



MEMORANDUM
COMMUNITY DEVELOPMENT RESOURCE AGENCY
COMMUNITY DEVELOPMENT SERVICES DIVISION
County of Placer

TO: Honorable Board of Supervisors **DATE:** November 9, 2021
FROM: Steve Pedretti, Community Development Resource Agency Director
BY: Jeni Ramirez, Administrative and Fiscal Operations Manager
Justin McKenzie, Information Technology Supervisor
SUBJECT: Adoption of Community Development Resource Agency Administrative
Technology Fee

ACTION REQUESTED

1. Adopt a resolution establishing a new Community Development Resource Agency Administrative Technology Fee.

BACKGROUND

In 2018, the Community Development Resource Agency (CDRA) set a goal within its business plan to become a leader in innovative customer service operations; in today's technology driven world, customers increasingly expect to easily access all services 24 hours a day, seven days a week. In partnership with the County's Information Technology Department (ITD), CDRA created a "virtual" public counter to streamline the permit review process using data-driven strategies, coupled with advancements in technologies, to modernize CDRA's customer experience and to provide most services 24 hours a day, seven days a week. On May 14, 2019, the Board of Supervisors (Board) received a presentation on CDRA's eServices operations following the launch of the tools.

Ten months following the launch of CDRA's eServices, CDRA and its permit counter were closed because of the pandemic stay-at-home order by the Governor. As a result of CDRA's technology strategy and operations, CDRA was able to remain open (virtually), assisting customers and processing permits throughout the pandemic closure. In part because of the efficiencies of the online permitting processing for customers during the pandemic closure, CDRA processed a record number of building permits in 2020 with fewer permit counter staff than in the pre-recession years.

Increased Workload

Prior to the closure as a result of the State stay-at-home order due to COVID, approximately 30% of all building permits were submitted electronically. During the remainder of 2020, 82% of all building permits were submitted electronically. Staff expected a significant reduction in online submittals once the permit counter reopened; however, through July 2021, 84% of all building permits were submitted electronically. With online services seeing wider use and permitting requirements becoming increasingly complex, ongoing support and enhancements of online services for our customers is needed. Having technical staff to bridge the gap between

technology and business has become imperative to maintaining a successful organization.

New Services

Not only has the volume of work increased, CDRA has increased the number and types of services provided in recent years. Technology is increasingly relied upon to improve staff efficiency and meet customer demands for these services. Providing and managing online services, combined with implementing new programs such as Short-Term Rental permitting, Hazardous Vegetation Ordinance and program, and Placer County Conservation Program, has created an increased demand for information technology (IT) services. Implementation of the western County Specific Plans requires tracking and integrating a myriad of fee programs, Community Facilities Districts, County Service Areas, and other financing mechanisms. These financing mechanisms have become complicated and need to be integrated into CDRA's permit system to avoid future confusion and minimize fee and reimbursement errors.

Improved Staff Efficiency

CDRA has attempted to meet these increasing needs through improved technology, and data indicates that IT improvements in recent years have increased staff efficiency. For example, permit counter staff processed 29% more building permits in Fiscal Year (FY) 2020-21 in the Auburn office than in the pre-recession high of FY2003-04 with 25% less staff (after adding four permit counter positions in 2021). CDRA is doing more with less. However, current CDRA IT staff cannot meet increasing technology needs.

Proposed Technology Fee

The proposed CDRA Technology Fee Surcharge will assist in capturing costs associated with the implementation, enhancement, management, and maintenance of the Accela Land Management System, CDRA's permit processing platform. Additionally, the Fee will support the hiring of new IT staff that will advance the Agency's eServices platforms to better serve the public while supporting advancements in the agency's cross functional services and business processes system designs. These functions include but are not limited to:

- Conduct analytic and data-based studies of the Agency's business functionality, financial, programs, and operational activities in support of new operations that enhance customer related processes and procedures.
- Enhancement of the public facing Permit Portal, reducing the need for in-person visits.
- Establish automated notifications to applicants related to application processing status, reducing call and email volume.
- Further automation within the electronic Plan Review process, allowing staff to focus on core tasks.
- Implement workload tracking and management features that streamline the application review process.
- Enhance reporting and analytics on permit activity.
- Advance integration with external systems, including Document Management and Financial and

Billing software to reduce staff time and efforts needed to manually transfer information.

· Implement overdue system maintenance and software upgrades, ensuring CDRA stays in compliance with technology and security standards.

IT Staffing Needs

CDRA IT includes 3 full-time staff that respond to over 200 requests per month and currently manages 15 high priority technology projects related to the processing of various permits. At any given time, CDRA IT has an average of 900 hours of delayed work in the queue, waiting on resource availability. The County Information Technology Department has provided part-time help, however more is needed. Currently, this large backlog of IT requests dealing with permit issues forces CDRA to be reactive to changing priorities, rather than proactive and permit-related services are also affected. For example, improvements to the building permit process system are needed to reduce permit processing times and avoid errors. In many cases, system maintenance, documentation, and software best practices for processing of permits are being deferred to respond to the high priority technology needs that arise daily. Three system upgrades are currently overdue (Accela permit system, ArcGIS Geographic Information System, and the accounting billing system). This high-volume of work, and technology reliance is projected to continue for the long term. Having the appropriate resources to support technology demands now is critical to ensuring that CDRA can adequately meet the current need and planned growth of Placer County. Based on this need we have determined there is about 1900 hours to address the backlog of work and 1800 hours of work related to technology maintenance needed for CDRA to efficiently process permits, which equates to an additional 2 FTEs to support the CDRA's ongoing technology needs. (Attachment B) Discussions are occurring between CDRA and the County Executive Office (CEO) regarding current and future staffing models for program and process implementation.

Projection of IT Surcharge Revenue and New Staffing Expenses

The technology fee surcharge, if approved, will be applied to all permit applications that are tracked and managed through the Accela system currently deployed by CDRA including Building Permits, Planning Entitlements, Engineering & Surveying Permits, TRPA Permits, STR Permits, Encroachment Permits, PCCP Permits and Sewer permits. The proposed fee will be 3.5% of the total amount of the fees assessed per application but shall not exceed \$400.00. The technology fee applies to all development fees unless otherwise specified. The anticipated fee revenue would be \$314,814 based on the number of permits processed through Accela during calendar year 2020, and will be used to cover the costs of the additional 2 FTEs needed to support CDRA's technology needs.

Fee Comparisons

Most local jurisdictions have implemented similar Technology fees. The proposed fee would increase the fee for an average 3,000 square foot new home in Placer County by \$400, or 0.07% (if the valuation is \$500,000). Below is a comparison with other jurisdictions:

Fee	Placer County Suggest Fee	City of Roseville Fee	EDC Fee	Sacramento County	City of Sacramento
Technology Surcharge Fee	3.5% of total Permit fee, cap of \$400	Total application, deposit, plan review and/or permit fee x .03, no cap	\$3 minimum up to \$300 maximum, based on 0.0356% valuation	4.5% of valuation, \$350	8% of total permit value, no cap

The Technology fee of 3.5% with a cap of \$400, was determined based on the Budget for Fiscal Year 2020/21 for Information Technology systems and related support costs. The costs to improve and expand the Accela system, add new IT systems and applications, and associated information technology support are required to better provide existing and forecasted levels of service. The technology surcharge fee applies to the following permit types, unless otherwise specified.

- Building Permits
- Planning Entitlements
- Engineering & Surveying Permits
- TRPA Permits
- Encroachment Permits
- PCCP Permits
- Sewer Permits

Placer County Code

Placer County Code, Article 2.116.070 indicates that CDRA shall charge and collect fees for services performed. Fees shall be adopted and may be increased, decreased, or changed in scope at a noticed public hearing based on data indicating the cost or estimated cost required to provide the service for which the fee or service charges are to be levied, or based on state or federal law. These fees shall be reflected in a resolution of the Board and shall be subject to annual adjustments. On April 27, 2021, the Board adopted a resolution establishing the current fee schedules for Fiscal Year 2021-22. If the attached resolution is adopted, the CDRA Technology Fee shall be incorporated into the master fee schedule.

Proposition 26:

In November 2010, California voters approved Proposition 26, which amended Article’s XIII A and XIII C of the state constitution regarding the adoption of fees and taxes. Proposition 26 seeks to assure that taxes, which much be approved by the voters, are not disguised as fees, which can be approved by legislative bodies, such as the Board. Proposition 26 added a definition of a “tax” to the constitution, which stated that a “tax” means any levy, charge, or exaction of any kind imposed by a local government, except the following:

- A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

- A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, because of a violation of law.
- A charge imposed as a condition of property development.
- Assessments and property-related fees imposed in accordance with the provisions of article XIII.D.

The proposed fee has been reviewed for compliance with Proposition 26, and are not a tax since they are imposed for a specific government service that is not provided to those not charged. In addition, the proposed fees are reasonable in that they do not exceed the estimated reasonable cost to provide the public services proposed to be rendered.

ENVIRONMENTAL IMPACT

This proposed administrative activity is exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA guidelines section 15061(b)(3) and is not a project pursuant to CEQA Guidelines section 15378 since it is an organizational activity that results in the creation of a funding mechanism.

FISCAL IMPACT

Implementation of this fee is expected to generate approximately \$314,814/year based on 2020 permit activity, that will ultimately be offset by the costs to improve and expand the Accela system, add new IT systems and applications, and associated information technology support. Annual revenue will vary based on the number and type of permits.

ATTACHMENTS

Attachment A: Resolution

Attachment B: CDRA IT Unfunded Workload, Potential Revenue and Proposed Positions

ATTACHMENT A

Before the Board of Supervisors County of Placer, State of California

In the matter of:
Resolution Approving the Community
Development Resource Agency Technology
Fee

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Placer County Code, Article 2.116.070 indicates that CDRA shall charge and collect fees for services performed, and said fees shall be adopted at a noticed public hearing based on data indicating the cost or estimated cost required to provide the service for which the fee or service charges are to be levied; and

WHEREAS, CDRA has attempted to meet increasing customer service demands through improved technology that has concurrently increased staff efficiency when processing increasing permit application; and

WHEREAS, the Agency has determined that current Information Technology staff levels cannot continue to meet the increasing demand for new technology advancements and implementation of programs such as Short-Term Rental permitting, Hazardous Vegetation Ordinance and the Placer

County Conservation Program, and required implementation of the western County Specific Plans which necessitate tracking and integration of a myriad of fee programs, Community Facility Districts, County Service Areas, and other bond financing mechanisms, necessary to meet CDRA's customer and staff needs; and

WHEREAS, costs are increasing for the implementation of improvements and expansion of the current Accela permit tracking system and related land management systems, new supporting IT applications, essential to providing for existing and forecasted levels of service; and

WHEREAS, establishing a new Information Technology fee is necessary to recover at least a portion of the cost of providing Agency identified technology needs and improvements that will continue to increase staff efficiency and meet customer needs; and

WHEREAS, to establish a new fee, staff has determined that a reasonable relationship exists between the use and fee amount, with the technology fee of 3.5% with a cap of \$400 being determined based on the Budget for Fiscal Year 2020/21 for Information Technology systems and related support costs; and

WHEREAS, the Board of Supervisors finds and determines that, based on the above purposes and findings, there is a reasonable relationship between the need for an Information Technology user fee.

NOW THEREFORE BE IT RESOLVED that the fee schedule set forth in Exhibit 1 inclusive of the new Information Technology Fee is hereby adopted.

BE IT FURTHER RESOLVED that the Information Technology Fee shall be adjusted annually on or about July 1st, in accordance with the means and method set forth in Exhibit 1.

BE IT FURTHER RESOLVED that fee schedule does not exceed the estimated reasonable cost of providing technology and staff support for which the fees are imposed.

BE IT FURTHER RESOLVED that this resolution shall be in full force and effect sixty (60) days after its adoption.

EXHIBIT

Exhibit 1 - CDRA Administrative Fee Schedule

Attachment A, Exhibit 1

FEE SCHEDULE

Information Technology Fee

The amount of the Information Technology Fee is 3.5% with a cap of \$400 charged per permit. This is an Administrative Fee added to the following permit types: Building permits, Planning entitlements, Engineering & Surveying permits, Encroachment permits, Sewer permits and PCCP permits. The Information Technology Fee shall be adjusted annually on or about July 1st using the CPI: State of California Department of Industrial Relations Consumer Price Index-California for All Urban Consumers. The adjustment in each fee will be calculated based on the difference between the most currently available CPI and the CPI amount for the same month of the previous year. The percentage change in each fee shall be the same as the percentage change in the CPI. The adjusted fee shall be rounded to the nearest dollar.

**CDRA Administrative Fee Schedule
Effective: July 1, 2021
Updated: November 9, 2021**

Imaging/processing/storage (applicable to all permits – Min. \$25.13)

- Plans \$1.77/page
- Letter & Legal documents \$.76/page

(New) Technology Surcharge Fee (applicable to Building, Planning, Engineering, TRPA, PCCP, Encroachment, and Sewer permits)

- Fee will be 3.5% of the total amount of the fees assessed per application but shall not exceed \$400.00.

Attachment B

CDRA IT Workload, Potential Revenue and Proposed Positions

CDRA IT workload with no ongoing resources	Estimated Hours
IT Change Request Backlog	900
Current Extra Help Staff	1000
Technology Upgrades and Maintenance	500
Specific Plan Fee Implementation & Monitoring	500
Accela Enhancements, Upgrades & Integrations	500
PCCP Module Implementation & Troubleshooting	300
Total hours of workload	3700

Potential Revenue based on 2020 permits paid

\$314,813.75 * from Accela permit data through 2020

Proposed Positions funded by Tech Surcharge

IT Analyst II @ Step 5, Range B	\$168,684
IT Specialist @ Step 5, Range B	\$156,612
	\$325,296

Δ between Revenue & Position Expenses	(\$10,482.25)	General Fund Ask/Increased Permit Levels
---------------------------------------	----------------------	--

