



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 3, 2015

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: DELAY IN EFFECTIVE DATE FOR CERTAIN DEVELOPMENT REVIEW
PROCESS RELATED FEES AND OTHER FEE ADJUSTMENTS

ISSUE

The issue for City Council to consider is delaying the effective date of specific development-related and other fees to allow for further review of the various processes upon which the fees are based; and waiver of certain other fees.

RECOMMENDATIONS

That the City Council:

1. Approve a stay on the previously approved increases to fees as noted in Attachment 1;
2. Approve adjustments to certain previously approved fees as noted in Attachment 2;
3. Receive and file the Existing vs. New Fee Comparison for recent projects (Attachment 3);
4. Receive and file the Comparison of Stand-Alone Fees report (Attachment 4); and
5. Direct staff to return within six months or less to report on the development review process improvements implemented to date.

BACKGROUND

On September 8, 2015, the City Council unanimously approved the proposed changes to the City's Master Fee List. Subsequently additional questions/concerns from the public arose about some development related and other fees. Additionally, during one-on-one meetings with City management, City Council members specifically identified other fees to review for additional information.

Under state law, development-related fees require a 60-day waiting period before increases can be implemented. Therefore none of the approved fee increases have gone into effect. Staff recommends "staying" fifteen (15) fees at their pre-September 8, 2015, levels to allow time to adequately review and refine as appropriate (see Attachment 1). Attachment 2 includes two historic preservation-related fees to be waived due to the greater benefit to the community. Attachments 3 and 4 provide additional information requested by the City Council.

On September 8, 2015, City Council gave specific direction to not increase the Water Heater Inspection Fee. As a value-added step, the Building and Safety Division is implementing a self-certification option. For purposes of clarity and reinforcement of the City Council's direction, the Water Heater Inspection fee is included on Attachment 1.

At the October 6, 2015, City Council meeting, representatives from the three taxicab companies within the City appeared and spoke at public comment about the increase to the Driver Permit Fee administered by the Riverside Police Department and the negative impact the increase will have on their ability to hire drivers to provide the taxicab service in the community. The City Council was supportive of their concerns and asked that this fee also be put on the list of fees to be "stayed" currently and investigated further. Though this fee went into effect immediately upon approval on September 8, 2015, if approved by City Council, the fee will be reduced to the former level.

At the September 8, 2015, meeting, City Council gave direction for staff to return within six months or less to review the efficiency improvements implemented to development review functions. This report will include a presentation and discussion of findings related to the fees requested to be "stayed" (Attachment 1) and will include new recommendations.

FISCAL IMPACT

The fiscal impact will result in an estimated \$220,000 less in General Fund revenue than anticipated in the adopted Fiscal Year 2015/2016 Budget. As a result, there will be a delay on the hiring of two development-related General Fund positions until the revenue exceptions better balance the staff expenses.

Submitted by: Brent A. Mason, Finance Director/Treasurer
Certified as to
availability of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Al Zelinka, FACIP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Development Related Fees Proposed for Stay in Implementation
2. Fees Proposed to be Adjusted
3. Existing vs. New fee Comparisons
4. Comparison of Stand Alone Fees