



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/19/2014

Agenda Placement: 10B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: David Morrison, Director, Planning, Building & Environmental Servi - (707) 253-4805

SUBJECT: Amend the County Policy Manual to include Hourly Projects Policies and Procedures

RECOMMENDATION

Director of Planning, Building, and Environmental Services requests adoption of a resolution amending the County Policy Manual to include Section 80.250, which would establish policies and procedures for processing planning and environmental services applications that are charged on an hourly basis.

ENVIRONMENTAL DETERMINATION Pursuant to CEQA Guidelines Section 15273, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of fees which the agency finds are for the purpose of recovering or partially recovering operating expenses. As the fees affected by the proposed resolution and ordinance are designed solely to cover the cost of services being provided by the County as documented in the study by 101 Consulting on file with the Clerk of the Board, CEQA does not apply.

EXECUTIVE SUMMARY

The County permit fee schedule identifies several planning and environmental health fees as being charged on an hourly basis. Examples of hourly based fees include: development agreements, erosion control plans, historic structures, tentative parcel maps, surface mining, general plan amendments, zoning code amendments, and use permits (located outside the Airport Industrial Area Specific Plan).

While aspects of this process are addressed in Part III: Part 80 of the County Policy Manual, PBES has no written policy or procedure on how these projects should be handled. This has resulted in some uncertainty by both staff and applicants in both billing and permit processing, which has resulted in uncollected fees. To provide clear direction for staff and establish expectations for applicants regarding this subject in the future, the attached amendment to the Policy Manual has been prepared. The main provisions of the proposed policies and procedures are summarized below:

- | Applicants will sign an "Hourly Fee Agreement" at the time the application is filed. This will help clarify the

process for the applicant from the beginning and formalizes the applicant's commitment to pay all permit processing costs.

- | As part of the initial 30-day review of the application, staff will provide a cost estimate for the project, including an indication of whether an additional deposit is likely to be needed.
- | Staff will track their time spent on each project to the 1/10 of an hour. Any consultant costs and/or County Counsel costs will also be billed to the project account.
- | The process for "depleted accounts" (i.e., all deposited funds have been spent) is clearly spelled out. As provided in the adopted fee schedule, no work will be done on a project with no funds on deposit. If there are insufficient funds on hand for a project, it will not be scheduled for a public hearing until additional payment has been received.
- | Once a project has been completed (approved, denied, withdrawn, abandoned), any remaining funds on deposit will be refunded in full.
- | A new condition will be added to planning approvals indicating that no construction permit will be issued until outstanding planning permit processing costs are paid in full.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15273, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of fees which the agency finds are for the purpose of recovering or partially recovering operating expenses. As the fees affected by the proposed resolution and guidelines are designed solely to cover the cost of services being provided by the County as documented in the study by 101 Consulting on file with the Clerk of the Board, CEQA does not apply.

BACKGROUND AND DISCUSSION

The County fee manual establishes a target of 80 percent cost recovery for both the Environmental Services and Planning Divisions, and 100 percent cost recovery for the Building Division. In other words, the goal of the County is for fees to reimburse 80 percent of the costs of the Environmental Services and Planning Divisions, with the remaining 20 percent to be paid for out of the general fund and other revenue sources.

To implement this policy and achieve the desired targets, the County permit fee schedule identifies several planning and environmental health fees as being charged on an hourly basis. Examples of hourly based fees include: development agreements, erosion control plans, historic structures, tentative parcel maps, surface mining, general plan amendments, zoning code amendments, and use permits (located outside the Airport Industrial Area Specific Plan).

In such instances, applicants are charged for every hour spent by County staff or outside consultants in processing a project application. The amount of fee varies for each project, depending on the quality of the application materials, complexity of the proposal, and the level of controversy associated with the project. This is in contrast to a flat fee, where the same cost is allocated to each applicant, regardless of the amount of time and cost expended by the County in processing the application.

While aspects of this process are addressed in Part III: Part 80 of the County Policy Manual, PBES has no written policy or procedure on how these projects should be handled. This has resulted in some uncertainty by both staff and applicants in both billing and permit processing, which has resulted in uncollected fees. Where there are outstanding monies owed, staff is working to get those accounts paid in full. However, to provide clear direction for staff and establish expectations for applicants regarding this subject in the future, the attached amendment to the Policy Manual has been prepared.

The amendment was reviewed by PBES customer stakeholders in March, 2014, and were modified based on their input and comments. The main provisions of the policies and procedures are summarized below:

- | Applicants will sign an "Hourly Fee Agreement" at the time the application is filed. This will help clarify the process for the applicant from the beginning and formalizes the applicant's commitment to pay all permit processing costs.
- | As part of the initial 30-day review of the application, staff will provide a cost estimate for the project, including an indication of whether an additional deposit is likely to be needed.
- | Staff will track their time spent on each project to the 1/10 of an hour. Any consultant costs and/or County Counsel costs will also be billed to the project account.
- | The process for "depleted accounts" (i.e., all deposited funds have been spent) is clearly spelled out. As provided in the adopted fee schedule, no work will be done on a project with no funds on deposit. If there are insufficient funds on hand for a project, it will not be scheduled for a public hearing until additional payment has been received.
- | Once a project has been completed (approved, denied, withdrawn, abandoned), any remaining funds on deposit will be refunded in full.
- | A new condition will be added to planning approvals indicating that no construction permit will be issued until outstanding planning permit processing costs are paid in full.

The Planning Commission unanimously recommended that the Board of Supervisors adopt the draft guidelines on July 16, 2014.

Staff is currently working on a Request for Proposals to hire a consultant to update the County's Master Fee Resolution later this year, which will include a review of the fees that would be subject to these guidelines. However, these guidelines address only how costs and the permitting process are managed, they do not affect the amount of any specific fee.

SUPPORTING DOCUMENTS

- A . Attachment A - Hourly Projects Resolution
- B . Attachment B - Policy Manual, Part 80 (red lined version)
- C . Attachment C - Policy Manual, Part 80 (clean version)

CEO Recommendation: Approve

Reviewed By: Molly Rattigan