

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Jeff Stone, Supervisor, 3rd District


SUBMITTAL DATE:
October 20, 2009

SUBJECT: Review and Evaluate Deposit-Based Fees for Entitlement in the County of Riverside

RECOMMENDED MOTION: That the Board direct the Transportation and Land Management Agency (TLMA) in conjunction with the BIA/County Streamlining Strike Force, to review the Deposit-Based Fee Program and recommend improvements or modifications needed to facilitate development in Riverside County, and present those findings as part of the Strike Force' Annual Report due to the Board in February 2010.

BACKGROUND: Approximately two years ago, in response to the early signs of an economic downturn, the Board established the BIA/County Streamlining Strike Force to identify activities and processes that can be instituted or revised to reduce obstacles to development, in both these difficult times and in the future expected resurgence of building activity. The Strike Force

Departmental Concurrence



 JEFF STONE
 Supervisor, 3rd District

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ -0-	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	No
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	09-10
SOURCE OF FUNDS:				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION:

County Executive Office Signature

Policy
 Policy

 Consent
 Consent

 Dept's Recommendation:
 Per Exec. Ofc.:

Prev. Agn. Ref. | **District:** | **Agenda Number:**

3.9

The Honorable Board of Supervisors
RE: Review and Evaluate Deposit-Based Fees for
Entitlement in the County of Riverside
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has achieved a significant number of positive and beneficial actions which increased transparency of review processes, shortened processing times, reduced costs and improved customer service.

Acknowledging the good work of the Strike Force to-date, there remains room for improvement. I am proposing a review of the efficiency and effectiveness of our deposit-based fee system itself and request appropriate recommendations from the Strike Force for improvements or modifications. Our respect for the applicant's time and money must be demonstrated by our continuing commitment to customer satisfaction with all elements of the entitlement process.

Riverside County phased in deposit-based fees for entitlement projects in the mid 1990's, due in part to pressure from the Paladin Group and the Building Industry Association (BIA). Under this system, the application fee constitutes a deposit against costs are assessed for review and processing of the application. In the event the deposit amount falls below the cost of completing the review, additional (supplemental) fees are required from the application. Non-deposit based fees, still in use for lower cost development projects and virtually all non-development projects and activities in the county, establish their fee based on an analysis of the historic average cost of similar projects or activities. It was this average cost basis to which Paladin Group and the BIA objected, arguing that well designed and planned projects cost less than the average to process and thereby non-deposit based fees would become a subsidy for the review costs of poorly designed and/or planned projects.

In the intervening fifteen years, the county has witnessed a dramatic expansion, and more recently a collapse, in the rate of development in the county. Over that period, the average cost for processing DBF cases has increased and some applicants have expressed concerns about the time and cost of processing development projects. My desire is to consistently show the development and business community that Riverside County is indeed business friendly. We have an obligation to our applicants to inform them up front of the anticipated cost and time-frame associated with their land use application. That way, the applicant can make an informed business decision at the beginning of their land use application process.

I'm sure it will come as no surprise that I have developed an acronym for my proposal: RESPECT (Realizing Entitlements, Simplifying Processing, Encouraging Construction Today). The RESPECT initiative will enable applicants to process their cases quickly and cost effectively, with the goal of getting projects to the construction stage as soon as possible.

It is my understanding a workshop is scheduled with our Planning Commission on October 28, 2009, to receive an update on the Strike Force efforts. I would like the Planning Commission workshop to initiate the DBF discussions and kick-off the RESPECT initiative.