



## Legislation Details (With Text)

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<b>Type:</b>	Action Item	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	3/19/2021	<b>In control:</b>		City Council	
<b>On agenda:</b>	4/29/2021	<b>Final action:</b>			
<b>Title:</b>	<p>Actions pertaining to amendments to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, or Delete Various Fees:</p> <ol style="list-style-type: none"><li>1. HEARING to Consider Adoption of the 560th Amendment to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, or Delete Various Development Fees Associated with the Current Planning, Building and Safety Services, and Parking Divisions of the Planning and Development Department (Citywide).</li><li>2. Adopt a finding of statutory exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273(a) for amendments to fees pertaining to: (1) Public Utilities - (a) Solid Waste, (b) Wastewater, and (c) Water Division; (2) PARCS; and (3) Planning - (a) CPI adjustment, (b) fee adjustments; and (c) new fees proposed.</li><li>3. ***RESOLUTION -560th Amendment the Master Fee Schedule Resolution No. 80-420 Making Various Changes to the Regulatory, Development, and User Fees in the Current Planning, Building and Safety Services, and Divisions of the Planning and Development Department. (Subject to Mayor's Veto)</li><li>4. ***RESOLUTION - 561st Amendment to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, Revise or Delete Various Fees (Subject to Mayor's veto)</li></ol>				
<b>Sponsors:</b>	Office of Mayor & City Manager				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. 560th Amendment to the Master Fee Resolution, 2. 561st Amendment to the Master Fee Schedule Resolution, 3. Master Fee Schedule Exhibit A, 4. Master Fee Schedule Exhibit B, 5. February 4, 2021 Planning & Development Department Memo to NBS, 6. February 5, 2021 NBS Letter to Planning & Development Department				

Date	Ver.	Action By	Action	Result
4/28/2021	1	City Council	continued	Pass

## REPORT TO THE CITY COUNCIL

**April 28, 2021**

**FROM:** THOMAS ESQUEDA, City Manager  
GEORGEANNE A. WHITE, Assistant City Manager

**THROUGH:** HENRY FIERRO, Budget Manager  
Budget and Management Studies Division

**BY:** TODD STERMER, Senior Budget Analyst  
Budget and Management Studies Division

## **SUBJECT**

Actions pertaining to amendments to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, or Delete Various Fees:

1. HEARING to Consider Adoption of the 560th Amendment to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, or Delete Various Development Fees Associated with the Current Planning, Building and Safety Services, and Parking Divisions of the Planning and Development Department (Citywide).
2. Adopt a finding of statutory exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273(a) for amendments to fees pertaining to: (1) Public Utilities - (a) Solid Waste, (b) Wastewater, and (c) Water Division; (2) PARCS; and (3) Planning - (a) CPI adjustment, (b) fee adjustments; and (c) new fees proposed.
3. \*\*\*RESOLUTION -560th Amendment the Master Fee Schedule Resolution No. 80-420 Making Various Changes to the Regulatory, Development, and User Fees in the Current Planning, Building and Safety Services, and Divisions of the Planning and Development Department. (Subject to Mayor's Veto)
4. \*\*\*RESOLUTION - 561st Amendment to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, Revise or Delete Various Fees (Subject to Mayor's veto)

## **RECOMMENDATION**

Staff recommend that Council:

1. Hold a hearing to Consider Adoption of the 560th Amendment to the Master Fee Schedule Resolution No. 80-420 to Add, Adjust, or Delete Various Development Fees Associated with the Current Planning, Building and Safety Services, and Parking Divisions of the Planning and Development Department (Citywide);
2. Adopt a finding of statutory exemption pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273(a) for amendments to fees pertaining to: (1) Public Utilities - (a) Solid Waste, (b) Wastewater, and (c) Water Division; (2) PARCS; and (3) Planning - (a) CPI adjustment, (b) fee adjustments; and (c) new fees proposed.
3. Approve the 560th Amendment the Master Fee Schedule Resolution No. 80-420 Making Various Changes to the Regulatory, Development, and User Fees in the Current Planning, Building and Safety Services, and Divisions of the Planning and Development Department. (Subject to Mayor's Veto)
4. Approve the 561st Amendment to the Master Fee Schedule (MFS) Resolution No. 80-420 to Add, Adjust, Revise or Delete Various Fees (Subject to Mayor's veto)

## **EXECUTIVE SUMMARY**

The attached resolutions to adopt the 560th and 561st Amendments to the Master Fee Schedule (MFS) Resolution No. 80-420 addresses fee changes, and annual routine revisions to the following sections of the MFS: Parks, After School, Recreation and Community Services (PARCS); Planning and Development (Planning); and Public Utilities (DPU).

## **BACKGROUND**

The annual revision of the MFS is being presented at this time to enable adjustments approved by Council to be incorporated into the planning of the FY 2022 budget. Staff will proceed with estimating revenues for FY 2022 based on the adoption of these updates to the schedule. The

following narrative details the proposed fee adjustments by MFS section.

**PARCS:** The PARCS Department is proposing adjustments to four Green Fees at Riverside Municipal Golf Course (Riverside). These adjustments are contractual. Per the terms of the Riverside lease agreement, the Green Fees may be adjusted annually in an amount not to exceed the 12-month percentage change in the U.S. Bureau of Labor Statistics the Consumer Price Index (CPI) (Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose Area). The cumulative increase to these fees is 1.261% which falls under the maximum of 1.330% based on the CPI change between June 2019 and June 2020. These fees will be effective upon adoption.

**Planning:** Planning is proposing several adjustments to the MFS, as outlined below. Pursuant to the Mitigation Fee Act (Government Code Section 66000 et. seq.) any action to increase a fee requires a noticed public hearing at a regularly scheduled meeting of the Council. If adopted, fees will become effective no sooner than 60 days after final approval or July 1, whichever is later.

In addition to a CPI adjustment, Planning is also proposing fifteen text changes, eight fee adjustments, five deletions, and two new fees:

- **CPI Adjustment:** The Planning and Development Department is proposing to adopt an annual adjustment to construction related fees. An annual CPI adjustment was recommended in the 2019 User Fee Analysis performed by NBS. NBS recommended that user fees be adjusted on an annual basis to keep pace with the cost of inflation. The proposed annual adjustment will be tied to the U.S. Bureau of Labor Statistics Consumer Price Index (Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose Area). The adjustment will occur annually on July 1, commencing with July 1, 2021 based on the 12-month percentage change for the most current month data that is available.
- **Text Changes:** The fifteen text changes are proposed in the following sections: (1) Address Change (under Land Use, Zoning, and Division); (2) Conditional Use Permits (under Land Use, Zoning and Land Division); (3) Map - Tentative Parcel Maps (under Land Use and Zoning); (4) Map - Tentative Tract Maps (under Land Use and Zoning); (5) Plan Amendment (under Land Use and Zoning); (6) Site Plan Review (under Land Use and Zoning); (7) Amendment to Approved SPR (under Land Use and Zoning); (8) Building Plan Check - Offsite Improvements (under Subdivision); (9) Special and Consulting Services (Under Subdivision); (10) Footnotes (under Parking Fees); (11) Short Term Daily Rates (under Parking Fees); (12) Fee Notes (under New Construction, Commercial Tenant Improvements, Residential Additions and Miscellaneous Items, including Residential Remodels & Minor Alterations); (13) Fee Notes (under Plan Check & Inspection / Permit Fees for New Construction, Commercial Tenant Improvements & Residential Additions); (14) incorporation of previously omitted tables added (under Miscellaneous Items, including Residential Remodels & Minor Alterations); (15) Fee Notes (under Mechanical Plumbing and Electrical - Stand Alone Projects)
- **Fee Adjustments:** The eight fee adjustments are proposed in the following sections: (1) Occupancy and Penalty (both under Other Fees related to New Construction, Commercial Tenant Improvements and Residential Additions); (2) Occupancy and Penalty (both under Other Fees related to Miscellaneous Items); (3) Plan Check & Inspection / Permit Fees for Mechanical, Plumbing and Electrical (under Mechanical Plumbing and Electrical - Stand

Alone Projects); (4) Penalty (under Other Fees related to Mechanical Plumbing and Electrical Stand Alone Projects); (5) Conditional Use Permits (under Land Use Zoning and Land Division); Environmental Impact Report deposits (under Land Use and Zoning); (6) Planned Development - Standalone (under Land Use and Zoning); (7) Building Plan Check - Planning Review for Commercial and Residential (under Subdivision); and (8) Minor Revised Exhibit (under Conditional Use Permit in the Land Use, Zoning and Land Division section).

The fees proposed for adjustment were previously calculated in the 2019 User Fee Analysis prepared by NBS Government Finance Group and changes to these fees were approved by Council on June 20, 2019. Staff proposes adjustments to these fees as business practices were revised and associated tasks refined or changed. For each, staff conducted a time-on-task analysis and used the applicable fully burdened hourly rate provide by NBS in the 2019 User Fee Analysis. In a memo dated February 4, 2021, staff provided an explanation of these proposed revisions to NBS and requested that NBS review the proposed revisions and the methodology used for consistency with the 2019 User Fee Analysis. After reviewing the proposed changes and discussing them with Planning staff, NBS agreed that the proposed changes are consistent with the practices used in the 2019 User Fee Analysis.

Among the changes proposed, staff propose and adjust to the Conditional Use Permit Section to include a Minor Revised Exhibit level of review, similar to the Development Permit level of review. By including this middle level of review, customers are provided a level of review at less cost and time than the "Major" Revised Exhibit. The time to complete processes to complete this level of review were studied in a manner consistent with the 2019 User Fee Analysis and included in the aforementioned memo to NBS.

- Deletions: The five deletions are proposed in the following sections: (1) Conditional Use Permits (under Land Use, Zoning and Division); (2) Encroachment (under Land Use and Zoning); (3) Planned Community Development (under Land Use and Zoning); (4) Waiver or Interpretation of Development Standards (under Land Use and Zoning); (5) Short Term Daily Rates (under Parking Fees).
- New Fees Proposed: The two newly proposed fees are as follows: (1) Residential Tract Update Review (under Miscellaneous Items, including Residential Remodels and Minor Alterations) and (2) Temporary Event Structure Permit and Inspection (under Other Fees related to Miscellaneous Items).

The Residential Tract Update Review fee is an established fee that was regularly charged under a miscellaneous fee category. Staff proposes codifying this as a separate fee in the MFS. To calculate this fee, staff conducted a time-on-task assessment and utilized the fully burdened hourly rate for the Permit Center provide in the 2019 User Fee Analysis. NBS reviewed staff's calculation of this fee and agreed it is consistent with the practices in the 2019 User Fee Analysis.

The Temporary Event Structure Permit was previously charged as a miscellaneous hourly inspection rate. Calculation of this fee was inadvertently omitted from the 2019 User Fee Analysis. To provide specificity to the records of the associated permits, staff propose including a Temporary Event Structure fee in the MFS. This fee was calculated per a cost recovery basis of the inspection time required to issue this permit type. To calculate this fee,

staff conducted a time-on-task assessment and utilized the fully burdened hourly rate for the Inspection Services provide in the 2019 NBS Fee Study. NBS reviewed staff's calculation of this fee and agreed it is consistent with the practices in the 2019 NBS Fee Study.

**DPU (Solid Waste):** The Solid Waste Division is proposing adjustments to the Illegal Dumping Cleanup fee. This fee is being adjusted to recover the current cost of service to clean up illegal dumping throughout the city and is based on the cost of a driver, a heavy equipment operator, equipment and fleet operations and maintenance costs.

**DPU (Wastewater):** The Wastewater Division is proposing adjustments to two fees and the addition of three new fees. The adjustments include a text change related to Hauled Waste Disposal and an increase related to enforcement of the Pretreatment Program meant to reflect current labor costs.

The three new fees are special charges billed for service requests and include:

- A fee for processing and reviewing pre-acceptance video inspections filmed by outside contractors for new construction sewer mainlines.
- A fee for city inspection of access structure channel construction when pre-acceptance video inspections by outside contractors do not properly capture the structure.
- A fee for a single Collection System Maintenance employee reports directly to an after-hours sewer service call on private property or a private system.

**DPU (Water Division):** The Water Division is proposing adjustments to fifteen fees. These fees are adjusted annually to reflect the current cost of service and materials. Fees being adjusted include: Fire Hydrant Damage Repair; Fire Hydrant Permits; Testing and Cleaning for fire hydrant travel meters; Water Supply Well Permits; Monitoring Well Permits; Monitoring Well Inspections; Well Abandonment Permits; Well Destruction Permits; Well Destruction Inspections; Underground Utility Remarketing; Blind Washer Installation; Blind Washer Removal; Service Disconnection; Service Restoration; and After Hours Turn On Service.

## ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of the fee updates Amendments to the MFS, as noted above and on the schedules attached hereto, for the following departments are determined to be statutorily exempt pursuant to CEQA Guidelines Section 15273(a): (1) Public Utilities - (a) Solid Waste, (b) Waste Water, and (c) Water Division; (2) PARCS; and (3) Planning - (a) CPI adjustment, (b) fee adjustments; and (c) new fees proposed. These updates are exempt because they pertain to meeting operating expenses, including employee wage rates and materials.

Pursuant to the definition in California Environmental Quality Act Guidelines Section 15378, the Planning & Development Department's text changes and deletions, as noted above and on the schedules attached hereto, are not a "project."

## LOCAL PREFERENCE

Local preference was not considered because this agenda item does not include a bid or award of a construction services contract.

## FISCAL IMPACT

The FY 2022 Budget will be built on the assumption that the fees contained in the 560th and 561st Amendments will be implemented. The effective date of this amendment is July 1, 2020, unless otherwise noted.

**Attachments:**

- 560th Amendment to the Master Fee Resolution
- 561st Amendment to the Master Fee Schedule Resolution
- Master Fee Schedule Exhibit A
- Master Fee Schedule Exhibit B
- February 4, 2021 Planning & Development Department Memo to NBS
- February 5, 2021 NBS Letter to Planning & Development Department