



PUBLIC HEARING

Agenda Item # 7

AGENDA REPORT SUMMARY

Meeting Date: July 11, 2017

Subject: Resolution No. 2017-32: 2017/18 Community Development Fee Schedule

Prepared by: Jon Biggs, Community Development Director

Approved by: Chris Jordan, City Manager

Attachments:

1. Building and Planning Division Fee Schedule – “Track Changes Version”
2. Building and Planning Division Fee Schedule – “Clean Version”
3. Resolution Setting Fees for the Community Development Department

Initiated by:

Staff

Fiscal Impact:

The proposed fee adjustment has the potential to increase revenues by approximately \$60,000; however, development is presently trending lower so this projected revenue amount may be lower.

Environmental Review:

This action is exempt from environmental review pursuant to Section 15273 of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

Policy Question(s) for Council Consideration:

- Shall the fees be raised so that revenues can maintain pace with expenditures for the Community Development Department?

Summary:

- Proposed resolution increases fees for development review process by no more than 5%

Staff Recommendation:

Move to adopt Resolution 2017-32, setting the FY 2017/18 Fee Schedule for the Community Development Department



Subject: Resolution No. 2017-32: 2017/18 Community Development Fee Schedule

Purpose

Maintain fees so expenses incurred in the review and processing of development applications can maintain pace with department expenditures.

Background

Periodically staff re-evaluates fees and charges that are collected for City services and activities that are intended to be cost recovery. The City contracted with Revenue and Cost Specialists in 2012 to develop an updated cost allocation plan. This review identified the time spent by staff on the various private development applications that it processes and the appropriate charge or fee for providing this service. Department expenses include all direct costs, such as salaries, benefits, supplies, building utilities, equipment replacement, etc., and indirect costs. Indirect expenses include the costs associated with external departmental support from the City Manager, City Clerk, City Attorney, and Administrative Services Department.

The City began charging fees based on this review in FY 2013/14. The last re-evaluation of these fees occurred in 2015 and there have been no fee increases since then.

Discussion/Analysis

The Planning and Building Divisions of the Community Development Department are the only programs that are expected to recover their total direct and indirect expenditures through user-fee revenue and are typically the focus of the Fee Schedule update. The Engineering Division, for example, collects subdivision map checking fees to recover the full cost of that service, but this has no effect on the division's costs to manage capital projects.

Over the years, the Community Development Department has been able to achieve full cost-recovery of department expenses by the fees it charges for services. To continue the recovery of costs related to development review, staff is recommending that the fees for services provided by the Planning and Building Divisions be raised by no more than 5% for all the activities, applications, and permits it charges a fee for. This approximate 5% increase is based on Consumer Price Index increases over the last two years, 2.7% and 3.8% respectively. A table indicating the recommended fees is provided as Attachment 1, which are reflected in "track changes" so that the existing and proposed fees can be compared. Attachment 2 is a clean version of the proposed fees. This increase in fees will allow the Department to continue its efforts at full cost recovery for the services it provides.

In addition to an increase in fees for existing permits, staff is recommending the addition of some applications, with recommended fee, and the adjustment of other fees that, given staff's experience, are too low. These modifications to the fees schedule include:



Subject: Resolution No. 2017-32: 2017/18 Community Development Fee Schedule

Solar and Photovoltaic Permit

The Building Permit fee for solar installations has been amended to reflect the limit on fees that can be collected per State Legislation.

Certificate of Compliance

Raising this fee to \$1,730 so that is comparable to the Lot Line Adjustment (LLA) application fee. The relative work put into developing each of these certificates is similar to a LLA and the fees should reflect this.

Conditional Use Permit for Wireless Facilities

This fee has been adopted by the City Council in the past and it is currently being charged for wireless facility applications that are submitted. There are two fees, the first covers the administrative review and the second covers those projects that need City Council, Planning and Transportation Commission, or Zoning Administrator review. For unknown reasons, these fees have never been included in the fees schedule so it is appropriate to include them now.

Use Permit Modification

At present, there is no fee for a request to amend an existing use permit. Staff is recommending a fee of \$865 to cover the cost for processing these applications.

Design Review – Administrative Approval and Accessory Structure Review

There are two categories of design review applications that are performed but for which there are no fees listed in the fee schedule. There is the administrative review involving projects of less than 500 square feet for a single-family dwelling and accessory structures that require review by the Design Review Commission (detached structures over 12' in height for example). Fees for each of these permits, \$285 for the administrative, and \$865 for accessory structures, is recommended so that charges for these services are appropriately collected.

Planning and Transportation Commission Study Session

At present, there is no fee for Study Session with the City Council or the Planning and Transportation Commission – a fee of \$575 is recommended to recover the expense incurred by the department to provide this useful service.

Master Sign Program

Master sign programs for buildings or sites with multiple tenants are encouraged to achieve a coordinated approach to identifying tenants and to provide for a streamlined approval process. The location, size, style, and illumination guidelines are typically included in a master sign program and they achieve a cohesive appearance for a site rather than the disjointed appearance that multiple sign types and styles can create. The fee for the master sign program is not presently listed in the fees



Subject: Resolution No. 2017-32: 2017/18 Community Development Fee Schedule

schedule and staff is recommending a fee of \$575 to recover the expenses that go in to processing such requests.

Variance Review – Planning and Transportation Commission

Some variance applications are only considered by the Planning and Transportation Commission (PTC) and are typically associated with smaller scale projects that do not need to go before the PTC for a recommendation and then on to the City Council for approval. There is no fee listed for this type of service and staff is recommending that a fee of \$1,730 be added to the fee schedule for this type of application.

Public Notification Fees

Two fees have been added for public notification. Twenty-five dollars (\$25) is recommended for the posting done on design review applications considered by the Design Review Commission and one dollar (\$1) per post card is recommended to cover the expenses needed for the public hearing notices that are mailed out for other types of permit applications that are consider by the Planning and Transportation Commission and/or City Council.

No other City departments are recommending fee changes for FY 2017/18.

Options

- 1) Adopt Fee Increases

Advantages: Revenues can keep pace with expenditures

Disadvantages: Raises fees for development permit activities and applications

- 2) Decline fee increase request

Advantages: Maintains fees at present levels

Disadvantages: Revenues can continue their decline relative to expenditures

Recommendation

The staff recommends Option 1

City of Los Altos Community Development Department Fee Schedule 2017/18

*Note: San Francisco 2017 Consumer Price Index (CPI) has increased 3.8%. The last increase in building permit fees occurred on July 7, 2009 Resolution No. 2009-13. This revision fee schedule reflects a 5% building permit fee increase to cover fees for services.

Community Development – Building	Fee for Service
Building Permit Valuation based on price per square foot of construction. Minimum valuation for new residential and commercial construction is \$150.00 <u>\$158</u> per square foot.	
Total Valuation \$1 - \$3,000	\$75.00 <u>\$79</u>
\$3,001 - \$25,000	\$75.00 <u>\$79</u> for the First \$3,000. 00 Plus \$15.45 <u>\$16</u> for Each Additional \$1,000. 00 or Fraction Thereof, To and Including \$25,000. 00
\$25,001 - \$50,000	\$414.90 <u>\$435</u> for the First \$25,000. 00 Plus \$41.45 <u>\$42</u> for Each Additional \$1,000. 00 or Fraction Thereof, To and Including \$50,000
\$50,001 - \$100,000	\$693.65 <u>\$728</u> for the First \$50,000. 00 Plus \$7.75 <u>\$8</u> for Each Additional \$1,000. 00 or Fraction Thereof, To and Including \$100,000. 00
\$100,001 - \$500,000	\$1,081.45 <u>\$1,133</u> for the First \$100,000. 00 Plus \$6.20 <u>\$7</u> for Each Additional \$1,000. 00 or Fraction Thereof, To and Including \$500,000. 00
\$500,001 - \$1,000,000	\$3,561.45 <u>\$3,733</u> for the First \$500,000. 00 Plus \$5.25 <u>\$6</u> for Each Additional \$1,000. 00 or Fraction Thereof, To and Including \$1,000,000. 00
\$1,000,001 and Up	\$6,186.45 <u>\$6,483</u> for the First \$1,000,000. 00 Plus \$3.50 <u>\$4</u> for Each Additional \$1,000. 00 or Fraction Thereof
Electrical, Fire Department Inspection, Mechanical or Plumbing Permit Total Valuation \$1 - \$3,000	\$75.00 <u>\$79</u>

Formatted: Font color: Red
Formatted Table

Formatted: Font: 14 pt

\$3,001 - \$25,000	\$75.00 <u>\$79</u> for the First \$3,000- 00 Plus \$21.00 <u>\$22</u> for Each Additional \$1,000- 00 or Fraction Thereof, To and Including \$25,000- 00
\$25,001 - \$50,000	\$537.00 <u>\$563</u> for the First \$25,000- 00 Plus \$15.25 <u>\$16</u> for Each Additional \$1,000- 00 or Fraction Thereof, To and Including \$50,000- 00
\$50,001 - \$100,000	\$918.25 <u>\$963</u> for the First \$50,000- 00 Plus \$10.00 <u>\$11</u> for Each Additional \$1,000- 00 or Fraction Thereof, To and Including \$100,000- 00
\$100,001 and up	1.5% <u>1.55%</u> of Valuation
Building Plan Check	65% of Building Permit Fee
Blueprint for a Clean Bay	\$10.00
Building Code Compliance Review	\$500.00 <u>\$525</u>
Building Moving Permit	Time/Material
California Green Building Fund	\$4.00 Per \$100,000- 00 in Valuation, but not less than \$1.00 Per \$25,000- 00 in Valuation
Construction Tax Residential Commercial	\$0.41 per Square Foot \$0.68 per Square Foot
Demolition Permit Single Family Commercial/Multiple Family	\$275.00 <u>\$289</u> \$550.00 <u>\$578</u>
Duplicate Permit Request	\$50.00
Energy Plan Check	25% of Building Permit
Fire Marshall Plan Check	20% of Building Permit
Miscellaneous Building Permit	\$75.00 <u>\$79</u>
Property Research Residential Commercial	\$25.00 <u>\$26</u> per Property \$50.00 <u>\$53</u> minimum per Property
Re-Inspection Request	\$75.00 <u>\$79</u>
Solar and Photovoltaic Permit	\$500.00 <u>Fees for solar installations shall comply with California Government Code Section 66015, which allow for fees of \$500 plus \$15 per kilowatt for each kilowatt above 15kW for residential rooftop solar energy systems, and \$1,000 plus \$7 per kilowatt for each kilowatt between 51kW and 250kW, plus \$5 for every kilowatt above 250kW, for commercial rooftop solar energy systems.</u>
Street Address Change	\$550.00 <u>\$578</u>
Strong Motion and Seismic Hazard Mapping Residential Commercial	Minimum Fee is \$0.50 for Any Valuation Up To \$5,000- 00 (x 0.0001 = Fee Amount) Minimum Fee is \$0.50 for Any Valuation Up To \$2,381- 00 (x 0.0001 = Fee Amount)
Technology Surcharge – Permit System Maintenance, Document Archiving Maintenance, Document Backfile Conversion	5% of Building/Electrical/Mechanical/ Plumbing Permits

Temporary Certificate of Occupancy	\$350.00 <u>\$368</u>
Community Development – Planning	Fee for Service
Annexation	\$200. 00 Deposit per Parcel, with a \$1,000. 00 Minimum and Fully Allocated Hourly Staff Rates
Appeal	
Within Notification Boundary	\$550.00 <u>\$575</u>
Outside Notification Boundary	\$1,650.00 <u>\$1,730</u>
Application Extension	
Single-Family	\$275.00 <u>\$285</u>
Commercial/Multiple Family	\$550.00 <u>\$575</u>
Application Modification	
Single-Family	\$550.00 <u>\$575</u>
Commercial/Multiple Family	\$1,650.00 <u>\$1,730</u>
Certificate of Compliance	\$550.00 <u>\$1,730</u> + Time/Material
Conditional Use Permit	
Business Use Only	\$1,650.00 <u>\$1,730</u>
Planning/Transportation Commission	
Business Use Only	\$2,750.00 <u>\$2,885</u>
Planning/Transportation Commission	
City Council	
New Construction (>500 sq. ft.)	\$4,950.00 <u>\$5,190</u>
Planning/Transportation Commission	
City Council	
<u>Conditional Use Permit – Wireless Facility City Council or Planning and Transportation Commission or Zoning Administrator</u>	<u>\$5,190</u>
<u>Conditional Use Permit – Wireless Facility Renewal or Modification – Staff Level</u>	<u>\$865</u>
<u>Use Permit Modification</u>	<u>\$865</u>
Design Review	
Second Living Unit	\$550.00 <u>\$575</u>
Single Family	
Administrative (>500 Sq. Ft.)	\$825.00 <u>\$865</u>
Design Review Commission	\$1,650.00 <u>\$1,730</u>
Commercial/Multiple Family	
Administrative (≤500 Sq. Ft.)	\$825.00 <u>\$865</u>
Commercial/Multiple Family	\$4,950.00 <u>\$5,190</u>
Planning/Transportation Commission	
City Council (>500 Sq. Ft.)	
<u>Design Review Single Family – Administrative (<500 sq. ft.)</u>	<u>\$285</u>
<u>Design Review – Accessory Structure – Design Review Commission</u>	<u>\$865</u>
Development Agreement Fee	Time/Material (\$5,000. 00 deposit)
Environmental Impact Report	\$4,950.00 <u>\$5,190</u> + Time/Material
Electric Vehicle Charging	\$.32 Per kWh
Environmental Initial Study	\$1,650.00 <u>\$1,730</u> + Time/Material
General Plan/Map Amendment	\$4,950.00 <u>\$5,190</u>
Lot Line Adjustment	\$1,650.00 <u>\$1,730</u> + Time/Material
Park In-Lieu Fee	

Formatted: Left

Formatted: Left

Single Family Residential Unit	\$56,500.00
Multiple Family Residential Unit	\$35,500.00
Planned Unit Development	\$4,950.00 \$5,190
Preliminary Project Review	\$275.00 \$285
<u>Planning and Transportation Commission Study Session</u>	\$575
Public Sidewalk Display Permit	\$50.00 \$52
Reversion to Acreage	\$1,650.00 \$1,730 + Time/Material
Sign Design Review	
Modification of Existing Sign and Sign Per a Sign Program	\$140.00
New Sign not part of a Sign Program	\$275.00 \$285
<u>Master Sign Program</u>	\$575
Single Story Overlay Rezoning	\$4,500.00 \$4,725
Tentative Subdivision Map Review	\$4,950.00 \$5,190
Tentative Subdivision Map Extension/Modification	\$1,650.00 \$1,730
Traffic Impact Fee	
Single Family Residential Unit	\$6,152.00
Multiple Family Residential Unit	\$3,777.00
Senior Residential Unit	\$1,584.00
Commercial	\$11,269.00 Per 1,000 sq. ft.
Office	\$9,076.00 Per 1,000 sq. ft.
Tree Removal	\$50.00 \$52
Vacating Easement/Right-of-way	Time/Material
Variance Review	
Accessory Structure	\$550.00 \$575
Single Family Main Structure	\$1,650.00 \$1,730
Commercial/Multiple Family Main Structure	\$4,950.00 \$5,190
<u>Variance Review – Commercial/Multiple Family Main Structure – Planning and Transportation Commission Only</u>	\$1,730
Zoning Ordinance/Map Amendment	\$4,950.00 \$5,190
Zoning Use Compliance	\$100.00 \$105
Zoning Verification Letter	\$275.00 \$285
<u>Public Notification Single-Family Design Review</u>	\$25
<u>All Other Public Notifications</u>	\$1 per mailed postcard

Formatted Table

Formatted Table

Formatted Table

City of Los Altos
Community Development Department Fee Schedule
2017/18

Community Development – Building	Fee for Service
Building Permit Valuation based on price per square foot of construction. Minimum valuation for new residential and commercial construction is \$158 per square foot. Total Valuation \$1 - \$3,000 \$3,001 - \$25,000 \$25,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$500,000 \$500,001 - \$1,000,000 \$1,000,001 and Up	\$79 \$79 for the First \$3,000 Plus \$16 for Each Additional \$1,000 or Fraction Thereof, To and Including \$25,000 \$435 for the First \$25,000 Plus \$12 for Each Additional \$1,000 or Fraction Thereof, To and Including \$50,000 \$728 for the First \$50,000 Plus \$8 for Each Additional \$1,000 or Fraction Thereof, To and Including \$100,000 \$1,133 for the First \$100,000 Plus \$7 for Each Additional \$1,000 or Fraction Thereof, To and Including \$500,000 \$3,733 for the First \$500,000 Plus \$6 for Each Additional \$1,000 or Fraction Thereof, To and Including \$1,000,000 \$6,483 for the First \$1,000,000 Plus \$4 for Each Additional \$1,000 or Fraction Thereof
Electrical, Fire Department Inspection, Mechanical or Plumbing Permit Total Valuation \$1 - \$3,000 \$3,001 - \$25,000 \$25,001 - \$50,000	\$79 \$79 for the First \$3,000 Plus \$22 for Each Additional \$1,000 or Fraction Thereof, To and Including \$25,000 \$563 for the First \$25,000 Plus \$16 for Each Additional \$1,000 or Fraction Thereof, To and Including \$50,000

\$50,001 - \$100,000	\$963 for the First \$50,000 Plus \$11 for Each Additional \$1,000 or Fraction Thereof, To and Including \$100,000
\$100,001 and up	1.55% of Valuation
Building Plan Check	65% of Building Permit Fee
Blueprint for a Clean Bay	\$10
Building Code Compliance Review	\$525
Building Moving Permit	Time/Material
California Green Building Fund	\$4.00 Per \$100,000 in Valuation, but not less than \$1.00 Per \$25,000 in Valuation
Construction Tax Residential Commercial	\$0.41 per Square Foot \$0.68 per Square Foot
Demolition Permit Single Family Commercial/Multiple Family	\$289 \$578
Duplicate Permit Request	\$50
Energy Plan Check	25% of Building Permit
Fire Marshall Plan Check	20% of Building Permit
Miscellaneous Building Permit	\$79
Property Research Residential Commercial	\$26 per Property \$53 minimum per Property
Re-Inspection Request	\$79
Solar and Photovoltaic Permit	Fees for solar installations shall comply with California Government Code Section 66015, which allow for fees of \$500 plus \$15 per kilowatt for each kilowatt above 15kW for residential rooftop solar energy systems, and \$1,000 plus \$7 per kilowatt for each kilowatt between 51kW and 250kW, plus \$5 for every kilowatt above 250kW, for commercial rooftop solar energy systems.
Street Address Change	\$578
Strong Motion and Seismic Hazard Mapping Residential Commercial	Minimum Fee is \$0.50 for Any Valuation Up To \$5,000 (x 0.0001 = Fee Amount) Minimum Fee is \$0.50 for Any Valuation Up To \$2,381 (x 0.0001 = Fee Amount)
Technology Surcharge – Permit System Maintenance, Document Archiving Maintenance, Document Backfile Conversion	5% of Building/Electrical/Mechanical/Plumbing Permits
Temporary Certificate of Occupancy	\$368
Community Development – Planning	Fee for Service
Annexation	\$200 Deposit per Parcel, with a \$1,000 Minimum and Fully Allocated Hourly Staff Rates
Appeal Within Notification Boundary Outside Notification Boundary	\$575 \$1,730

Application Extension Single-Family	\$285
Commercial/Multiple Family	\$575
Application Modification Single-Family	\$575
Commercial/Multiple Family	\$1,730
Certificate of Compliance	\$1,730 + Time/Material
Conditional Use Permit Business Use Only Planning/Transportation Commission	\$1,730
Business Use Only Planning/Transportation Commission City Council	\$2,885
New Construction (>500 sq. ft.) Planning/Transportation Commission City Council	\$5,190
Conditional Use Permit – Wireless Facility City Council or Planning and Transportation Commission or Zoning Administrator	\$5,190
Conditional Use Permit – Wireless Facility Renewal or Modification – Staff Level	\$865
Use Permit Modification	\$865
Design Review Second Living Unit Single Family Administrative (>500 Sq. Ft.)	\$575
Design Review Commission	\$865
Commercial/Multiple Family Administrative (≤500 Sq. Ft.)	\$1,730
Commercial/Multiple Family Planning/Transportation Commission City Council (>500 Sq. Ft.)	\$865
Design Review Single Family – Administrative (<500 sq. ft.)	\$5,190
Design Review – Accessory Structure – Design Review Commission	\$285
Development Agreement Fee	\$865
Environmental Impact Report	Time/Material (\$5,000 deposit)
Electric Vehicle Charging	\$5,190 + Time/Material
Environmental Initial Study	\$.32 Per kWh
General Plan/Map Amendment	\$1,730 + Time/Material
Lot Line Adjustment	\$5,190
Park In-Lieu Fee Single Family Residential Unit	\$1,730 + Time/Material
Multiple Family Residential Unit	\$56,500
Planned Unit Development	\$35,500
Preliminary Project Review	\$5,190
Planning and Transportation Commission Study Session	\$285
Public Sidewalk Display Permit	\$575
Reversion to Acreage	\$52
Sign Design Review	\$1,730 + Time/Material

Modification of Existing Sign and Sign Per a Sign Program	\$140.00
New Sign not part of a Sign Program	\$285
Master Sign Program	\$575
Single Story Overlay Rezoning	\$4,725
Tentative Subdivision Map Review	\$5,190
Tentative Subdivision Map Extension/Modification	\$1,730
Traffic Impact Fee	
Single Family Residential Unit	\$6,152
Multiple Family Residential Unit	\$3,777
Senior Residential Unit	\$1,584
Commercial	\$11,269 Per 1,000 sq. ft.
Office	\$9,076 Per 1,000 sq. ft.
Tree Removal	\$52
Vacating Easement/Right-of-way	Time/Material
Variance Review	
Accessory Structure	\$575
Single Family Main Structure	\$1,730
Commercial/Multiple Family Main Structure	\$5,190
Variance Review – Commercial/Multiple Family Main Structure – Planning and Transportation Commission Only	\$1,730
Zoning Ordinance/Map Amendment	\$5,190
Zoning Use Compliance	\$105
Zoning Verification Letter	\$285
Public Notification Single-Family Design Review	\$25
All Other Public Notifications	\$1 per mailed postcard

RESOLUTION NO. 2017-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS SETTING CERTAIN FEES AND CHARGES TO BE COLLECTED FOR THE COMMUNITY DEVELOPMENT DEPARTMENT

WHEREAS, the Municipal Code specifies that certain fees and charges shall be set by Resolution of the City Council; and

WHEREAS, these fees and charges should be in amounts sufficient to recover the costs incurred by the City with respect to the functions to be performed by the City.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby adopts the various fees and charges set forth in the attached FY 2017/18 Fee Schedule for the Community Development Department and these fees shall become effective no sooner than 60 days following final passage and adoption of this Resolution and shall remain in effect until a new Resolution amending the same is adopted by the City Council.

BE IT FURTHER RESOLVED all other fees previously established by other City Council Resolution or Ordinance remain in effect.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 11th day of July, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mary Prochnow, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK