



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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First District

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Second District

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Third District

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Fourth District

JIM DESMOND
Fifth District

DATE: May 6, 2026

04

TO: Board of Supervisors

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

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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.

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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)

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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

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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.

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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

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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.

ADVISORY BOARD STATEMENT

The Department of Environmental Health and Quality (DEHQ) planned to present its Cost Recovery Proposal to the Environmental Health and Quality Advisory Board on April 15, however, due to lack of quorum, the meeting was cancelled to ensure compliance with Brown Act requirements.

BACKGROUND

The County of San Diego (County) is committed to providing regionwide and unincorporated services that protect public health, safety, and quality of life. Planning & Development Services (PDS), the Department of Public Works (DPW), the Department of Parks and Recreation (DPR), the Department of Environmental Health and Quality (DEHQ), the Department of Agriculture, Weights and Measures (AWM) all implement essential programs in both the unincorporated area ranging from land use planning, building permitting, infrastructure maintenance, and environmental protection to also including incorporated city jurisdictions providing park operations, permitting and inspecting food facilities, managing hazardous materials and waste, habitat stewardship, consumer protection, and agricultural regulation. Many of these services are supported by fees that help ensure timely, reliable, and customer-focused delivery. Together, these departments balance community needs, sustainability, and equity to enhance the well-being of residents and the environment. They provide services that vary widely in scope and complexity and serve a diverse set of customers across the region.

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Board of Supervisors (Board) Policy B-29: *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery* (Board Policy B-29) directs departments to recover the full cost of services that the department provides to agencies or individuals. Under Board Policy B-29, an entity or individual is responsible for all costs associated with services provided by the department to ensure those agencies or individuals benefiting from the services pay for those services, rather than the public. Exceptions require specific Board approval.

The cost recovery proposal reflects known costs as accurately as possible to ensure full cost recovery and continue delivering programs and services to customers and the communities. Regular cost recovery updates allow the Departments to recuperate costs in a consistent and predictable manner without having to request County-provided one-time funding, while also providing stakeholders with an opportunity to plan for smaller, more manageable fee increases as stakeholders have requested. Departments regularly review services provided in fee-based programs and this year to leverage all available resources, the cost recovery proposal includes shifting portions of GPR-funded services to fee-based models and program revenue.

Land Development Cost Recovery Package

PDS, DPW, and DPR (collectively “the Land Development departments”) balance community, sustainability, and equity to enhance the quality of life and well-being for our residents and our environment in unincorporated areas of the region. The Land Development departments provide services that range in diversity and complexity and serve a wide variety of customers.

As part of the permits and associated fees, the Land Development departments provide services including environmental review through discretionary (not “by right”) permitting, which can be approved by the PDS Director, the Zoning Administrator, the Planning Commission, or the Board of Supervisors (Board) if the projects meet certain criteria. Examples include lot splits, major residential subdivisions, commercial development, and conditionally permitted uses, such as a wireless telecommunication facility or a renewable energy facility in an agricultural or residential zone. Services also include health and safety inspections of homes, and inspection of public infrastructure, such as utilities, roads, parks, and trails constructed by private developers or other agencies. The review of privately initiated land development and building permit applications ensures the safe design and construction of structures and infrastructure to protect the public. Overall, the Land Development departments work in communities in the unincorporated area, conducting more than 35,000 inspections and processing more than 10,000 land development permits annually.

As part of this fee proposal, the Land Development departments evaluated 153 fees and propose to increase 140 fees and decrease 6 fees. Additionally, 7 fees are proposed not to change. The Departments evaluated 110 intake deposits and added 1 new intake deposit. The Departments

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propose to increase 104 deposits, decrease 3 deposits, and 3 intake deposits are not proposed to change. This will generate a total amount of \$1,652,000 in additional revenue next fiscal year.

For PDS, the proposed average flat fee increase requested in this cost recovery proposal is equivalent to a 3.5% increase, the average intake deposit change is a 3.9% increase, and the average hourly rate change is a 3.3% increase and results in additional costs and revenue of \$1,391,000 in FY 2026-27.

For DPW, the proposed average flat fee increase requested is equivalent to a 4.2% increase, the average intake deposit change is a 2.7% increase, and the average hourly rate change is an 3.7% increase and result in additional costs and revenue of \$261,000 in FY 2026-27.

DPR does not use fees or deposits and is only proposing to update its hourly rates; the proposed average hourly rate change is proposed not to change. A detailed summary of all fee adjustments for Land Development is included in Attachments E.

Approximately 80% of the department's costs are fixed, such as salary and benefits, retirement contributions, enterprise-wide services, and facilities, while 20% of the department's costs are determined by the department based on operational needs, such as services and supplies.

Recognizing that many customers are incurring rising costs, the Land Development departments continue to focus on cost containment through innovation, efficiencies, and streamlining so that those savings can be applied where possible. The Land Development departments have worked to contain costs and have applied approximately \$2,900,000 in operational cost containment from streamlining measures or efficiencies. PDS has implemented cost containment programs, such as online payments, electronic approvals, expansion of online permit applications, text message building inspection management, and utilization of a mobile field inspection application. DPW has implemented tools that automate work previously done manually, such as reports and stormwater inspection scheduling, self-service tools, and a mobile inspection application. For PDS, without this cost containment, building fees would have needed to increase an additional 7.6%, and planning and land development hourly rates would have increased an additional 3.7% on average. For DPW, the average intake deposit would have increased an additional 4.5%, and land development hourly rates would have increased an additional 5.9% on average without cost containment efforts.

A waiver of Board Policy B-29 is requested in PDS for appeal fees, fees for rebuilding structures damaged or destroyed by a natural disaster, plan review and permit 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 Urban Agriculture Incentive Zone program in the total amount of approximately \$1,380,000 for

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the Fiscal Year 2026-27. These programs waive various permit fees to reduce barriers for all customers. These costs will be funded by existing and one-time General Purpose Revenue. The Board has previously directed these fees to be waived to facilitate access to the appeal process, to assist homeowners impacted by natural disasters, and to strengthen support and promotion of sustainable building practices, additional housing units, and agricultural tourism.

Department of Environmental Health and Quality (DEHQ) Cost Recovery Package

DEHQ consists of over 40 programs that prevent disease, promote environmental responsibility, and enforce environmental and public health laws. DEHQ operates environmental health programs that regulate restaurants, public swimming pools, body art, substandard housing, septic systems, water wells, and hazardous materials. DEHQ oversees the state cleanup of methamphetamine and fentanyl contaminated properties, monitors beach and bay water quality and reduces the risk of disease transmitted by mosquitoes and other vectors. In addition, DEHQ serves as the Certified Unified Program Agency (CUPA) for hazardous materials and hazardous waste, Solid Waste Local Enforcement Agency (LEA), and is delegated the duties to implement and enforce the powers of a mosquito abatement and vector control district.

DEHQ works in communities across the county, conducting more than 70,000 inspections annually, including oversight of over 15,000 food facilities and 15,000 businesses with hazardous materials. Through these services, DEHQ balances environmental, community, and economic interests to enhance the quality of life for residents and visitors.

As part of this fee proposal, DEHQ evaluated 233 fees, hourly rates, and deposits, and proposes to increase 117 fees, decrease four fees, delete one fee, add one new fee and modify four fees by adjusting the fee structure. Additionally, 112 fees are proposed not to change. The fee adjustments in this proposal will generate \$1,575,247 in additional revenue next fiscal year, equivalent to a 3.2% increase on average per fee. The increase includes additional estimated costs and revenue of \$995,193 in the food program, \$191,394 in the water program, \$172,961 in the housing program, \$215,339 in the hazardous materials program and \$360 in the radiological health program and services in the vector laboratory, effective FY 2026-27. This fee package includes the continuing of the fee waivers for Non-profit Temporary Event and Charitable Feed Organizations, as well as the state-mandated Veteran’s fee waiver.

Approximately 86% of DEHQ’s costs are fixed, such as salary and benefits, retirement contributions, enterprise-wide services, and facilities, while 14% of the department’s costs are determined by the department based on operational needs, such as services and supplies.

DEHQ continues to focus on cost containment through innovation, efficiencies, and streamlining processes to apply cost containment where possible. Since FY 2024-25, DEHQ has applied \$226,089 new savings from cost containment measures such as consolidating office space,

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developing plan check submittal templates for mobile food facilities and for swimming pool facilities, implementing platforms allowing first responders to easily view facility data, process improvements, developing data dashboard to easily analyze large amounts of data, creating IT solutions to streamline data tracking and reporting, consolidated IT inventories and charges, and removing underutilized technology devices.

The practice of continuous improvement, implementing operational efficiencies, and prioritizing resources has positioned DEHQ to respond to evolving program and regulatory changes. In addition to the efforts made in current year, DEHQ has \$1,163,524 in ongoing operational cost containment from efficiencies or streamlining measures implemented since FY 2016-17. The efficiencies applied include combining prior year efforts, along with the efficiencies implemented this year. DEHQ has been able to apply a total of \$1,389,613 in savings from all cost containment measures to this proposal, reducing costs by 3.3%.

A waiver of Board Policy B-29 is requested for food, body art, massage, organized camps, state small water systems, and hazardous materials program fees because the proposed fees do not cover all operating costs. Historically the County has maintained a DEHQ restricted fund balance in the General Fund per Board direction (February 24, 2004 (23)). This allows for the designation of any revenue over cost each fiscal year to be used in subsequent fiscal years if needed. State law restricts the use of these funds only to the programs that the funds were generated from. Every year DEHQ analyzes the program cost and evaluates if the funds should be used to offset certain program costs. DEHQ is proposing to use \$1,223,492 in one-time restricted departmental funding to limit the fee increases and provide continued relief for businesses still impacted from the current economic conditions in the food, body art, massage, organized camps, state small water system, and hazardous materials programs. The \$1,223,492 one-time restricted departmental funding includes \$643,531 in restricted General Fund fund balance, \$50,600 in 1991 Health Realignment revenue, and \$529,361 from the Environmental Health Trust Fund. This use of available funding will benefit nearly 48,000 customers and help reduce costs by 2.9%. Without cost containment efforts (3.3%) and use of one-time department funding (2.9%), fees would need to increase an additional 6.2%. Details are outlined in Attachment G.

The Board has taken action to support non-profit organizations by exempting (May 8, 1984 (38)) or reducing permit fees (April 4, 2001 (21)) for operating food facilities, public housing and pools, and temporary events, funded with existing General Purpose Revenue. The non-profit organization permit fee waivers and fee reductions have been very successful, with applicants expressing gratitude for the fee waiver, enabling their budgets to go further in the work that they do in the community. DEHQ's proposed fee package continues fee waivers for Non-profit Temporary Event and Charitable Feeding Organizations, as well as the state-mandated Veteran's fee waiver.

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Department of Agriculture, Weights and Measures (AWM) Cost Recovery Package

AWM provides services that support public health and safety, a resilient food supply, agricultural trade, consumer confidence, and a sustainable environment for the region. Through these services, the County balances community, economic, and environmental interests to enhance the quality of life for residents and visitors.

AWM has over 30 diverse programs that conduct over 350,000 inspections annually regionwide. Fee-related programs ensure the acceptance of about 10,000 agricultural export shipments at destination, the integrity of produce sold at 40 Certified Farmers' Markets, and the verification of price accuracy at over 4,500 different retail locations.

AWM evaluated 77 fees for this cost recovery proposal and proposes to increase 26 fees and leave 51 fees unchanged. Of the 51 unchanged fees, 44 are capped by the State, 38 of which are related to the Weights and Measures device annual registration and six are for pesticide regulation annual business registration. The remaining seven of the 51 unchanged fees, five are infrequently requested by customers and two were offset by operational efficiencies.

After completing the annual review process, the average proposed adjustment per fee is \$5 or 3.3%. Fees associated with the Agricultural Export, Certified Farmers' Market, Industrial Hemp Cultivation, Hazardous Materials Inventory, Price Accuracy, and Weights and Measures Devices Programs will have increases and result in additional costs and revenue of \$93,751 in FY 2026-27. A detailed summary of fee adjustments is included in Attachment M.

Approximately 87% of AWM's costs are fixed, such as salary and benefits, retirement contributions, enterprise-wide services, and facilities, while 13% of the department's costs are based on operational needs, such as services, supplies, and equipment.

AWM continues to seek opportunities to contain costs where possible through efficiency gains that leverage technology to streamline operations, improve customer service, and increase regulatory compliance. Over the last seven fiscal years, we have delivered about \$750,000 in cost containment directly reducing pressure on fee-supported programs. Without these ongoing efficiencies, current fees would be 4% or \$5 higher than they are currently. AWM is continuing to build on this momentum and planned efficiencies for FY 2026-27 are expected to generate \$32,000 in cost containment for fee-based programs. Examples of these efficiencies include new digital workflows, staff realignment, and focused process redesign. Without these efficiencies, the proposed fees would be roughly on average 1.3% or \$3 higher.

A waiver of Board of Supervisors (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

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approximately \$149,591, and if approved, these programs will be partially funded with existing General Purpose Revenue (GPR) in AWM. The County 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*.

Impacts If Cost Recovery Proposal Is Not Approved

If this cost recovery proposal is not approved, LUEG departments would require one time alternative County funding in the amount 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 to maintain current service levels. 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, and/or 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.

Fee Development Process

The methodology used to develop fees for the LUEG Departments is an approach that is consistent across the County enterprise and followed by other groups with fees, such as Health and Human Services Agency and the Public Safety Group. The LUEG departments all analyzed their respective programs, including a review of State mandates, program operations, inspection frequencies, services levels, and how Departments fees compare to other jurisdictions. The fee development process combines a determination of the staff time required to provide specific regulatory program, services and a determination of the hourly rate that will recover County costs for those services. Determining time requirements begins with an evaluation of current legal requirements for mandated service levels and new requirements. The next step consists of evaluating the impact of process improvements on time requirements. Time studies were used as the basis for determining the actual time each job classification spends to provide the service. This information, as well as forecasted changes in the services was used to determine workload and associated staffing needs.

The hourly rate is the foundation of how the County enterprise recover costs for their services. The hourly rate is comprised of many components, including the labor rate paid to staff, their benefit costs, equipment and supply costs, and a share of the administrative costs of the department and the County, such as services provided by County Counsel and the Department of Human

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Resources. The hourly rates for the Departments were then used to calculate each fee or deposit based on the number of actual hours of documented time required by staff to perform each service.

The Auditor and Controller has reviewed and approved the methodology and supporting documentation used to determine the proposed hourly rates, fees, and deposits in this proposal. The Auditor and Controller found that the methodology used is consistent with Board Policy B-29 and in conformance with existing cost policies and procedures.

Customer/Stakeholder Engagement

The Departments continue to value their collaboration with customers and stakeholders to promote human health and safety, consumer confidence, a diverse regulated community, and a sustainable environment. Each Department is committed to transparency and ensuring access to available services. This action is done through various outreach documents and website information in preferred languages and provides translation services to customers who need language access. To promote stakeholder engagement, all departments sent informational workshop notices with language access options to all known impacted customers through their websites, included in email through GovDelivery notifications to thousands of stakeholders for businesses or members of the public to submit comments, feedback, or ask questions.

Land Development Departments held eight outreach events in March and April 2026 with representatives from, but not exclusive, to the Building Industry Association, Commercial Real Estate Development Association, North County Civil Engineers & Land Surveyors Association, PDS User Groups, Private Development Construction Industry Group, the Environmental Coalition, Community Planning/Sponsor Group Chairs, Endangered Habitats League, Farm Bureau, and Building Owners and Manager Association Government Affairs Committee (Attachment F). Customers appreciated the operational efficiencies that the Land Development Departments implements to mitigate cost increases and understood the need for the cost recovery proposal but expressed concerns about current economic conditions. They expressed a desire for conversion from deposits to flat fees where possible.

DEHQ stakeholder engagement included reaching out to nearly 4432,000 customers, stakeholders and professionals using various different methods. DEHQ held a total of 165 outreach events with translation services available, held in March and April 2026, which included stakeholders such as DEHQ permittees across all the programs that were impacted by fee changes, the local chapter of the California Restaurant Association, Biocom, Industrial Environmental Association, and the San Diego County Disposal Association. A list of stakeholder meetings as of April 22, 2026, is included in Attachment L. Stakeholder feedback during community engagement included an appreciation for DEHQ's services that protect the environmental and public health of the community and the continuous effort to pursue innovation, contain costs through program improvements and improve service delivery, such as maintaining a 30-day review time guarantee

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in our septic program. Stakeholders expressed an understanding of the need for the cost recovery proposal, and a continued desire for regular cost recovery analysis and updates.

AWM held a total of six outreach events, with translation services available, in March and April 2026, for the San Diego County Farm Bureau representatives, farmers, ornamental nursery growers, agricultural exporters, Certified Farmers Market operators, Certified Producers, industrial hemp cultivators, retail businesses using point-of-sale stations, and businesses that request inspections of commercial and non-commercial weights and measures devices (Attachment R). The agricultural customers appreciated the operational efficiencies that AWM implements to mitigate cost increases and understood the need for the cost recovery proposal but expressed concerns about current economic conditions and a general aversion to any cost increases. They expressed that the economic uncertainties and cost increases for their operational inputs such as water and other supplies are creating operational challenges and that any cost increases present impacts on their businesses. No concerns were raised by Price Accuracy and Weights and Measures Device customers during the outreach.

The proposed adjustments for permit fees, deposits, and hourly rates resulted from a comprehensive review. These proposals create service and funding levels that will allow LUEG departments to continue to balance community, economic, and environmental interests to enhance the health, safety, and quality of life in the San Diego region. Approval of the recommendations will allow LUEG departments to provide services to its customers, comply with state mandates, and ensure that fees, deposits, and hourly rates recover the County's costs where feasible in alignment with Board Policy B-29.

ENVIRONMENTAL STATEMENT

The proposed project is exempt under California Environmental Quality Act (CEQA) Section 15273(a) of the CEQA Guidelines because it proposes fee adjustments that will fund the enforcement of environmental laws in San Diego County. As stated under statutory exemption 15273(a), CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates by public agencies which the public agency finds are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits as described in the Environmental Findings required under CEQA, included in Attachments D, J and P.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Sustainability, Community, and Equity Strategic Initiatives in the County of San Diego's 2026-31 Strategic Plan by allowing the Land Use and Environment Group Departments to continue providing services that support community public health and safety; a resilient food supply, agricultural trade, enhanced consumer confidence; and a sustainable environment for the region. Aligning services to available resources to maintain fiscal stability is ensured through achieving full cost recovery for services provided to external customers where feasible, as directed in Board of Supervisors Policy B-29: Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery.

Respectfully submitted,



DAHVIA LYNCH
Deputy Chief Administrative Officer

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ATTACHMENT(S)

Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

LAND DEVELOPMENT

Attachment A: Department Fee Analysis & Description

Attachment B: 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 (*Clean*)

Attachment C: 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 (*Strikeout/Underline*)

Attachment D: CEQA Findings

Attachment E: Comparison of Current and Proposed Fees and Deposits

Attachment F: Summary of Stakeholder Outreach

DEHQ

Attachment G: Department Fee Analysis & Description

Attachment H: 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 (*Clean*)

Attachment I: 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 (*Strikeout/Underline*)

Attachment J: CEQA Findings

Attachment K: Comparison of Current and Proposed Fees and Deposits

Attachment L: Summary of Stakeholder Outreach

AWM

Attachment M: Department Fee Analysis & Description

Attachment N: Ordinance Amending Section 364.3 of the San Diego County Administrative Code, Relating to Fees Charged by the Department of Agriculture, Weights and Measures (*Clean*)

Attachment O: Ordinance Amending Section 364.3 of the San Diego County Administrative Code, Relating to Fees Charged by the Department of Agriculture, Weights and Measures (*Strikeout/Underline*)

Attachment P: CEQA Findings

Attachment Q: Comparison of Current and Proposed Fees

Attachment R: Summary of Stakeholder Outreach