

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jim Shannon

SUBJECT: 2024-2025 Adopted Fees
and Charges

DATE: September 17, 2024

Approved



Date:

9/19/24

INFORMATION

This memorandum reflects the revisions to the 2024-2025 Proposed Fees and Charges as approved by the City Council with the adoption of the 2024-2025 Budget. This document in combination with the 2024-2025 Proposed Fees and Charges document comprise the 2024-2025 Adopted Fees and Charges. It is recommended that this memorandum be retained with the 2024-2025 Proposed Fees and Charges document for a complete record of all fees and charges approved for 2024-2025.

BACKGROUND

The 2024-2025 Proposed Fees and Charges document, which was released on May 3, 2024 and approved by the City Council on June 11, 2024, outlined the proposed fees for the majority of fees and charges accruing to the General Fund and selected fees and charges associated with other funds. Public input on fee proposals was heard by the City Council at public hearings held on Tuesday, May 14, 2024, at 1:30 p.m. and Monday, June 10, 2024, at 6:00 p.m. The proposed fees and charges were approved by the City Council with adjustments that were brought forward during the budget deliberation process through Manager's Budget Addenda #7 and #23 as well as a standalone memorandum brought forward by Councilmembers Jimenez, Torres, Cohen, Ortiz, and Foley¹, which were included in the City Council's approval of the Mayor's June Budget Message for Fiscal Year 2024-2025.

¹ Approval of the 2024-2025 Operating and Capital Budgets for the City of San José and Schedule of Fees and Charges

<https://sanjoseca.primegov.com/Portal/viewer?id=0&type=7&uid=71d17ee1-35a5-4669-bfa1-742471a85113>

This memorandum serves to document the changes from the 2024-2025 Proposed Fees and Charges to the 2024-2025 Adopted Fees and Charges. This memorandum is being released in lieu of a 2024-2025 Adopted Fees and Charges book, given the minimal fee changes and the extra cost to publish a revised document.

ANALYSIS

Following is a description of each of the changes to the 2024-2025 Proposed Fees and Charges approved by the City Council (details found in Attachment A) as well as the total estimated revenues and expenditures associated with fee activities (Attachment B).

Housing Department

As directed in the Mayor's June Budget Message for Fiscal Year 2024-2025, and subsequently approved by the City Council, the Non-Rent Controlled Apartment Units Fee will be maintained at the same rate as in 2023-2024 while an audit of the fee program is conducted. This fee, also known as the Tenant Protection Ordinance fee, is levied on owners of residential properties subject to the Tenant Protection Ordinance, specifically on buildings with three or more rental units constructed after September 7, 1979. Adjusting the fee from the initially proposed \$28 per unit annually to \$23 per unit annually will result in a revenue reduction of \$237,860 in the Rent Stabilization Program Fee Fund, which will be covered through the fund's Ending Fund Balance.

Planning, Building and Code Enforcement Department

Minor fee revisions were approved to Building and Planning Development fees and one revision to a Code Enforcement fee to correct errors that occurred during the initial preparation of the 2024-2025 Proposed Fees and Charges Report and to align fees in the report with the fees already included in the Schedule of Fees and Charges resolution. The changes are individually listed in Attachment A. These fee revisions do not impact the Planning, Building and Code Enforcement Department's estimated revenues.

Police Department

Two revisions were approved to the Police Department's Cannabis Program Fees related to the Annual Operating Fee and Initial Application Processing Fee. The Annual Operating Fee – as directed by the inclusion of the memorandum from Councilmembers Jimenez, Torres, Cohen, Ortiz, and Foley in the approval of the Mayor's June Budget Message for Fiscal Year 2024-2025 – was revised from \$35,000 per year, for first business activity per location, per business and \$20,000 per year, for each additional business activity per location, per business, to \$48,000 per year, per location. The Initial Application Processing Fee was revised to correct an error that occurred during the initial preparation of the 2024-2025 Proposed Fees and Charges Report and to align

fees in the report with the fees already included in the Schedule of Fees and Charges resolution. The fee will change to “\$3,963 per application; plus Code Enforcement Hourly Inspection Fee per hour after six (6) hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after nine (9) hours” from “\$3,963 per application; plus Code Enforcement Hourly Inspection Fee per hour after nine (9) hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after six (6) hours”. The change to the Annual Operating fee revision reduces the Police Department’s estimated revenues by \$361,000, which is offset by corresponding expenditure reductions in the Police Department’s Cannabis Regulation Program, as incorporated in the 2024-2025 Adopted Operating Budget. The change to the Initial Application Processing Fee has no impact to estimated revenues.

Public Works Department

Minor fee revisions to the Public Works Development services program fees and City Hall fees, and one revision to an Animal Care Services fees were approved to correct errors that occurred during the initial preparation of the 2024-2025 Proposed Fees and Charges Report and to align fees in the report with the fees already included in the Schedule of Fees and Charges resolution. The changes are individually listed in Attachment A. These fee revisions do not impact the Public Works Department’s estimated revenues.

Transportation Department

The “maximum cost” language was removed from the description for four development review and traffic analysis permit fees. Removing maximum costs allows the Transportation Department to fully recover costs on large projects that introduce many peak hour trips, and the change aligns with the Public Works Department fees for transportation analysis, which do not include maximum charges. These fee revisions do not impact the Transportation Department’s estimated revenues.



JIM SHANNON
Budget Director

For questions, please contact Selena Ubando, Assistant to the City Manager, City Manager’s Office, at (408) 535-8138.

Attachment A – Amendments to the 2024-2025 Proposed Fees and Charges Report
Attachment B – 2024-2025 Fees and Charge Report – Department Fees and Charges Summary

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
HOUSING DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
RENT STABILIZATION PROGRAM FEE FUND – CATEGORY I			
1. Rent Stabilization Program			
5 Non-Rent-Controlled Apartment Units	2023-2024	\$28 per unit annually	\$23 per unit annually

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
BUILDING FEE PROGRAM – CATEGORY I			
2. Building Permits			
6 Permit Processing Fee – Non-Residential	2023-2024	\$227 per hour applied to number of hours based on statistical averages for each subtype (see Exhibit L)	\$227 per hour (with 30-minute minimum for over the counter reviews) for processing and coordination time expended or the amounts set forth, whichever is greater (see Exhibit L). Permit Processing hours for non-residential projects are calculated on a per building basis based on the square footage of each building.
7 Permit Processing Fee – Residential	2023-2024	\$227 per hour applied to number of hours based on statistical averages for each subtype (see Exhibit L)	\$227 per hour (with 30-minute minimum for over the counter reviews) for processing and coordination time expended or the amounts set forth, whichever is greater (see Exhibit L). Permit Processing hours for single family residential are calculated on a per model basis based on the square footage of the model. Permit Processing hours for multi-family are calculated based on the square footage of each building.
13. Special Inspections and Services			
2 Building, Plumbing, Mechanical, and Electrical Survey Requests, including fire damage surveys	2022-2023	\$315 per hour (1/2 hour minimum)	Delete

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
13. Special Inspections and Services			
Building, Plumbing, Mechanical, and Electrical Survey Requests, including damage and Fire Surveys (minimum charge - 30 minutes) (formerly Building, Plumbing, Mechanical, and Electrical Survey Requests, including fire damage surveys)	NEW	NEW	\$315 per hour (1/2 hour minimum)
PLANNING FEE PROGRAM – CATEGORY I			
2. Conditional Use Permits			
1 Adjustments	2023-2024	\$452	Delete
2 Adjustments – Major	2023-2024	\$1,086	Delete
Development Permit Adjustments (formerly Adjustments)	NEW	NEW	\$452
Development Permit Adjustments – per ¼ hour additional	NEW	NEW	\$90
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review (formerly Adjustments – Major)	NEW	NEW	\$1,086
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review – per additional hour	NEW	NEW	\$362
11. Miscellaneous Permits/Fees			
9 Consultation Fee-Permit/Sign Adjust first sign or single sign	2023-2024	\$232	\$362 per hour

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
13. Planned Development (PD) Permits			
1 Adjustments – Over the Counter	2023-2024	\$452	Delete
2 Adjustments – Requiring Intake and Internal City Staff Review	2023-2024	\$1,086	Delete
Development Permit Adjustments (formerly Adjustments – Over the Counter)	NEW	NEW	\$452
Development Permit Adjustments – per ¼ hour additional	NEW	NEW	\$90
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review (formerly Adjustments – Requiring Intake and Internal City Staff Review)	NEW	NEW	\$1,086
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review – per additional hour	NEW	NEW	\$362
22. Site Development Permits			
1 Adjustments	2023-2024	\$452	Delete
2 Adjustments – Major	2023-2024	\$1,086	Delete
Development Permit Adjustments (formerly Adjustments)	NEW	NEW	\$452
Development Permit Adjustments – per ¼ hour additional	NEW	NEW	\$90

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
22. Site Development Permits			
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review (formerly Adjustments – Major)	NEW	NEW	\$1,086
Development Permit Adjustments Requiring Application Intake and Internal City Staff Review – per additional hour	NEW	NEW	\$362
CODE ENFORCE PROGRAM - CATEGORY I			
11. Multiple Housing Program Permits (Triplex and Above)			
4 Permit Reinstatement	2023-2024	\$1,122 per reinstatement	\$1,122 per building

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
POLICE DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
PUBLIC SAFETY PERMITS – CATEGORY I			
3. Cannabis Fees			
2 Annual operating fee	2023-2024	\$35,000 per year, for first business activity per location, per business. \$20,000 per year, for each additional business activity per location, per business.	\$48,000 per year, per location
9 Initial application processing fee	2023-2024	\$3,963 per application; plus Code Enforcement Hourly Inspection Fee per hour after nine (9) hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after six (6) hours	\$3,963 per application; plus Code Enforcement Hourly Inspection Fee per hour after six (6) hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after nine (9) hours

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PUBLIC WORKS DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
ANIMAL CARE AND SERVICES – CATEGORY II			
7. Other Charges			
8 Lab exam	2020-2021	\$100	\$105
DEVELOPMENT PROGRAMS FEES – CATEGORY I			
23. PW08: Grading/NPDES (C.3)/Drainage/Stormwater			
27 e3. On-Site Storm Plan Review 100 and more connections	2023-2024	\$2,450.00 + \$30.00 per connection >100 + Record Retention Fee	Delete
e3. On-Site Storm Plan Review >100 Connections (formerly e3. On-Site Storm Plan Review 100 and more connections)	NEW	NEW	\$2,450.00 + \$30.00 per connection >100 + Record Retention Fee
30 e6. On-Site Storm Inspection 100 and more connections	2023-2024	\$4,084.00 + \$43.00 per connection >100 + Record Retention Fee	Delete
e6. On-Site Storm Inspection >100 Connections (formerly e6. On-Site Storm Inspection 100 and more connections)	NEW	NEW	\$4,084.00 + \$43.00 per connection >100 + Record Retention Fee
33 f3. On-Site Storm Plan Review 100+ inlets/drains	2023-2024	\$2,450.00 + \$32.00 per Inlet/Drain >100 + Record Retention Fee	Delete
f3. On-Site Storm Plan Review >100 Inlets/Drains (formerly f3. On-Site Storm Plan Review 100+ inlets/drains)	NEW	NEW	\$2,450.00 + \$32.00 per Inlet/Drain >100 + Record Retention Fee
36 f6. On-Site Storm Inspection 100+ inlets/drains	2023-2024	\$4,084.00 + \$43.00 per Inlet/Drain >100 + Record Retention Fee	Delete

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
PUBLIC WORKS DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
23. PW08: Grading/NPDES (C.3)/Drainage/Stormwater			
f6. On-Site Storm Inspection >100 Inlets/Drains (formerly f6. On-Site Storm Inspection 100+ inlets/drains)	NEW		\$4,084.00 + \$43.00 per Inlet/Drain >100 + Record Retention Fee
USE OF CITY HALL – CATEGORY II			
7. Other Fees and Charges			
Additional Clean-up or Damage After the Event	NEW	NEW	Amount of actual cost plus \$5.00 per hour Administrative Processing Fee
Other Equipment Rental (e.g. microphone, speakers, etc.) late order	NEW	NEW	Amount of actual cost plus \$5.00 per hour Administrative Processing Fee
Other Tables Not Listed late order	NEW	NEW	Amount of actual cost plus \$5.00 per hour Administrative Processing Fee

**AMENDMENTS TO THE 2024-2025 PROPOSED FEES AND CHARGES REPORT
TRANSPORTATION DEPARTMENT**

Department – Fee	Date of Last Revision	2024–2025 Proposed Fees	2024-2025 Adopted Fees
TRANSPORTATION FEES – CATEGORY I			
1 Development Review and Traffic Analysis Permits			
41 Standard or Operational Workslope Report: 199 PHT or greater	2023-2024	\$2,196 per report plus \$2 per PHT (\$2,400 maximum)	\$2,196 per report plus \$2 per PHT
43 Standard Traffic Analysis Report: 100-198 PHT	2023-2024	\$2,196 per report plus \$2 per PHT (\$2,880 maximum)	\$2,196 per report plus \$2 per PHT
44 Standard Traffic Analysis Report: 199 or greater PHT	2023-2024	\$2,196 per report plus \$2 per PHT (\$2,880 maximum)	\$2,196 per report plus \$2 per PHT
48 Traffic Analysis Operational Report Review: 199 or more Peak Hour Trips	2023-2024	\$2,196 per report plus \$2 per PHT (\$2,400 maximum)	\$2,196 per report plus \$2 per PHT

2024-2025 FEES AND CHARGES REPORT DEPARTMENT FEES AND CHARGES SUMMARY

		2023 - 2024 ADOPTED BUDGET			2024-2025 ADOPTED BUDGET				
		Estimated Cost	Estimated Revenue	% Cost Recovery	Estimated Cost	WITH CURRENT FEE		WITH ADOPTED FEE	
						Estimated Revenue	% Cost Recovery	Estimated Revenue	% Cost Recovery
Category I	CITY CLERK	25,000	25,000	100.0 %	24,930	25,000	100.3%	24,930	100.0%
	ENVIRONMENTAL SERVICES	290,072	290,072	100.0 %	287,361	290,072	100.9%	286,115	99.6%
	FINANCE	209,921	209,921	100.0 %	265,253	230,302	86.8%	265,253	100.0%
	FIRE	10,311,788	8,940,600	86.7 %	10,341,478	8,940,600	86.5%	9,570,000	92.5%
	HOUSING	6,167,834	5,604,178	90.9 %	5,618,730	4,990,123	88.8%	5,380,870	95.8%
	LIBRARY	20,000	20,000	100.0 %	25,000	25,000	100.0%	25,000	100.0%
	PARKS, RECREATION & NEIGHBORHOOD SERVICES	34,338,000	16,086,901	46.8 %	36,958,618	19,484,000	52.7%	19,424,083	52.6%
	PLANNING, BUILDING & CODE ENFORCEMENT	66,520,677	59,613,629	89.6 %	69,433,013	55,588,911	80.1%	58,073,393	83.6%
	POLICE	5,985,045	5,736,014	95.8 %	4,741,924	5,571,580	117.5%	4,409,998	93.0%
	PUBLIC WORKS	15,878,604	15,321,450	96.5 %	19,359,770	15,703,385	81.1%	16,745,480	86.5%
	TRANSPORTATION	1,624,923	1,537,457	94.6 %	1,207,501	1,193,441	98.8%	1,192,922	98.8%
	Total Category I	141,371,864	113,385,222	80.2%	148,263,578	112,042,414	75.6%	115,398,044	77.8%
Category II	ENVIRONMENTAL SERVICES	5,130,834	4,888,403	95.3 %	5,850,230	4,888,403	83.6%	5,788,430	98.9%
	FINANCE	79,885	978,385	1,224.7 %	75,820	68,105	89.8%	75,820	100.0%
	FIRE	6,784,939	6,710,000	98.9 %	8,885,423	6,710,000	75.5%	8,879,700	99.9%

2024-2025 FEES AND CHARGES REPORT DEPARTMENT FEES AND CHARGES SUMMARY

		2023 - 2024 ADOPTED BUDGET			2024-2025 ADOPTED BUDGET				
		Estimated Cost	Estimated Revenue	% Cost Recovery	Estimated Cost	WITH CURRENT FEE		WITH ADOPTED FEE	
Category II						Estimated Revenue	% Cost Recovery	Estimated Revenue	% Cost Recovery
	LIBRARY	103,014	51,000	49.5 %	158,114	83,000	52.5%	83,000	52.5%
	OFFICE OF ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS	29,201	24,645	84.4 %	42,125	32,490	77.1%	33,710	80.0%
	PARKS, RECREATION & NEIGHBORHOOD SERVICES	4,492,890	715,000	15.9 %	4,844,972	716,000	14.8%	601,000	12.4%
	PLANNING, BUILDING & CODE ENFORCEMENT	150,000	150,000	100.0 %	150,000	150,000	100.0%	150,000	100.0%
	PUBLIC WORKS	5,941,952	2,361,090	39.7 %	11,872,691	2,193,615	18.5%	2,403,940	20.2%
	TRANSPORTATION	1,928,254	434,200	22.5 %	1,581,468	257,150	16.3%	373,417	23.6%
	Total Category II	24,640,969	16,312,723	66.2%	33,460,843	15,098,763	45.1%	18,389,017	55.0%
	TOTAL CATERGORY I AND CATEGORY II	166,012,833	129,697,945	78.1 %	181,724,421	127,141,177	70.0 %	133,787,061	73.6 %
	TOTAL GENERAL FUND	71,885,803	43,683,878	60.8 %	81,535,954	46,590,639	57.1 %	48,069,710	59.0 %
	TOTAL NON-GENERAL FUND	94,127,030	86,014,067	91.4 %	100,188,467	80,550,538	80.4 %	85,717,351	85.6 %