



DATE: June 2, 2026

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Adopt a Resolution Amending the Master Fee Schedule Fiscal Year 2026-2027 Removing Charges and Fees Associated with Accessory Commercial Units and Finding the Action is Exempt from California Environmental Quality Act Review

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment II) amending the Master Fee Schedule Fiscal Year 2026-2027 (Attachment III) associated with Accessory Commercial Units (ACUs), Section B: Planning, 25(e) and finding the action exempt from California Environmental Quality Act (CEQA) review.

SUMMARY

The proposed amendment to the Master Fee Schedule Fiscal Year 2026-2027 removes all fees related to Zoning Conformance Permits of Accessory Commercial Units (ACUs). During City Council Business Friendly Hayward discussions on April 21, 2026, regarding the implementation of ACUs, City Council deferred consideration of ACUs. As a result, staff is recommending removal of the associated fees from the Master Fee Schedule Fiscal Year 2026-2027. If adopted, changes will become effective July 1, 2026.

A complete and detailed listing of fees is reflected in the attached Master Fee Schedule Fiscal Year 2026-2027 and, after adoption the final Adopted Master Fee Schedule Fiscal Year 2026-2027 can be found on the Master Fee Schedule website link found in the City's website: <https://www.hayward-ca.gov/your-government/documents/master-fee-schedule>.

BACKGROUND

On April 21, 2026¹, the City Council adopted a resolution approving the Master Fee Schedule Fiscal Year 2026-2027. At the same meeting, Council held a public hearing regarding proposed amendments to the Hayward Municipal Code associated with the Business Friendly Hayward project². In conjunction with prior discussions regarding potential zoning

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=7987069&GUID=6CEF1E6F-33C3-46AD-ADE0-BAD3FE631F3A&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=7987053&GUID=C94A3DF0-8BAB-4F0D-B8CE->

and permitting regulations for ACU's, staff included proposed application and permit fees in the City's FY 2026-2027 Master Fee Schedule. These fees were intended to recover administrative costs associated with processing planning-related applications and permits.

During City Council consideration of the proposed changes associated with the Business-Friendly Hayward project, Council deferred consideration of Accessory Commercial Units until a later time. Since the City is not currently accepting or processing ACU applications, the associated fees are no longer necessary and should be removed from the Master Fee Schedule.

DISCUSSION

The proposed amendment would eliminate all references and fees related to ACUs from the Master Fee Schedule Fiscal Year 2026-2027. Removal of these fees will align the Master Fee Schedule Fiscal Year 2026-2027 with current City Council policy direction and avoid confusion for applicants and the public regarding the availability of ACU permits. In addition, removal of the fees ensures the City does not maintain fees for programs that are not authorized or implemented. Should the City Council choose to revisit ACUs in the future, Development Services Department staff can return with updated program information and proposed fees at that time.

ENVIRONMENTAL REVIEW

This item is exempt from CEQA review pursuant to Section 15273 of CEQA Guidelines which states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purposes of:

- Meeting operating expenses, including employee wage rates and fringe benefits;
- Purchasing or leasing supplies, equipment, or materials;
- Meeting financial reserve needs and requirements;
- Obtaining funds necessary for capital projects necessary to maintain service within existing service areas; or
- Obtaining funds necessary to maintain intra-city transfers as are authorized by the City Charter.

ECONOMIC IMPACT

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Approval of the attached resolution will not have an economic impact on our community as fees were never implemented.

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

Removal of the Accessory Commercial Unit fees is not anticipated to have a material fiscal impact on the City’s budget because the City has not implemented the permit or collected related fee revenue.

PUBLIC CONTACT

This agenda item was published in accordance with all Brown Act requirements.

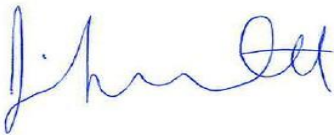
NEXT STEPS

Upon approval of the attached resolution, the fees will be removed from the Fiscal Year 2026-2027 Master Fee Schedule effective July 1, 2026.

Prepared by: Crissy Mello, Administrative Secretary

Recommended by: DeAnna Hilbrants, Director of Finance

Approved by:



Jennifer Ott, City Manager