

# CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000  
 SAN FRANCISCO, CA 94105-2219  
 VOICE AND TDD (415) 904-5200  
 FAX (415) 904-5400



## NOTICE OF PROPOSED RULEMAKING

**NOTICE IS HEREBY GIVEN** that the **CALIFORNIA COASTAL COMMISSION** is proposing to amend and adopt various sections of the Commission's regulations in Chapters 5, 6 and 8 of Division 5.5 of Title 14 of the California Code of Regulations. These chapters include fees for filing applications with the Commission.

A written comment period has been established commencing on **September 14, 2007** and terminating on **October 29, 2007**. Public hearings are scheduled on Friday, October 12, 2007 at 9 a.m. at the Crowne Plaza Los Angeles Harbor Hotel, in San Pedro, CA, and Wednesday, November 14, 2007 at 9 a.m. at the Sheraton San Diego Hotel, in San Diego, CA. Interested persons may comment orally or in writing about the proposed changes at either of the two hearings or may submit written comments concerning the proposed changes to the **CALIFORNIA COASTAL COMMISSION, 725 FRONT STREET, SUITE 300, SANTA CRUZ, CA 95060-4508**. Written comments may be submitted to the Commission on the day of the hearing at the meeting prior to the Commission's consideration of the matter. It is requested, but not required, that written comments be mailed so that they are received no later than three (3) working days prior to the date of the public hearing. It is requested, but not required, that persons who submit written comments to the Commission at the hearing provide twenty (20) copies of such comments. This will ensure that each commissioner will receive a copy.

### AUTHORITY AND REFERENCE

The authority for the proposed regulatory action is found in Public Resources Code section 30333 wherein the California Coastal Commission is authorized to adopt and amend regulations to carry out the purposes and provisions of the Coastal Act and to govern procedures of the Commission.

The proposed regulatory action would implement, interpret, and make specific Public Resources and Government Code sections as follows:

### AUTHORITY AND REFERENCE CITATIONS FOR REGULATORY ACTION TO TITLE 14, CHAPTERS 5, 6 AND 8 TO COASTAL COMMISSION REGULATIONS

Section	Authority	Reference
13055	Public Resources Code § 30333	Public Resources Code § 30620(c), 30253
13169	Public Resources Code § 30333	Public Resources Code § 30600, 30604 and 30620.6
13255.0	Public Resources Code § 30333	Public Resources Code § 30103(b)
13255.1	Public Resources Code § 30333	Public Resources Code § 30103(b)
13255.2	Public Resources Code § 30333	Public Resources Code § 30103(b)
13576	Public Resources Code § 30333 30501 and 30620.6	Public Resources Code § 30519 and 30603

## **INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW**

The California Coastal Commission (hereinafter “Commission”) proposes to amend various sections of the Commission’s regulations in Chapters 5, 6 and 8 of Division 5.5 of Title 14 of the California Code of Regulations. These chapters include fees for submitting permit applications and other filings to the Commission. The proposed amendments update the Commission’s filing fees, reorganize the regulations for clarity, and clarify ambiguities. The majority of the Commission’s fees are contained within section 13055 of the regulations. Other sections related to filing fees which are proposed to be amended are: 13169, 13255 and 13576.

The proposed amendments include the following:

1. Increased fee amounts
2. New fee categories for:
  - a. Federal Consistency Certifications
  - b. Boundary Determinations
  - c. Appeals pursuant to sections 30602 and 30603(a)(5) of the Coastal Act
  - d. Written exemptions from coastal development permits
3. Escalator clause, in proposed section 13055(c), which would allow the Commission to update the fees each year according to inflation without undertaking the rulemaking process
4. Two new provisions for fee reductions in proposed sections 13055(h)(2) and 13055(h)(3): one for affordable housing and one for green building

The purpose of the amendments is to establish fees that are based on a portion of the average costs that the Commission incurs in processing permit applications and other filings. Currently, the Commission’s filing fee revenue, which is directed to the Coastal Access Account, constitutes approximately 8% of its regulatory budget. The proposed amendments would increase the filing fee revenue so that it would constitute up to 50% of the Commission’s regulatory costs and budget. Because there are numerous categories of regulatory actions that the Commission cannot charge fees for, such as Local Coastal Program amendments and public agency applications, the Commission thinks that a target of 50% of the Commission’s regulatory costs is appropriate.

To establish appropriate fee amounts, Commission staff first analyzed the complexity of applications that are received within each fee category. Fees for more complex applications are higher than fees for less complex applications. Elements of complexity that affect the proposed fee amounts include: the square footage of the proposed development; the total cost of development; the typical number of technical studies associated with the development; the time and expertise required to perform services applied for; and the impact of the development on coastal resources, which requires analysis under the Coastal Act.

Commission staff also conducted a survey of local governments which charge fees in the Coastal Zone for application review that is similar to the application review performed by the Commission. A detailed description of the survey can be found below in the section titled, "Technical studies." This survey was used to ensure that the proposed fees are not excessive in comparison to those charged by local governments.

### **LOCAL MANDATE**

The proposed regulations do not impose a local mandate.

### **NONDISCRETIONARY COSTS OR SAVINGS IMPOSED UPON LOCAL AGENCIES**

None

### **EFFECTS ON LOCAL AGENCIES OR SCHOOL DISTRICTS**

None

### **COST OR SAVINGS TO STATE AGENCIES OR IN FEDERAL FUNDING TO THE STATE**

None

### **SIGNIFICANT ADVERSE IMPACT ON BUSINESS**

The proposed amendments will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This is because only a very small percentage of businesses in the Coastal Zone are required to pay the Commission's filing fees. These are the businesses which voluntarily elect to undertake development in the coastal zone and as a result, submit permit applications and other filings to the Commission. Additionally, once a local government has coastal permitting authority to issue permits within their jurisdiction, businesses will then apply for a coastal development permit from their local government. Also, these businesses are only required to pay a one time fee, typically at the time of development, which is a very small percentage of the project's total development cost. Furthermore, the Commission's proposed fees are not excessive in comparison to those charged by local governments which issue coastal development permits in the Coastal Zone.

### **COST IMPACTS ON INDIVIDUALS OR BUSINESSES**

The proposed regulations will have a range of cost impacts on individuals and businesses. The majority of the cost impacts result from the increased amount of existing fees, but in some cases, they result from the establishment of a new fee. The individuals and businesses directly affected by this action are those persons and businesses who voluntarily elect to undertake development in the coastal zone and as a result, submit permit applications and other filings to the Commission. These include individual homeowners, commercial and retail businesses,

developers of hotels, resorts, and residential communities, and any other business that chooses to undertake development in the coastal zone in an area subject to the permit jurisdiction of the Coastal Commission.

Those individuals and businesses that do not undertake activities which require an application filing fee from the Commission will not have any cost impacts. Individuals and businesses that choose to undertake activities which require an application filing fee from the Commission may be charged new or additional fees which start at \$250. Depending on the type and intensity of development being proposed, individual landowners would typically be charged \$250 to \$6,500 more than the current fee. Business owners would be charged fees anywhere from \$250 for a boundary determination request, to \$250,000 for a large project with a development cost of over \$100,000,000.

Finally, the proposed regulations contain provisions that would minimize the fee increase for projects which incorporate affordable housing or green building. And, the regulations allow the Executive Director to waive the filing fee in whole or in part when requested by resolution of the Commission.

## **EFFECTS ON JOBS OR BUSINESSES**

The proposed regulations will not eliminate or create jobs or businesses or expand businesses in the State of California.

## **SIGNIFICANT EFFECT ON HOUSING COSTS**

None

## **ALTERNATIVES**

The California Coastal Commission must determine that no reasonable alternative it has considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective as and less burdensome to affected private persons than the proposed action. Any interested person may submit statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing or during the public comment period.

## **CONTACT PERSON**

Inquiries and substantive questions on the proposed regulations should be directed to Madeline Cavalieri at (415) 904-5233 or [mcavalieri@coastal.ca.gov](mailto:mcavalieri@coastal.ca.gov).

## **COMMENTS**

Written comments should be directed to Madeline Cavalieri, California Coastal Commission, 725 Front Street, Suite 300, Santa Cruz, CA 95060-4508, or [mcavalieri@coastal.ca.gov](mailto:mcavalieri@coastal.ca.gov) and must be received no later than October 29, 2007 at 5:00 p.m. Written and oral comments will be

accepted at the public hearings which will take place on Friday, October 12, 2007 at 9 a.m. at the Crowne Plaza Los Angeles Harbor Hotel, in San Pedro, CA and Wednesday, November 14, 2007 at 9 a.m. at the Sheraton San Diego Hotel, in San Diego, CA.

## **AVAILABILITY OF PROPOSED REGULATIONS AND INITIAL STATEMENT OF REASONS**

The California Coastal Commission has prepared the proposed revisions to its regulations and has available all of the information upon which its proposal is based. A copy of the proposed revisions, together with the Initial Statement of Reasons, which includes all of the information upon which the proposed regulatory action is based, may be obtained from the **CALIFORNIA COASTAL COMMISSION, 725 FRONT STREET, SUITE 300, SANTA CRUZ, CA 95060-4508** or by or by telephoning Jeff Staben at (415) 904-5202. Copies of this notice, the initial statement of reasons and the text of the proposed change may also be obtained from the Coastal Commission's website at [www.coastal.ca.gov](http://www.coastal.ca.gov) from which the documents may be reviewed and printed.

## **RULEMAKING FILE**

A rulemaking file for this rulemaking activity is maintained at the Commission's office and is available for public review during the Commission's normal business hours. Requests to review the rulemaking file should be directed to Madeline Cavalieri at (415) 904-5233 or [mcavalieri@coastal.ca.gov](mailto:mcavalieri@coastal.ca.gov).

## **MODIFICATIONS TO ORIGINALLY PROPOSED REGULATIONS**

Any sufficiently related modifications to the originally proposed text of the regulations will be made available for 15 days prior to the agency's adoption of the regulation.

## **FINAL STATEMENT OF REASONS**

Once prepared, the final statement of reasons will be available as part of the Commission's rulemaking file and may be reviewed at the Commission's office and website or obtained by contacting Madeline Cavalieri at (415) 904-5233 or [mcavalieri@coastal.ca.gov](mailto:mcavalieri@coastal.ca.gov).

## **INTERNET ACCESS**

The proposed regulation and all related documents will be available for review and printing on the Commission's website at [www.coastal.ca.gov](http://www.coastal.ca.gov)