trust account where deposits are held until costs are incurred (i.e., time is charged). On a bi-weekly basis, Administrative staff will prepare a billable hours report that documents the staff time charged during the report period and transfers funds from the trust account to the PBES or other department's revenue account(s).

**H. Monitoring of Deposits.** When the billable hours report shows that any account has no funds remaining on deposit, Administrative staff will notify the assigned planner by email, with a copy to the Supervising Planner and the Deputy Planning Director. At that point the provisions of Paragraph I shall apply.

Whenever staff enters time on a project that has less than \$500 remaining on deposit (including projects in arrears), the Accela system will automatically generate an email to the staff planner, the Supervising Planner and Administrative staff. Upon receiving this notification, the planner shall evaluate the project status and remaining deposit and, if an additional deposit is necessary to complete processing, the planner shall prepare a *Request for Additional Deposit* (Attachment C) and forward to the assigned Planning Division Administrative Secretary. The Secretary will send a request for additional deposit to the applicant. The request shall note that County staff will not perform services if the remaining deposit amount is not sufficient to reimburse the County for the cost of staff time. A copy of this letter shall be downloaded in Accela.

Once staff is notified that the remaining deposit is less than \$500, care must be taken to avoid going into arrears. Staff should watch the remaining deposit carefully and limit work on the project accordingly. Although the Administrative Secretary II will handle the formal notice to the applicant, staff planners are encouraged to communicate directly and immediately with project applicants when the deposit is low.

**I. Depleted Accounts.** When any project account falls into arrears (below zero dollars), all work on the project shall cease until sufficient funds are deposited to carry the project through the process. Staff shall not work on any application that has fallen into arrears without written authorization from the Deputy Planning Director.

As soon as the planner becomes aware that a project is in arrears, the planner shall prepare a *Request for Additional Deposit* and forward to the assigned Planning Division Administrative Secretary. The Secretary will send a request for additional deposit to the applicant. This notice shall indicate that no work will be done on the project until additional funds are received. If an application remains on-hold for non-payment for more than 180 days, the Deputy Planning Director may direct that the application be scheduled for hearing with a recommendation for denial without prejudice.

**J. Agenda Requests.** Prior to requesting the hearing date for an application, the planner shall check the status of the deposit in Accela. If the remaining deposit is insufficient to carry the project through the hearing process, the planner shall prepare a *Request for Additional Deposit* and forward to the assigned Planning Division Administrative Secretary for mailing to the applicant. A sufficient deposit must be on file prior to setting the agenda date or issuing the notice of public hearing. The Deputy Planning Director may make an exception to this requirement if an equivalent alternative method of payment has been provided.

**K. Required Condition of Approval.** Staff shall include the following condition on all project approvals for time and materials projects: *No building, grading or sewage disposal permit shall be issued, nor shall beneficial occupancy be granted until all accrued planning permit processing fees have been paid in full.*

**L. Return of Unspent Deposit After Final Action.** After final approval or disapproval of the application, staff shall exercise best efforts to return unspent deposits to the project applicant(s) within 10 business days of a request for a return of unspent deposits made by the project applicant(s), or, if no such request is made, within 90 days after final approval or disapproval of the application.

**M. County Counsel Charges.** As noted in Paragraph B, above, the costs incurred by the Office of the County Counsel in connection with processing an Hourly application are part of the permit processing cost and must be paid for by the applicant. Legal services time is tracked and compiled in the County Counsel's office. When sufficient funds are on deposit to cover County Counsel costs, those funds are transferred to County Counsel via Journal Entry. Where funds on deposit are not sufficient, the process in paragraphs H (monitoring deposits) and I (depleted accounts) will apply.

**N. Review of Charges/Adjustments.** If an applicant requests a review of the charges or identifies potential errors in invoicing, the matter shall be referred to the Supervising Planner for review. Adjustments for improper charges or to correct errors in invoicing must be authorized by the Deputy Planning Director, the Assistant Director or the Director. Normally, staff time involved in such review of charges will not be charged to the applicant.

**O. Withdrawn Applications/Refunds.** An application shall be deemed withdrawn upon receipt of a written request to that effect from the applicant. Upon receipt of a withdrawal request, the project planner shall immediately notify administrative staff and any other staff involved in reviewing the application and all staff work on the project shall stop, except for staff time necessary to close the file. Within 30 days of receipt of the withdrawal request, administrative staff shall issue a final project statement indicating the charges and balance remaining on deposit after the file is closed, and shall issue a refund of any unused deposit.

**P. Abandoned Applications/Refunds.** Incomplete applications with no activity by the applicant for 120 days or more may be deemed abandoned and closed out. At least 30 days prior to the application being deemed abandoned, the department shall notify the applicant in writing that the application will be deemed abandoned and the actions needed by the applicant to keep the application active. After the file is closed out, the Deputy Planning Director or Supervising Planner shall authorize a refund of any remaining deposit.

## **ATTACHMENTS**

- A. Hourly Fee Agreement**
- B. Cost Estimate for Planning Application Processing**
- C. Request for Additional Deposit**