



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 10

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Finance Department
MEETING DATE: March 15, 2021

SUBJECT:
Fiscal Year 2021-22 Comprehensive Fee Schedule – Approval

RECOMMENDATION:
Adopt a Resolution to approve the proposed fiscal year 2021-22 Comprehensive Fee Schedule.

BACKGROUND:
Section 3.64.010 of the San Mateo Municipal Code requires the City Manager to submit the City's fee schedule to the City Council for approval prior to submittal of the annual budget. It is the City's policy and practice to increase fees annually by Consumer Price Index, or CPI, for the San Francisco Bay Area. The proposed increases reflect the City's increase in materials and maintenance costs incurred in providing services. The City uses the CPI from the previous October, which is the most recent data available at the beginning of the review process (CPI for 2021-22 is 1.10% from November 2019 to October 2020). Other adjustments to fees are made periodically as deemed necessary to reflect actual staff costs, market alignments, or to comply with policy.

The proposed fee adjustments are based on the annual CPI increase, a periodic adjustment, or are the result of detailed analyses of the cost for providing specific programs/activities. Recreation fees and park in-lieu fees were reviewed by the Parks and Recreation Commission at its March 3, 2021 meeting. All fees will become effective July 1, 2021, except where otherwise noted. Sewer service charges are set separately by ordinance and are not part of the fee revision process. Tables summarizing the new fees and various fee changes including those in excess of CPI are provided in Attachment 4.

The Community Development Department underwent a fee study and presented their findings to the City Council on February 16, 2021. Among these updates, language that allows the Community Development Department (CDD) Director to adjust planning application deposits and allows the Building Official to adjust valuations and permit fees when necessary has been added.

Discretion for CDD Director in Adjusting Planning Application Deposit Amounts
There are limited instances when requiring a lower planning application deposit may be more appropriate than requiring the full amount. For example, although they take much less time to process and generally result in the need to refund customers, applications for projects like temporary storage containers lasting for 1-7 months currently have the same initial \$6,000 deposit as some new multi-family projects. This will be rectified through Code revisions currently underway, but there may still be a small number of instances where it can be seen with certainty that permit processing time will not be commensurate with the initial deposit amount. In these instances, it would be helpful for the CDD Director to have the discretion to adjust the initial planning application deposit amount below the amount indicated in the fee schedule. The City would still recover all its costs should those costs exceed the initial deposit, but by lowering the initial deposit amount in these instances, staff can remove barriers for projects like temporary use permits and other small and/or time-limited application types. Staff believes this will improve the customer experience and streamline the processing of smaller

planning applications.

Building Official Can Adjust Valuations and Permit Fees When Necessary

As noted at the February 16, 2021 City Council meeting, the Building Division will now be utilizing a valuation table to calculate permit fees. This will make fees more equitable and better align fee amounts with the cost of service across project types. However, should an instance arise where the calculated permit fee for a given project does not reflect the staff costs associated with processing that permit or the documented valuation of the project, staff recommends the Building Official have the ability to make an adjustment. This will provide CDD with additional flexibility as it implements these necessary changes and continues to fine-tune its fee amounts.

BUDGET IMPACT:

The changes to fees, including new fees, for fiscal year 2021-22 are estimated to increase revenues by \$400,000. These revenues will be reflected in the 2021-22 budget.

ENVIRONMENTAL DETERMINATION:

This Comprehensive Fee Schedule update for fiscal year 2021-22 is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met. In accordance with Government Code sections 66018 and 6062a, notice of the fee increases was published twice, beginning 10 days in advance of the public hearing. Prior to the meeting, City staff made the data available for the public, indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied, and the receiving fund of the fee revenue.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 - Proposed Comprehensive Fee Schedule FY 2021-22

Att 3 - Track Changes: Proposed Comprehensive Fee Schedule FY 2021-22

Att 4 - Tables Summarizing Changes

STAFF CONTACT

Karley Hamilton, Management Analyst II
khamilton@cityofsanmateo.org
(650) 522-7106

Rich Lee, Director, Finance
rlee@cityofsanmateo.org
(650)522-7102