



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: DECEMBER 3, 2019

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

TITLE: RESOLUTION TO REDUCE THE CONDITIONAL USE PERMIT – MINOR EXCEPTION (ADMINISTRATIVE) FEE BY FORTY PERCENT (40%) FOR A SIX-MONTH PERIOD

RECOMMENDED MOTION:

A motion approving a resolution to reduce the current Planning Fee for the Conditional Use Permit (CUP)- Minor Exception (Administrative) by approximately 40% to \$521.94 for a period of six months effective upon approval. The fee will revert to \$869.91 following expiration of the six-month period.

RECOMMENDATION:

Staff recommends the City Council approve a resolution reducing the current Planning Fee for the Conditional Use Permit (CUP)- Minor Exception (Administrative) by approximately 40% to \$521.94 for a period of six months effective upon approval. The fee will revert to \$869.91 following expiration of the six-month period.

EXECUTIVE SUMMARY:

On October 22, 2019, Zoning Code Amendment 2019-006 was introduced to City Council, which would amend various portions of the Zoning Code concerning driveway width increase, subject to approval of a Conditional Use Permit (CUP). At the time the ordinance was introduced, City Council expressed support for the amendment, but also expressed general concern about the cost of processing the CUP requesting staff to further evaluate a possible fee reduction. Based upon this review and feedback from the Finance Committee, a fee reduction of approximately 40% to \$521.94 for a six-month period is recommended.

BACKGROUND:

Pursuant to Article XIII B of the California Constitution and Chapter 11B of the Salinas City Municipal Code, fees for governmental services may be charged to recover all the costs reasonably borne in providing all regulation, products, or services. Cost reasonably borne are defined in City Code Section 11B-3 as a) all applicable direct costs; b) all applicable indirect costs; c) fixed assets recovery expenses (depreciation); d) general overhead; e) departmental overhead; f) debt service

costs; and g) costs for necessary public services. In October 2015, City Council adopted an updated Fee Schedule based on a Comprehensive Fee Study prepared by Willdan Financial Services. Willdan analyzed a variety of factors, ultimately quantifying the full cost incurred by the City in providing the respective services. The recommended fee amount was then established based on achieving as close to full cost recovery as possible. The fee for a CUP – Minor Exception was set at a significantly lower rate. The average cost recovery rate for all planning related fees is 67%, which is the lowest fee cost recovery rate category in the City.

On November 5, 2019, City Council adopted Zoning Code Amendment Ordinance 2019-006 to allow for increase to driveway widths subject to an approval of a Conditional Use Permit (CUP). Prior to this meeting, staff presented a recommendation to the Finance Committee on November 4th to retain the current fee of \$869.91, which is roughly 52% of direct costs. An alternative recommendation was made to align the fee with that of a CUP for Plumbing in an Accessory Structure at the cost of \$616.88. The Finance Committee expressed concern about this cost and recommended a further reduction closer to \$500 for a six-month period. Based on this guidance, staff recommended a percentage discount settling on 40% to reduce the fee to \$521.94.

DISCUSSION:

The Zoning Code Amendment allows residential owners to legally expand their driveways through a minor exception Conditional Use Permit (CUP) process at a significantly reduced cost. The further 40% reduction to the fee would make legalization more economical and less expensive than code enforcement citations, which can go up to \$500 for one citation. The CUP would remain with the property and the property owner would only have to incur a one-time expense. The property owner would not be required to obtain a building permit or pay development impact fees unlike other building related work.

Although the cost may seem expensive to increase driveway width, the actual administrative cost for this process is approximately \$1670 based upon the analysis conducted by Willdan. The current fee is \$869.91, representing a 48% discount. In reviewing the fee schedule, it is important to note that the least expensive planning fee is the Home Occupation Permit of \$147.26. This permit is issued at the counter, and involves no review, no noticing, and is not recorded.

While even the reduced fee of \$521.94 may seem expensive, the increase of driveway width could impact stormwater standards, limit fire and utility access, and affect neighboring properties and therefore requires more than just a cursory review. To ensure appropriate due process for affected properties, notices are sent out and staff responds to neighbors' inquiries. Because the CUP runs with the land, it is recorded on title to ensure the right to a wider driveway is memorialized even when the property is transferred. For these reasons, the direct staffing costs are greater than even the existing fee.

Recognizing that it is in the City's best interest to encourage compliance among the large number of property owners who have already widened their driveways in violation of current regulations,

establishing a discounted fee for a six-month term is reasonable. The goal is to promote compliance and incentivize residents with the lower fee to address violations sooner than later.

CEQA CONSIDERATION:

Not a Project. The adoption of this Ordinance is “Not a Project” under the California Environmental Quality Act (CEQA), Guidelines Section 15378 as it is a government fiscal activity which does not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.

STRATEGIC PLAN INITIATIVE:

The proposed Ordinance supports City Council’s goal of Well-Planned City and Excellent Infrastructure by allowing for additional off-street parking to relieve parking congestion while preserving neighborhood character.

DEVELOPMENT COORDINATION:

The Community Development Department (CDD) coordinated this proposal with the Legal and Finance Departments. The Legal Department reviewed the City Council Staff Report and resolution modifying the fee. The City Clerk published the notice for the fee modification on November 15th and November 25th. The Finance Committee coordinated the Finance Committee to discuss the fiscal impact and appropriate reduction.

FISCAL AND SUSTAINABILITY IMPACT

The proposal would be limited to six months and therefore the potential fiscal impact is lessened. It is difficult to determine the fiscal impact because it is unclear how many applications for this CUP – Minor Exception the City will receive. The actual fee difference is \$348.27 per application. If the City receives twenty-five applications during this period, the loss would be \$8,706.75. After the six-month period expires, the Finance Committee recommended increasing the fee to achieve full cost recovery. This would mitigate future costs. In addition, this temporary reduction will allow the Planning Department to better assess real costs because very few Minor Exception CUPs have been processed and not for this specific purpose.

ATTACHMENTS:

- Resolution