CDD Historical Analysis, Fee Analysis, and Next Steps

PRESENTED BY

COMMUNITY DEVELOPMENT DEPARTMENT

AND ADMINISTRATION OFFICE

Building Division Budget & Usage

	Budget	Through 11/18/25	Through 2/2/26	Difference
Revenues	$2,539,147.00	$572,390.81	$1,222,549.93	$650,159.12
Salary	$1,388,709.00	$451,213.98	$816,789.99	$365,576.01
Expenses	$1,186,691.00	$207,211.69	$272,154.11	$64,942.42
Total	$36,253.00*	($86,034.86)	$133,605.83	$219,640.69

	Budget (Midyear Adjustments)	Through 11/18/25	Through 2/2/26	Difference
Revenues	$1,732,209.00	$572,390.81	$1,222,549.93	$650,159.12
Salary	$1,502,811.00	$451,213.98	$816,789.99	$365,576.01
Expenses	$354,112.00	$207,211.69	$272,154.11	$64,942.42
Total	$36,253.00*	($86,034.86)	$133,605.83	$219,640.69

*Fund Balance Available

Code Enforcement Budget & Usage

	Budget	Through 11/18/25	Through 2/2/26	Difference
Revenues	$954,470.00	$33,584.47	$45,518.52	$11,934.05
Salary	$1,331,299.00	$361,680.20	$649,027.58	$287,347.38
Expenses	($237,439.00)	$298,694.65	($166,786.46)	($465,481.11)
Total	($139,390.00)*	($626,790.38)*	($436,722.60)*	$196,632.80*

	Budget (Midyear Adjustments)	Through 11/18/25	Through 2/2/26	Difference
Revenues	$775,914.00	$33,584.47	$45,518.52	$11,934.05
Salary	$1,192,328.00	$361,680.20	$649,027.58	$287,347.38
Expenses	($210,114.00)	$298,694.65	($166,786.46)	($465,481.11)
Total	($217,592.00)*	($626,790.38)*	($436,722.60)*	$196,632.80*

* General Fund Net County Cost

Planning Division Budget & Usage

	Budget	Through 11/18/25	Through 2/2/26	Difference
Revenues	$1,725,915.00	$160,791.03	$259,430.92	$98,639.89
Salary	$1,716,664.00	$510,754.88	$899,139.13	$388,384.25
Expenses	$611,444.00	$505,907.24	$681,616.17	$175,708.93
Total	($602,193.00)*	($1,321,324.38)*	($855,871.09)*	($465,453.29)*

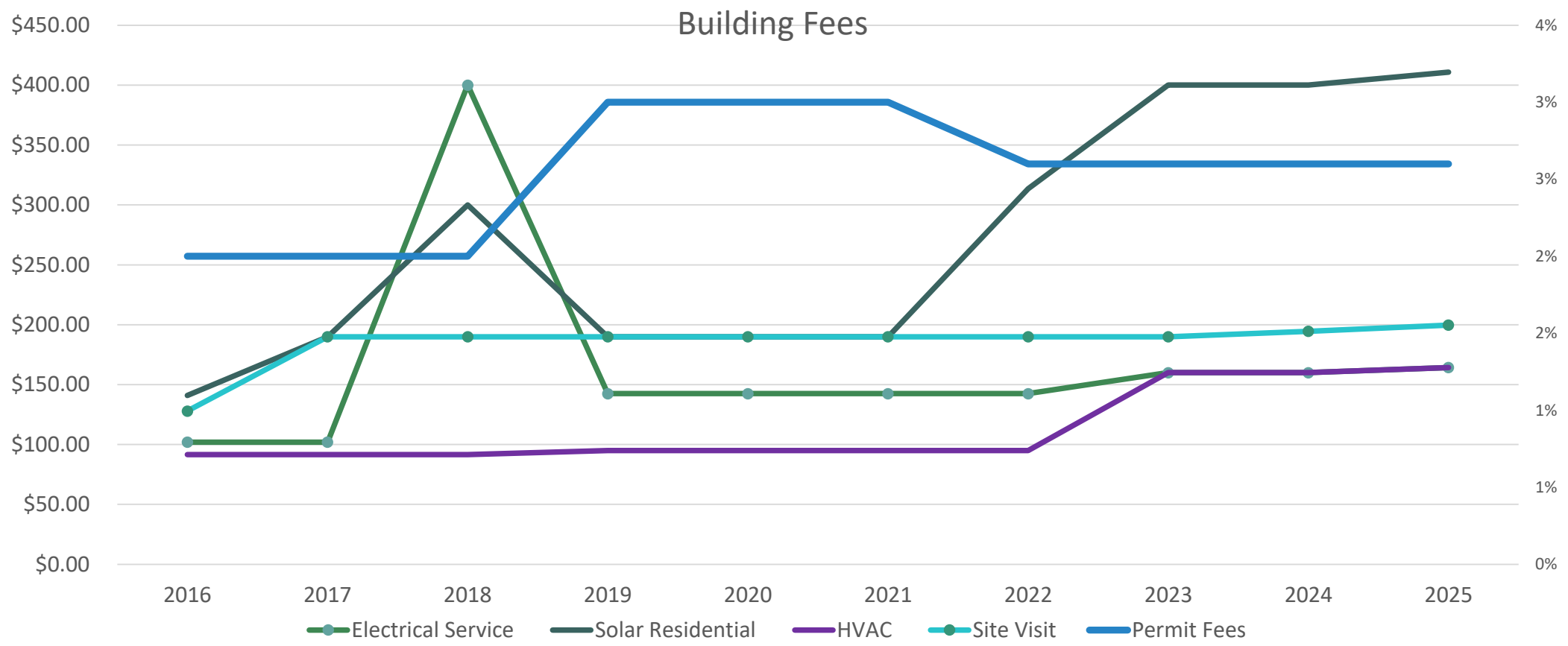
	Budget (Midyear Adjustments)	Through 11/18/25	Through 2/2/26	Difference
Revenues	$1,634,299.00	$160,791.03	$259,430.92	$98,639.89
Salary	$1,775,471.00	$510,754.88	$899,139.13	$388,384.25
Expenses	$868,662.00	$505,907.24	$681,616.17	$175,708.93
Total	($500,000.00)*	($1,321,324.38)*	($855,871.09)*	($465,453.29)*

As presented, a deficit of $509,834 exists.

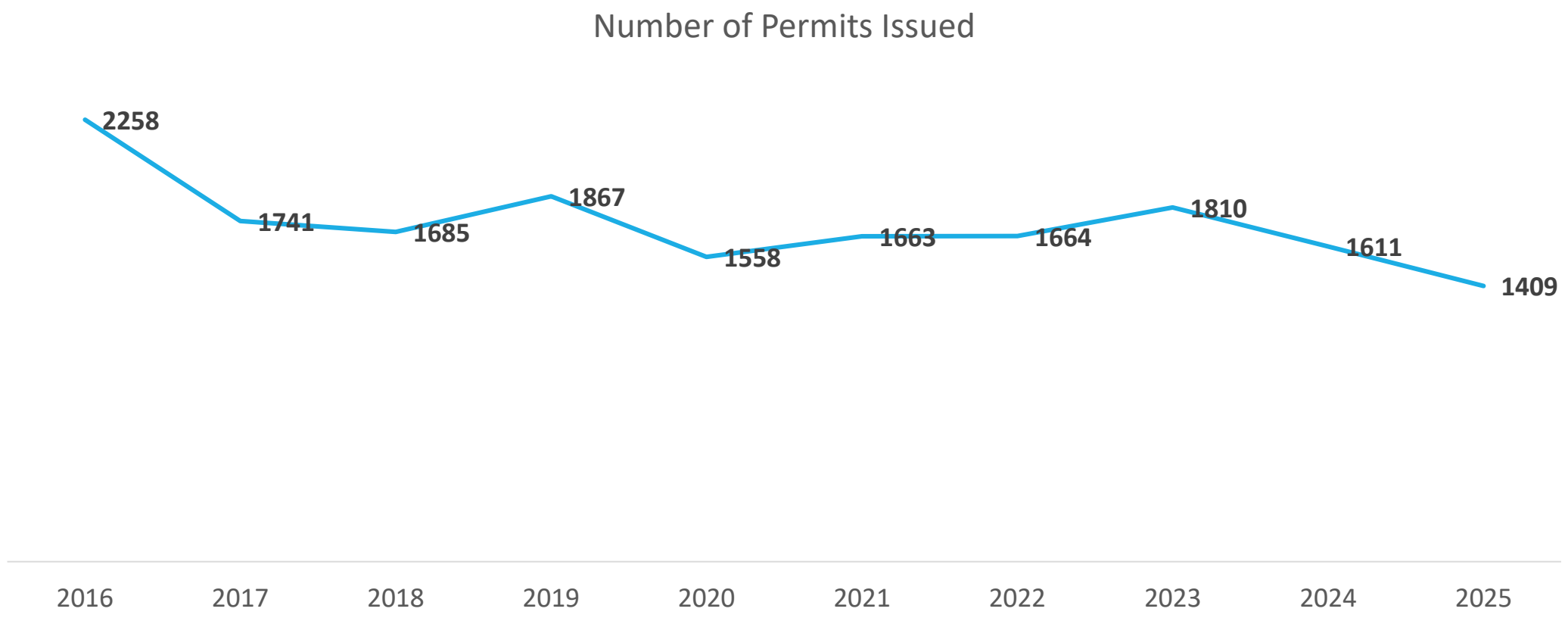
* General Fund Net County Cost

Building Division Historical Analysis

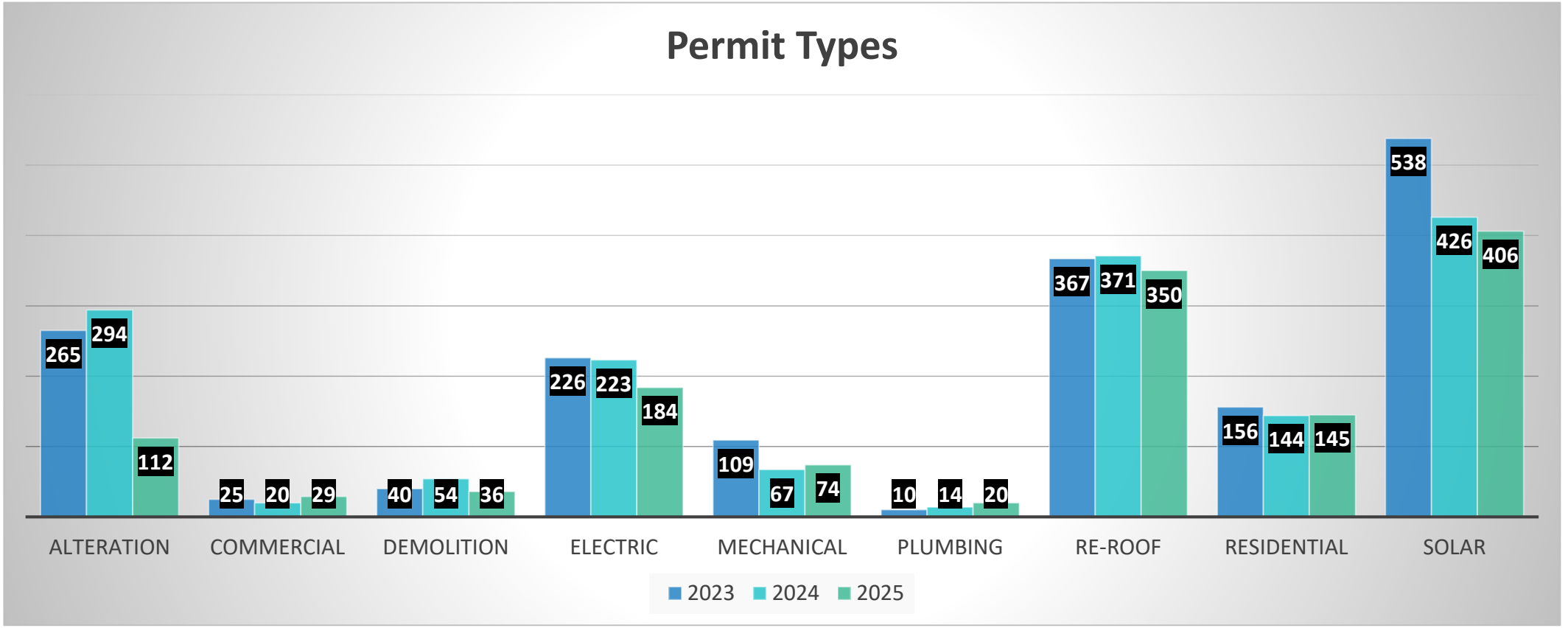
Building Fees since 2016



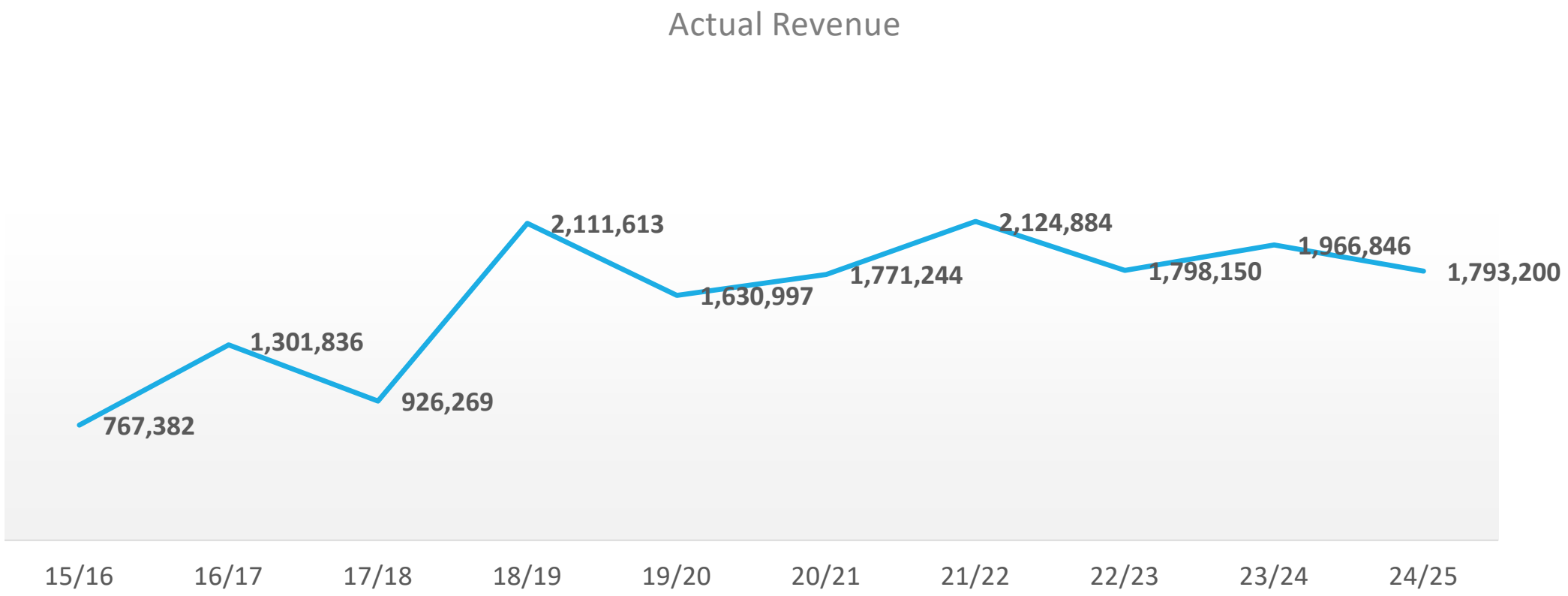
Building Permits Issued since 2016



Building Permits by Category since 2023



Building Revenues since 2016

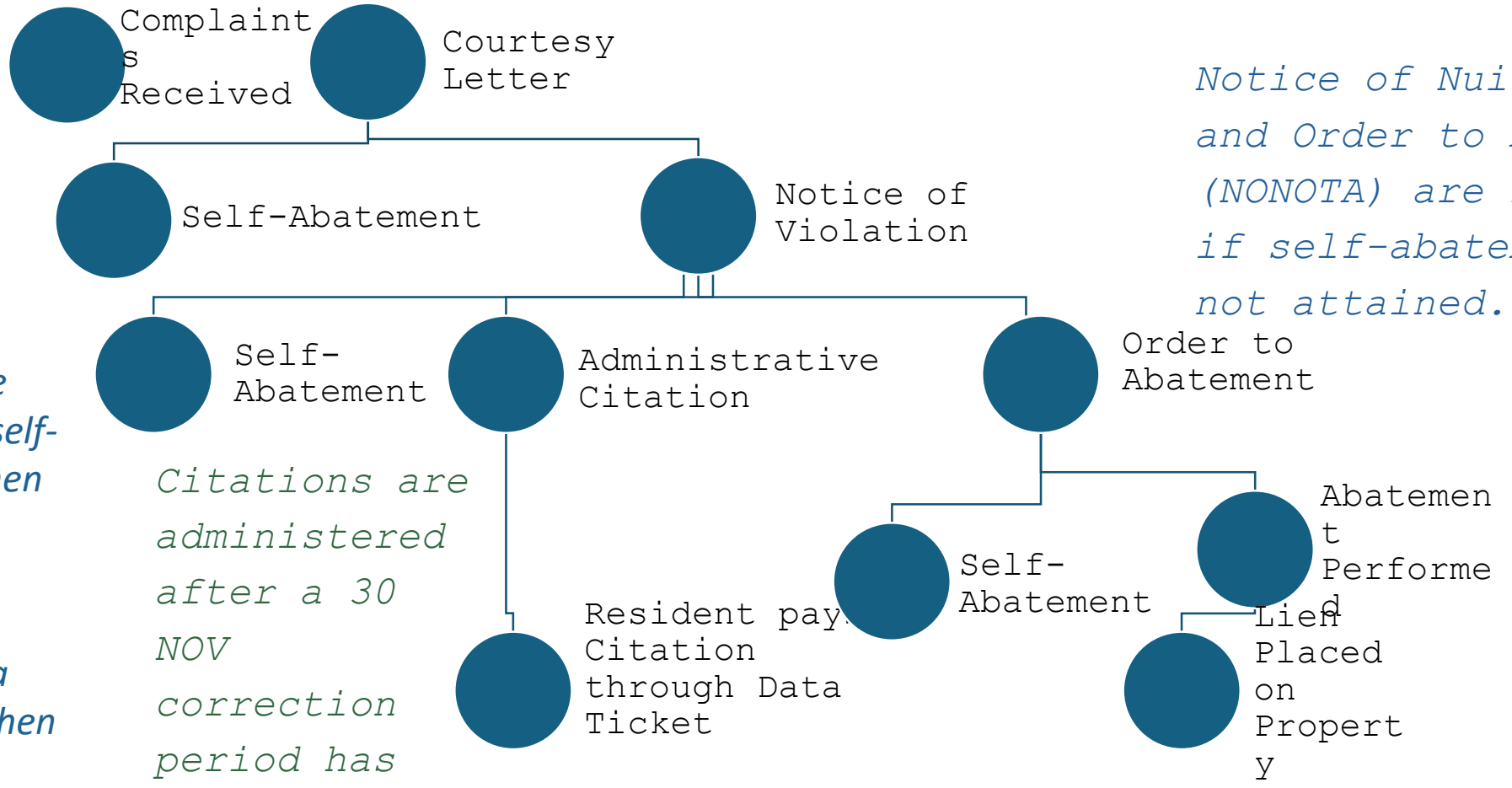


Code Division Historical Analysis

How are Code Revenues Collected?

Complaints received from public, partner agencies

The goal of code enforcement is self-abatement. When this can not be achieved, an investigation is conducted and a NOV is issued when violation are substantiated



Citations are administered after a 30 NOV correction period has expired, with the goal of compelling

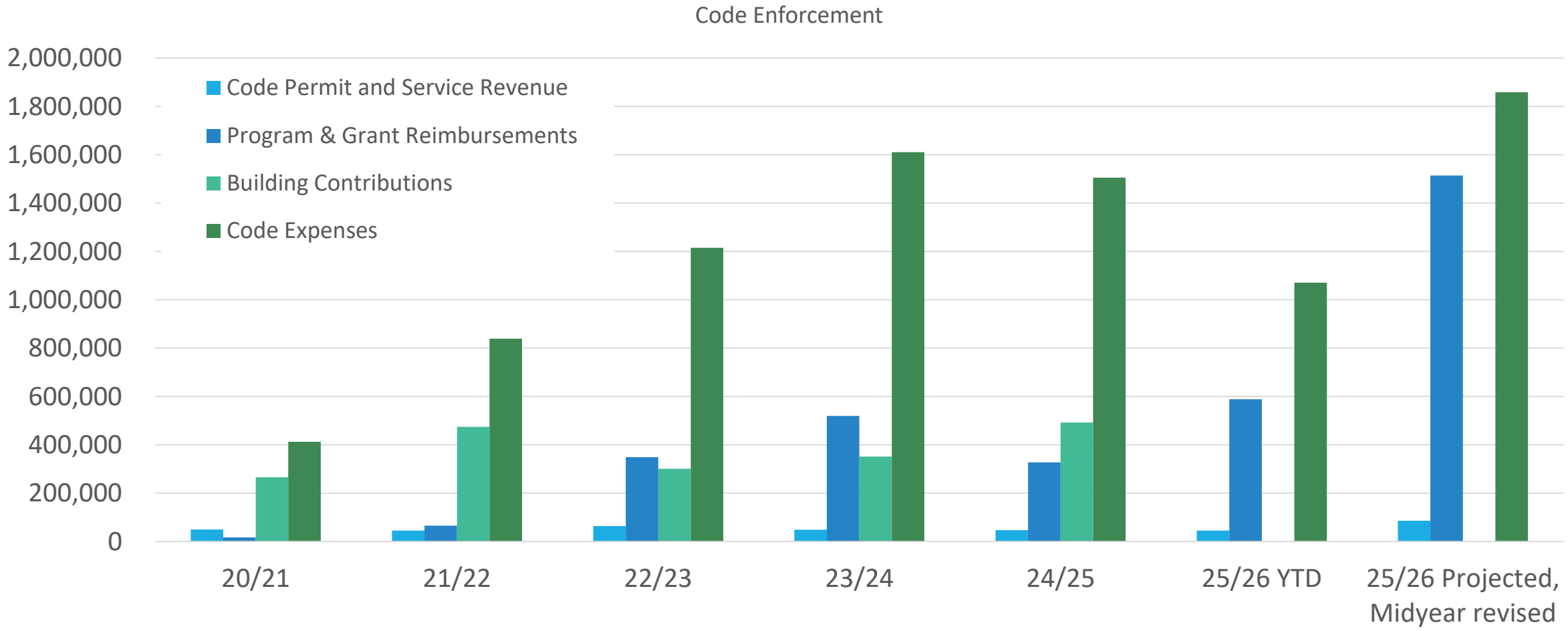
Notice of Nuisance and Order to Abate (NONOTA) are issued if self-abatement is not attained.

Lien recorded if approved by BOS. Can be paid directly by resident or

2 Year Comparison of Code Activities

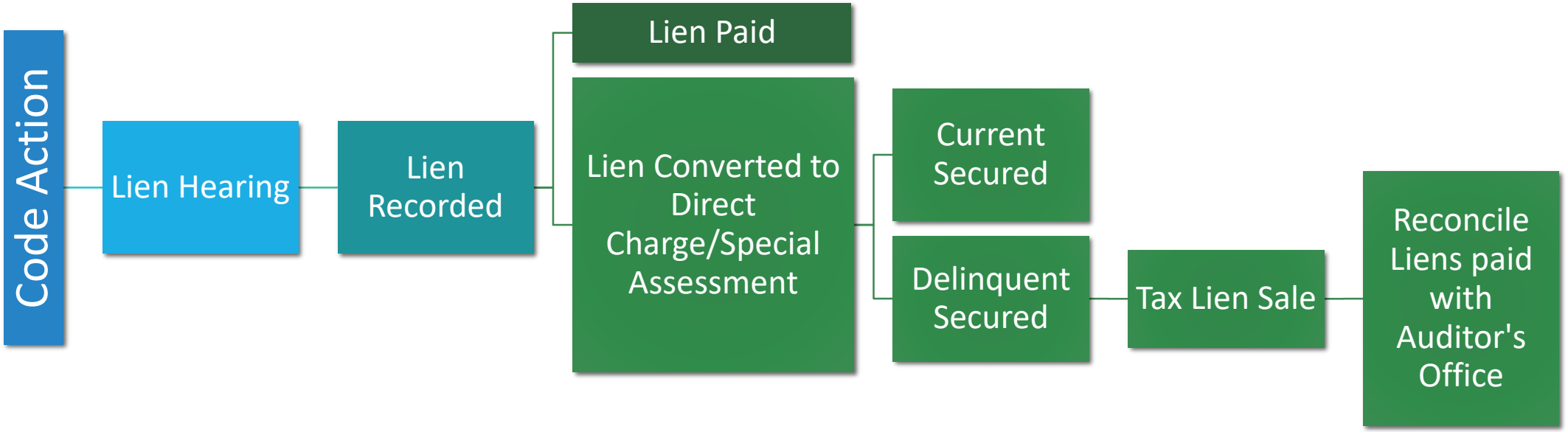
Code Action	2024	2025	Percentage from previous category	Percentage Change from 2024
Complaints Received	907	871		-4%
Courtesy Letters Sent	Not available	629	72%	
Notices of Violation (NOV)	127	248	39%	95%
Administrative Citations Issued	11	83	33%	655%
Citations Owed	$ 38,588.00	$ 538,908.00		1297%
Citations Paid	$ -	$ 14,882.00	3%	
Orders to Abate Issued (NONOTA)	93	163	66%	75%
Abatements Performed	3	19	12%	533%
Liens Recorded	3	3*		

* Lien hearings for the remainder of 2025 abatements are scheduled for the first quarter of 2026.



Code Enforcement

How does a lien get paid?



Code Enforcement Liens

Code did not have a consistent means of tracking liens prior to Open Gov. Data compiled from Granicus and other data sources to determine number of liens recorded since 2020 (start of current code division) = 34

Total lien amounts recorded for the 34 liens = $223,997

A portion of lien total is for administrative costs (mostly officer time) = $24,926.

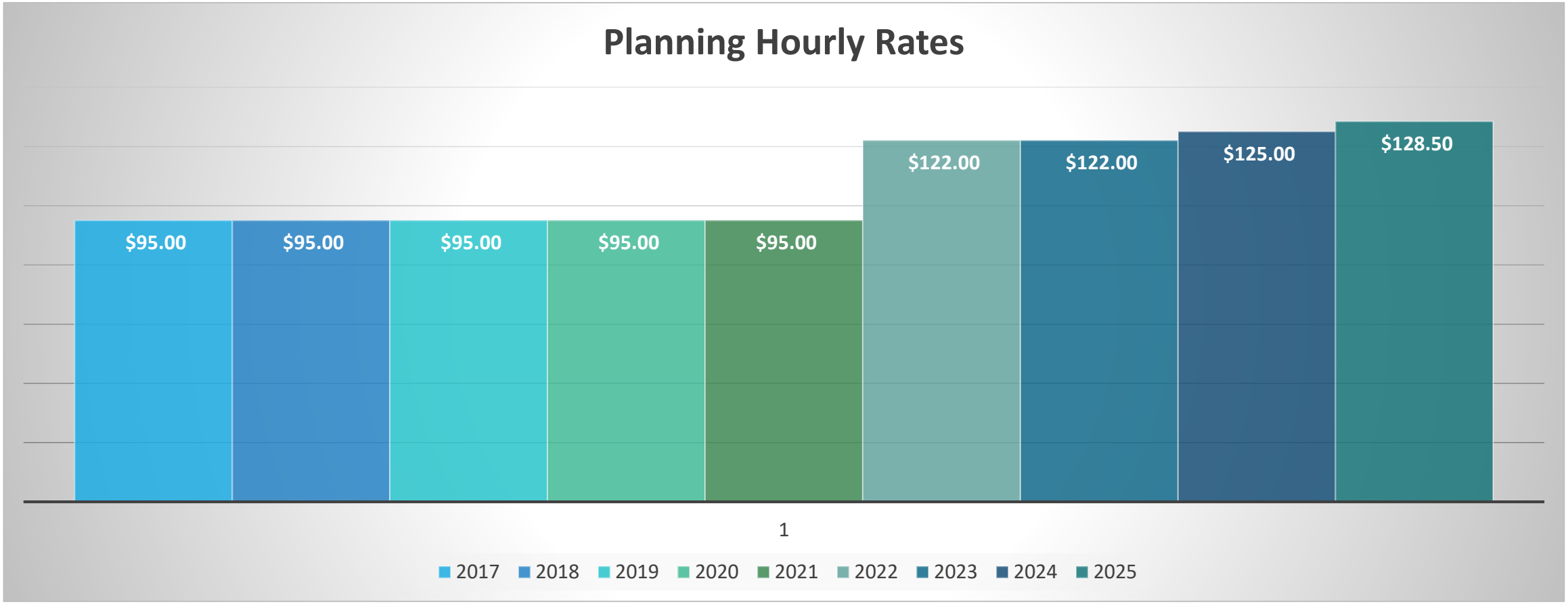
All lien payment are deposited to 2604 (Nuisance Abatement), and the portion that is admin costs should be journaled back to 2603 where officer time is being paid from.

We are working with the Auditor-Controller's office to reconcile lien payments to determine journal amount.

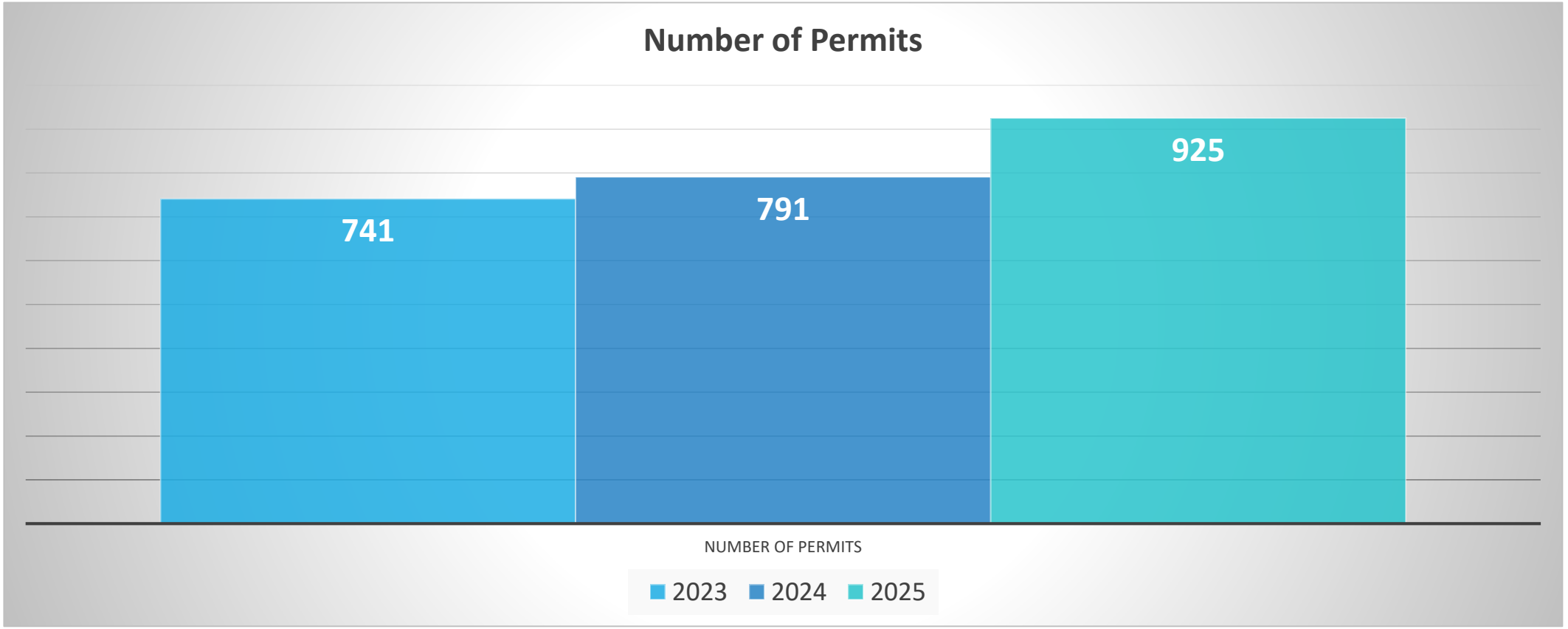
New lien tracking system will allow us to reconcile lien payments more quickly and move cost admin cost recovery back to 2603 as a new revenue source.

Planning Division Historical Analysis

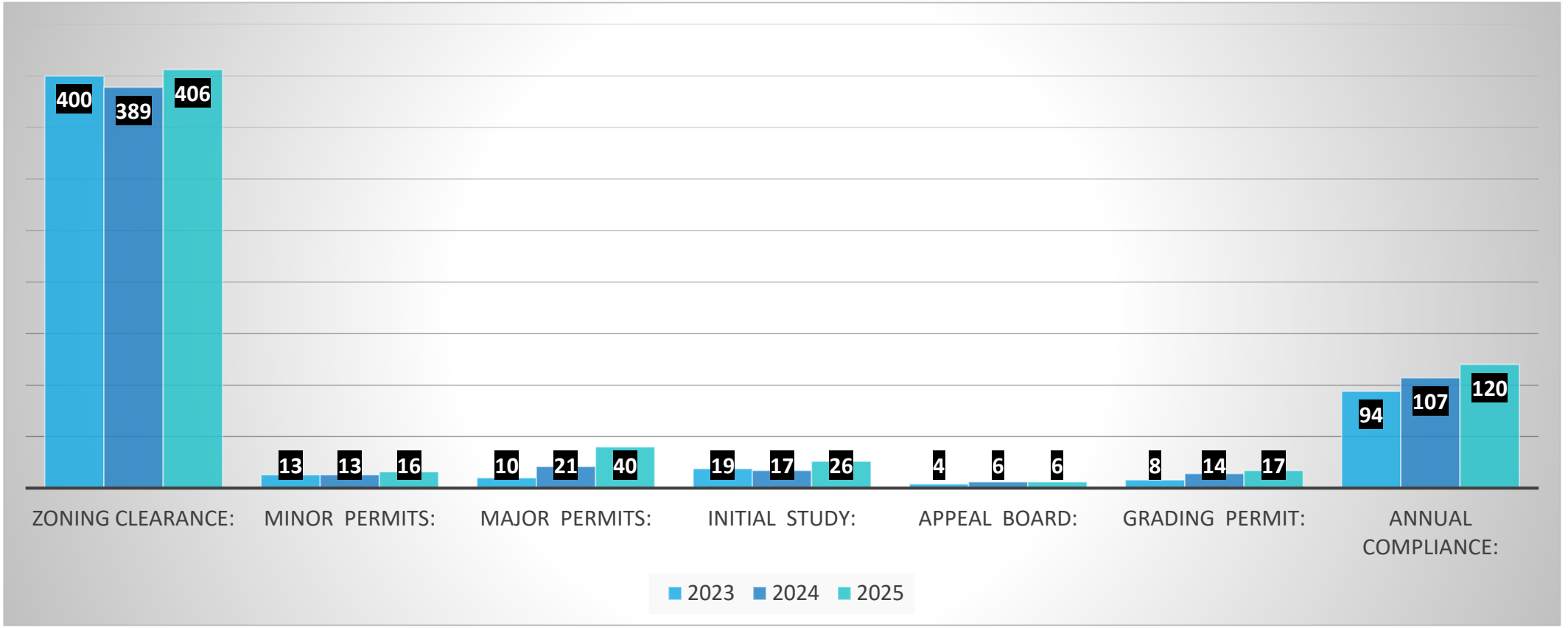
Planning Hourly Rates – Since 2017



Planning Number of Permit Applications



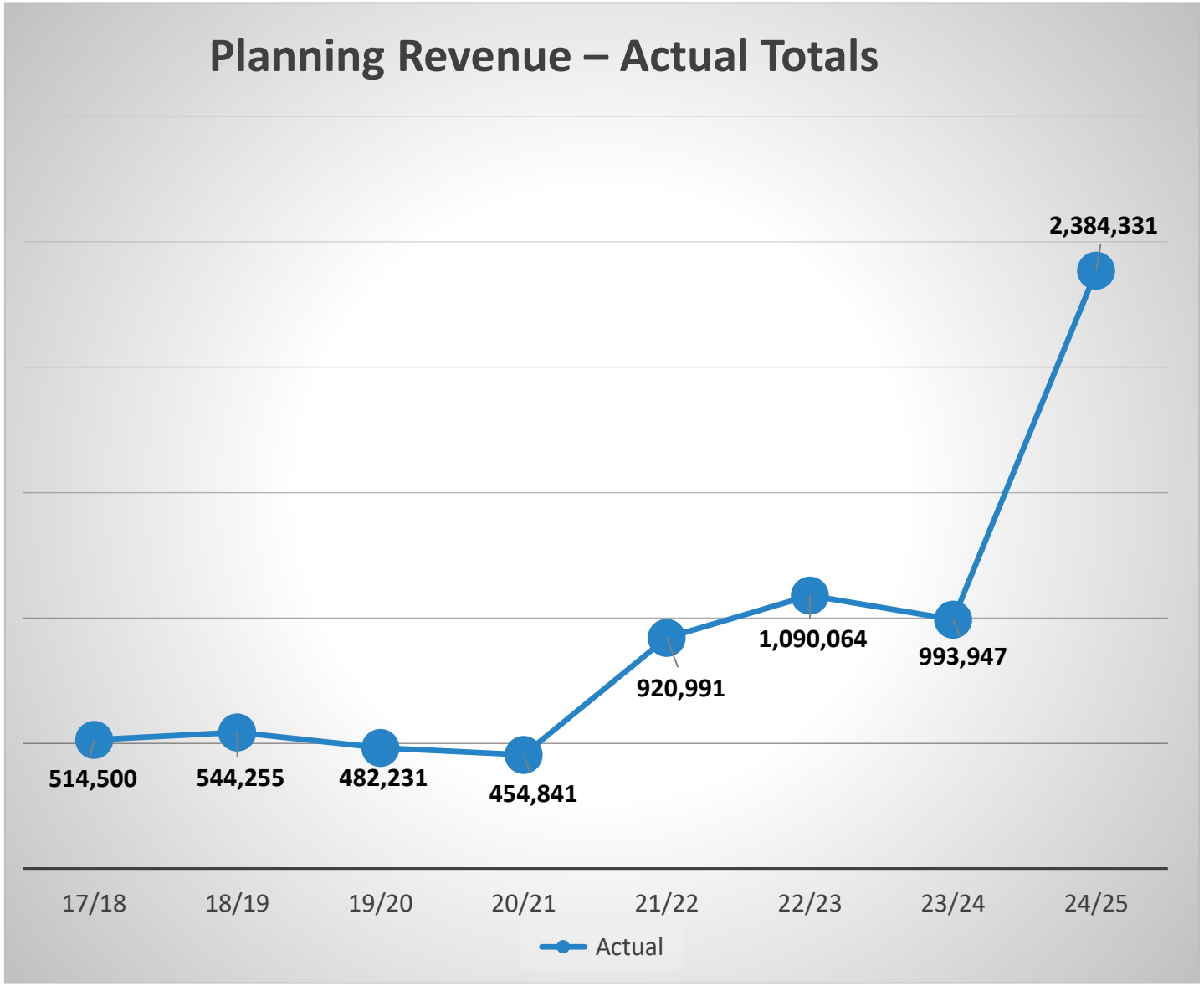
Planning – Types of Permits



Planning – Revenues

Actual Totals

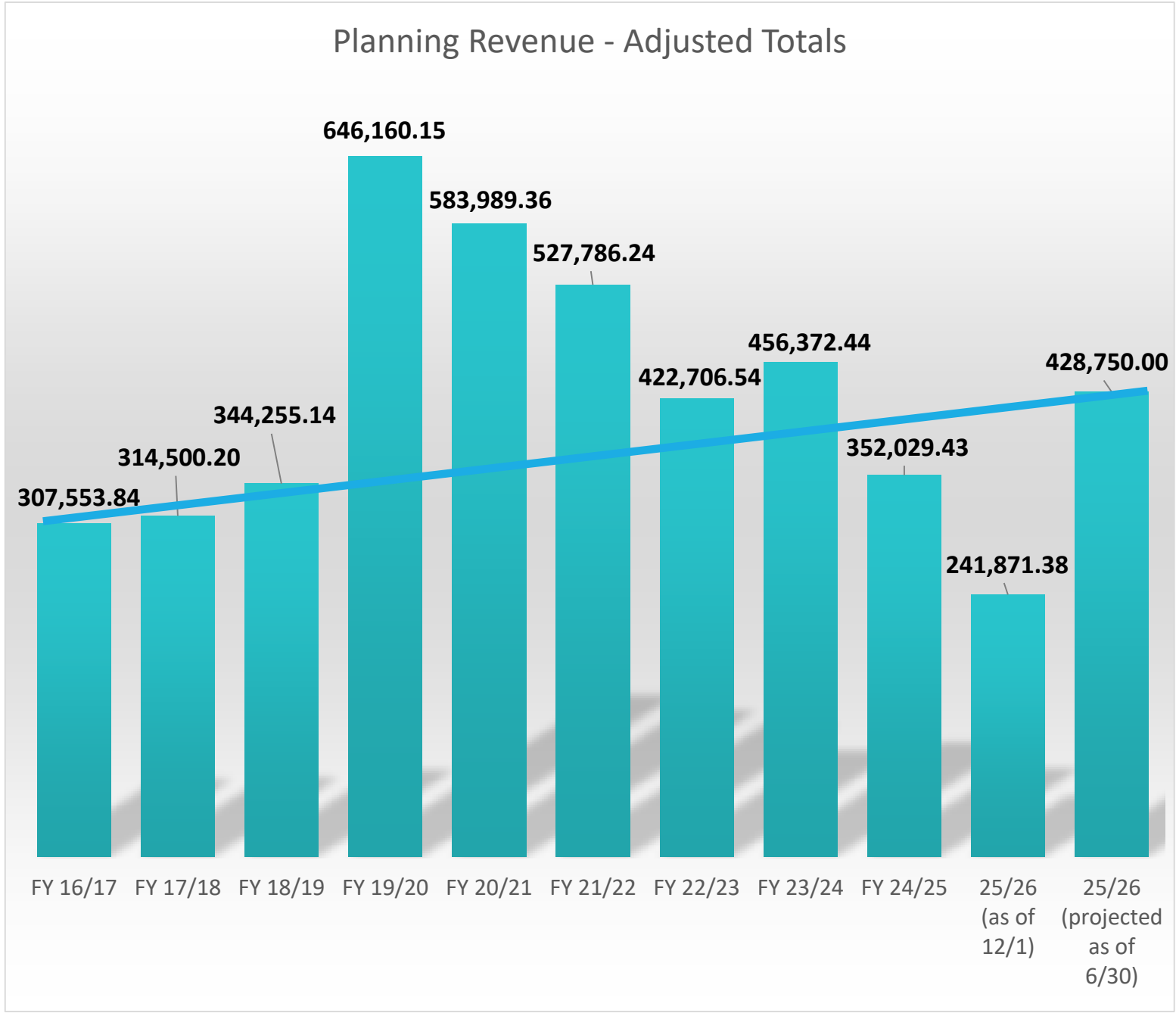
This data was presented by Admin in the last presentation. This revenue includes all revenue accounts including state and federal grant received (i.e. LEAP, REAP, ARPA) and other revenue sources such as Geothermal Resources, etc) and excluded cannabis permit revenue that comes in a transfer.



Planning – Revenues

Adjusted Totals

This data was pulled Admin's workbook, then reduced by the non-permit categories, such as state and federal grants. It was reduced by an operating transfers, but cannabis revenue journals were added back in)



Planning - Cost Recovery Efforts

• Since at least 2017, the Planning Division has not had an effective or consistent system in place for full cost-recovery tracking.

•Historically, planners tracked limited project time manually using “goldenrod” sheets, without the ability to calculate total hours, remaining balances, or overall project cost recovery.

•Accela was previously used primarily for payment processing and was not utilized by the Planning Division for staff time tracking.

•The Planning Division’s OpenGov portal was specifically designed and implemented to enable detailed itemization and tracking of staff time by project.

•Implementation of OpenGov has resulted in a 100 percent increase in cost-recovery tracking efforts within the Planning Division.

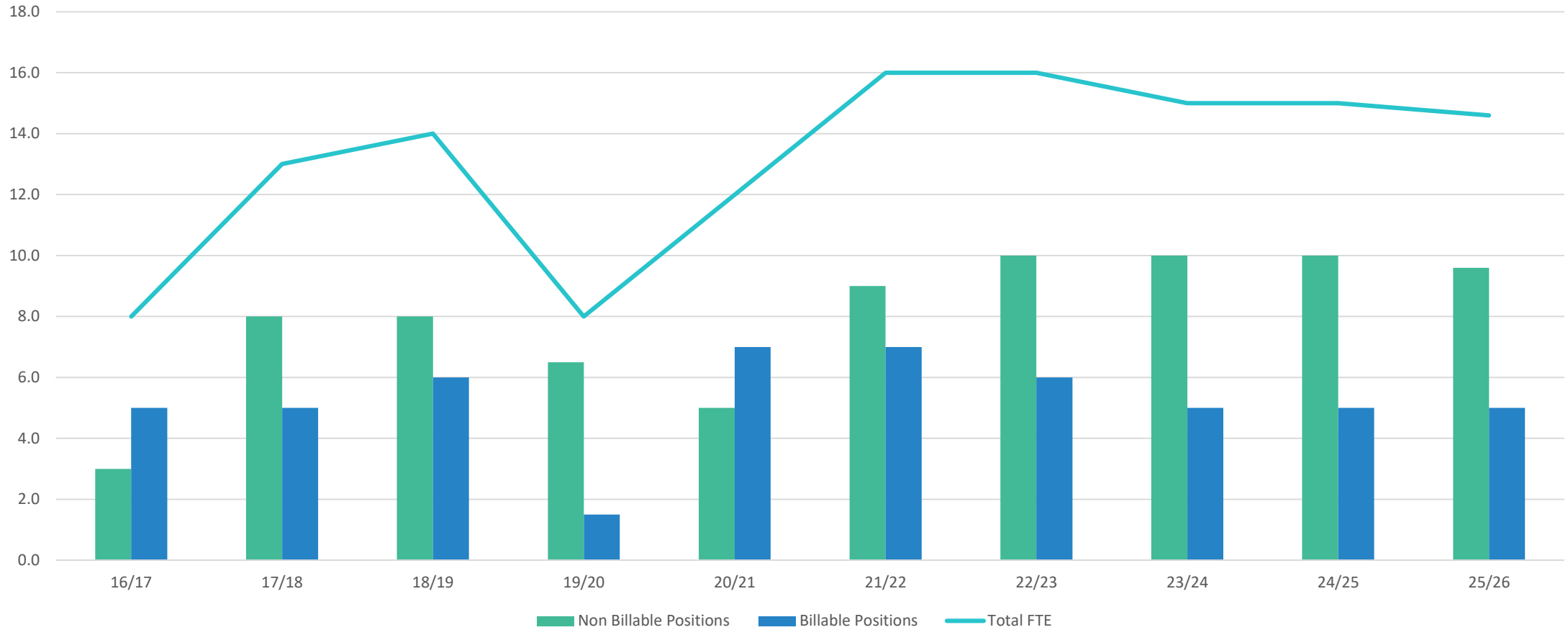
•In FY 2025–26, following completion of the cost-recovery audit, approximately 370 staff hours were documented and billed to active projects, resulting in nearly $50,000 in additional recovered revenue.

•OpenGov has been in use for less than one year; ongoing monitoring and regular analysis will continue to support continuous improvement of cost-recovery protocols.

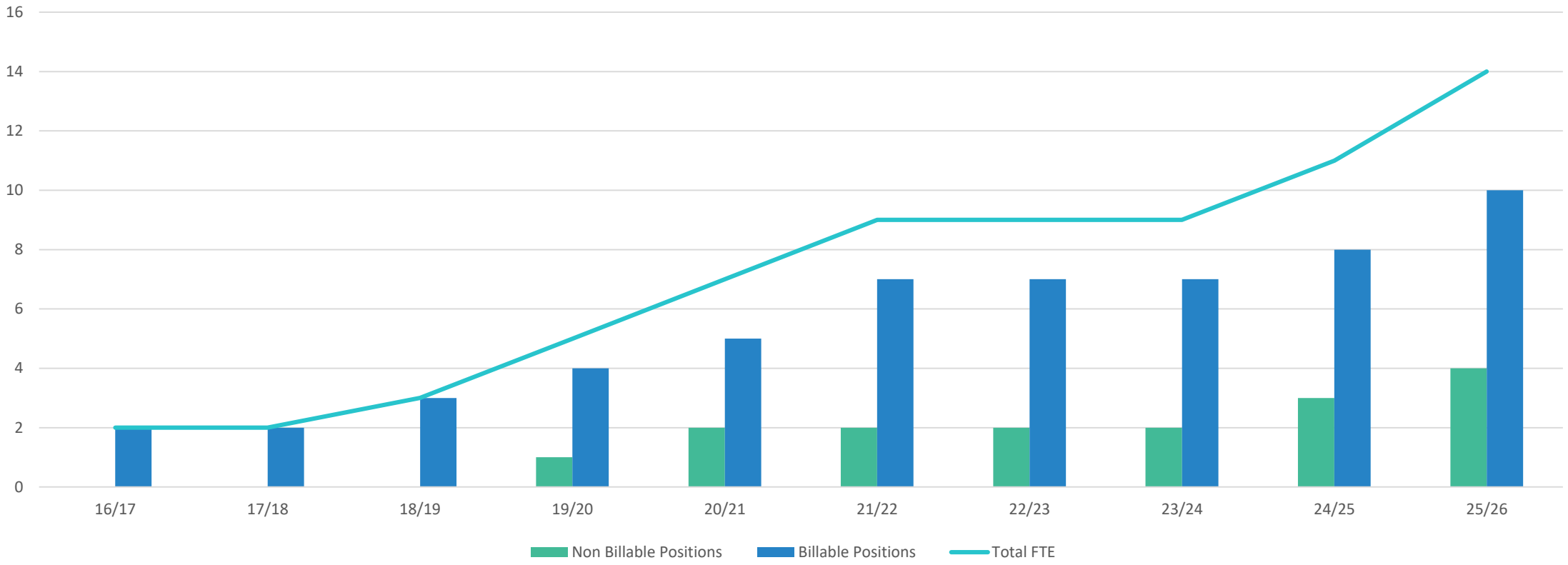
Planning Unfunded Activities

2025 Unfunded Activities	Hours/annual
Planning Counter Hours, Questions, and Research	2295
Planning Commission	264
Lake County 2050	100
Climate Adaptation Plan	15
Appeal Hearings	70
Housing Element APR & Ordinances	60
Article 27 revisions	40
Article 73 Develop	150
Permit Revocations	40
Heritage Commission	30
Tribal Consultation	150
Zoning Code Update & Maintenance	80
Open Gov Management	200
Monthly project tracking report	120
Code Enforcement Support	100
PRA Support	100
Lake APC – TAC Committee	30
Future Project Meetings	100
CEQA/Planning Support to other departments	40
	3964

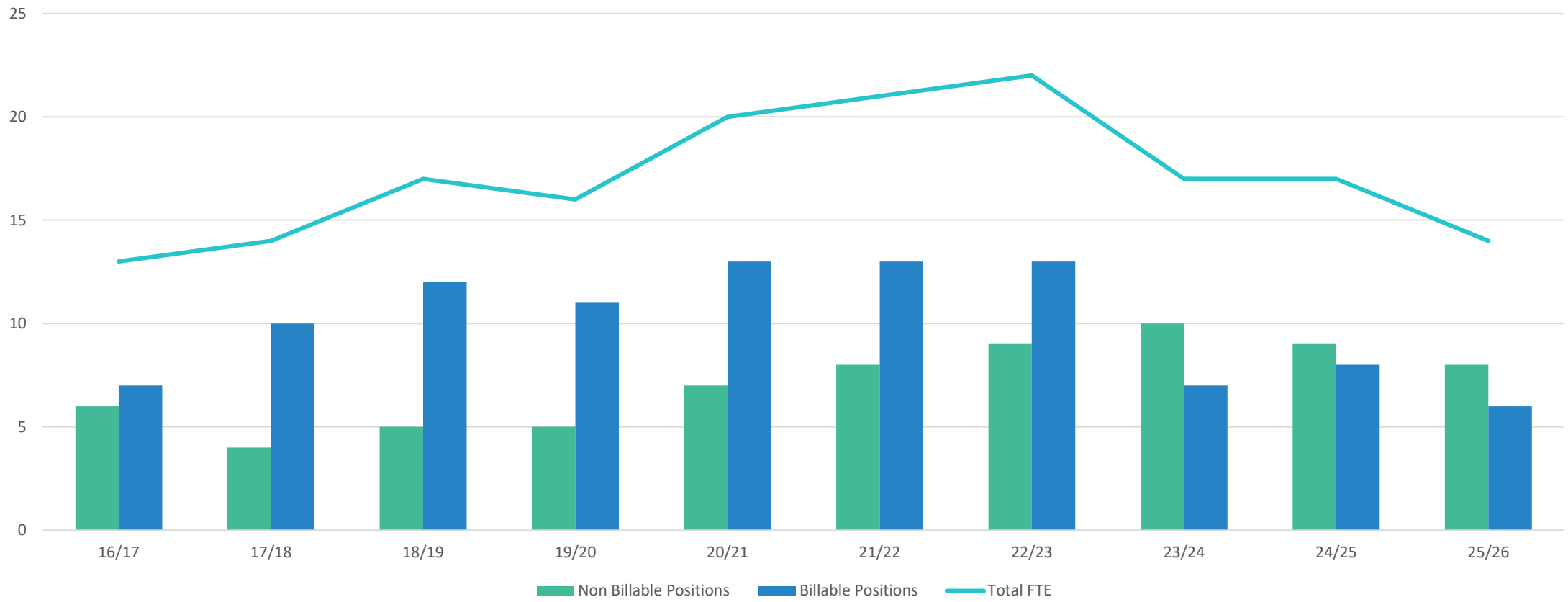
Position Analysis



Building Division



Code Enforcement Division



Planning Division

CDD Fee Analysis

Fund Types

Building and Safety Division

- Fund 109 – Special Revenue Fund
  - This is a self funded fee for service fund. Due to the fees being paid but work may not be completed in the same fiscal year, there may be excess funds in one year for work done in another year.
  - The recommendation of the Administration office is for the reserves to hold about 3 months of salary.

Code Enforcement Division

- Fund 001 – General Fund
  - This is a General Fund Division which although is fee for service, it may take multiple years to see that fee paid.
  - Cannabis (BU1072) pays for 1 Code Enforcement Officer ($89,629) and COPTR salaries/expenses ($203,606).
  - Special Projects (BU1781) pays for the Code Enforcement Manager Position ($133,693).

Planning Division

- Fund 001 – General Fund
  - This is a General Fund Budget Unit however it is mainly a fee for service division. $500,000 of General Fund is allocated based on an average of the prior years.
  - Cannabis (BU1072) transfers $474,559 annually for staff.
  - Geothermal (BU1918) pays for the Resource Planner position ($117,830) as well as contributes $200,000 to the Planning Division.

Nickelsburg predicted the state economy would begin a recovery in late 2026, with economic growth picking up more steam in 2027. Once the state is past the current weakness, which is expected to occur in late 2026, a tech, durable goods manufacturing and construction resurgence should lead to California's superior growth once again, according to the UCLA forecast.

Current Budget Structure

- Building, Code and Planning divisions have primarily fixed cost, but *variable revenue* sources that are:
  - *dependent on the general economy and community members ability/willingness to pay for fees (building permits, planning applications)*
  - *based on types of permits by category (differing cost), not just overall permit numbers*
  - *received either prior to providing services (building and planning) or after providing the service (code enforcement)*
  - *code enforcement liens recovery will decrease with new tax lien sale processes*
- *According to the UCLA Forecast, the economy is predicted to recover in late 2026 through 2027*

Current Budget Structure

- Staff costs (salaries and benefits or S&B) are fixed and make up 71-75% of total costs. These costs are consistent and predictable year to year (except for MOU salary adjustments and new programs/services). Staff costs enable the divisions to provide services at current levels - changes in staffing changes should be planned based on multi-year trends.
- Operating expenses are made up of variable costs such as computers, software, communications, and transportation as well as fixed costs such as insurance costs and other county cost allocation support. Approximately 15% of each division's total budget ($150-175K) is adjustable year to year, based on revenue trends.

Division	Annual S&B	Division Operating Budget	Total Division Cost	S&B %
Planning Division	$ 1,008,907.35	$ 374,928.00	$ 1,305,100.47	71%
Building Safety Division	$ 1,161,025.23	$ 366,471.00	$ 1,450,537.32	75%
Code Enforcement Division	$ 1,001,413.16	$ 372,357.00	$ 1,295,575.19	71%
	$ 4,026,547.64	$ 1,113,756.00	$ 5,140,303.64	

Other Counties Budget Structure

In California jurisdictions, the General Fund is the main operating fund for most Community Development Departments. Planning, Building and Code Enforcement are often embedded in larger services departments (Development Services or Resources Management) that also include air quality, environmental health, etc.

Few California jurisdictions are "full-fee supported" for Community Development; most subsidize Planning, Code and (to a smaller degree) Building because fee schedules often don't cover the full costs.

Each County budget chooses how much of its General Fund to allocate (subsidize the department/divisions) based on local priorities, including keeping fees low to encourage development. It is difficult to compare jurisdictions because of varying budget structures, however a comparison of nearby counties (Planning, Code and Building Revenues vs Expenses) gives a general idea how Lake County compares to nearby/comparable counties.

	General Fund/Other Subsidy
Tehama County	20%
Butte County	28%
Solano County	34%
Yolo County	39%
Lake County	**39%**
Shasta County	53%
Yuba County	70%

Current Fees

Jurisdictions use different models to analyze fees. The City of Lakeport (with Wildan, consulting firm) recently conducted fee analysis and provided their modeling.

Fees are generally a combination of a base rate (hourly, valuation) + overhead rate (division operating expenses) + indirect rate (administrative costs of department). This combination is meant to represent the whole cost of operating each division. They also are transparent about the subsidy the county is providing on each service, if we choose not to pass the whole cost on to the applicants.

Current Fees

Currently:

1. Building fees are based on valuation (% of ICC table) and some fixed fees (based on hourly rates). Presumably, current valuation fees cover overhead expenses but not the indirect costs. The fees based on hourly rate do not include current overhead and indirect rates.
2. Code has no hourly rate on the MFS but it will be added and used in cost recovery calculations and grant applications.
3. Planning fees are based on hourly rates. Current hourly rates do not accurately account for overhead, indirect and unfunded activities. They also do not show the percentage of subsidy.

Division	Annual Salary & Benefits (S&B)		% of Total
Admin Division	$	855,201.90	**21%**
Planning Division	$	1,008,907.35	25%
Building Division	$	1,161,025.23	29%
Code Division	$	1,001,413.16	25%
	$	4,026,547.64	100%

Indirect Rate for CDD

An indirect rate represents the cost of “behind the scenes” department functions such as finance, grants management/writing, contracts/procurement, human resource management, etc.

For the purpose of determining the indirect rate for CDD, salaries and benefits (S&B) for all positions were reorganized to calculate the cost of administrative staff. The S&B for and Admin Division made up 21% of the overall S&B for the department.

Overhead Rates for Building

Overhead calculation represents each division's operating costs such as computers, software, transportation, postage, and county insurance and other cost allocations. Also added to overhead are those division staff who do not produce billable hours.

	S&B	Operating		Total	
Building	$ 1,161,025.23	$ 289,512.09	Operating Total	$ 1,089,090.66	
		$ 180,455.79	CBO		
		$ 106,340.21	SSS		
		$ 106,080.70	CDD Tech		
		$ 102,840.00	CDD Tech		
		$ 46,497.62	OA (EH)		
	$ 1,161,025.23	$ 831,726.40		$ 1,992,751.63	72%

Overhead Rates for Code Enforcement

	S&B	Operating		Total	
Code	$ 1,001,413.16	$ 289,512.09	Operating Total	$ 1,089,090.66	
		$ 152,526.09	Manager		
		$ 85,686.78	CDD Tech		
		$ 59,903.68	CDD Tech		
	$ 1,001,413.16	$ 587,628.65		$ 1,589,041.81	59%

Overhead Rates for Planning

	S&B	Operating		Total	
Planning Division	$ 1,008,907.35	$ 296,193.12	Operating Total	$ 1,305,100.47	
		$ 73,590.12	OAIII		
		$ 90,010.20	CDD Tech		
		$ 91,539.38	CDD Tech		
	$ 1,008,907.35	$ 551,332.81		$ 1,560,240.17	**55%**

Building Division		Annual S&B	Productive Hours	Hourly	Overhead	Indirect	Full Hourly	FTE	
Plans Examiner I		$ 135,989.62	1650	$ 82.42	72%	21%	$ 171.53		
Plans Examiner II		$ 140,382.84	1650	$ 85.08	72%	21%	$ 177.07		
Building Inspector		$ 114,956.64	1650	$ 69.67	72%	21%	$ 145.00		
Building Inspector		$ 125,242.84	1650	$ 75.90	72%	21%	$ 157.97		
Building Inspector		$ 116,029.44	1650	$ 70.32	72%	21%	$ 146.35		
		$ 632,601.39	8250				$ 797.92	5	$ 159.58

Hourly Rate for Building

Code Division	Annual S&B	Productive Hours	Hourly	Overhead	Indirect	Full Hourly	FTE	
Code Coordinator	$ 93,232.15	1650	$ 56.50	59%	21%	$ 108.71		
Code Coordinator	$ 125,375.88	1650	$ 70.32	59%	21%	$ 146.35		
Code Coordinator	$ 97,045.59	1650	$ 58.82	59%	21%	$ 113.16		
Code Officer	$ 97,067.59	1650	$ 58.83	59%	21%	$ 113.18		
Code Officer	$ 101,451.79	1650	$ 61.49	59%	21%	$ 118.29		
Code Officer	$ 110,653.74	1650	$ 67.06	59%	21%	$ 129.02		
Code Officer	$ 78,469.86	1650	$ 47.56	59%	21%	$ 91.50		
	$ 703,296.60	11550				$ 820.21	6	$ 136.70

Hourly Rate for Code

Planning Division	Annual S&B	Productive Hours	Billable/ Fee based Hours	Hourly	Overhead	Indirect		FTE	
Senior Planner	$ 135,989.62	1650	990	$ 137.36	55%	21%	$ 257.62		
Senior Planner	$ 140,382.84	1650	990	$ 141.80	55%	21%	$ 265.95		
Associate Planner	$ 129,257.09	1650	990	$ 130.56	55%	21%	$ 244.87		
Associate Planner	$ 124,599.51	1650	990	$ 125.86	55%	21%	$ 236.05		
Assistant Planner II	$ 117,655.78	1650	990	$ 118.84	55%	21%	$ 222.89		
	$ 647,884.84	8250	4950				$ 1,227.38	5	$ 245.48

Hourly Rate for Planning

has been adjusted productive hours (standard is 1650/yr) and for the % time each position dedicates to applications/permits (compared to unfunded activities/non-billable hours).

Identifying Current Subsidies

	Currently Hourly Rate	Proposed Hourly Rate	Current General Fund Subsidy
Building	$ 99.87	$ 159.58	
Code	$ 65.00 (average)	$ 136.70	48%
Planning	$ 128.75	$ 245.78	48%

Next Steps 25/26 FY

Building Division Cash

With Loan

Month	Actuals	Cumulative Total
July	162,102.38	162,102.38
August	22,568.32	184,670.70
September	(46,600.85)	138,069.85
October	(30,159.03)	107,910.82
November	355,470.56	463,381.38
December	(79,232.73)	384,148.65
January	(13,628.36)	370,520.29
February	(112,052.71)	258,467.58

Without Loan

Month	Actuals	Cumulative Total
July	162,102.38	162,102.38
August	22,568.32	184,670.70
September	(46,600.85)	138,069.85
October	(30,159.03)	107,910.82
November	(34,529.44)	73,381.38
December	(79,232.73)	(5,851.35)
January	(13,628.36)	(19,479.71)
February	(112,052.71)	(131,532.42)

Building Mid-Year Budget/Loan Repayment

The mid-year budget for Building is balanced to cover Building expenses for the remainder of the year only. All discretionary spending has been cut from the Building budget, so repayment and establishing reserves needed for the start of 26/27 are not possible without reducing fixed costs (staff reductions).

On March 31st, only 25% of the FY will remain. Staff reductions at this point in the year will only provide a modest savings in FY 25/26. The average cost of Building staff members is $115K (S&B), such that each reduction could save approx. $29K. Options:

1. **Make 1st loan payment ($130K) in November 2027 with 2 subsequent annual payments. This would give appropriate time for reserves to recover while we work on additional cost saving and possible fee increases.**
2. Make 1st loan payment ($130K) in November 2026 (with 2 subsequent annual payments), once the start of 26/27 FY has passed - so that the need for cash does no arise again. Would require reduction in expenses (by $130K or 1-2 staff positions) or fee increase at the start of 26/27.
3. Full repayment in November 2026 would require reduction in expenses by $390K or 3-4 staff positions at the start of 26/27.
4. Full repayment in June 2027 would require the same reduction as above or less in combination with fee increases.
5. Partial or full repayment before November 2027 is not possible without closing the division.

Planning Mid-Year Budget

- Planning's mid-year budget remains with $509K deficit (partially due to removal of $397Kplanned building contribution and $105K in MOU salary increases).
- All discretionary spending has been cut from the Planning budget, so covering this deficit is not possible without reducing fixed costs (staff reductions).
- On March 31st, only 25% of the FY will remain. Staff reductions at this point in the year will only provide a modest savings in FY 25/26. The average cost of Planning staff members is $125K (S&B), such that each reduction could save approx. $32K. Making up this deficit at this point in the year is not possible without closing the Planning Division.
- Staff reductions and fee increases must be considered for to prevent similar deficits in 26/27.

Next Steps 26/27 FY

Building Division Budget

1. Estimate revenues conservatively, based on downward trend in permits, and the economy.
2. Budget with agreed upon loan payment and with the goal of re-establishing reserves of $100K by end of FY 26/27.
3. Charge penalties (as MFS allows for as-build permits). Develop a policy and procedure for any waiver/reduction of penalties, included documented for reason of waiver/reduction.
4. Pursue unpermitted construction.
5. Consider adjusting building fees to include overhead and indirect rates.
6. Contribute 33% of cost of Admin Division.
7. Add fire inspection fee to the MFS as a new activity and source of revenue.

Code Division Budget

1. Continue to increase the number of Notice of Violation and administrative citations issued, showing an increase each year. Develop a policy and procedure for any waiver/reduction of penalties, included documented for reason of waiver/reduction.
2. Reconcile past lien payments (to Nuisance Abatement Fund 2604), identifying revenue (admin cost) to be journaled back to Code Division budget (2603) – approximately $25K.
3. Develop lien tracking system in Open Gov, and with CDD finance office, so future journals back to 2603 can be prompt.
4. Develop process to convert administrative citations to liens if not paid by the property owner in the same FY.
5. Continue improve processes for efficiency (and increased number of code actions) including using AI-driven inspection report tool to conduction inspections and write report more quickly.
6. Contribute 33% of cost of Admin Division.

Planning Budget

1. Consider adopting increased fees on the MFS for 26/27 **AND/OR** reduce services (staff costs) including public facing services and unfunded activities in division and department.
2. Add new fees to MFS, charge county departments, and limit the amount of non-cost recovery tasks and increase efforts on cost recovery tracking.
   - Charge for all pre-application meetings.
   - Charge for processing of county projects (GPCs, CEQA), which was not consistently done previously.
   - Limit counter time to 30 minutes per inquiry, then charge for staff research time (on our fee schedule already).
   - Limit the amount of staff in meetings or charge time for attendance.
   - Limit the amount of time spent with customers that do not have projects submitted and in process.
   - Charge senior-level peer review of staff reports and CEQA documents as well as all meetings, email, phone correspondence for in process permits.
   - Add fees to MFS for minor modifications to UPs, opt out/reduced canopy, NEPA processing, late penalties, grading questionnaire, grading violation inspections, septic clearances
   - Increase cost recovery on CE for lake bed permits, compliance monitoring follow up, appeals, zoning clearances
3. Contribute 33% of cost of Admin Division (currently 60%).

Additional Long-Term Strategies

Our CDD Finance Team will:

Develop a centralized data dashboard for ongoing monitoring.

Review Building division's cash account weekly.

Ensure revenue covers operational costs.

Analyze monthly data to forecast future trends.

Refine revenue estimation processes using collected data.

Provide monthly revenue and expenses reports to divisions and meet with Division Managers and Admin quarterly.

Provide bi-annual updates to the BOS.