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Sonoma County supervisors cut largest proposed construction fee increases in half

Posted By <u>Jeff Quackenbush</u>, <u>Business Journal Staff Reporter</u> On May 12, 2010 @ 10:50 am In <u>Construction</u>, <u>Featured Box</u>, <u>Industry News</u>, <u>Position</u> | <u>No Comments</u>

SANTA ROSA — The Sonoma County Board of Supervisors on Tuesday approved a number of fee increases for planning, engineering and building permits but compromised on the largest increases to lessen the impact on the already economically hammered local construction industry at the possible cost of laying off four more Permit & Resource Management Department staff next fiscal year.

Four of the five supervisors voted for halving the biggest proposed increases, a dozen of which were to be 100 percent and nearly as many of more than 50 percent. Supervisor Paul Kelley, who was not at the May 4 meeting when the department 2010-11 budget was first discussed, joined Supervisors Efren Carrillo and Shirlee Zane in voting for that lower level of increases, with each saying they had "angst" for supporting increases of that much.

"I realize this will cause pain and suffering for the department and it will cause pain and suffering for the General Fund," Supervisor Kelley said. "It's a decision in which no one will be happy."

Supervisor Mike Kerns also said he would reluctantly support the compromise." He said his constituents have indicated that they want faster action on their project applications more than cheaper fees.

"I'm worried that department revenues would be reduced to the level that service would be reduced and would become even worse," he said. "Some things they do with the Housing Element needing to be updated regularly and the Development Code also are mandated by the state."

PRMD Director Pete Parkinson presented the board with projections that cutting the largest increases in half would increase the already projected 12.5 positions reduced from next fiscal year's budget to 16.5 positions cut. The reduction of two more entry-level planners, one additional engineering technician and a clerical position could result in planning permits requiring 15 percent longer to process, moving from two weeks to a month or more, and the time needed for stormwater and other engineering-related plans could increase by 10 percent, according to Mr. Parkinson. [See the staff report for details [1].]

Other options presented included no increases, projected to result in 20.5 positions cut next year total.

Board Chairwoman Valerie Brown didn't support the compromise fee reductions, saying cutting four more department staff members was more "troubling" than raising department fees amid a deep recession for the local construction industry. She said her experience in helping constituents who have claimed the department is taking too long with their projects that the delay has largely come from the applicants.

"I'm not making it up," she said, looking at construction industry representatives seated in the front row of the audience. "I want to make it work for you."

The supervisors passed other department-related items on unanimous votes. Those included deferral of impact fees to the end of projects, sewer fee increases, on-site wastewater fees, amnesty for fixing code violations and changes in the appeals fees.

Three items Mr. Parkinson recommended and approved today were:

- Starting an ongoing customer satisfaction survey program June 1.
- Work with the construction industry and others on looking for improvements in department processes and regulations. The board is set to review a report on that Aug. 24.
- Accelerate work on a review of the affordable-housing impact fee charged on nonresidential projects. Supervisor Kelley today said that fee is "very high." A report on that is set to be completed in July.

Pinnacle Homes President Craig Lawson, also part of a locally based Construction Coalition, said the biggest help for the industry came with the approved deferral of project impact fees, but reducing the largest increases for project processing fees by 50 percent was better than the full increases.

"No one wants to lose staff," he said about the possible department layoffs.

The coalition has asked local governments to revisit their construction-related fee structures.

Meanwhile, County Administrator Veronica Ferguson said her staff will look into any possibilities of finding about \$500,000 from the General Fund to prevent the four additional layoffs.

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[1] See the staff report for details: http://www.northbaybusinessjournal.com/wp-content/uploads/100511-Sonoma-Co-PRMD-fee-cut-analysis.pdf

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