



Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 95482

December 6, 2021

Re: Agenda Item 5c) on 12-07-2021: Noticed Public Hearing - Discussion and Possible Action Including Adoption of Resolution Amending the Exhibit X - Master Fee Schedule Effective January 6, 2022 for Cultural Services Agency (Sponsor: Executive Office)

Honorable Board of Supervisors,

This is a time of incomparable uncertainty for the entire Mendocino community, as well as our local licensed cannabis operators. With the unknowns we face for our local and State economy, the outcome of the Covid pandemic, impacts to local tourism, the current state of the cannabis market, and cargo shipping delays across the Country that have led to supply and manufacturing problems and shortages, it may be necessary to suspend the goal of full cost recovery across all departments at this time.

MCA appreciates the hard choices that the Board must make in order to achieve a balanced budget. However, increasing fees in County Departments to reach the goal of full cost recovery during a time of so much uncertainty may result in unintended negative consequences throughout the County. It may be more beneficial at this moment to pause in the implementation of cost recovery until there is more relative certainty in the health and stability of the economy. Another solution could be to take a phased approach over a period of the next 3-5 years, with periodic evaluations of variables that develop during that time.

Below, we offer questions for consideration and specific suggestions on how some of the proposed items might be addressed.

[Attachment 3](#)

Under the "*Liquid Waste Fees*" on pages 5 and 6, the chart indicates that all fees under this category will be increasing by 45% but we believe this is a typo. For instance a Site Evaluation Report Review - Groundwater Drain is increasing from \$ 68.00 to \$379.00, which is a **457.353%** increase not 45%. **We recommend that clarity be provided on the intent of this item.**

[Attachment 7](#)

In reviewing the Staff Memo regarding fee increases for the Planning and Building Department, we question why there is a need for our fees to be in line with neighboring counties such as Humboldt, Lake and Sonoma County when dealing with cost recovery.

Each County has a different tax base, cost of living, resources, services, demographic and geography. **When analyzing cost recovery for the services our County provides to the public, it's important that the fees are structured solely on those internal Mendocino County costs and not influenced by other external fee schedules.**

1. Grading

The grading fees have been identified as being higher than Humboldt and Lake County but in line with Sonoma County and we are curious what is causing Mendocino County fees to be higher?

2. Ponds

For health and safety, what specific additional protections is the County providing by increasing inspections, and would this already be covered by State Agencies such as the Water Board and CDFW that are involved in permitting ponds? Sloping and engineering concerns are covered in grading permits.

There are many ponds that date back to the logging era. If the goal is to get ponds permitted, ensure public health and safety, and encourage water storage, incentivizing applicants to come forward by lowering costs as much as possible and consolidating workload with other agencies that are also involved in the permitting process will be of benefit to the County and the applicant in reaching that goal.

If an applicant has already provided a State agency such as the State Water Board or CDFW with sufficient pond plans to begin construction, it seems unnecessary to require more inspections by the county and should not be required.

We recommend that a mechanism be set in place for an applicant to be able to demonstrate that if requirements have already been satisfied by outside State agencies, the County need not impose duplicative requirements that increase workload for Staff and incur unnecessary additional fees to the applicant.

3. Ag-Exempt Structures

Not all Ag-exempt structures require engineering. Hoop houses in particular are restricted to 1000 sq ft in size. Based on the Ag-exempt application requirement #14 states:

"Ag Exempt structures over 1,000 square feet in area that do not meet the conventional construction requirement of the California Building Code must be designed by a CA licensed Architect or Engineer."

Most structures commonly designated under an Ag-Exempt classification are simple and do not require engineering, for example a cargo container. Ag-Exempt structures are also limited to electrical installations of 100 amp service and plumbing is limited to exterior hose bibs. As such mechanical installations are prohibited.

We recommend that the proposed Ag-Exempt fee increase of 50% only pertain to structures that require engineering as identified in #14 of the Ag-Exempt building permit application form.

4. 3-Acre Conversions

Since the County is taking on a new responsibility for the review of these types of applications from other agencies, **we recommend that the County seek reimbursement for taking on these reviews from said agencies and not pass the fees onto the applicant.**

5. Expired Permits

If a permit is reinstated, that doesn't necessarily mean the applicant is ready to initiate an inspection, as they may have let their permit expire for a number of reasons, including due to financial hardship that caused a halt on construction, or lack of knowledge about how and when to request an extension. While it makes sense to charge a fee for an expired permit that needs to be reinstated, we do not feel that increasing the fee by 40% of the cost of the permit is the right approach if the goal is to incentivize applicants to remain in the permitting process. **If the goal as stated is truly cost recovery then there should be no increase. If the goal is to incentivize compliance, then this fee should be no more than 10% of the cost of the Permit.**

MCA recognizes that the County must balance the budget and maintain cost recovery, but if fees are dramatically increased all at once at this particular moment, it could lead to unintended negative consequences for our entire community. Striking the right balance is important to enable Mendocino residents to remain in compliance, which will ultimately lead to more revenue for the County from a growing tax base. We encourage the Board to consider our recommendation of pausing these fee increases, or at a minimum utilizing a phased approach over the next several years by slowly increasing fees.

Thank you for your time and consideration of our recommendations and concerns.

Respectfully,

Mendocino Cannabis Alliance
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