



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/21/2023

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number: Regina De La Cruz (707) 565-2296

Vote Requirement: Majority*

Supervisorial District(s): Countywide

Title:

Consolidated Fee Hearing - FY 23-24 Fees for Permit Sonoma

Recommended Action:

Permit Sonoma recommends the Board of Supervisors, Sonoma County Water Agency Board of Directors and the Board of Directors of the Sanitation Districts take the following actions:

- A. Board of Supervisors, County of Sonoma
 - 1) Adopt ordinance increasing and adjusting fees for development applications, permits, and services provided by Permit Sonoma in order to attain a level of cost recovery that better approaches the reasonable costs of providing the related services.
- B. Board of Directors, Sonoma County Water Agency
 - 1) Adopt ordinance increasing and adjusting certain fees for sewer permit, plan check, and inspection services for the Sonoma County Water Agency.
- C. Board of Directors, Sonoma Valley County Sanitation District
 - 1) Adopt ordinance increasing and adjusting certain fees for sewer permit, plan check, and inspection services for the Sonoma Valley County Sanitation District.
- D. Board of Directors, Occidental County Sanitation District
 - 1) Adopt ordinance increasing and adjusting certain fees for sewer permit, plan check, and inspection services for the Occidental County Sanitation District.
- E. Board of Directors, Russian River County Sanitation District
 - 1) Adopt ordinance increasing and adjusting certain fees for sewer permit, plan check, and inspection services for the Russian River County Sanitation District.
- F. Board of Directors, South Park County Sanitation District
 - 1) Adopt ordinance increasing and adjusting certain fees for sewer permit, plan check, and inspection services for the South Park County Sanitation District.
- G. Sea Ranch On-Site Wastewater Disposal Charges
 - 1) Adopt Resolution ordering the annual Sea Ranch on-site wastewater disposal charge to be collected on

the County of Sonoma tax roll for fiscal years 2023-2024, 2024-2025 and 2025-2026 (*4/5ths vote)

Executive Summary:

Permit Sonoma provides land use planning and permitting services and plan check and inspections - for planning, building, engineering, fire prevention, hazardous materials, natural resources, and code enforcement for the unincorporated areas of Sonoma County. Permit Sonoma provides these services on behalf of the County of Sonoma and the Sonoma Valley, Russian River, South Park and Occidental County Sanitation Districts (Districts), the Sonoma County Water Agency (SCWA), and The Sea Ranch On-Site Wastewater Disposal Charges.

The County of Sonoma engaged with a consultant, NBS (Consultant) to perform a User Fee Study (Study) in FY 19-20. The goal of the Study was to present findings regarding maximum allowable cost recovery amounts and to provide information on the best management practices for review of Permit Sonoma's fees and charges (F&C) for service and calculation methodology assumptions. It was determined through that Study that a majority of the fees collected by Permit Sonoma were significantly under the cost recovery amount. During the FY 22-23 consolidated fee hearings the Board directed staff to use a phased approach to reaching full cost recovery. The Consolidated Fee Hearings for FY 23-24 would be the second year of that phased approach.

Discussion:

In 2019, to ensure compliance with California law and as part of Budget and Fiscal improvements, the County Administrator's Office engaged NBS consultants <<https://www.nbsgov.com/>> to conduct a User Fee Study for multiple departments, including Permit Sonoma. Per the NBS fee study, full cost recovery would have required increases to Permit Sonoma's fees by approximately 35%. In order to moderate the impacts to Permit Sonoma's clients, the Board of Supervisors approved a phased approach for fee increases and added an additional \$1 million of General Fund to Permit Sonoma's baseline to help subsidize the funding gap between achieving full cost recovery and the adopted fee.

In FY 2022-23, fees were increased by 9% and the plan was to increase fees by 7% for each of the next fiscal years. However, the full cost recovery amount used in the NBS Fee Study was based on FY 2019-20 costs. After escalating those costs for FY 20-21, FY 21-22, and FY 22-23, Permit Sonoma will require a slightly higher fee increase in FY 23-24 to keep up with the increased costs. Staff are recommending a 10% increase to all fees, with the exception of those that were already at full cost recovery (see Attachment 1).

The anticipated FY 2023-24 revenue projections from the recommended 10% fee increase is approximately \$1,663,897. This increase will bring the department to approximately 78% full cost recovery, on average, amongst its various divisions. With the increased fee revenue, and General Fund subsidy, Permit Sonoma anticipates having enough revenue to support baseline operational costs in FY 2023-24.

For FY 2022-23 Permit Sonoma is financed 58% by fees and charges (F&Cs), 7% by state and federal grants, 22% other revenues; transfers and reimbursements including code enforcement; and 13% General Fund (GF) support.

Permit Sonoma Recommendation #1: The department is recommending approval of three (3) description changes to well and septic fees.

Permit Sonoma Recommendation #2: The department is recommending fee increases averaging 7% to return the department to a higher level of cost recovery and to align with the NBS fee study.

Fee description changes listed below:

Fee Description Changes

1. Encroachment Fee Description Change (fee item 0420-050)
 - Existing Description: Borings (up to four (4) within 1,000 feet on the same street or road); per additional 2 boringsNew Description: Borings/Wells (up to four (4) borings/wells within 1,000 feet on the same street or road); per additional 2 borings/wells

2. Encroachment Fee Description Change (fee item 0420-100)
 - Existing Description: Minor work within Right-of-Way (sidewalk drain, pave only driveway, sidewalk repair, etc.)New Description: Minor work within Right-of-Way (sidewalk, pave only driveway, sidewalk repair, culvert, traffic conditions only, etc.)

3. Encroachment Fee Description Change (fee item 0420-090)
 - Existing Description: Fences, Signs, Landscaping, Mailboxes, Well Collars, etc. (per location, not per structure)New Description: Fences, Signs, Landscaping, Mailboxes, Utility Cabinets, Walls, etc. (per location, not per structure)

Strategic Plan:

N/A

Prior Board Actions:

- 03/22/2022: Ordinance No. 6365 Setting sewer permit, plan check and inspection fees for Occidental County Sanitation District FY 2022-23
- 03/22/2022: Ordinance No. 6366 Setting sewer permit, plan check and inspection fees for Sonoma Valley County Sanitation District FY 2022-23
- 03/22/2022: Ordinance No. 6367 Setting sewer permit, plan check and inspection fees for South Park County Sanitation District FY 2022-23
- 03/22/2022: Ordinance No. 6368 Setting sewer permit, plan check and inspection fees for Sonoma County Water Agency FY 2022-23
- 03/22/2022: Ordinance No. 6369 Setting sewer permit, plan check and inspection fees for Russian River County Sanitation District FY 2022-23
- 04/05/2022: Ordinance No. 6372 Permit Sonoma Fee Schedule Ordinance FY 2022-23
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- 04/14/15: Resolution No. 15-0139 Adopting resolution for Sea Ranch on-site wastewater rates

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses		1,663,897	
Additional Appropriation Requested			
Total Expenditures		1,663,897	

Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		1,663,897	
Use of Fund Balance			
Contingencies			
Total Sources		1,663,897	

Narrative Explanation of Fiscal Impacts:

The fee increases will become effective on July 1, 2023. The baseline net effect of fee changes without projected department workload increases is estimated to be approximately \$1,663,897. This amount will be included in Permit Sonoma's projected total revenues as part of the FY 2023-24 Recommended Budget.

Staffing Impacts:

Narrative Explanation of Staffing Impacts (If Required):

If the departments fees are not updated to full cost recovery, the department will have to reduce labor costs and adjust programs and services.

Attachments:

Attachment 1: Permit Sonoma Fee Workbook FY 2023-24
Attachment 2: Building Fee Schedule
Attachment 3: Code Enforcement Fee Schedule
Attachment 4: Fire Prevention and Hazmat Fee Schedule
Attachment 5: Engineering and Water Fee Schedule
Attachment 6: Well & Septic Fee Schedule
Attachment 7: Planning Fee Schedule
Attachment 8: Permit Sonoma Services Fee Schedule
Attachment 9: Sea Ranch Resolution
Attachment 10: Occidental Sewer Area Ordinance
Attachment 11: Sonoma Valley Sewer Area Ordinance
Attachment 12: South Park Sewer Area Ordinance
Attachment 13: Water Agency Sewer Service Area Ordinance
Attachment 14: Russian River Sewer Area Ordinance
Attachment 15: Permit Sonoma Fee Schedule Ordinance

Related Items "On File" with the Clerk of the Board:

N/A