



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Planning and Building



**Date:** July 19, 2013  
**Board Meeting Date:** August 6, 2013  
**Special Notice / Hearing:** 14-Day Notice Publication  
Complied With; Special  
Hearing Required  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Jim Eggemeyer, Community Development Director  
**Subject:** EXECUTIVE SUMMARY: Amending the Planning and Building  
Department's Service Fee Schedules

**RECOMMENDATION:**

Adopt a Resolution amending the Planning and Building Department's Service Fee Schedules.

**BACKGROUND:**

The Planning and Building Department proposes to amend its service fee schedules to increase, add and adjust various fees charged to persons receiving services from the Planning and Building Department.

On March 13, 2012, the Department proposed amending its service fee schedules at a public hearing. At the conclusion of the meeting, your Board continued the hearing and directed staff to meet with a Subcommittee of two Board members to address specific issues and concerns the Board and the public had with the Department's proposed fee amendments. Staff met with the Subcommittee on March 23, 2012, May 23, 2013, and July 25, 2013. Changes proposed by the Subcommittee are included in the revised fee schedules.

The Department has not requested any overall general fee increase since FY 2004-05. In FY 2003-04 and FY 2004-05, the Planning and Building Department substantially raised its planning and building permit fees to eliminate the General Fund contribution to the Development Review Services Program (Current Planning and Building Inspection). The Long Range Planning Services Program essentially remained funded by the General Fund. Subsequently, in October 2009, your Board only approved adding and adjusting planning and building fees for services provided at no charge or that did not reflect the actual cost of the service(s). Some fees were reduced. In addition, in July

2011, the Department's fee schedules were amended to include a five-year information technology surcharge to upgrade the Department's permit tracking system.

**DISCUSSION:**

State law requires that fees not exceed the estimated reasonable cost of providing the service for which the fee is charged. Staff calculations show that the proposed fees would be lower or equal but not exceed the cost of the service the Department provides. Government Code Section 66014 also authorizes local governments to recover from permit applicants the cost of preparing the General Plan and development regulations.

The Board's Subcommittee met on March 23, 2012, May 23, 2013 and again on July 25, 2013, along with staff, to address the Board's and public's specific issues and concerns regarding the Department's proposed fee amendments and services. Staff has incorporated the Subcommittee's proposed revisions in the staff report.

The Department proposes a general fee increase of five percent (5%) for all service fees indicated on the Department's fee schedules (see Attachments A and B). This fee increase will assist the Department in maintaining current service levels and provide the Department with additional revenue for additional services to address workload demands in FYs 2013-15. In addition, the Department is proposing a yearly cost of living adjustment (COLA) for three additional fiscal years starting July 2014. Since late 2008, when the economic conditions began to decline, the Department has spent down its Reserves by 95 percent, eliminated vacant positions, and reorganized the Department to improve efficiencies.

The Department also recommends the establishment or amendment of eleven (11) service fees for the Current Planning Section and the establishment or amendment of fourteen (14) service fees for the Building Inspection Section that they have provided at no cost to the public or services that have not fully reflected the actual cost of providing the service or will provide in the near future. Some fees are proposed to be reduced.

County Counsel has reviewed and approved the Resolution as to form.

The approval of the Planning and Building Department's service fee amendments contributes to the 2025 Shared Vision outcome of a Livable Community because the service fees fund the services necessary to ensure that growth occurs near transit, promotes affordable, livable connected communities and the adjustments are consistent with State law that requires fees not to exceed the estimated reasonable cost of providing the services.

**FISCAL IMPACT:**

The proposed five percent (5%) general fee increase will generate an estimated \$164,000 in the remaining FY 2013 (\$218,000/year), in addition to an estimated \$13,500 in the remaining fiscal year (\$18,000/year) for new fees being introduced for various services not previously charged for or reevaluated to cost the services more accurately. The projected revenue will allow the Department to maintain its current level

of service and provide the Department with additional revenue for additional services to address workload demands in FYs 2013-15. There is no Net County Cost associated with this action.