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SR council approves new building fees

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The Santa Rosa City Council approved new and increased development fees Tuesday, a move aimed at recovering more of the cost of processing and reviewing building projects.

The fee package proposed by the Community Development Department was approved only after council members agreed to remove, for now, a new fee that would have covered costs associated with advance planning.

Chuck Regalia, director of community development, reported that the advance planning fee accounted for \$454,806 of the \$799,406 in annual revenue expected from the new fees. But he said such revenues would not be realized until the building and housing market recovers.

Charlie Carson, executive director of the Home Builders Association of Northern California, told council members he understands the city's need to recover its development-related costs. But he said raising fees during a housing downturn would hurt builders and homeowners.

"I don't think this is a very good time to raise fees for builders," he said. "You just aren't going to get the revenue you need to make a difference."

Carson said his organization was primarily concerned about the effects of the advance planning fee and a special tax district fee.

The fees that were approved included:

New charges for processing applications for inclusion in the city's voluntary special tax district. The revenue estimate for an average year is \$25,000.

Expedited building plan checks and major project completeness reviews.

New fees to cover costs associated with administration of geologic studies, deed review processing, improvement plan revisions and public improvement variances.

A technology fee that would help cover the cost of computer software and hardware used by the community development department. The fee would generate an estimated \$112,000 a year.

An increase to the city's landmark alteration permit fee.

An increase to the city's development review reprocessing fee.

Regalia said that before the 2004-2005 fiscal year, revenue from development fees totaled between 30 and 50 percent of his department's budget, with the general fund subsidizing the remainder.

On June 29, 2004, the City Council approved financial guidelines that sought 100 percent cost recovery goals. The department collected 104 percent of its costs in 2005, with most of this money coming from subdivisions that were approved two or three years earlier.

Such projects are no longer being proposed, he said, and the department has been forced to rely on general fund subsidies to maintain its services. He added his department's work levels have decreased approximately 15 to 20 percent, and the department's funding has been cut by 11 percent.

Mayor John Sawyer and Councilwoman Jane Bender wrangled with Regalia over the proposed advance planning fee. They wanted more details about the fee.

"I'm not trying to hold it up; I'd like to have more information," Bender said.

The council ultimately voted to eliminate the advance planning fee from the package, but agreed to take up the fee at its Sept. 2 meeting.

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