



COUNTY OF SAN DIEGO

2021 APR -2 AM 8:01

CLERK OF THE BOARD
OF SUPERVISORS

JOEL ANDERSON
SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: April 6, 2021

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TO: Board of Supervisors

SUBJECT

**PREVENTING COUNTY FEE INCREASES AND EXTENDING FEE DEFERRALS
DURING THE ONGOING COVID-19 PANDEMIC (DISTRICTS: ALL)**

OVERVIEW

In response to the global COVID-19 pandemic, the County took several actions to provide relief to small businesses adversely impacted by the pandemic. These actions included the immediate deferral of various fees paid to County departments for activities related to the issuance of food facility annual health permits, plan checks and late fees. Additional action was taken to alter business processes and included fee and lease waivers and deferrals, ordinance amendments, new programs, and extended services to further assist to local businesses.

Based on Board direction, several County departments postponed planned fee increases during the pandemic, covering budget shortfalls by using reserves and other funding sources such as General Fund fund balance. In an effort to comply with Board Policy B-29 – *Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery*, several County departments in the Land Use and Environment Group have recently proposed increases to various program and activity fees. The proposed actions would increase fees for programs and activities involving the following departments: Planning & Development Services, the Department of Public Works, the Department of Parks and Recreation, the Department of Environmental Health and Quality, and the Department of Agriculture, Weights and Measures.

Although the San Diego region recently returned to the less restrictive Red Tier and is starting to demonstrate signs of economic recovery, San Diego's business community has only begun its recovery from the global COVID-19 pandemic. The Board has committed to assisting businesses by approving the use of \$30 million to provide stimulus grants to small businesses. Increasing fees at this time would counter the Board's objectives and could threaten the region's economic recovery efforts.

In recognizing the adverse impacts that additional costs would have on the region's economy, the San Diego County Taxpayers Association recently announced its opposition to the imposition of any new taxes or fees by any local agency until the economy returns to pre-COVID-19 levels.

SUBJECT: PREVENTING ANY COUNTY FEE INCREASES DURING THE ONGOING COVID-19 PANDEMIC (DISTRICTS: ALL)

The federal government recently enacted the \$1.9 trillion American Rescue Plan (ARP) Act stimulus package to assist Americans with their continued recovery from the global pandemic. The County of San Diego anticipates receiving approximately \$647.5 million in ARP funds. Although the County is awaiting additional guidance from the federal government concerning the use of these funds, they could serve as a potential source to cover revenue gaps in departmental budgets for the next fiscal year.

As a result of this federal assistance and recognition that the economic recovery is still in its initial stages, I am proposing that the County not move forward with the planned imposition of the fee increases proposed for FY 2021-22 and investigate the use of ARP funds to cover any projected departmental shortfalls. I am also proposing that the County extend the option for our customers to defer until September 30, 2021, the payment of fees for the deferral programs that expired on March 31, 2021.

RECOMMENDATION(S)

SUPERVISOR JOEL ANDERSON

- 1) Direct the Chief Administrative Officer to not move forward with the proposed FY 2021-22 fee, deposit and hourly rates increases for programs and activities related to the following departments: Planning & Development Services, the Department of Public Works, the Department of Parks and Recreation, the Department of Environmental Health and Quality, and the Department of Agriculture, Weights and Measures (Items number 2, 3, and 4 on the Land Use Agenda of the Board of Supervisors for April 7 and May 5).
- 2) Direct the Chief Administrative Officer to extend the option for County customers to defer until September 30, 2021, the payment of fees for the deferral programs that expired on March 31, 2021.
- 3) Direct the Chief Administrative Officer to allocate funding from the American Rescue Plan Act to fund the budget shortfalls associated with the proposed FY 2021-22 fee increases for the following departments: Planning & Development Services, the Department of Public Works, the Department of Parks and Recreation, the Department of Environmental Health and Quality, and the Department of Agriculture, Weights and Measures and also any operating budget shortfalls for departments from the deferral of payments extended until September 30, 2021.

FISCAL IMPACT

The Fiscal Year 2021-22 fee, deposit and hourly rates proposed on the April 7 and May 5 Land Use Agenda of the Board of Supervisors by the departments of Planning & Development Services, the Department of Public Works, the Department of Parks and Recreation, the Department of Environmental Health and Quality, and the Department of Agriculture, Weights and Measures equate to \$1,988,699.

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BUSINESS IMPACT STATEMENT

Postponing proposed fee increases will have a positive impact on San Diego's business community and assist with the region's continued economic recovery.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

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Based on Board direction, several County departments postponed planned fee increases during the pandemic, covering budget shortfalls by using reserves and other funding sources such as General Fund fund balance. In an effort to comply with Board Policy B-29 – *Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery*, several County departments in the Land Use and Environment Group have recently proposed increases to various program and activity fees. The proposed actions would increase fees for programs and activities involving the following departments: Planning & Development Services, the Department of Public Works, the Department of Parks and Recreation, the Department of Environmental Health and Quality, and the Department of Agriculture, Weights and Measures.

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As a result of this federal assistance and recognition that the economic recovery is still in its initial stages, I am proposing that the County postpone the planned imposition of the fee

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increases proposed for FY 2021-22 and investigate the use of ARP funds to cover any projected departmental shortfalls. I am also proposing that the County extend the option for our customers to defer until September 30, 2021, the payment of fees for the deferral programs that expired on March 31, 2021.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

This proposed action to postpone fee increases supports the Thriving Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by providing economic relief to local businesses.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Joel Anderson', with a long horizontal flourish extending to the right.

JOEL ANDERSON
Supervisor, Second District

ATTACHMENT(S)

N/A

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Board of Supervisors, District 2

OTHER CONCURRENCE(S):

CONTACT PERSON(S):

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