



Memo

To: Danai Zaire, City Planner
From: Nicole Kissam, NBS Director; Lauren Guido, NBS Consultant
Cc: Hagu Solomon-Cary, Principal City Planner; Ken Bernstein, Principal City Planner; Ly Lam, Senior Management Analyst II
Date: January 24, 2024
Re: **Proposed LACP Fee Schedule Updates**

We have completed our analysis and recommendations for several fees proposed to be added and/or modified on LACP's fee schedule for Urban Design Studio services. The following provides a brief overview of the project and recommendations for the Department's review and eventual adoption by the Planning and Land Use Committee (PLUM) and City Council.

Overview

LACP's Urban Design Studio requested an analysis of fees to be adopted in tandem with the Landscape and Site Design Ordinance. The Ordinance establishes certain regulatory and approval processes, and the proposed fees would recover the city's costs to process approvals accordingly.

We have worked together with LACP on fee studies and fee program update projects since 2011, which provides us with thorough knowledge of relevant City policies, procedures, and practices pertaining to fees and cost recovery. Over the years, we have completed multiple courses of comprehensive Department-wide fee analysis for all LACP fees and charges, as well as several targeted studies of specific regulatory fee programs.

Approach and Methodology

User and/or regulatory fees represent cost recovery opportunities entirely within the City's control: revenues, which the City Council may, at its sole discretion upon public hearing, implement and/or modify without further public process or approval. The only legal limitation on the establishment of these fees is that they may not exceed the estimated and reasonable costs incurred to provide the service or perform the function for which the fee is charged.¹ A fee study identifies the total costs of providing services and translates those costs into a customized fee schedule. The cost analysis substantiates

¹ Per Article XIII C of the California Constitution as well as Government Code Section 66014 (a)

the 100% cost recovery level of each individual fee, and City Council ultimately decides whether to adopt each fee at 100% of the total cost of service, or less, depending on local policy considerations.

Working together with LACP staff, we followed a series of industry standard steps to establish and/or update fees for service. In general, we relied on the fee model format, hourly rate calculations, and data inputs from the most recent department-wide fee study completed by NBS for LACP. The Fee Ordinance that adopted the results of the fee study became effective on December 27, 2021, and established a fully burdened cost per hour of \$199. This hourly rate incorporates all applicable direct and indirect costs of providing LACP services. The city has modified the Fee Ordinance periodically, to add several new fees aligning with process and regulatory changes, as well as inflationary adjustments. The most recently adopted Fee Ordinance, No. 188063, increased the fully burdened cost per hour to \$209 and is effective February 10, 2024. Therefore, the cost per hour of \$209 is applied in this analysis toward establishing the total cost of service for each recommended fee.

Fee Proposal

The fee proposal includes one new fee and revision of an existing fee.

New Fee: A single new fee category for Administrative Review - Landscape and Site Design Approval and Verification (Section 12.40) is appropriate to recover processing costs associated with by-right and discretionary projects. This new fee category would be added to Fee Ordinance Section 19.04, Fees for Sign-Off Requests. LACP staff stated that the process for the creation of this administrative review case and the review of the new point system under the proposed Landscape and Site Design Ordinance requires approximately two hours of staff time, on average. The total cost of service calculation for the proposed fee is \$418, or two hours of LACP staff time at \$209 per hour. This is the maximum fixed fee amount that could be adopted by the City Council for this service.

Revised Existing Fee: LACP proposed to change the name of existing fee in Section 19.04 called “Landscape Plan Approval as part of a Discretionary Approval” to “Landscape Plan Approval – as part of a Subdivision.” The change aligns the purpose of this fee with the Landscape and Site Design Ordinance’s processes. Projects involving tract maps require more effort than by-right or discretionary projects. LACP staff reviewed the original assumptions regarding processing time used to establish the original fee, at 4.8 hours, and agreed this still reflects the average requirement for providing this service. No change is recommended to the amount of this fee listed as \$1,005.

Next Steps

NBS worked with LACP staff to calculate the maximum full cost of service fee amounts for consideration and adoption. LACP staff will provide an initial proposal of recommended fee amounts, either at or below the full cost of service amount, for PLUM and City Council’s review and adoption.