

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 7/15/2014	(3) CONTACT/PHONE Michael Conger / 805-781-5136	
(4) SUBJECT Hearing to consider resolutions regarding a request by Coastal Christian School to waive building permit and public facility fees for seventeen modular buildings, totaling \$70,094. District 3.			
(5) RECOMMENDED ACTION That the Board of Supervisors: <div style="margin-left: 40px;"> (a) Adopt a resolution to partially approve a request by Coastal Christian School to waive permit processing fees associated with construction permits for seventeen modular classroom units to serve as a temporary campus for the Coastal Christian School. (b) Adopt a resolution denying a request by Coastal Christian School to waive public facility fees associated with the construction permits for seventeen modular classroom units to serve as a temporary campus for Coastal Christian School. </div>			
(6) FUNDING SOURCE(S) Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$70,094.24 (as requested) \$14,226.16 (as recommended)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { X } Hearing (Time Est. <u>30 mins.</u>) { } Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS { X } Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required { } N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 3			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Michael Conger

VIA: Matt Janssen, Division Manager

DATE: 7/15/2014

SUBJECT: Hearing to consider resolutions regarding a request by Coastal Christian School to waive building permit and public facility fees for seventeen modular buildings, totaling \$70,094. District 3.

RECOMMENDATION

That the Board of Supervisors:

- (a) Adopt a resolution to partially approve a request by Coastal Christian School to waive permit processing fees associated with construction permits for seventeen modular classroom units to serve as a temporary campus for the Coastal Christian School.
- (b) Adopt a resolution denying a request by Coastal Christian School to waive public facility fees associated with the construction permits for seventeen modular classroom units to serve as a temporary campus for Coastal Christian School.

Summary Of Request

Coastal Christian School requests that your Board waive building permit and public facility fees in the total amount of \$70,094.24. This request is based upon the school's non-profit status, and that construction permits are for a temporary campus that will last no longer than 10 years.

In 2012, the County Planning Commission modified the Conditional Use Permit approval for Coastal Christian School, allowing the operation of a temporary campus on the site for a period of 10 years. The temporary campus is presently under construction and will be composed of seventeen modular units. These units will remain in place while the school obtains financing to construct the permanent campus on the same parcel. Once the permanent campus is constructed, the temporary campus site will be used as a football field and drainage basin.

Construction permits are in process with the County for the seventeen modular units to be installed on an earthquake-safe foundation. Because the units are modular, permitting authority for the interior of the units is retained by the California Department of Housing and Community Development. The County's authority is limited to ensuring that the units have been safely installed on a foundation and that the units meet disabled access standards. In total County construction permit fees for the seventeen buildings amount to **\$28,452.32**. The school is also subject to separate permits for grading, outdoor equipment, and building accessibility. They have not requested waiver of those fees.

Pursuant to Title 18 of the County Code, public facility fees are collected at the time of issuance of construction permits. These fees help to offset the impact new development has on the demand for such public facilities as fire stations, sheriff substations, parks, libraries, and community buildings. The total amount of public facility fees assessed on the modular buildings is **\$41,641.92**

Staff recommends that your Board adopt two separate resolutions acting on each individual fee request. The recommendation is as follows:

- **Waive one-half of the building permit fees (\$14,226.16).** Building permit fees can be waived for projects sponsored by non-profit organizations that provide obvious public benefit. Although the school does provide educational and recreational facilities, it is not obvious that this will benefit the public “at large.” Staff therefore recommends that only one-half of the building permit fees be waived.
- **Do not waive the public facility fees.** Public Facility Fees may only be waived where the applicant demonstrates that there is no reasonable nexus between the development and the need for public facilities. The applicant has not provided any evidence to suggest that no nexus exists. Therefore, staff recommends denial of the request to waive public facility fees.

COASTAL CHRISTIAN SCHOOL FEES FOR MODULAR UNIT CONSTRUCTION PERMITS

Permit Number / Building	Permit Fees	Public Facility Fees			Total Fees
		Fire	Govt	Total	
PMT2013-01758 Bldg 11 - 1440 sf	\$3,256.02	\$1,324.80	\$1,962.72	\$3,287.52	\$6,543.54
PMT2013-01833 Bldg 8 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-01834 Bldg 9 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-01921 Bldg 14 - 1440 sf	\$1,633.02	\$1,324.80	\$1,962.72	\$3,287.52	\$4,920.54
PMT2013-01922 Bldg 15 - 1440 sf	\$1,633.02	\$1,324.80	\$1,962.72	\$3,287.52	\$4,920.54
PMT2013-02265 Bldg 16 - 1440 sf	\$1,633.02	\$1,324.80	\$1,962.72	\$3,287.52	\$4,920.54
PMT2013-02266 Bldg 13 - 1440 sf	\$1,633.02	\$1,324.80	\$1,962.72	\$3,287.52	\$4,920.54
PMT2013-02448 Bldg 4 - 480 sf	\$1,167.01	\$441.60	\$654.24	\$1,095.84	\$2,262.85
PMT2013-02464 Bldg 17 - 480 sf	\$1,167.01	\$441.60	\$654.24	\$1,095.84	\$2,262.85
PMT2013-02466 Bldg 5 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02467 Bldg 6 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02468 Bldg 7 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02469 Bldg 1 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02470 Bldg 2 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02471 Bldg 3 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
PMT2013-02472 Bldg 12 - 960 sf	\$1,633.02	\$883.20	\$1,308.48	\$2,191.68	\$3,824.70
[Estimate] Bldg 10 - 1440 sf	\$1,633.02	\$1,324.80	\$1,962.72	\$3,287.52	\$4,920.54
TOTAL	\$28,452.32	\$16,780.80	\$24,861.12	\$41,641.92	\$70,094.24

Construction Permit Fees

The Department of Planning and Building collects fees on each building permit application. The fees are used to offset costs associated with plan checking and inspecting each permit. Fees are set annually when the Board of Supervisors adopts the master fee schedule by ordinance.

Criteria for Waiving Permit Fees

Footnote 4 in the Department of Planning and Building's fee schedule establishes the criteria for when fees may be administratively waived by the Planning and Building Director for land use and construction permits. Fees may be waived administratively, up to \$5,000, when both of the following are true:

(1) **The project will be available for use by the general public.**

"The proposed project will be available for use by the public at large, and it is likely that the project will be used or will benefit more than residents of the immediate vicinity."

(2) **The project will be of obvious public benefit.**

"The project will be of obvious public benefit... [which] may include, but is not limited to:

- (i) The project meets a need previously identified by the Board of Supervisors.*
- (ii) The project replaces another facility that previously provided benefit.*
- (iii) The project provides a facility not presently available in the community.*
- (iv) The project has generated substantial, obvious community support.*
- (v) The project would reduce County costs or increase other County revenues."*

Notwithstanding any of the other provisions of this fee schedule, the Board of Supervisors retains authority to consider other waivers when it considers such requests to be equitable and in the public interest.

Will Coastal Christian School be available for use by the general public?

Staff response: No. Coastal Christian School is a private non-profit K-12 school. The school is funded by collecting tuition. As a private school, Coastal Christian may be selective in their student enrollment. The school's website, for example, states that to be admitted, a student's family must actively participate in a bible-teaching church. Because of the possibility of excluding members of the general public from enrollment, staff concludes that the facility may not be available for the general public's use.

Will Coastal Christian School be of obvious public benefit?

Staff response: Maybe. While it can be argued that any new educational facilities provide an overall public benefit, the benefit may not be considered obvious. Additionally, as addressed above, it is difficult to conclude that the general public as a whole will receive a benefit from the facility. There is no documented need for additional private school facilities in the South County area. The impact of a new private school on public school enrollment and funding is also a consideration.

Conclusion

Coastal Christian School is a private facility that may not necessarily be available for use by the general public. Nonetheless, it is a non-profit organization seeking to construct educational facilities. The project has general community support. Staff, therefore, recommends that the Board of Supervisors waive one-half of the building permit fees, \$14,226.16.

Public Facility Fees

Title 18 of the County Code is the Public Facility Fee Ordinance. This ordinance establishes a fee program to offset increases in demand on public facilities. Facilities funded through this program include fire facilities, sheriff facilities, libraries, parks, and other general governmental buildings. Public facility fees are collected at the time of building permit issuance.

Criteria for Waiving Public Facility Fees

Section 18.06.030 of the Public Facility Fee Ordinance sets the basis for requests to waive public facility fees:

Basis for appeal. The appeal for reduction or adjustment to the fees, or waiver of the fees, shall be based upon the absence of any reasonable relationship or nexus between the impacts of the development project and either the amount of the fee being charged or the type of public facilities to be financed.

Is there a nexus between Coastal Christian School's development and the need for public facilities?

Staff response: Yes. The students and faculty associated with the campus will create new demands on public facilities. The most obvious nexus would be between the school and the public library system, which directly supports both public and private education. The school would also have a proportional impact on fire and sheriff facilities, as these agencies would be tasked with providing fire and police protection to the campus. Impacts to public facilities would occur when the campus starts operation, even if the modular structures composing the campus are temporary.

Could Coastal Christian School qualify for any of the ordinance exemptions for public facility fees?

Staff response: No; however some of the buildings in approved future development phases may qualify for exemption. Section 18.03.020 of the Public Facility Fee Ordinance exempts public assembly buildings from public facility fee payment when the buildings serve a civic or religious purpose and no fee is charged to attend. Coastal Christian School's future development plans include construction of a chapel, gymnasium, and multi-purpose room. These facilities may qualify for exemption as public assembly uses. Determinations on fee exemption would be made at the time the school applies for construction permits for public assembly buildings.

Will Coastal Christian School receive credit for Public Facility Fees paid when they construct the permanent campus?

Staff response: Yes. Public facility fees are charged on the basis of square footage. The modular structures total 18,240 square feet in floor area. The permanent campus would replace these structures with new facilities totaling over 85,000 square feet, some of which may qualify for the public assembly exemption. When the school replaces the modular classrooms, they will be credited with the equivalent of 18,240 square feet in public facility fees, to be applied towards the permanent structures.

Conclusion

The applicant has not demonstrated an absence of relationship between the operation of the Coastal Christian School campus and impacts upon public facilities. Staff therefore recommends that your Board choose not to waive the public facility fees.

OTHER AGENCY INVOLVEMENT

Staff contacted the various agencies that receive funding through the Public Facilities Fee program to seek their opinion on Coastal Christian School's request. The following summarizes the responses received:

<u>Cal Fire / County Fire</u>	No comment provided (as of June 26, 2014).
<u>County Sheriff</u>	No comment provided (as of June 26, 2014).
<u>County Libraries</u>	Requests denial of the public facility fee waiver.
<u>County Parks</u>	Requests denial of the public facility fee waiver.

County Counsel approved the attached resolutions as to form and legal effect.

FINANCIAL CONSIDERATIONS

Building permit fees (\$28,452.32) and public facility fees (\$41,641.92) levied on this project total \$70,094.24. Granting a full waiver would reduce County revenues accordingly. Granting a partial waiver of building permit fees, as recommended by staff, would reduce Planning and Building Department revenues by \$14,226.16. The Planning and Building budget would need to be subsidized from the County General Fund for that amount.

RESULTS

Regardless of whether building permit fees are waived, the Department of Planning and Building will conduct plan checking and inspection activities on all applicable building permits. These activities are normally funded through the payment of permit fees. If permit fees are partially or fully waived, the Department would need to offset demands on staff resources under its operating budget.

Public facility fees are retained in an account and applied towards projects listed in the County's Capital Improvement Plan. If your Board chooses to waive public facility fees for Coastal Christian School, this would result in reduced funding for public facilities, which would need to be made up through the General Fund.

ATTACHMENTS

1. Resolution (Construction Permit Fees)
2. Resolution (Public Facility Fees)
3. Vicinity Map and Graphics
4. Request for Fee Waiver
5. Agency Responses