



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Margaret McCahan

**SUBJECT: 2018-2019 PROPOSED FEES
& CHARGES REPORT
AMENDMENTS**

DATE: May 31, 2018

Approved

Date

5-31-18

RECOMMENDATION

1. Approve amendments to the 2018-2019 Proposed Fees and Charges Report as described in Attachment A.
2. Approve the following amendments to the 2018-2019 Proposed Operating Budget in the Integrated Waste Management Fund:
 - a. Reduce the estimate for Fees, Rates and Charges by \$19,682; and
 - b. Decrease the County Revenue Collection Fee budget by \$19,682.

BACKGROUND

The 2018-2019 Proposed Fees and Charges Report released on May 5, 2018 identified the majority of the proposed fees and charges accruing to the General Fund and selected fees and charges associated with other funds. Subsequent 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 2018-2019 Proposed Fees & Charges Report. Please refer to Attachment A for full details of the amendments.

- ***Finance Department***

The 2018-2019 Proposed Fees and Charges Report initially recommended that the Solid Waste Delinquency (SWD) Administrative Charge for Collection Procedures to be increased from \$85.25 to \$91.25 per lien. This fee is set as a Category II fee, which allows the fee to be either above or below cost recovery levels. After the development of the 2018-2019 Proposed Fees and Charges Report, the County of Santa Clara reduced its State and Local Government Release recording fee from \$21.00 to \$8.00. Given the updated County costs and to remain at 100% cost recovery, the Administration recommends reducing the 2018-2019 Proposed Fee for SWD Administrative Charge for Collection Procedures from \$91.25 to \$78.25. This modification will reduce the estimate for Fees, Rates and Charges in the Integrated Waste Management Fund by \$19,682, offset by a reduction to the County Revenue Collection Fee budget.

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

To be consistent with language in Chapter 17.38 of Title 17 of the San José Municipal Code as modified on May 1, 2018 related to the City's vacant building monitoring program, this memorandum recommends renaming the Neglected/Vacant House Registration Fee to the Neglected/Vacant Building Registration Fee and changing the fee description from "\$660 per quarter per vacant house" to "\$660 per quarter per vacant building". This fee has been charged to owners of buildings (including residential, commercial, and industrial buildings) that have been vacant and have reoccurring violations outstanding for longer than 30 days. The recommended renaming ensures consistency with related fees for the City's vacant building monitoring program.

A number of revisions to Building Development Fee Program fees adjust the base tier used to calculate the fee cost, resulting in a lower cost fee. A tier represents the amount of hours needed to complete a task. As part of the phased implementation of the fee changes recommended in the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report* for 2018-2019, the methodology to calculate the Alteration and Accessory fees was changed from base hours to tiers. After additional review of the methodology subsequent to the publication of the 2018-2019 Proposed Fees and Charges Report, staff determined that a number of fees should be calculated based on the next lower tier to ensure that fees do not exceed cost recovery levels. Though this change results in a lowering of a number of fees, the magnitude of revenue expected from these fees is not anticipated to significantly impact resources available to the Building Development Fee Program.

Additionally, several fee revisions are recommended to correct minor errors that occurred during the initial preparation of the 2018-2019 Proposed Fees and Charges Report as well as to correct typos and remove fees that should have been deleted from the document.

HONORABLE MAYOR AND CITY COUNCIL

May 31, 2018

Subject: 2018-2019 Proposed Fees & Charge Report Amendments

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the Finance Department, and the Planning, Building and Code Enforcement Department.



Margaret McCahan
Budget Director

Attachment A: Amendments to the 2018-2019 Proposed Fees and Charges Report

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

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
FINANCE		
<u>Solid Waste Delinquencies</u>		
2. Administrative Charges for Collection Procedures	\$91.25 per lien	\$78.25 per lien
PLANNING, BUILDING AND CODE ENFORCEMENT		
Code Enforcement		
<u>11. Neglected/Vacant Building/Storefront Program</u>		
3. Neglected/Vacant Building Registration Fee (previously Neglected/Vacant House Registration Fee)	\$660 per quarter per vacant house	\$660 per quarter per vacant building
Planning		
<u>7. General Plan Amendments</u>		
4. Urban Growth Minor Boundary Modifications (previously Urban Growth Boundary Modifications)	Description change only	Description change only
<u>24. Tentative Map</u>		
6. All Tentative Maps and Vesting Tentative Maps and Amendments to Tentative Maps: lots 51 to 249	\$54 per lot	\$5 per lot
8. Combining Parcels	No Change	Delete
<u>25. Tree Removal Permit</u>		
10. Stand Alone Tree Removal Permit: Unsuitable Trees	No Change	Delete
Building		
<u>Exhibit C</u>		
NON-RESIDENTIAL		
50,000 to 99,999 square feet (previously 50,000 to 499,999 square feet)	\$9,805 for first 50,000 square feet + \$0.064 for each additional sq. ft.	\$9,805 for first 50,000 square feet + \$0.06 for each additional sq. ft.
300,000 square feet and over	\$15,458 for first 300,000 square feet + \$0.064 for each additional sq. ft.	\$15,458 for first 300,000 square feet + \$0.06 for each additional sq. ft.
<u>Exhibit D</u>		
NON-RESIDENTIAL		
0 to 49,999 square feet	\$8,405 for first 5,000 square feet + \$0.06 for each additional sq. ft.	\$8,405 for first 5,000 square feet + \$0.14 for each additional sq. ft.
50,000 to 99,999 square feet	\$14,831 for first 50,000 square feet + \$0.064 for each additional sq. ft.	\$14,831 for first 50,000 square feet + \$0.06 for each additional sq. ft.
<u>Exhibit F</u>		
NON-RESIDENTIAL		
50,000 to 99,999 square feet (previously 50,000 to 499,999 square feet)	\$9,805 for first 50,000 square feet + \$0.064 for each additional sq. ft.	\$9,805 for first 50,000 square feet + \$0.06 for each additional sq. ft.
300,000 square feet and over	\$15,458 for first 300,000 square feet + \$0.064 for each additional sq. ft.	\$15,458 for first 300,000 square feet + \$0.06 for each additional sq. ft.
<u>Exhibit H</u>		
Conversion of residential units to a condominium (up to 25 units)	\$13,767 plus \$33 per unit up to 25 units	\$13,767 up to 25 units

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

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
Exhibit I		
New Construction		
Multi-Family > 20,000 sq. ft (previously Multi-Family 20,001 - 40,000 sq. ft.)	Description change only	Description change only
Multi-Family > 40,000 sq. ft	\$5,728	Delete
Addition/Alteration (previously Addition)		
≤ 750 sq. ft.	Description change only	Description change only
750 sq. ft. < area ≤ 2,250 sq. ft. (previously 750 sq. ft. ≤ area ≤ 2,250 sq. ft.)	Description change only	Description change only
> 2,250 sq. ft. (previously ≥ 2,250 sq. ft.)	Description change only	Description change only
Alterations and Site Accessory		
Accessory Structure (wood)	\$208	\$119
Accessory Structure (masonry)	\$387	\$208
Alteration Nonstructural	\$208	\$119
Alteration Structural	\$387	\$208
Antenna Tower	\$387	\$208
Attic Conversion	\$387	\$208
Awnings	\$208	\$119
Balcony	\$387	\$208
Bath	\$208	\$119
Bay Windows	\$387	\$208
Covered Porches	\$208	\$119
Decks	\$387	\$208
Dishes > 2" #	\$208	\$119
Fence	\$208	\$119
Fireplace (chimney rebuild)	\$208	\$119
Foundation (repair, bolting, pier blocks, or pier posts)	\$387	\$208
Garage Conversions	\$387	\$208
Kitchen Major (structural alteration)	\$387	\$208
Kitchen Minor	\$208	\$119
Patio Covers (lattice or metal)	\$208	\$119
Patio covers (wood)	\$387	\$208
Re-siding/Stucco	\$208	\$119
Re-roof	\$119	\$119
Roof Structural Replacement	\$387	\$208
Retaining Walls (masonry)	\$208	\$119
Retaining Walls (wood)	\$208	\$119
Screen Room (2 sided)	\$208	\$119
Screen Room (3 sided)	\$387	\$208
Skylights Domes	\$208	\$119
Skylights Non-Structural	\$208	\$119
Skylights Structural	\$387	\$208
Spa/Hot Tub (plaster)	\$208	\$119
Storage Shed	\$387	\$208
Swimming Pool	\$208	\$119
Walls	\$208	\$119
Windows/doors	\$387	\$208
Work Shop	\$387	\$208
Unfinished Basement to Finish	\$387	\$208
Unfinished Room to Finish	\$387	\$208
Water Heater Replacement – Permit Center	\$119	\$44

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

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
Exhibit J		
New Construction Dwellings		
Multi-Family > 40,000 sq. ft	\$39,852	Delete
Addition/Alteration		
≤ 750 sq. ft.	\$2,706	\$861
750 sq. ft. < area ≤ 2,250 sq. ft. (previously 750 sq. ft. ≤ area ≤ 2,250 sq. ft.)	\$3,444	\$1,476
> 2,250 sq. ft. (previously ≥ 2,250 sq. ft.)	\$4,920	\$2,214
Alterations		
Alteration Structural (A1)	\$1,025	\$533
Alteration Structural (A2)	\$1,025	\$533
Alteration Nonstructural	\$287	\$164
Attic Conversion	\$1,025	\$533
Awning Aluminum	\$287	\$164
Awning Canvas	\$287	\$164
Balcony	\$1,025	\$533
Baths Major Alts (fixtures moved)	\$164	\$164
Baths Minor Alts	\$164	\$164
Bay windows #	\$287	\$164
Bay windows # (w/Floor)	\$287	\$164
Covered Porch	\$287	\$164
Deck 1 Story	\$1,025	\$533
Deck 2 Story	\$1,025	\$533
Dishes >2' #	\$287	\$164
Fireplace (chimney rebuild) #	\$287	\$164
Foundation Bolting (LnFt)	\$533	\$287
Foundation Pier Blocks (each)	\$287	\$164
Foundation Repair (LnFt)	\$1,025	\$533
Garage Conversion	\$1,025	\$533
Kitchens Major Alts	\$287	\$164
Kitchens Minor Alts	\$164	\$164
Patio cover (lattice)	\$533	\$287
Patio cover (metal)	\$287	\$164
Patio cover (wood)	\$533	\$287
Residing/Stucco	\$287	\$164
Roof structural replacement	\$533	\$287
Screen Room (2 sided)	\$1,025	\$533
Screen Room (3 sided)	\$1,025	\$533
Skylight dome #	\$164	\$164
Skylight non-structural #	\$164	\$164
Skylight structural #	\$533	\$287
Unfinished basement to finish	\$533	\$287
Unfinished room to finish	\$533	\$287
Walls (bearing)	\$533	\$287
Walls (non-bearing)	\$287	\$164
Walls (plumbing)	\$287	\$164
Windows/Doors #	\$287	\$164
Work Shop	\$1,025	\$533

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

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
Accessory Site		
# Antenna Tower <=30'	\$533	\$287
# Antenna Tower >30'	\$1,025	\$533
Accessory Structure (Wood)	\$1,025	\$533
Accessory Structure (Masonry)	\$1,025	\$533
Deck Detached	\$1,025	\$533
Dishes >2' #	\$164	\$164
Fence (masonry)	\$287	\$164
Fence (wood, chain link)	\$287	\$164
Fence (wrought Iron)	\$287	\$164
Patio cover (lattice)	\$533	\$287
Patio cover (metal)	\$287	\$164
Patio cover (wood)	\$533	\$287
Residing/Stucco	\$287	\$164
Retaining wall (masonry)	\$1,025	\$533
Retaining wall (wood)	\$1,025	\$533
Spa/Hot Tub (Plaster)	\$287	\$164
Storage Shed (masonry)	\$1,025	\$533
Storage Shed (wood)	\$1,025	\$533
Swimming pool (Fiberglass)	\$287	\$164
Swimming pool (plaster)	\$1,025	\$533
Swimming pool (vinyl)	\$287	\$164
Exhibit K		
New Construction Dwellings		
Multi-Family > 40,000 sq. ft	\$74,170	Delete
Addition/Alteration (previously Addition)		
≤ 750 sq. ft.	Description change only	Description change only
750 sq. ft. < area ≤ 2,250 sq. ft. (previously 750 sq. ft. ≤ area ≤ 2,250 sq. ft.)	Description change only	Description change only
> 2,250 sq. ft. (previously ≥ 2,250 sq. ft.)	Description change only	Description change only
Accessory Site		
Antenna Tower <=30'	\$242	\$292
Antenna Tower >30'	\$242	\$292
Decks Detached	\$242	\$292
Fence (masonry)	\$242	\$292
Fence (wood, chain link)	\$242	\$292
Fence (wrought Iron)	\$242	\$292
Patio Covers (wood)	\$242	\$292
Exhibit L		
New Construction - Shell (s.q. f.t.)		
Greater than 20,000 (previously 20,001 square feet ≤ area ≤ 40,000 square feet)	Description change only	Description change only
Greater than 40,000	\$3,580	Delete
Finish Interior & Tenant Improvement (s.q. f.t.)		
Greater than 20,000 (previously 20,001 square feet ≤ area ≤ 40,000 square feet)	Description change only	Description change only
Greater than 40,000	\$716	Delete

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DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
Alterations and Site Accessory		
Accessory Structure (wood)	\$387	\$209
Accessory Structure (masonry)	\$387	\$209
ATM	\$208	\$119
Awnings	\$208	\$119
Canopy Structure	\$745	\$387
Cooling Tower	\$387	\$209
Damage Repair	\$387	\$209
Demising Walls Only	\$387	\$209
Demo Interior Walls	\$387	\$209
Deck Repairs	\$387	\$209
Façade Changes	\$745	\$387
Fountains	\$387	\$209
Hood Installations	\$208	\$119
HVAC Systems	\$208	\$119
Masonry Fence	\$208	\$119
Occupancy Changes	\$208	\$119
Permit to Final	\$208	\$119
Racks	\$387	\$209
Rated Corridors	\$208	\$119
Restroom Alterations	\$208	\$119
Retaining Walls	\$208	\$119
Seismic Upgrades	\$745	\$387
Signs	\$208	\$119
Skylights Non-Structural	\$208	\$119
Skylights Structural	\$387	\$209
Sound Walls	\$208	\$119
Spray Booth	\$208	\$119
Swimming Pool	\$387	\$209
T-Bar Ceilings	\$208	\$119
Tools	\$387	\$209
Trailers Installed	\$387	\$209
Trellis(s) Patio Covers	\$208	\$119
Exhibit M		
New Construction - Shell (s.q. f.t.)		
Greater than 40,000 sq. ft	\$18,819	Delete
Finish Interior & Tenant Improvement (s.q. f.t.)		
Greater than 40,000 square feet	\$14,391	Delete
Exhibit N		
New Construction - Shell (s.q. f.t.)		
Greater than 40,000	\$18,448	Delete
Finish Interior & Tenant Improvement (s.q. f.t.)		
Greater than 40,000	\$17,319	Delete