



COUNTY OF MENDOCINO

DEPARTMENT OF PLANNING AND BUILDING SERVICES

860 NORTH BUSH STREET • UKIAH • CALIFORNIA • 95482
120 WEST FIR STREET • FORT BRAGG • CALIFORNIA • 95437

JULIA KROG, DIRECTOR
PHONE: 707-234-6650
FAX: 707-463-5709
FB PHONE: 707-964-5379
FB FAX: 707-961-2427
pbs@mendocinocounty.gov
www.mendocinocounty.gov/pbs

MEMORANDUM

DATE: April 22, 2025
TO: The Honorable Board of Supervisors
FROM: Julia Krog, Director *Julia Krog*
SUBJECT: Fee Hearing Justification and Information

INTRODUCTION

The Mendocino County Planning and Building Services Department remains committed to improving efficiency and streamlining processes to better serve the public, in alignment with the direction provided by the Board of Supervisors. As part of these ongoing efforts, we are proposing updates to our fee schedule to ensure greater equity, transparency, and cost recovery while enhancing customer service. Key elements of this update include shifting Building Division fees to a primarily job cost valuation-based model, simplifying the fee structure for fairness among applicants; adjusting Planning Division fees to incorporate more billable hours to support cost recovery without imposing steep rate increases; and increasing the Records Management Fee to help fund a modern, customer-focused permitting software system. This upgraded system will provide an intuitive online permitting process, real-time updates, and improved communication capabilities. These proposed adjustments aim to create a more efficient, equitable, and sustainable approach to service delivery.

BACKGROUND

The Board of Supervisors has directed the Planning and Building Services Department to structure its fee schedule to better recover the costs associated with permit processing after streamlining operations. In response, the Department is focused on aligning fees with the actual costs incurred in reviewing and processing construction permits through the Building Division and discretionary permits through the Planning Division. However, the Department also provides several essential services that do not fit neatly within a fee-based model. These include the operations of the Code Enforcement Division, the availability of a Planner and Building Inspector of the Day to assist the public with inquiries and application navigation, and administrative support for various Boards and Commissions. Historically, the costs of these services have not been covered by applicant fees but have instead been funded through the County's General Fund. As the Department refines its cost-recovery approach, balancing fee adjustments with the need to maintain these critical public services remains a key consideration.

CODE ENFORCEMENT

Overall, the Code Enforcement Division is **not** requesting any update to the fee schedule.

The primary objective of the Code Enforcement Division is to achieve code compliance through education, outreach, and corrective action rather than relying on punitive citations or fees as a means of cost recovery. While Mendocino County Code Section 18.08.030 authorize the use of fees to offset enforcement costs—including staff education—these fees are incorporated into the fee schedule but recover only a small fraction of the Division's overall budget. The majority of Code Enforcement efforts are funded through the County's General Fund, ensuring that the Division remains focused on achieving voluntary compliance, resolving community concerns, and promoting public safety rather than generating revenue.

BUILDING DIVISION

Overall, the Building Division is requesting a fee schedule that represents an approximate average **decrease** of 12% in applicant cost.

The Building Division is proposing to significantly reduce individual fee line items and move to most fees based on job cost valuation. Using job cost valuations as the basis for building permit fees in a California County jurisdiction is both legal and beneficial. This approach aligns with California Government Code section 66014 and California Health and Safety Code section 17951, which allow local governments to establish fees that reflect the reasonable cost of providing services. Several Northern California counties, including Siskiyou, Santa Cruz, and Santa Clara, use this method, calculating fees based on total project valuation to ensure proportionality. By scaling fees according to project scope, this system fairly distributes costs, prevents smaller projects from subsidizing larger developments, and ensures adequate funding for inspections, plan reviews, and administrative services.

New Fee Highlights:

- Permit Record Update Fee – A fee for administrative tasks that do not require revisions to plans, such as the transfer of permit to new owner.
- Fort Bragg specific Special Inspection Fee – A new fee for special inspections in the Fort Bragg area.

PLANNING DIVISION

Overall, the Planning Division is requesting a fee schedule that represents an approximate average **increase** of 12% in applicant cost.

The Planning Division aims to minimize permit fee increases to avoid stifling economic development and discouraging housing production by imposing excessive financial barriers on builders and developers. Rather than implementing a steep fee increase to offset operational costs, the Division proposes maintaining a fee model that incorporates billable hours rather than solely flat fees. This approach ensures that applicants are charged only for the actual time and resources required to process their projects over the base fee amount, promoting fairness and cost-effectiveness. Additionally, this method aligns with California Government Code section 66014, which mandates that fees for services, such as permit processing, must not exceed the estimated reasonable cost of providing those services. Several Northern California counties, including Mono, Sonoma, Napa, and Sacramento, utilize a similar time and materials fee structure, requiring applicants to submit deposits toward the actual costs incurred during permit processing, with additional fees assessed as necessary. This structure not only ensures compliance with state law but also enhances transparency, making the permitting process more predictable and tailored to individual project needs.

The Planning Division has recently adjusted its base fees from the data produced in the latest time studies, which indicate that increasing regulatory requirements continue to outpace the Division's ability to streamline processes. While these time studies will become increasingly accurate as the sample size grows, initial findings highlight the need to capture more staff time for certain projects and less staff time for others to recover actual costs effectively. The cost-for-services model mirrors the approach used by the Building Division, ensuring a more equitable distribution of fees by invoicing applicants only when necessary to cover the cost of more complex projects. Furthermore, the Department anticipates that advances in permitting software and digital processing will help reduce staff time per application, ultimately decreasing the need for extensive cost recovery in the near future. By investing in modern technology and refining efficiency strategies, the Division remains committed to balancing fiscal responsibility with the County's development goals.

New Fee Highlights:

- Coastal Development Permit (CDP) Administrative Immaterial Modification Fee – A fee for modification projects that do not require a public hearing.
- CDP Administrative Material Modification Fee – A fee for modification projects that require a public hearing.
- CDP Standard Immaterial Modification Fee – A fee for modification projects located in appealable areas

that do not require a public hearing.

- CDP Assignment Fee – A fee to cover staff time with reassigning an approved Coastal Development Permit to a new owner.
- Town of Mendocino Single Unit Rental/Vacation Home Rental Waiting List Fee – A fee to cover staff time associated with updating and maintaining the waiting list for single unit rentals/vacation home rentals in the Town of Mendocino.
- Mendocino Historical Review Board (MHRB) Sign Copy Change or Single Business Sign Fee – A fee that previously existed in the Department fee schedule but was erroneously deleted by the Executive Office in preparing the December 2023 update to the Master Fee Schedule.
- Use Permit - Room and Board Fee – A reduced fee from the typical use permit fee for short-term rentals.
- Use Permit - Room and Board Renewal/Modification Fee – A reduced fee from the typical use permit modification fee for short term rentals.
- Planning Consultation Fee – A fee to cover staff time for consultations at the front counter that may require more in-depth conversation with planning staff.
- Cannabis Facilities Business License Review Fee – A fee that previously existed in the Department fee schedule but was consolidated with the typical business license review fee but is now being separated again to ensure more accurate and equitable recovery of staff time.

DEPARTMENT WIDE

The Department is requesting a substantial increase to the Records Management Fee to offset the significant costs associated with transitioning from a paper-based system to a fully digital records management system and updating the County's permitting software. This investment includes converting decades of physical records into a digital format and implementing a modern, customer-friendly portal that provides real-time updates, improves application tracking, and enhances communication between applicants and staff. While the upfront cost of this transition is substantial, the long-term benefits are considerable. A digital system increases efficiency, reducing staff time spent retrieving and managing paper files, minimizing processing delays, and ensuring more accurate record-keeping. For customers, the improvements mean greater transparency, easier access to permitting information, and a streamlined application experience with fewer in-person visits required. Ultimately, while there is a cost to modernizing these systems, the result will be a more efficient, responsive, and accessible Planning and Building Services Department that better serves the public and supports the County's long-term development goals and the Strategic Plan.

The Department has requested to implement a fee coding system to ensure that customers and staff can easily correlate the fee approved in the Board of Supervisors approved Fee Schedule with what the Department is invoicing.

CONCLUSION

The proposed fee schedule updates reflect the Department's commitment to fairness, efficiency, and sustainability in serving the residents of Mendocino County. By transitioning the Planning Division to include more of the billable hours model, we ensure that applicants are charged based on actual staff time, preventing unnecessary financial burdens while maintaining cost recovery. The Building Division's shift to a job cost valuation fee model promotes a more equitable and straightforward structure for applicants of all project sizes. Additionally, the Department continues to provide essential public services beyond permit processing, including Code Enforcement, support for various Boards and Commissions, and public assistance programs, all of which enhance the safety and quality of life in our communities. Our goal is to support sustainable development while acknowledging the unique rural character of Mendocino County and the economic challenges faced by its residents. By modernizing our records management system and aligning fees with the actual time and resources required for each project, we create a transparent, predictable, and fair permitting process that encourages growth, investment, and long-term prosperity in our communities.