

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS - LAND USE
WEDNESDAY, MAY 06, 2026**

MINUTE ORDER NO. 4

**SUBJECT: SET A HEARING FOR MAY 20, 2026:
CONSOLIDATED COST RECOVERY PROPOSAL TO ADOPT ORDINANCES
RELATED TO FEES, DEPOSITS, AND HOURLY RATES FOR LAND
DEVELOPMENT, ENVIRONMENTAL HEALTH AND QUALITY, AND
AGRICULTURE, WEIGHTS AND MEASURES EFFECTIVE FISCAL YEAR
2026-27 AND CEQA EXEMPTION (05/06/2026 - FIRST READING; 05/20/2026 -
SECOND READING UNLESS ORDINANCE IS MODIFIED ON SECOND
READING) (DISTRICTS: ALL)**

OVERVIEW

This item requests that the Board of Supervisors adopt a consolidated cost recovery proposal for Fiscal Year (FY) 2026-27 that updates fees, deposits, and hourly billing rates for multiple County departments within the Land Use and Environment Group (LUEG), in accordance with Board Policy B-29: *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery*. The proposed actions ensure the continued delivery of critical regulatory, permitting, inspection, and enforcement services that protect public health and safety, the environment, agricultural viability, and community well-being throughout the region.

The consolidated proposal outlines cost-recovery adjustments for the following:

- (1) Land Development services, administered and overseen by Planning & Development Services (PDS), the Department of Public Works (DPW), and the Department of Parks and Recreation (DPR);
- (2) Environmental health and regulatory programs administered and overseen by the Department of Environmental Health and Quality (DEHQ); and
- (3) Agricultural, consumer protection, and measurement standards services administered and overseen by the Department of Agriculture, Weights and Measures (AWM).

These departments perform extensive permitting, inspection, and regulatory functions essential to public health, environmental protection, infrastructure safety, and consumer confidence.

The recommended fee, deposit, and hourly rate updates reflect costs for staffing, retirement, enterprise services, facilities, technology systems, and supplies. Regular cost-recovery updates ensure predictable funding and minimize reliance on one-time General Fund support. Pursuant to Board Policy B-29 related to full cost recovery, departments regularly review services provided in fee-based programs, and this year the cost recovery proposal includes shifting certain GPR-funded services that directly support those programs to fee-based funding.

Consistent with prior Board direction, the consolidated cost recovery proposal continues certain Board-approved fee waivers and subsidies that advance policy objectives such as housing availability, environmental protection, food security, charitable feeding, agricultural sustainability, and support for non-profit and community-serving organizations. Where proposed fees do not achieve full cost recovery due to these policy decisions, waivers of Board Policy B-29 are requested and identified separately by each department, along with the associated unrecovered costs and funding sources.

Each department also continues to incorporate significant cost containment measures, operational efficiencies, and technology investments to limit fee increases and improve customer service, including expanded online services, electronic plan review and permitting, mobile inspection tools, automated reporting, and streamlined business processes. These efforts have reduced the magnitude of fee increases that would otherwise be required to maintain service levels.

If this cost recovery proposal is not approved, LUEG departments would require one-time alternative County funding to maintain current service levels in the amounts of \$93,751 for AWM, \$1,575,247 for DEHQ, \$1,391,000 for PDS, \$261,000 for DPW, and \$0 for DPR, for a total of \$3,320,998 for all five departments. Without approval and without alternative funding, our customers may see reduced County capacity to perform services beyond mandated service minimum levels, increased processing and complaint response timeframes, decreased community outreach or education aimed at fostering understanding of regulations and thus promoting compliance.

In addition, there may be a cumulative impact on customers, and the changes in future fee updates will be compounded based on the need to cover the increases in this proposal, plus future year budget adjustments. Approval of the recommendations would allow LUEG departments to continue providing quality customer service, comply with mandates, and ensure that fees and hourly rates recover the County's costs where feasible in alignment with Board Policy B-29.

This consolidated Board Letter preserves the distinct recommendations and fiscal impacts of each cost recovery proposal while presenting a single, coordinated item for Board consideration for FY 2026-27. If the Board approves the recommendations below on May 6, 2026 after making the necessary findings, the Board, on May 20, 2026, will be requested to consider and adopt the ordinance amending the County of San Diego Code of Regulatory Ordinances and Administrative Code relating to permit fees and procedures within the LUEG departments, effective FY 2026-27.

Detailed departmental comparisons of current and proposed Fee and Hourly Rate Adjustments can be found in the following appendices: Land Development (Attachment E), DEHQ (Attachment K), and AWM (Attachment Q).

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

On May 6, 2026:

1. Find in accordance with Section 15273(a) of the California Environmental Quality Act (CEQA) Guidelines that the proposed changes to existing fees are exempt from CEQA. Approve the findings in Attachments D, J and P pursuant to CEQA Guidelines Section 15273(a).
2. Waive Board Policy B-29: Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery for fees for:
 - a. Land Development: Relating to appeals, rebuilding structures damaged or destroyed by a natural disaster, plan review and building fees for the Green Building Incentive Program, permit fees associated with the Political Campaign Signage program, abatement fees associated with the Graffiti Abatement program, and permit fees associated with the Urban Agriculture Incentive Zone program in Planning & Development Services.

- b. DEHQ: Relating to food, body art, massage, organized camps, State small water system and hazardous materials program fees, and reduced or waived fees relating to non-profit organization temporary event permits and fee waiver for charitable feeding permits and veteran food facility businesses.
 - c. AWM: Relating to the Agricultural Export, Certified Farmers' Market, and Industrial Hemp Cultivation Programs.
- 3. Find that the adjustments in fees and changes contained in the proposed DEHQ Ordinance are necessary to meet operations in Fiscal Year 2026-27:
 ORDINANCE AMENDING THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES TO ADJUST DEPARTMENT OF ENVIRONMENTAL HEALTH AND QUALITY REGULATORY PROGRAM FEES AND ASSOCIATED ORDINANCE REVISIONS (ATTACHMENT H)
- 4. Approve the introduction of the Ordinances (first reading):
 - a. ORDINANCE AMENDING PORTIONS OF THE ADMINISTRATIVE CODE RELATING TO FEES AND DEPOSITS FOR THE DEPARTMENTS OF PLANNING & DEVELOPMENT SERVICES, PUBLIC WORKS, AND PARKS AND RECREATION (Attachment B)
 - b. ORDINANCE AMENDING THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES TO ADJUST DEPARTMENT OF ENVIRONMENTAL HEALTH AND QUALITY REGULATORY PROGRAM FEES AND ASSOCIATED ORDINANCE REVISIONS (ATTACHMENT H)
 - c. ORDINANCE AMENDING SECTION 364.3 OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE, RELATING TO FEES CHARGED BY THE DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES (Attachment N)
- 5. Set a hearing for May 20, 2026 for consideration and adoption of an Ordinance amending the San Diego County Administrative and Regulatory Code relating to AWM, DEHQ, and Land Development fees, deposits, and hourly rates.

If, on May 6, 2026, the Board takes action as requested in Recommendations 1 through 5 above then, on May 20, 2026:

- 1. Consider and adopt the ordinances amending the San Diego County Administrative and Regulatory Code relating to land development fees, deposits, and hourly rates.
 - a. ORDINANCE AMENDING PORTIONS OF THE ADMINISTRATIVE CODE RELATING TO FEES AND DEPOSITS FOR THE DEPARTMENTS OF PLANNING & DEVELOPMENT SERVICES, PUBLIC WORKS, AND PARKS AND RECREATION
 - b. ORDINANCE AMENDING THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES TO ADJUST DEPARTMENT OF ENVIRONMENTAL HEALTH AND QUALITY REGULATORY PROGRAM FEES AND ASSOCIATED ORDINANCE REVISIONS

c. ORDINANCE AMENDING SECTION 364.3 OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE, RELATING TO FEES CHARGED BY THE DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES

EQUITY IMPACT STATEMENT

The County of San Diego (County) strives to preserve, enhance, and promote quality of life, health and safety, sustainability, equity, and environmental resources through the implementation of programs and services that enhance the community by increasing the well-being of residents and the environment while simultaneously complying with mandatory federal, state, and local regulations. All County Departments used County-approved methodologies to ensure all direct and indirect costs are fully recovered.

SUSTAINABILITY IMPACT STATEMENT

The Departments’ proposed amendments to the hourly billing rates, fees, and deposits for services that are provided to the public will cover the full cost of services for the department’s internal operations. The hourly billing rate, fee, and deposit changes are a result of the cumulative increase of the cost drivers such as salaries and benefits, services, supplies, and associated departmental and countywide costs. The adjustments to the fees are based on available expenditure and revenue data, time studies, and service counts. Sustainability means efficiently using and effectively protecting natural resources, balancing economic growth, and ensuring just and equitable provision of public services, without compromising the ability of future generations to also flourish and thrive. The proposed actions support the County of San Diego’s Strategic Initiative of Sustainability to align the County’s available resources with services to maintain fiscal stability and that promote economic stability.

FISCAL IMPACT

Land Development:

The proposed increases to fees will be included in the Fiscal Year (FY) 2026-27 CAO Recommended Operational Plan in Planning & Development Services (PDS), Department of Public Works (DPW), and Department of Parks and Recreation (DPR). If approved, the proposed fee and deposit adjustments will result in additional estimated costs and revenue of \$1,391,000 in PDS, \$261,000 in DPW, and \$0 in DPR, effective FY 2026- 27, for a total amount of \$1,652,000. The funding source is fees paid by privately initiated land development projects and building permit applicants. There will be no change in net General Fund cost and no additional staff years.

Additionally, a waiver of Board of Supervisors (Board) Policy B-29 is requested to continue Board-directed fee waivers as part of approximately \$1,380,000, funded by existing and one-time General Purpose Revenue in PDS related to appeals, fees for rebuilding structures damaged or destroyed by a natural disaster, plan review and building fees for the Green Building Incentive Program, permit fees associated with the Urban Agricultural Incentive Zone program, fees associated with political signage permits, and abatement fees associated with graffiti removal. These programs encourage health, safety, sustainability, and housing availability in the unincorporated region.

Department of Environmental Health and Quality (DEHQ)

The proposed increases to fees will be included in the Fiscal Year (FY) 2026-27 CAO Recommended Operational Plan in the Department of Environmental Health and Quality (DEHQ).

If approved, the overall proposed fee adjustments will result in additional estimated costs and revenue of \$1,575,247 in DEHQ effective FY 2026-27. The funding source is fees paid by DEHQ customers. There will be no change in net General Fund cost and no additional staff years.

A waiver of Board Policy B-29 is requested because the proposed fees do not cover all operating costs in the food, body art, massage, organized camps, state small water systems, and hazardous materials program fees. The total unrecovered cost, per Board Policy B-29, for permit fees that are not full cost recovery is \$1,223,492, and if approved, will be funded with \$643,531 in restricted General Fund fund balance, \$50,600 in 1991 Health Realignment revenue, and \$529,361 from the Environmental Health Trust Fund.

Additionally, a waiver of Board Policy B-29 is requested to continue to implement Board direction to reduce fees for temporary event permits requested by non-profit organizations and fee waiver for charitable feeding permits, as well as the state-mandated Veteran's fee waiver. These fee waivers benefit communities by enabling non-profit organizations to plan more events or further serve the community by allowing their limited budgets to go further. If these operators are not able to pay an annual permit or registration fee, this could impact their ability to provide food to those in need. The total unrecovered cost per Board Policy B-29 for these fee waivers is approximately \$515,277 in DEHQ for FY 2026-27, and if approved, will be funded with existing General Purpose Revenue in DEHQ. Inclusive of all funding sources and programs, the total unrecovered cost per Board Policy B-29 for DEHQ in FY 2026-27 is \$1,738,769.

Agriculture, Weights and Measures (AWM)

The proposed increases to fees will be included in the Fiscal Year (FY) 2026-27 CAO Recommended Operational Plan in Agriculture, Weights and Measures (AWM). If approved, the proposed adjustments will result in additional costs and revenue of \$93,751 in FY 2026-27 in Agricultural Export, Certified Farmers' Market, Industrial Hemp Cultivation, Hazardous Materials Inventory, Price Accuracy, and Weights and Measures Devices programs. The funding source is fees paid by AWM customers. There will be no change in net General Fund costs and no additional staff years.

Additionally, a waiver of Board Policy B-29 is requested since the proposed fees for Agricultural Export, Certified Farmers' Market, and Industrial Hemp Cultivation do not cover all operating costs. The total unrecovered cost per Board Policy B-29 for FY 2026-27 is approximately \$149,591 and if approved, these programs will be partially funded with existing General Purpose Revenue (GPR) in AWM. The existing GPR support serves as required matching funds for State supplemental funding and is consistent with the Board's commitment and support for agriculture in the region, as stated in Board Policy I-133: *Support and Encouragement of Farming in San Diego County*. AWM will return to the Board with any future necessary fee adjustments, including identification of any unrecovered costs and funding reductions. There will be no additional staff years.

In future fiscal years, LUEG departments will return to the Board to identify any unrecovered costs and funding sources.

BUSINESS IMPACT STATEMENT

These recommendations would enable the Department of Planning and Development Services, Department of Public Works, Department of Parks and Recreation, Department of Environmental Health and Quality, and Department of Agriculture Weights and Measures to continue to align fees to the actual costs of services provided to fee payers in each fee category. These fees allow these departments to continue to meet program objectives, provide a level of service expected by stakeholders and customers, and fully recover costs.

ACTION:

This item was withdrawn at the request of the Chief Administrative Officer and will be agendized for the May 20, 2026 session.

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter