



Albemarle County

Legislation Text

File #: 21-248, **Version:** 1

AGENDA DATE: 4/21/2021

TITLE:

Community Development Fees: STA-2021-00001; ZTA-2021-00001; BTA-2021-00001; and WPTA-2021-00001

SUBJECT/PROPOSAL/REQUEST: Community Development Fees Update

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Walker, Kamptner, Herrick, Filardo, Allshouse, S.

PRESENTER (S): Steven Allshouse

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: Under the provisions of Chapters 5, 14, 17, and 18 of the County Code, the Department of Community Development (CDD) charges fees for services the Department provides to the development community and the public. The purpose of the fees is to help CDD recover a portion of the cost of providing these services. The cost recovery levels as a percentage of each fee were predicated on a fee study adopted by the Board of Supervisors in 2008.

In August of 2008, the Board adopted a policy for updating the levels of existing fees. This policy provides for biennial fee adjustments, based on Board-approved salary adjustments. Under this approach, if Board-approved staff salaries increased cumulatively by a certain percentage over the course of the two years, CDD fees would increase by that same percentage. This policy has not been routinely applied. Most CDD fees were last adjusted on November 1, 2015, although some fees were adjusted as recently as November 1, 2018, and as far back as July 1, 2014.

The lack of the regular, adopted increases in fee levels over the course of several years has resulted in the percentages of cost recovery per fee reducing over time. In addition, staff recently has identified several CDD costs the current County Code does not address; this situation further constrains the Department's ability to provide services efficiently.

On January 6, 2021, the Board adopted a Resolution of Intent to update the CDD fees. On February 2, 2021, staff made a presentation to the Planning Commission related to fees in County Code Chapter 18 (Zoning). On March 3, 2021, staff made a presentation to the Board regarding the proposed updates to fees contained in County Code Chapters 5 (Building), 14 (Subdivisions), 17 (Water Protection), and 18 (Zoning) (see the related Attachments A, B, and C). On March 23, 2021, after the Planning Commission's public hearing regarding the fees proposed for Chapters 14 and 18, the Planning Commission voted to recommend that the Board approve the proposed fees for these two chapters (see the related Attachments D, E, F, G, and H). Staff now seeks Board approval of all proposed fee updates (Attachments I, J, K, and L).

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life of all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: To address the imbalance between the cost of providing services and the fee revenue generated from those services, the proposed fees contained in Attachments I, J, K, and L (Ordinances to amend County Code Chapters 5, 14, 17, and 18) reflect two strategies - increasing existing fees consistent with policy and establishing new fees, as described below.

Increase existing fees consistent with the policy that the Board of Supervisors adopted in August of 2008. As noted above, CDD fees have been adjusted in recent years, during Fiscal Year (FY) 2015, 2016, and 2019. Board-approved salary increases in the intervening years increased cumulatively by 13.36% (FY 15 to 21), 10.05% (FY 16 to 21), and 3.00% (FY 19 to 21), respectively. In Attachments I, J, K, and L, staff has used these respective percentage changes to make the appropriate proposed adjustments to existing CDD fees. These proposed amounts appear in red font. Staff recommends that these new fee amounts become effective July 1, 2021 (FY 22).

Establish new fees that would capture CDD costs that the current County Code does not include. Staff has identified several services related to architectural review, building inspections, and Water Protection Ordinance-related activities for which CDD currently does not charge a fee. Staff has estimated the amount of time necessary to perform each of these services, the associated costs in terms of salaries and benefits, and the indirect costs that these services generate in administrative work and technological infrastructure. Staff recommendations for new fees, and the proposed dollar or percentage levels of these fees, appear in green font in Attachments I, J, K, and L. Staff recommends that these new fees become effective July 1, 2021 (FY 22).

As part of staff's work to update CDD fees, staff conducted a set of case studies in order to determine the impact the adoption of the proposed fees might have on the cost of various types of development (available in Attachment B). As reported to the Board on March 3, 2021, staff found that, relative to the overall dollar value of the projects examined in the case studies, the impact of the fees would be small. Staff also examined other jurisdictions' development-related fees to determine whether the proposed updated levels for existing fees and the proposed levels for new fees were reasonable. Staff specifically looked at the technology fees in Fairfax, Montgomery, and Roanoke Counties; the architectural review fees in the City of Alexandria; as well as the broader fee structure in the City of Charlottesville and Hanover, Henrico, James City County, and Roanoke Counties. As reported to the Board on March 3, 2021, staff found that the proposed fees appear reasonable compared with fees in the comparison jurisdictions (see Attachment C).

Additionally, in early 2021, staff engaged in community outreach as part of the CDD fees update effort. Notifications were sent to the County's e-newsletter subscribers, as well as to anyone who had done planning and/or building work with CDD in the past two years, inviting them to learn about the proposed updates to CDD's fees, and provide feedback about the fees via the County website:

<https://www.albemarle.org/government/community-development/community-development-fees>. As of the comment deadline (February 26, 2021), roughly 700 people visited the site, and one visitor left comments.

Other public outreach included meetings with members of the development and environmental communities. In January 2021, staff met with representatives from the Blue Ridge Home Builders Association, the Free Enterprise Forum, Southern Development, Great Eastern, Southern Environmental Law Center, and the Piedmont Environmental Council. From these meetings, staff gained several points to consider, and resulted in the fee comparisons and case studies, discussed above.

Please note that revisions to § 17-208 (highlighted in Attachment K) have been proposed since the Board's prior review on March 3. The additional revisions include removing column 2, which sets forth the amounts of the "State Portion of Permit Issuance Fee." Because the County neither sets nor collects these fees, there is

no need to include them in the County Code. In addition, the amounts in column 1 were recalculated to reflect only the County permit issuance fee. They previously included the "State Portion of Permit Issuance Fee" from column 2.

In addition, an effective date of July 1, 2021 was added to all four proposed ordinances.

BUDGET IMPACT: Staff estimates that the adoption of the proposed ordinances, including increases to current fees and the addition of new fees, may generate approximately \$345,000 in additional CDD General Fund revenue in Fiscal Year 2022 (FY 22). This estimate assumes that CDD's workload and mix of services provided in FY 22 would be identical to the workload and mix of services provided in FY 21. Components of this \$345,000 figure include approximately \$215,000 in additional revenue generated by changes in the levels of existing fees, about \$88,000 from the proposed Technology Fee, and roughly \$42,000 in revenue from the various proposed new fees related to architectural review, WPO-related services, and building-related services.

RECOMMENDATION:

Staff recommends that after holding a public hearing, the Board adopt the proposed Ordinances to amend County Code Chapters 5 (Building Regulations, Attachment I), 14 (Subdivision of Land, Attachment J), 17 (Water Protection, Attachment K), and 18 (Zoning, Attachment L), to be effective on and after July 1, 2021.

ATTACHMENTS:

- A - CDD Fees BOS Presentation 03 03 21
- B - CDD Fees BOS Presentation 03 03 21 Case Studies
- C - CDD Fees BOS Presentation 03 03 21 Comparisons
- D - Planning Commission Action Letter
- E - PC Recommended STA 2021-00001
- F - PC Recommended ZTA 2021-00001
- G - CDD Fees PC Presentation 03 23 21
- H - Memo to PC re: Fees Update 03 15 21
- I - BTA 2021-00001 (Chapter 5 - Building Regulations)
- J - STA 2021-00001(Chapter 14 - Subdivision of Land)
- K - WPTA 2021-00001 (Chapter 17 - Water Protection)
- L - ZTA 2021-00001 (Chapter 18 - Zoning)