



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jennifer A. Maguire

SUBJECT: AMENDMENTS TO THE
2017-2018 PROPOSED FEES &
CHARGES REPORT

DATE: June 5, 2017

Approved

Date 6/5/17

REPLACEMENT #2

RECOMMENDATION

Approve amendments to the 2017-2018 Proposed Fees and Charges Report as described in Attachment A.

BACKGROUND

The 2017-2018 Proposed Fees and Charges Report was released on May 5, 2017 and outlined the majority of the proposed fees and charges accruing to the General Fund and selected fees and charges associated with other funds. Subsequently to the release of that report, the Administration is recommending further amendments to more accurately align fees with activities and the departmental fees and charges resolutions, and to correct for minor errors during the initial preparation.

ANALYSIS

The following are descriptions of the recommended changes to the 2017-2018 Proposed Fees & Charges Report. Please refer to Attachment A for full details of the amendments.

- *Housing Department*

The Administration is recommending amendments to correct minor errors and an inadvertent oversight of not including the text for Inclusionary Policy Fees during the initial document preparation; however, the fees have been included in the Fees and Charges Resolution. The City's Inclusionary Housing Policy, established in 1988, required affordable housing units in newly-constructed for-sale housing developments with greater than 10 units that are located in former Redevelopment Project Areas. Although redevelopment agencies in California

have been dissolved, the relevant provisions of the California Redevelopment Law requiring housing affordability in residential construction in Redevelopment Project Areas have not been repealed. The Inclusionary Policy Fees to be included in the 2017-2018 Proposed Fees and Charges Report, apply to projects for which a Site Development Permit or a Planned Development Permit was issued on or before June 1, 2007 and which have not received a foundation permit or building permit prior to July 1, 2007. Any Inclusionary Policy Fees are due when the first unit of the project receives its Certificate of Occupancy.

- ***Planning, Building and Code Enforcement Department***

The 2017-2018 Proposed Fees and Charges Report initially proposed changes to the tree removal permits to bring them into full cost recovery. Changes recommended in this memorandum would bring the fees back to 2016-2017 levels pending an analysis of the tree removal process. The fees included in the 2017-2018 Proposed Fees and Charges Report were based on the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report* completed in November of 2016 and accepted by City Council in December of 2016. Since then, Planning staff have been working to complete a review of the current tree removal work flow, including all relevant policies and ordinances. That work, combined with feedback from a multitude of stakeholder groups, is targeted for completion in 2017. The goal will be to develop a work flow path that balances efficiency and transparency for tree removal permitting in the City of San Jose. Any recommended changes to tree removal permit fees made at that time will reflect the revised work flow. Additionally, several revisions to the fees correct minor errors and exclusions that occurred during the initial preparation of the 2017-2018 Proposed Fees and Charges Report.

- ***Police Department***

The Police Department Academy-Outside Agency Recruit Fee is proposed to be decreased from \$10,720 to \$6,300 per recruit and per academy. This fee is set as a Category II fee, which allows the fee to be either above or below cost recovery levels. During the development of the 2016-2017 Proposed Fees and Charges Report, the fee was modified to \$5,500 per Manager's Budget Addendum #27 as adopted by City Council with the approval of the Mayor's June Budget Message for fiscal year 2016-2017. During the development of the 2017-2018 Proposed Fees and Charges Report, this fee was inadvertently set at the \$10,720 level but should have been set at \$6,300 to maintain cost recovery levels. Additionally, due to a minor oversight, the Medical Marijuana Renewal Registration Processing Fee should be changed from \$3,639 to \$3,703 per application for renewal.

- ***Public Works Department***

The revisions to the fees correct minor errors and exclusions that occurred during the initial preparation of the 2017-2018 Proposed Fees and Charges Report. Fee revisions were intended to address areas to streamline and align fees recommended in the *City of San José*

June 5, 2017

Subject: Amendments to the 2017-2018 Proposed Fees & Charges Document

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Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report accepted by City Council in December 2016. In some instances, the naming convention is revised to clarify the distinction between fees with similar titles. Other fees were updated with new tier structures including the elimination of certain fees to better reflect the fee structure and cost. Additionally, with the proposed fee revisions certain fees were identified where additional costs were previously unaccounted for in error.

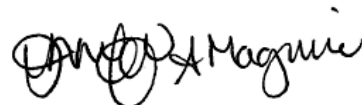
- ***Transportation Department***

Slight downward adjustments are recommended for several fees. The Proposed 2017-2018 Fees and Charges Report overstated the position costs for three positions whose costs are accounted for in the fee calculations. Additionally, several changes align the fee titles with fees in the Public Works Department for components of the review process that is conducted by both departments, and one fee change corrects a rounding error that caused the fee to be displayed at an amount that is over cost-recovery.

Minimal budgetary impacts are anticipated from the recommended fee changes, and the changes are expected to be absorbed within the Fees, Rates, and Charges category.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Housing; Planning, Building and Code Enforcement; Police; Public Works, and Transportation Departments.



JENNIFER A. MAGUIRE
Senior Deputy City Manager/
Budget Director

Attachment A: Amendments to the 2017-2018 Proposed Fees and Charges Report

**AMENDMENTS TO THE 2017-2018 PROPOSED FEES AND CHARGES REPORT
ATTACHMENT A**

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
HOUSING		
<u>Multi-Family Project Restructuring Fee</u>		
1. City Attorney Staff Time	\$202/hr in excess of 20 hours	\$202/hr in excess of 21 hours
2. City Housing Staff Time	\$140/hr in excess of 21 hours	\$140/hr in excess of 20 hours
<u>Inclusionary Fees</u>		
3. Rental Alternative Restricted Unit to be developed within a redevelopment project area	Not Included	\$71,400 per unit
4. Rental Alternative Restricted Unit to be developed outside a redevelopment project area	Not Included	\$142,800 per unit
5. Ownership Alternative Restricted Unit to be developed within a redevelopment project area	Not Included	\$65,000 per unit
6. Ownership Alternative Restricted Unit to be developed outside a redevelopment project area	Not Included	\$130,000 per unit
PLANNING, BUILDING AND CODE ENFORCEMENT		
<u>Record Retention/Microfilming</u>		
1. Plan Authorization Process Fee Note: Per affidavit	\$90 per affidavit	\$89 per affidavit
<u>Special Inspections and Services</u>		
2. Permit Time Extension	\$90 per extension	\$89 per extension
3. Expedited Inspection Service	\$377 per hour (1/2 hour minimum)	\$376 per hour (1/2 hour minimum)
4. Inspections outside normal business hours	\$377 per hour (4 hour minimum)	\$376 per hour (4 hour minimum)
<u>General Plan Amendments</u>		
5. Urban Growth Boundary Modifications: Determination of minor/significant	\$12,267	Delete
6. Urban Growth Boudary Modification (previously Urban Growth Boundary Modifications: Processing for minor modification)	Delete	\$12,267
<u>Tree Removal Permit</u>		
7. Dead Tree - All others require permit adjustment	\$362	\$325
8. Dead Tree - Single Family or Two-Family Lots (Administrative)	\$218	\$0
9. Existing Single Family Development (previously Existing Single Family or Two-Family Lot Developments Note: was "Existing Single Family Development")	\$1,011 + noticing fees	\$0 + noticing fees
10. Heritage Tree Surcharge (City or County)	\$6,931 + noticing fees	\$1,270 + noticing fees
11. Included with Development Permit	Delete	\$0 + noticing fees
12. Stand Alone Tree Removal Permit: 1 Tree (previously Stand Alone Tree Removal Permit Multi-Family, Commercial, Industrial: 1 to 5 Tree Note: was "Stand Alone Tree Removal Permit: 1 Tree")	\$1,521 + noticing and electronic environmental exemption	\$800 + noticing fees
13. Stand Alone Tree Removal Permit: 2-5 Trees (previously Stand Alone Tree Removal Permit Multi-Family, Commercial, Industrial: Each Additional Tree over 5 Note: was "Stand Alone Tree Removal Permit: 2-5 Trees")	\$73 per tree	\$1,200 + noticing fees
14. Stand Alone Tree Removal Permit: 6+ Trees (previously Stand Alone Tree Removal Permit: Unsuitable Trees Note: was "Stand Alone Tree Removal Permit: 6+ Trees")	\$144	\$1,200 + \$50 per tree over 5 trees + noticing fees

**AMENDMENTS TO THE 2017-2018 PROPOSED FEES AND CHARGES REPORT
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DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
<u>Miscellaneous Permits/Fees</u>		
15. Mixed Use Permit Credit	Not Included	\$4,186 credit applied to initial permit invoice
POLICE		
<u>Police Recruit Academy Fee</u>		
1. Police Recruit Academy	\$10,720 per recruit academy	\$6,300 per recruit academy
<u>Medical Marijuana Fees</u>		
2. Renewal Registration Processing Fee	\$3,639 per application	\$3,703 per application
PUBLIC WORKS		
<u>Develop Application Review: Planned Development Rezonings</u>		
1. Per DU: 100 or More	\$6,043 plus \$6/DU	Delete
2. Per DU: 26-99	\$4,136 plus \$19/DU	Delete
3. Per DU: 3-25	\$2,848 plus \$71/DU	Delete
4. Per SF: 10,001-100,000	\$4,459 plus \$0.016/SF	Delete
5. Per SF: 100,000 or more	\$7,102	\$7,102 plus \$0.01/SF
6. Per SF: 100,001 or more	\$6,043 plus \$6/SF	Delete
7. Per SF: 5,000-49,999	\$1,190	\$1,190 plus \$0.10/SF
8. Per SF: 50,000-99,999	\$5,577	\$5,577 plus \$0.03/SF
9. Per SF: 501-10,000	\$2,978 plus \$0.164/SF	Delete
<u>Developer Application Review: Planned Development Units</u>		
10. Per DU: 25-99	\$3,160	\$3,160 plus \$13/DU
11. Per SF: 100,000 or more (previously 100,001 or More)	\$4,164 plus	\$4,164 plus \$0.01/SF
12. Per SF: 50,000-99,999	\$2,826	\$2,826 plus \$0.03/SF
13. Per SF: 5,000-49,999 (previously 5000-49,999)	\$1,487	\$1,487 plus \$0.03/SF
<u>Develop Application Review: Site Development Permits/Conditional Use/Special Use Permits</u>		
14. Per SF: 501-49,999 (previously 501-10,000)	\$2,978 plus \$0.164/SF	\$2,978 plus \$0.164/SF (Revised fee description)
15. Per SF: 50,000-100,000 (previously 10,001-100,000)	\$4,459 plus \$0.016/SF	\$4,459 plus \$0.016/SF (Revised fee description)
<u>Development Application Review: Traffic Reports</u>		
16. Report Review: per PHT: 1-99 (previously Operational Analysis Review: per PHT 1-99)	\$2,157	\$2,157 (Revised fee description)
17. Report Review: per PHT: 100-198 (previously Operational Analysis Review: per PHT 100-198)	\$2,157 plus \$7/PHT	\$2,157 plus \$7/PHT (Revised fee description)
18. Report Review: per PHT: 199-498 (previously Operational Analysis Review: per PHT 199-498)	\$2,900 plus \$4/PHT	\$2,900 plus \$4/PHT (Revised fee description)
19. Report Review: per PHT: 499 or more (previously Operational Analysis Review: per PHT 499 or more)	\$4,164 plus Time and Materials	\$4,164 plus Time and Materials (Revised fee description)
20. TIA Report Review: per PHT: 1-99 (previously Report Review: per PHT: 1-99)	\$3,570	\$3,570 (Revised fee description)
21. TIA Report Review: per PHT: 100-198 (previously Report Review: per PHT: 100-198)	\$3,570 plus \$11/PHT	\$3,570 plus \$11/PHT (Revised fee description)
22. TIA Report Review: per PHT: 199 or more (previously Report Review: per PHT: 199 or more)	\$4,685 plus \$9/PHT	\$4,685 plus \$9/PHT (Revised fee description)

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DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
<u>Develop Application Review: Water Quality Runoff-NPDES-C.3</u>		
23. NPDES Compliance Review of Grading Permits (>1 acres) (previously each additional acre)	\$223	\$367 plus \$233 each additional acre
24. ce Review of Grading Permits (>1 acres)	\$367 plus \$233 each additional acre	Delete
<u>Geologic: Erosion & Sediment Control</u>		
25. Type I	\$6,060 plus \$242 Record Retention Fee	\$6,060 plus Record Retention Fee
26. Type II	\$3,250 plus \$130 Record Retention Fee	\$3,250 plus Record Retention Fee
27. Type III	\$1,236 plus \$49 Record Retention Fee	\$1,236 plus Record Retention Fee
28. Type IV	\$446 plus \$17 Record Retention Fee	\$446 plus Record Retention Fee
<u>Geologic: Grading Permit/Plan Checking</u>		
29. Grading Permit Exemption	\$301 plus \$15 Record Retention Fee	\$301 plus Record Retention Fee
30. Grading Permit Renewal	\$174	\$74 plus Record Retention Fee
31. Grading Plan Revision	\$223 plus \$15 Record Retention Fee	\$223 plus Record Retention Fee
32. Grading Permit: Non-Hillside (500-999 cubic yards)	\$1,966 plus \$1/cy>500	\$1,996 plus \$1/cy>500
33. Grading Permit: Non-Hillside (>100,000 cubic yards)		\$15,121 plus Time and Materials
<u>Laterals and Easements</u>		
34. Real Estate Analysis/Review Fee	No Change	Time and Materials (\$1,018 minimum)
<u>Special Geological Hazard Study Area</u>		
35. Surcharge	No Change	Time and materials beginning with \$134 project deposit and record retention fee
<u>Plan Review: Engineering & Inspection (Miscellaneous)</u>		
36. Parcel Maps (Residential and Non-Residential): Parcel Map-1-4 Lots	\$5,621 per review	Delete
37. Parcel Maps/Final Maps (Residential and Non-Residential): Maps-1 lot	\$5,545	\$5,621

TRANSPORTATION

Development Review and Traffic Analysis Permits

1. Plan Development (PD, CP, SP) Residential: 3-24 Dwelling Units (previously 0-15 Dwelling Units)	\$274 per application	\$274 per application (Revised fee description)
2. Plan Development (PD, CP, SP) Residential: 25-99 Dwelling Units (previously 26-100 Dwelling Units)	\$411 per application	\$411 per application (Revised fee description)
3. Plan Dev Development (PD, CP, SP) Residential: Greater than 99 Dwelling Units (previously Greater than 100 Dwelling Units)	\$548 per application	\$548 per application (Revised fee description)
4. Plan Development (PD, CP, SP) Non-Residential: 501-9,999 sq. ft. (previously 500-10,000 sq. ft.)	\$274 per application	\$274 per application (Revised fee description)
5. Plan Development (PD, CP, SP) Non-Residential: 10,000-99,999 sq. ft. (previously 10,001-100,000 sq. ft.)	\$411 per application	\$411 per application (Revised fee description)
6. Plan Development (PD, CP, SP) Non-Residential: Greater than 99,999 sq. ft. (previously Greater than 100,000 sq. ft.)	\$548 per application	\$548 per application (Revised fee description)
7. Plan Development Zoning (PDC) Non-Residential: 501-9,999 sq. ft. (previously 500-10,000 sq. ft.)	\$274 per application	\$274 per application (Revised fee description)
8. Plan Development Zoning (PDC) Non-Residential: 10,000-99,999 sq. ft. (previously 10,001-100,000 sq. ft.)	\$548 per application	\$548 per application (Revised fee description)
9. Plan Development Zoning (PDC) Non-Residential: Greater than 99,999 sq. ft. (previously Greater than 100,000 sq. ft.)	\$1,096 per application	\$1,096 per application (Revised fee description)
10. Plan Development Zoning (PDC) Residential: 3-24 Dwelling Units (previously 3-25 Dwelling Units)	\$274 per application	\$274 per application (Revised fee description)

**AMENDMENTS TO THE 2017-2018 PROPOSED FEES AND CHARGES REPORT
ATTACHMENT A**

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
11. Plan Development Zoning (PDC) Residential: 25-99 Dwelling Units (previously 26-100 Dwelling Units)	\$411 per application	\$411 per application (Revised fee description)
12. Plan Development Zoning (PDC) Residential: Greater than 99 Dwelling Units (previously Greater than 100 Dwelling Units)	\$548 per application	\$548 per application (Revised fee description)
13. Site Development (H) Permit Non-Residential: 10,001-100,000 sq. ft. Note: Previously 20,000-99,000 sq. ft. (10,000-100,000 sq. ft.)	\$548 per permit	\$548 per permit (Revised fee description)
14. Standard Traffic Analysis Report: 100-198 PHT (previously 100-199 PHT)	\$670 per report plus \$2 per PHT	\$670 per report plus \$2 per PHT (Revised fee description)
15. Standard or Operational Workslope Report: 100-198 Peak Hour Trips (previously 100-199 Peak Hour Trips)	\$588 per report	\$588 per report (Revised fee description)
16. Traffic Analysis Operational Report Review: 100-198 Peak Hour Trips (previously 100-199 Peak Hour Trips)	\$670 per report	\$670 per report (Revised fee description)
17. Standard Traffic Analysis Report: 199 or Greater PHT (previously 200 or Greater PHT)	\$1,005 per report plus \$2 per PHT (\$2,005 maximum)	\$1,005 per report plus \$2 per PHT (\$2,005 maximum) (Revised fee description)
18. Standard or Operational Workslope Report: 199 PHT or greater (previously 200 PHT or greater)	\$670 per report plus \$2 per PHT (\$1,670 maximum)	\$670 per report plus \$2 per PHT (\$1,670 maximum) (Revised fee description)
19. Traffic Analysis Operational Report Review: 199 or more Peak Hour Trips (previously 200 or More Peak Hour Trips)	\$670 per report plus \$2 per PHT (\$1,670 maximum)	\$670 per report plus \$2 per PHT (\$1,670 maximum) (Revised fee description)
<u>Sale of Street Name Signs</u>		
20. Sale of Street Name Signs	\$313 per pair of signs	\$308 per pair of signs
<u>Signal Design/Review</u>		
21. Major Development Signal Design: Per signal design and activation	\$49,288 per signal design	\$48,977 per signal design
22. Minor Development Signal Design: Per signal design and activation	\$27,421 per signal design	\$27,311 per signal design
23. Major Development Signal Review: Per signal review and activation	\$32,725	\$32,414
24. Minor Development Signal Review: Per signal review and activation	\$18,765	\$18,655
25. Major Development Signal Design: Traffic Controller Fee	\$5,169 per controller (if applicable)	\$5,144 per controller (if applicable)
26. Minor Development Signal Design: Traffic Controller Fee	\$5,169 per controller (if applicable)	\$5,144 per controller (if applicable)
27. Minor Development Signal Review: Traffic Controller Fee	\$5,169 per controller (if applicable)	\$5,144 per controller (if applicable)
<u>Side Sewer Installation</u>		
28. Sanitary Sewer Wye Installation	\$4,052 per installation	\$4,038 per installation
<u>Miscellaneous Fees and Charges</u>		
29. Banner Installations	\$73 per installation plus materials	\$72 per installation plus materials
30. Double Banner Installations	\$109 per installation plus materials	\$107 per installation plus materials
31. New Banner Installations	\$109 per installation plus materials	\$107 per installation plus materials
32. New Double Banner Hardware Installations	\$142 per installation plus materials	\$139 per installation plus materials
33. Valet Parking Zone - Annual Fee	\$99 per zone	\$98 per zone
<u>New Subdivision Pavement Markings</u>		
34. New Subdivision Pavement Markings	\$530 basic fee, plus \$4.09 per sq. ft.	\$526 basic fee, plus \$4.07 per sq. ft.
<u>New Subdivision Traffic Control Signs</u>		
35. New Subdivision Traffic Control Signs	\$300 per average sign	\$298 per average sign