

TOWN OF SAN ANSELMO 3674  
TOWN COUNCIL RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE SAN ANSELMO TOWN COUNCIL SETTING AND AMENDING  
PLANNING DEPARTMENT FEES FOR ALL SERVICES AND ENTITLEMENTS PROCESSED  
UNDER TITLE 10 OF THE SAN ANSELMO MUNICIPAL CODE**

WHEREAS, Town Planning services are deemed necessary to assure compliance with mandated Federal, State and Municipal laws; and

WHEREAS, the current Planning Fee Schedule authorized under Resolution No. 3241 does not fully recover the cost of providing related services; and

WHEREAS, the 2003 Planning Fees document attached hereto as Exhibit "A" has been prepared for the purpose of evaluating costs and time associated with various Planning services; and

WHEREAS, the Housing Element of the General Plan encourages the production of affordable housing and reduced fees may encourage such housing and be considered a public benefit; and

WHEREAS, Planning service fee increases are authorized in accordance with Sections 65104 and 66016 of the California Government Code.

NOW THEREFORE, BE IT RESOLVED that the Town Council of the Town of San Anselmo has determined as follows:

1. The analysis in Exhibit "A" attached hereto represents an accurate assessment of costs and expenditures attributable to the various services provided by the Planning Department; and the recommended fees therein reflect a reasonable estimate of the costs to provide such services.
2. The Planning Fee Schedule attached hereto as Exhibit "B" is hereby adopted and shall become effective sixty (60) days after the adoption of this resolution.

AYES: Breen, Chignell, Kilkus, Kroot, Thornton  
(none)

NOES:

ABSTAIN:(none)

ABSENT: (none)

  
\_\_\_\_\_  
Paul Chignell, Mayor

ATTEST:

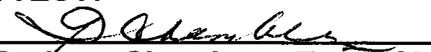
  
\_\_\_\_\_  
Barbara Chambers, Town Clerk

Exhibit "A"

## PLANNING FEES - 2003

### OVERVIEW PLANNING DEPARTMENT EXPENDITURES/REVENUES

- FY02-3 Planning Dept Budgeted Costs  $\approx$  \$313,000
- Budgeted Planning Fee Revenue  $\approx$  59,000 (35,000 estimated)
- In addition to Planning Department budgeted expenditures, other related administrative and overhead costs exist as support services to the Planning Function (dedicated Administrative Assistant support, Admin&Finance, Legal, and Insurance costs)

#### Expenditures

#### Revenue

Planning Budget  $\approx$  \$313,000

#### Overhead @ 6.35%

Admin/Finance (\$575,000x.0635)  $\approx$  \$ 36,510

Legal (\$150,000x.0635)  $\approx$  9,525

Insurance (\$390,000x.0635)  $\approx$  24,765

70,800

#### Administrative Assistants (1/2 planning, 1/2 building/public works)\*

\* (This administrative staff is budgeted within the Public Works Department Budget)

\$62,099 @ 50%

51,844 @ 50%

57,000

**TOTAL PLANNING DEPARTMENT COST  $\approx$  \$ 440,800**

#### Revenue

Budgeted Planning Fees FY02-03

(estimated annual revenue based upon collections to date)

**\$ 59,000**

**(\$35,000)\***

\*In previous budgets (FY200-01 and prior years), annual Planning Fees were in excess of \$70,000. However such fees were overstated because they failed to consider the effects of **refundable** deposits. Actual FY2001-02 planning fee collection was \$33,095.

## PLANNING STAFF TIME ALLOCATION ESTIMATE

This past year, Planning Staff expended approximately 50% of its time reviewing, processing, administering, and assisting citizens in private development activity.

Approximately 15% of staff time was allocated to Building Plan Check and inspection.

The remaining 35% was allocated to general public planning activity such as public projects, code revisions, code enforcement, public assistance, general administration, supervision, & training.

These time estimates fluctuate substantially due to a variety of economic and social variables. Currently, it appears that the private development activity may be declining somewhat with the general planning activity increasing.

Estimated annual planning staff hours are 4704 hours due to vacation, holidays, sick leave and administrative leave.

Director	1628
Senior Planner	1538
Assistant Planner	<u>1538</u>
	<b>4704 hours</b>

Consequently, the estimated total average cost/hour for Planning Services is approximately **\$93.71/hr.**

(\$440,800/4704 hr)

Based upon a 50% staff allocation to private development, the Town could potentially receive approximately \$220,400 in annual Planning Application fees assuming full cost recovery.  
(50% x 4704 hr x \$93.71/hr)

## CURRENT FEE STRUCTURE

Currently, **hourly rate fees are used for all major entitlement processing.** Hourly fees are charged at a rate based upon budgeted Planning Department Labor Costs with a 15% overhead estimate. These rates are adjusted annually to cover salary/benefit increases. Minor projects such as **administrative approvals** are charged a **fixed fee** and adjusted annually by CPI increases.

The January 2003 hourly fee rate is \$83/hr. This represents a \$20/hr increase over the 2002 rate of \$63/hr. The 2002 rate was discovered to be inadequate because it failed to adjust for revised productive hours worked and did not consider the fact that more private processing time is generally performed by senior planning staff due to the complex issues involved. Therefore, a weighted average hourly cost of planning staff is now in effect.

Only **direct** hourly charges for review and processing time are currently assessed. This time does not account for interdepartmental or interagency consultations, nor does it include neighborhood inquiries regarding a particular project. Unfortunately, even though such time may

be related to a particular application, is not charged to the applicant because of the difficulty in documenting the many contacts and lack of applicant consent/control over unknown costs. It is estimated that staff spends about as much time with interested citizens and agency consultations on projects as it does on direct plan review and processing. Consequently, approximately 50% of staff time expended upon a project is actually billed to a project.

### **CURRENT FEE STRUCTURE PROBLEMS**

As mentioned above, it is almost impossible to document staff time for every citizen/agency contact regarding a particular project. Additionally, applicants may not be aware of the amount of citizen interest and have no control over the time staff expended in such efforts. Consequently, direct review and processing time only is charged.

Another problem with the hourly fee charges is the issue of refunds. Since some projects receive a residual refund from deposits collected, the cost to process refunds often exceeds the refund itself. Although not indicated in the overall planning cost of doing business, individual refund preparations and processing can be a burden on the Administration and Finance functions of the Town.

### **FEE STRUCTURE COMPARISON**

In reviewing other agency methodologies, several are based upon a minimum flat fee for various project types with added hourly charges when a given project exceeds a certain number of review hours. Because agencies have different zoning procedures and levels of review, direct comparative analysis cannot be fully achieved. The following is an example of current fee rates for basic comparative purposes.

#### **CURRENT FEE SCHEDULES – JANUARY, 2003**

	<b>San Anselmo</b>	<b>County</b>	<b>Ross</b>	<b>San Rafael</b>	<b>Mill Valley</b>
<b>Use Permit</b>	hourly fee \$560 deposit	\$3,320 \$2,100-2 <sup>nd</sup> unit \$1,035-minor/acc use	\$1,000	\$1,550 –PC* \$730 – Admin *includes 10 hrs	\$945 includes first 10 hours planner time
<b>Design Review</b>	Hourly fee \$560 deposit –PC  \$139 – Admin	\$2,430 single-family \$1,100-\$24,595 –mf & com depending upon valuation  \$1,055- minor	\$1,000- 500-999sq ft \$2,000 <2000sq ft \$3,000 <3000sq ft \$4,000 >3000sq ft	\$1,700-PC* \$400- Admin  *includes 10 hr planner time	\$575< 50k valuation* \$ 740<100k val* \$1,006<250k val** \$1273<500k val** *inc 5hr planner time **inc 10 hr planner time
<b>Variance</b>	Hourly fee \$560 deposit –PC  \$178 – Admin	\$2,520  \$1,260- Admin var.	\$800	\$1,550* \$730 – Admin var. *includes 10 hr planner time	\$945* *includes 10 hrs planner time
<b>Sign Review</b>	\$43 -Admin	\$895 review \$365 zoning permit	\$300	\$80 Admin \$1600PC* includes 10 hrs pln	\$103 –Admin  \$575 -PC
<b>Environmental Review</b>	Included in primary project application If EIR, = cost of consultant	\$235-catagorical exemption \$2,290- Initial Study cost & 30%- EIR prep	\$3,500 –initial study  cost & 15%- EIR & additional studies	\$2,500 – neg dec  cost & 25%-EIR	\$155-catagorical exemption \$513- neg dec \$513&15%/contract cost-EIR
<b>Lot Line Adjustment</b>	\$573	\$635	\$500/parcel	\$930	\$740* *includes 5 hr of planner time

<b>Appeals</b>	\$199	\$675 – Board of Sup	\$250	\$150-PC non-appl. \$200-CC non-appl \$1,600-applicant* *includes 15hr of time	\$100
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When processing various entitlement combinations such as simultaneous Design Review and Variances for a particular project, San Anselmo considers the application as one item and processes the application with one deposit (\$560) on an hourly basis. The other agencies listed above charge separate fees for each entitlement processed.

With the exception of San Rafael (and San Anselmo), initial deposits are not refundable even if the hours allotted for processing are not fully utilized. Generally, San Anselmo's \$560 deposit has been adequate in the past given the number of direct hours and rates charged. However, with the updated fee schedule such deposits appear to be inadequate.

In reviewing the above fee comparisons, San Anselmo's fees are significantly below other jurisdictions. Further, in discussing fees with other jurisdiction personnel, significant fee increases in some agencies may be contemplated in the near future.

## **PROPOSED FEES**

### **1) USE PERMITS, DESIGN REVIEW, VARIANCES**

In San Anselmo, the majority of time-consuming projects include **Use Permits, Design Review, and Variances**. Typically these applications have a similar process in that the Planning Commission in the context of a public hearing considers such applications. Such applications generally require about 8 hours planning staff time in direct review and processing. As mentioned previously, an additional 8 hours staff time is spent in discussions with interested neighbors and other staff/ reviewing agencies. Consequently, at \$93.71/hr, the cost of processing an average application is approximately \$1500. Therefore, based upon the problems identified with hourly fees, I would recommend the adoption of a fee of **\$1500 as a base fee with an additional per hour charge for projects exceeding 8 hours of direct planner time.**

Since each entitlement mentioned above requires separate findings and considerations, an application involving more than one entitlement consideration would generally require approximately 4 hours of additional staff time. Therefore, combination application fees of the above entitlements are recommended to be 1 ½ times the \$1500 fee or **\$2250 for any combined application with an additional per hour charge exceeding the first 12 hours of direct planner time.**

Although other agencies charge separate fees for each entitlement requested, staff believes that such combination applications result in some economies in processing and therefore should be reflected in the fees.

### **2) ADMINISTRATIVE DESIGN REVIEW AND VARIANCES**

Administrative Design Review and Variances generally require about ½ the time as regular Variances/Design Review applications because they are minor in nature and do not require

Planning Commission processing. Consequently, I would recommend the adoption of a **flat fee of \$750** for these projects (1/2 x \$1500).

The current fee for Administrative Design Review is fixed at \$139. The fee for Administrative Variance is fixed at \$178.

### **3) ZONE CHANGES/GENERAL PLAN AMENDMENTS/TENTATIVE MAPS/ANNEXATIONS**

Although applicant requested General Plan Amendments, Zone Changes, Annexations, and Tentative Maps may require slightly more time to process than Use Permits and Design Review applications, the base fee plus hourly charge proposed (for Use Permits, Variances, & Design Review) would also assure cost recovery. Since San Anselmo is predominantly built out, the frequency of these requests is not significant. Therefore, I would recommend these fees to be the same as the other major entitlements, or a **base fee of \$1500 with an additional per hour charge for projects exceeding 8 hours of direct planner time**. Likewise, combination applications would be charged as indicated above.

### **4) SIGN REVIEW/TEMPORARY OUTDOOR DISPLAY- ADMINISTRATIVE**

A simple sign permit or temporary outdoor display application requires between 1 and 2 hours to review, research, and issue at staff level. Therefore, I would recommend that a **flat fee** be established for 1 ½ hour's time or **\$140** (1.5 x \$93.71). Sign review at Planning Commission level would be included within another application (Design Review or Use Permit).

### **5) CERTIFICATES OF COMPLIANCE**

A Certificate of Compliance is a certification and recognition of a legal lot or parcel consistent with the Subdivision Map Act. Staff review includes research and legal description review to determine if the subject lot was created legally. This requires approximately 5 hours of planner time per application to make the determination. Currently, the charge is an hourly fee of the planner's time but requires a \$500 deposit. Since the average time is 5 hours, I recommend this fee to be a **flat fee of \$468** (5 x \$93.71). This flat fee would save significant time and cost in preparing residual refunds associated with per hour fees.

### **6) ENVIRONMENTAL REVIEW**

To date, environmental review has been charged to the project as a direct staff time. However since it represents a substantial increase in staff effort (as opposed to an exempt project), it should be charged as a separate fee similar to other agencies. In preparing an Initial Study, Negative Declaration and processing, direct staff time is approximately 15 hours. Therefore, I would recommend a **flat fee of \$1405 with an additional hourly rate in excess of 15 hours** for the preparation and processing of a **Negative Declaration**.

If an Environmental Impact Report should be warranted, a consultant would be required to prepare the document. Since staff would be required to review the document, process it, and administer the contract, an overhead charge of approximately 20% would seem appropriate. Therefore **EIRs should be charged the consultant cost plus 20% for review and administration.**

Additional fees charged by outside agencies for review and processing of environmental documents (County filing fee, State fish & Game review fee, etc.) would be charged to the applicant as well.

## **7) REQUIRED PEER REVIEW**

The Town currently requires professional peer review of all geotechnical studies and other reports as may be determined by the Planning Commission/Council. Although consultants conduct these reviews, such peer reviews are reviewed, evaluated, and administered by Town staff. Therefore, I would recommend that the fee be the consultant **cost plus 20%** for evaluation and administration purposes.

## **8) LOT LINE ADJUSTMENT**

The current Lot Line Adjustment fee is **fixed at \$573**. Since staff spends about 5-7 hours in reviewing and processing these items, I would not recommend changing this fee.

## **9) RESEARCH FEE**

Currently, research requested by private citizens is charged at an hourly rate of \$83.00/hr. Since the cost of the department is **\$93.71/hr**, all hourly fees should be changed to reflect this cost.

## **10) APPEALS**

Currently all appeals are charged a fixed fee of **\$199**. Although staff time could be extensive and require additional legal consultation, I would not recommend a change because of the nature of this request. If however, full cost recovery is desirable, a fee of \$468 would be appropriate to cover the cost of review, agenda preparation and processing (approximately 5 hours).

**Included in the above-recommended fees would be all administrative processing, noticing, and plan storage charges (microfiche).**

**Exhibit "B"**

**SAN ANSELMO PLANNING DEPARTMENT  
FEE SCHEDULE**

<b>ITEM</b>	<b>(ESTIMATED FULL COST RECOVERY)</b>	<b>PROPOSED FEE</b>
1. Use Permits		
Design Reviews		
General Plan Amendments		
Zoning Amendments		
Tentative Maps		
Annexations		
Variances .....	(\$1500*) .....	\$ 840*
2. Administrative Design Reviews		
Administrative Variances .....	(\$ 750) .....	\$ 300
3. Administrative Sign Reviews		
Temporary Outdoor Displays .....	(\$ 140) .....	\$ 100
4. Certificates of Compliance .....	(\$ 468) .....	\$ 500
5. Environmental Reviews**		
Negative Declarations .....	(\$1405***) .....	\$800***
Environmental Impact Reports .....	.....	consultant cost plus 20%
6. Peer Reviews .....	.....	consultant cost plus 20%
6. Lot Line Adjustment .....	(\$ 573) .....	\$ 600
7. Appeals .....	(\$ 199) .....	\$ 210
8. Hourly Fee .....	(\$ 93.71/hr) .....	\$ 94/hr

\* Includes the first 8 hours of direct planner time. Projects exceeding 8 hrs planning time will be required to submit deposits in \$500 increments to cover additional planner time at the current hourly research rate.

\*\* Fees charged by outside agencies for review and processing of environmental documents will be charged to the applicant in addition to the fees herein (County filing fees, State fish & Game review fee, etc.).

\*\*\* Includes the first 10 hours of planner time. Projects exceeding 10 hours planning time will be required to submit deposits in \$500 increments to cover additional planner time at the current hourly research rate.

**General Conditions:**

1. The above fees include Town costs of processing, notice, legal review, and advertising. Projects requiring technical consultant input or legal analyses/opinions shall be charged the actual cost of such services in addition to the above fees.
2. When multiple applications are submitted for the same project (e.g., Use Permit and Variance), the application fee shall be the sum of the most costly fee plus 50% of each of the other application fees.
3. Fee reductions/waivers may be requested and considered for the creation of **affordable housing**. Such requests shall be considered by the **Town Council** on a case by case determination of public benefit consistent with needs identified in the Housing Element of the San Anselmo General Plan.