



DATE: October 8, 2024

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Master Fee Schedule: Adopt a Resolution Approving Amendments to the FY 2025 Master Fee Schedule, and Finding the Action is Exempt from CEQA Review

RECOMMENDATION

That Council approves the attached resolution (**Attachment II**) amending the City's Master Fee Schedule to include changes and updates as appropriate.

SUMMARY

Annually City staff complete a review of the City's Master Fee Schedule to identify and determine necessary adjustments to fees charged for services. The City's FY 2025 Master Fee Schedule was approved by City Council on June 25, 2024¹. On September 17, 2024 City Council approved a comprehensive User Fee Study and Cost Allocation Plan Study² which impacted the approved rates of the adopted FY 2025 Master Fee Schedule. Additional adjustments to the FY 2025 Master Fee Schedule were identified by staff after adoption during a review of the approved fee schedule.

A detailed listing of adjustments is reflected in the proposed FY 2025 Master Fee Schedule and can be found on the Master Fee website link found in Footnote 3 below.³

BACKGROUND

The City's Master Fee Schedule identifies the fees for various City services. The fees in the Master Fee Schedule are based on recovery for the cost of delivering services (e.g., various building and fire inspections) and must comply with provisions of current legislation.

As part of a general cost recovery strategy, local governments have adopted user fees to fund programs and services that provide direct benefit to a specified user or have limited or no direct benefit to the community. To the extent that the City uses general tax monies to provide services that it could recover full cost for, but does not, a subsidy is provided, and this reduces

¹ [CITY OF HAYWARD - File #: PH 24-030 \(legistar.com\)](#)

² [CITY OF HAYWARD - File #: PH 24-039 \(legistar.com\)](#)

³ Master Fee Schedule <https://www.hayward-ca.gov/your-government/documents/master-fee-schedule>

funds that may be available to provide other community-wide benefits. Unlike most revenue sources, the City has more control over the level of user fees they charge to recover costs. As the City works to balance levels of service and the variability of demand, Council has become increasingly aware of subsidies provided by the General Fund for fees which do not recapture full costs.

Legislative Requirements

Proposition 26 Review and Compliance

In November 2010, California voters approved Proposition 26, which amended Articles XIII A and XIII C of the State constitution regarding the adoption of fees and taxes. Proposition 26 seeks to assure that taxes are not disguised as fees: taxes must be approved by voters whereas legislative bodies, such as a City Council, can approve fees.

Proposition 218 Review and Compliance

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

The proposed Master Fee Schedule has been reviewed for compliance with Propositions 26 and 218 and, in the City Attorney’s opinion, is compliant.

DISCUSSION

Summary of Changes in Fees by Program Area

Development Services (See Attachment III)

1. Create Deferred Submittal Fee fees under the “Miscellaneous Permit Fees-Not Calculated by Valuation” section of the Master Fee Schedule.
 - Add new fee

New Fee	Amount	Note
Deferred Submittal	\$190 – Flat Rate	If hourly plan check fees apply, they would be applicable

2. Create/Update Demolition Permit Fees

Fee	Amount	Note
a. Complete Building Demolition (Commercial/Residential)	\$381 – Flat Rate	Hourly plan check fees may apply depending on scope
b. Minor Residential Demo (removal of patio covers, accessory structures or similar exterior elements. Removal of interior walls requires a residential remodel permit)	\$95 – Flat Rate	Hourly plan check fees may apply depending on scope

3. Impound and Storage Fees

- New impound fee for merchandise seized from mobile street vendors; fee encompasses the staff time dedicated to the collection, documentation, and transportation of impounded materials and the cost of maintaining a secure chain of custody in a secured storage facility.

New Fee	Amount	Note
Impound Fee	\$448	Includes 3 hours of Code Enforcement staff time
Storage Fee	\$218	Flat rate pallet and handling fee

Public Works/Utilities & Environmental Services (See Attachment IV)

Updates were made to the Traffic Impact Fee (TIF) in the Engineering and Transportation section of the Master Fee Schedule. The Traffic Impact Fee (TIF) was previously adopted by the City Council in 2022 in compliance with the requirements of the Mitigation Fee Act for adoption of development impact fees, which included special notice, publication and hearing requirements. At that time, the City Council adopted maximum fee amounts for specific types of development but set the initial fee rates below the maximum. As part of the adoption of the TIF, the City Council also adopted an automatic adjustment to the fees based on the preceding calendar year average California construction cost index for the San Francisco Bay Area. This adjustment in the TIF takes effect automatically on the first day of each fiscal year. This automatic adjustment is not an increase to the TIF rates as defined by applicable law. Consequently, inclusion of the annual TIF adjustment with the annual Master Fee Schedule adoption does not require the special noticing contained in the Mitigation Fee Act for adoption of new or increased development impact fees. Attachment IV contains the recommended rate adjustments.

Fee Type	Current Fee	Proposed FY 2025 Fee
Non-Residential	Per KSF	Per KSF
(1) Retail/KSF	\$0	\$0

(2) Office/KSF	\$0	\$0
(3) General Industrial/KSF	\$3,583	\$3,679
(4) Distribution or e-commerce/KSF	\$6,360	\$6,531
Appeal Fee	\$400	\$454

ECONOMIC IMPACT

Approval of the attached resolution will have a minor economic impact on our community in that only certain fees will be increased or added.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not specifically relate to any of the six priorities outlined in the Council’s Strategic Roadmap.

FISCAL IMPACT

Adopting these fee changes will minimally impact overall City revenues and will offset the staff time spent performing the various activities supported by the fees.

PUBLIC CONTACT

A public notice was published in The Daily Review on September 27, 2024, and October 4, 2024. The public notice contained the meeting date announcing the time, location, and subject matter of this public hearing.

NEXT STEPS

Upon approval of the attached resolution the fees will be effective as of January 1, 2025, to allow for the required sixty-day notice period.

Prepared by: Nicholas Mullins, Senior Management Analyst

Recommended by: Nicole Gonzales, Director of Finance

Approved by:



Dustin Claussen, Interim City Manager