



Office of the City Manager

Date: May 18, 2022
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Sharon Friedrichsen, Budget Manager
Subject: Proposed Fiscal Year 2023 Fees

RECOMMENDATION

Discuss the proposed updates to Fiscal Year 2023 fees and provide direction to staff.

BACKGROUND

City departments are in the process of reviewing fees for services as part of the development of the Fiscal Years 2023 and 2024 Biennial Budget. The purpose of these fees is to recover the cost of providing the service from the identified beneficiary, or user, of the service. At this time, the Planning and Development Department proposes to increase the hourly rate for staff time related to permit review activities from \$200 to \$230 per hour. Permit review activities include processing of applications for Administrative Use Permits, Variances, and Zoning Certificates; Design Review and Landmarks Designations and Zoning Code Enforcement. Permit review fees are charged to project applicants based on the time required to deliver the service or an estimated typical cost based on the average time taken on similar projects. The proposed increase in the rate is based on updated salaries, benefits and overhead costs (rent, utilities and other expenses) for the Permit Division. The fees collected are deposited in the Permit Service Center Fund to recover personnel and operating costs. The last increase to permit fees occurred in 2017.

The proposed fees are included within Attachment 1. The Department is scheduling a public hearing on the proposed fee increases for May 24, 2022. The proposed fees, if approved by Council, would become effective on July 1, 2022.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with receiving an update on proposed fees.

CONTACT PERSON

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Attachments:

1. Proposed Fiscal Year 2023 Land Use Planning Division section of Planning Department Fee Schedule

CHAPTER B - LAND USE PLANNING					
FEE TYPE / DESCRIPTION			FEE	REMARKS	
I. Administrative Use Permit (AUP)					
1.	Tier 1 - Most complex projects in or adjacent to a Residential district			\$ 3,680	Assumes 16 hours
2.	Tier 2 - Intermediately complex projects in or adjacent to a Residential district			\$ 2,760	Assumes 12 hours
3.	Tier 3 - Least complex projects in or adjacent to a Residential district including Class II Home Occupation Permits			\$ 1,840	Assumes 8 hours
4.	Tier 4 - Other activities (residential or commercial) NOT in or adjacent to a Residential district			\$ 5,520	Assumes 24 hours
II. Use Permit (UP) with public hearing					
1.	Level 1 - Use Permit (projects not listed below)			\$ 5,520	Assumes 24 hours
2.	Level 2 - Include the following:			\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
a.	Non-residential projects in a Residential district				
b.	Mixed-use buildings creating more than 20,000 gross sq. feet				
c.	New construction or "major" renovation of a Landmarked building or site or Structure of Merit				
d.	Any new main building				
e.	Master Use Permit or Development Permit required by a Specific Plan				
f.	Class III Home Occupation Permits				
3.	ZAB Public Hearing (per hearing, in addition to permit fees). Fee already exists; copied here form			\$ 1,025	
III. Variance					
1.	Tier 1 - Yard or Height, Useable Open Space, Lot Coverage, Parking			\$ 3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours.
2.	Tier 2 - Inadvertent Demolition of Residential Structure			\$ 9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours.
3.	Tier 3 - All others not in Tier 1 or 2			\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
4.	Each Additional AUP, UP or Variance in addition to primary application			\$ 460	Assumes 2 hours
5.	ZAB Public Hearing (per project in addition to permit fees)			\$ 1,025	
IV. Zoning Certificate (ministerial permits)					
A. All projects except as noted below					
1.	Business License review - continuation of lawful existing use			\$ 115	
2.	Accessory Dwelling Unit review			\$ 460	Assumes 2 hours for neighborhood notices and documentation (Plan check is billed separately, with Building Permit)
3.	SB35, SB330, other pre-application review			\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours, plus direct cost for consultants
4.	Additional staff time (work performed beyond the time covered by the fees above)			\$ 230	Per hour of staff time
B. Building Permit review					
1.	Project with Administrative Use Permit			\$ 230	Assumes 1 hour
2.	Project with Use Permit and/or Variance			\$ 460	Assumes 2 hours
3.	In-kind Repair/Replacement (e.g. window replacement, dry rot repair, etc.)			\$ 115	Assumes half hour
4.	Fourth and subsequent plan check submittal			\$ 230	per hour of staff time

FEE TYPE / DESCRIPTION		FEE	REMARKS
V. Modification / Transfer			
1.	Administrative Use Permit Modification	\$ 1,840	Assumes 8 hours
2.	Use Permit Modification (ZAB Review - No Public Hearing)	\$ 3,680	Assumes 16 hours
3.	Use Permit Modification (ZAB Review - Public Hearing Required)	\$ 5,520	Assumes 24 hours
4.	Transfer of Administrative Use Permit / Use Permit	\$ 230	Per hour of staff time
5.	Public Hearing (per hearing, in addition to permit fees)	\$ 1,025	
VI. Environmental Review			
A. California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA)			
1.	Initial Study resulting in a Negative Declaration or Mitigated Negative Declaration	\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours, plus direct cost for consultants
2.	Environmental Impact Report (EIR)	\$ 9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours, plus direct cost for consultants
B. Mitigation Monitoring			
		\$ 3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours, plus direct cost for consultants
C. Notices - NOE, NOD, etc.			
		\$ 920	Assumes four hours. Fee applies when notices are filed by the City on behalf of the applicant / City after all appeals are heard
VII. Design Review			
A. Administrative Design Review			
1.	Project valued under \$50,000	\$ 1,840	Assumes 8 hours
2.	Project valued at \$50,000 to \$2,000,000	\$ 2,760	Assumes 12 hours
3.	Project valued over \$2,000,000	\$ 3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours.
4.	Signs/Awnings	\$ 460	Assumes 2 hours
B. Design Review Committee			
1.	Project valued under \$50,000	\$ 2,760	Assumes 12 hours
2.	Project valued at \$50,000 to \$2,000,000	\$ 3,680	Assumes 16 hours
3.	Project valued over \$2,000,000	\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
C. Final Review with the DRC			
1.	Project valued under \$50,000	\$ 1,250	
2.	Project valued at \$50,000 - \$150,000	\$ 1,500	
3.	Project valued over \$150,000	\$ 4,250	
D. Additional Preview (existing fee, relocated from Sec. VII.B above)		\$ 500	
E. Modifications - DRC Projects		\$ 750	
F. DRC Public Hearing (per hearing, in addition to permit fees)		\$ 1,025	

FEE TYPE / DESCRIPTION		FEE	REMARKS
VIII. Landmarks Preservation Commission Review			
A. Initiation			
	1. Structure	\$ 50	As set by the Landmarks Preservation Ordinance, BMC 3.24.340.A
	2. District	\$ 100	As set by the Landmarks Preservation Ordinance, BMC 3.24.340.B
B. Design Review - Structural Alteration (non-residential only)			
	1. Project valued under \$50,000	\$ 2,000	
	2. Project valued between \$50,001 and \$1,999,999	\$ 3,000	
	3. Project valued at \$2,000,000 or more	\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
C. Design Review - Signs and Awnings		\$ 1,000	
D. Demolition Review (non-residential structures 40 or more years old as required under Section 23C.08.050C of the Zoning Ordinance)		\$ 1,200	
E. Mills Act Historical Contract Processing - payable upon application (one-time payment)		\$ 4,200	
F. Mills Act Historical Contract Monitoring			
	1. Payable upon application to cover 5 contract years	\$ 2,500	
	2. Assessed at the beginning of each subsequent 5 years	\$ 2,500	
G. LPC Public Hearing (per hearing, in addition to permit fees)		\$ 1,025	
IX. Appeals			
A. Non-Applicant Appeal of AUP		\$ 500	
B. Reduced Non-Applicant Appeal of AUP: Fee reduced if signed by persons who lease or own at least 35 percent of the parcels or dwelling units within 300 feet of the project site, or at least 20 such persons (not including dependent children), whichever is less		\$ 200	
C. Non-Applicant Appeals of ZAB or LPC		\$ 1,500	
D. Reduced Non-Applicant Appeals of ZAB or LPC: Fee reduced if appeal is signed by persons who lease or own at least 50 percent of the parcels or dwelling units within 300 feet of the project site, or at least 25 such persons (not including dependent children), whichever is less		\$ 500	
E. Appeal of AUP by Applicants		\$ 3,680	
F. Appeal of ZAB or LPC by Applicants		\$ 5,520	
G. Appeal of DRSL or DRC by Non-Applicant		\$ 500	
H. Appeal of DRSL or DRC by Applicant		\$ 3,680	
I. Non-Applicant Appeals of all affordable housing projects (defined as projects which provide 50% or more affordable units for households at 80% or less of Area Median Income)		\$ 500	
J. Appeal to address processing error by staff		Fee Waived	
X. Plan Amendments, Reclassification Requests, and Waterfront Master Development Plan permits*			
A. General Plan Amendment		\$ 9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours, plus direct cost for consultants
B. Specific Plan Amendment		\$ 9,200	
C. Rezoning / Reclassification Request		\$ 9,200	
D. Waterfront Master Development Plan Permit		\$ 9,200	
XI. Miscellaneous Fees			
A. Penalty for Late Filing (When Zoning Permit, Use Permit or Variance is required for work already performed)		100%	of applicable fee(s)
B. Zoning Complaint Re-inspection			
	1. First Re-inspection	\$ 230	
	2. Second Re-inspection	\$ 345	
	3. Third Re-inspection and all inspections thereafter	\$ 460	
C. Agenda Subscriptions and Mailing Fees		Amount specified per A. R. 3.8	

FEE TYPE / DESCRIPTION		FEE	REMARKS
D.	Publications and Duplication of Records	Amount specified per A. R. 3.8	
E.	Maps - large, color	\$ 36.00	
F.	Duplication of Zoning Adjustments Board, Landmarks Preservation Commission, and Design Review Commission meeting recordings	Amount specified per A. R. 3.8	
G.	Microfilm Duplication Fee	Amount specified per A.R. 3.8	
H.	Records Management Fee	\$ 50	per application
I.	Letters Regarding Status of Properties	\$ 230	per hour, 2 hour min.
J.	Housing Density Bonus Analysis - if separate from other permits	\$ 230	per hour of staff time
K.	Zoning Research	\$ 230	per hour, 2 hour min.
L.	Oak Tree Review	\$ 230	per hour, 1 hour min., plus consultant costs
M.	Use Permit Monitoring	\$ 230	per hour of staff time
N.	Pre-application Reviews		
	1. Staff level review	\$ 920	Assumes 4 hours
	2. Zoning Adjustments Board / Design Review Committee / Landmarks Preservation Commission / Planning Commission Review (at staff discretion in consultation with the applicant)	\$ 3,680	Assumes 16 hours
O.	Dedicated Project Review: In addition to all required fees, applicants may request (or the City may require) dedicated project review in which the applicant pays the City for staff overtime or to contract with a consulting firm with particular relevant expertise to review the application. In such instances, the applicant shall remit a deposit equal to the total amount of the contract, based on the bids received by the City pursuant to its purchasing procedures. Progress billings will be made if charges are expected to exceed deposit; prompt payment of bills will assure continued project review. Failure to remit a progress payment within an appropriate time frame, as determined by the Director of Planning and Development or his/her designee, will be treated as a withdrawal without prejudice to the underlying proposal.	At cost	
P.	Community Planning Fee for General Plan and Zoning Ordinance Maintenance	15%	Surcharge on all Applications for AUP, UP, Modification and/or Variance.
XII. CONDOMINIUM			
A.	Rent Board Review	\$ 120	per unit
B.	Notice of Local Law Compliance	\$ 3,680	Assumes 16 hours
C.	Conversion to Condominiums - <u>one to four units</u>	\$ 5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
D.	Conversion to Condominiums - <u>five or more units</u>	\$ 9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours.
E.	Appeal of an Administrative Determination on Conversion of a TIC to the Planning Commission by an Applicant	\$ 3,680	Assumes 16 hours
F.	Appeal of Planning Commission Determination on Conversion to the City Council by an Applicant	\$ 5,520	Assumes 24 hours
G.	Appeal of Planning Commission Determination on Conversion to the City Council by a Non-Applicant	\$ 3,680	Assumes 16 hours
<p>NOTE: The minimum deposits listed are intended to reflect typical project costs. Progress billings will be made during review of a project if charges exceed the deposit: prompt payment of bills will assure continued project review. Failure to remit a progress payment within the appropriate time frame as determined by the Director of Planning and Development or his/her designee, will be treated as a withdrawal without prejudice to the underlying proposal. All fees are required to be paid prior to scheduling the item for Council consideration.</p>			