



DATE: April 21, 2026

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Master Fee Schedule: Adopt a Resolution Approving the Master Fee Schedule Fiscal Year 2026-2027 and the Fiscal Year 2026-2027 Fine and Bail Schedule, and Finding the Action is Exempt from California Environmental Quality Act Review

RECOMMENDATION

That City Council adopts the attached resolution (Attachment II) adopting the Master Fee Schedule Fiscal Year 2026-2027 (Attachment III) and the Fiscal Year 2026-27 Fine and Bail Schedule (Attachment IV) updating fees charged for services and fines and bail schedules with approved fee changes effective July 1, 2026, and finds the action exempt from CEQA review.

SUMMARY

Staff has completed a comprehensive review of the City's Master Fee Schedule and Fine and Bail Schedules to identify and determine necessary adjustments to charges. 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 the Fiscal Year 2026-2027 Fine and Bail Schedule (Attachment IV) and, once approved, 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

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. The City's Master Fee Schedule and the Fine and Bail Schedule identify the fees for various City services and fines. Where applicable, the fees in the Master Fee Schedule Fiscal Year 2026-2027 are based on recovery for the cost of delivering services, such as building and fire inspections and must comply with provisions of current legislation.

If the City Council chooses to adopt a fee that does not recover the full cost of providing a service, the City must use General Funds to subsidize that difference, which reduces funds that may be available to provide other services with community-wide benefits such as public safety or maintenance. Unlike most revenue sources, the City has more control over the level of user fees they charge to recover 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, Fine and Bail Schedules have been reviewed for compliance with Propositions 26 and 218 and, in the City Attorney’s opinion, are compliant.

DISCUSSION

The most recent comprehensive user fee and cost allocation plan study was conducted by Willdan Financial Services and presented to Council on August 20, 2024. Staff used this fee study as a basis for the proposed updates in this report. To update the 2024 fee study for FY 2026-2027, staff adjusted expenses that have changed since 2024. Due to salary and benefit increases over the past two years, there are significant updates to specific charges. Those changes can be reviewed in Attachment III.

In addition, the Master Fee Schedule Fiscal Year 2026-2027 will include chargeable hourly rates for all staff as a central source for this information. The chargeable hourly rates reflect the comprehensive cost of providing services, including the salary and benefit costs for providing service as well as associated costs such as services and supplies, department overhead and central overhead (City Attorney, Finance, Human Resources).

The following summary of changes in fees by program area reflects any new fees or other structural changes to a charge.

All City Departments

Fees categorized as “All City Departments” are generally associated with administrative citations, late or delinquent payments, copying of materials, and violations of smoking or tobacco ordinance. Charges for violations are proposed to remain the same as the prior year while costs of Administrative Hearing or Reinspection Fees are increasing to recover costs of such activities.

City Clerk

Fees for services performed by the City Clerk’s Office are primarily associated with passport services which are set by the United States Department of State or the United State Post Office. Therefore, these fees are maintained at the same level as the prior year. Staff recommends that other fees are also maintained at the same level as FY 2025-26 as those are minor fees with minimal activity or revenue impact.

Development Services

Most fees for services for the City of Hayward are associated with the Development Services Department. While a few fees remain at the same level as FY 2025-26, fees are generally increasing between 9% and 27%, with a few fees increasing by a significantly higher percentage due to a previous subsidy.

The following fees are changing to reflect previously adopted resolutions

- (1) **Park Impact Fees:** All park impact fees will decrease by 0.6%, in accordance with Section 3 of Resolution 19-245. Detailed changes can be found in Attachment III.

- (2) **Affordable Housing In-Lieu Fees:** Fees will be decreased by 0.6% based on January 2026 CCI % change and authorized by Resolution 17-167, as amended by Resolution 23-074. Additional changes are incorporated in Attachment III to simplify language, more clearly capture qualifying projects, simplify administration, improve fee predictability, support small infill development, and account for amendments affecting these fees.

Building Division Fee Adjustments are detailed in Attachment III. Following are structural modifications.

- (1) Update to the International Code Council valuation table to use the August 2025 ICC Building Valuation Data.
- (2) Modification of valuation categories.
- (3) Clarifications of circumstances of fee application
- (4) Addition of the following fees:
 - a) Complete Building Demolition
 - b) Pool Demolition
 - c) Heat Pump Water Heater
 - d) Permit Extension Fees
 - e) Completion Fees
- (5) New categories for Equipment Installation

Code Enforcement: Changes in the Code Enforcement Division Fees are primarily associated with clarifications of fee applicability.

Housing Division Fee Adjustments:

- (1) **Rent Stabilization Administration Fee:** The due date for this administration fee is proposed to be modified to align with the annual billing cycle and establishing a Special Assessment for unpaid annual program fees.
- (2) **Administrative Citation Fine:** Staff recommends establishing an this fine of \$1,000 for violations of the Tenant Relocation Assistance Ordinance (TRAO), pursuant to Hayward Municipal Code (HMC) Chapter 1, Article 7 and Government Code Section 53069.4.
- (3) **Loan Servicing and Monitoring:** Staff recommends the following new fees:
 - a) Notary Services: Government Code section 8211 specifies the fees that can be charged for notary services.
 - b) Modification/Transfer Fee to establish cost recovery for staff time and administrative costs associated with reviewing and processing requests for ownership transfers and agreement modifications.
 - c) Update the subsection title from “Rental Housing” to “Affordable Housing” to more accurately reflect that the fees apply to all affordable development projects and to ensure clarity and consistency in administration.

Planning Division Fee Adjustments are detailed in Attachment III. Structural adjustments are outlined below:

- (1) Various clarifications of fee application
- (2) Modifications to deposit amounts and categories
- (3) Addition of categories for Tree Removal Permit (≤ 2 trees, 3 to 5 trees, 6 to 8 trees, > 9 trees, Heritage Trees)

- (4) Addition of Fees:
 - a) Addition of Tree Pruning Permit
 - b) Planning, Landscaping Inspection and Reinspection
- (5) Subject to approval of resolution associated with the Business Friendly Hayward item to be presented at this Council meeting, Planning recommends the following additions to the fee schedule (specific fees are listed in Attachment III):
 - a) Accessory Commercial Unit
 - b) Limited Entertainment Permit
 - c) Minor Temporary Use Permit
 - d) Major Conditional Use Permit

Engineering

While a few fees remain at the same level as FY 2025-26, fees are generally increasing between 2% and 20%.

The following new fees are proposed for Engineering and Transportation Services:

- (1) **Additional Inspections** will be charged to customers who require additional inspections after normal work hours or on weekends. The need for further adjustments will be reviewed, and appropriate increases may be proposed in the future.
- (2) **Construction Inspection, Technical Support, and Project Closeout for Trenchless Construction** (5% of Construction Cost prior to permit issuance). This fee is intended to assure these permit account balances remain positive and significantly reduce the staff time currently spent following up on unpaid invoices and contacting billing references. This may also help prevent delays in permit issuance, benefiting the applicant.
- (3) **Survey Monument Preservation Review Fee** to recover the costs of Survey staff reviewing permit applications with potential monument preservation concerns. California Business and Professions Code 8771, (Professional Land Surveyors Act) specifically subsection (d) pertains to permitted construction or maintenance work and states, "The governmental agency performing or permitting construction or maintenance work is responsible for ensuring that either the governmental agency or landowner performing the construction or maintenance work provides for monument perpetuation required by this section." The creation of this new fee will account for the average staff time-cost associated with this type of review.
- (4) **Floodplain Review Fee** (\$4000 -Deposit Time and Materials): The Federal Emergency Management Agency (FEMA) has temporarily suspended processing of Conditional Letters of Map Revision (CLOMR-F) and Letters of Map Revision (LOMR-F) applications, applicants cannot obtain timely federal determinations that would otherwise validate proposed floodplain fill and related design assumptions; accordingly, for fill/grading projects within FEMA Special Flood Hazard Areas, the City must perform enhanced due diligence to confirm that project design and construction will comply with the City's floodplain management ordinance and remain consistent with applicable FEMA floodplain standards and engineering criteria. To ensure the technical analyses supporting these projects (e.g., hydrologic/hydraulic modeling, floodplain impacts, and associated plans/calculations) are accurate, complete, and defensible, the City needs the ability to retain an independent qualified consultant engineer to conduct a formal peer review, and the proposed deposit/T&M fee is necessary to recover the cost of that third-party review. This proposed fee is a refundable deposit, meaning any funds not used by the end of the project and review process will be returned to the developer. This fee would be used when the City retains an independent, qualified consultant

engineer to peer review the applicant's supporting technical submittals (e.g., hydrologic/hydraulic analysis, plans, and calculations) and provide an independent review for accuracy and completeness. This will be similar to other fee categories in which a deposit is collected from developers and costs of consultant or staff time is charged against it.

Staff also recommends removing the Major Street Improvement Plan Review. Costs for projects that fall within this category would be recovered through the "Encroachment Permit Application - Major Work" process, or through a formal Capital Improvement Plan (CIP) project.

In addition, staff recommends recategorizing fees from Engineering Services / Survey to Encroachment Permit Application, Minor Work, Survey.

Finance

While a few fees remain at the same level as FY 2025-26, fees are generally increasing between 3% and 20%. There are no new fees or structural changes proposed for Finance.

Fire Department

While a few fees remain at the same level as FY 2025-26, fees are generally increasing between 16% and 21%.

Staff recommends the following modifications to align with state law:

- (1) **Delete Hazardous Waste Generator Program** – Conditionally Exempt Small Quantity Generator (CESQG) as it has been combined with Hazardous Waste Generator – Small Quantity Generator (SQG).
- (2) **Modify definition for Hazardous Waste Generator** – Small Quantity Generator (SQG) to read: "Small Quantity Generator (SQG) – Less than 1,000 kilograms (approximately 270 gallons or 2200 pounds) per month. Less than one kilogram of acutely / extremely hazardous waste per month.
- (3) **Modify definition for Hazardous Waste Generator** – Large Quantity Generator (SQG) to read: "Small Quantity Generator (SQG) – Less than 1,000 kilograms or more per month (approximately 270 gallons or 2200 pounds) per month or one kilogram or more of acutely / extremely hazardous waste per month.

Staff also recommends modification of the Non-Compliance Fee so that it is a general fee as it is currently only applicable to California Environmental Reporting System (CERS).

In addition, staff recommends adding the following No Show Fees to account for staff time and costs when the applicant does not show up for their appointment.

- (1) Fire Prevention Office No Show for Inspection Appointment Fee
- (2) HazMat No Show for Inspection Appointment Fee

Information Technology

Hourly rates are increasing between 23% and 30%. There are no new fees or structural changes proposed for Information Technology. Information Technology has also provided updated information to support the Technology Fees collected by other departments.

Library

Most fees are maintained at the same level as the prior year. A few facilities charges and materials charges are being updated to align to other fees and reflect changing materials costs.

Maintenance Services

Fees are increasing between 15% and 25%. Maintenance Services has also recommended a change to the Bail and Fine Schedule increasing vehicle fines. This proposed increase supports continued compliance with parking regulations while remaining sensitive to community impact. Staff evaluated street sweeping violation fines throughout the region and found variable amounts: for example, Union City charges \$110, San Francisco charges \$105, and Fremont charges \$90.

Police Department

Most fees associated with Animal Control are remaining the same as Fiscal Year 2025-26. For other Police services, fees are increasing between 12% and 25% with a few fees increasing by a significantly higher percentage due to previous subsidy

Public Works and Utilities

Fees are proposed to increase between 5% and 25%.

The department proposes the following new fines:

- (1) **Fine for Unauthorized Connection to a Fire Hydrant (\$2,500/\$5,000/\$10,000):** Water theft committed via the unauthorized connection to a fire hydrant in violation of Hayward Municipal Code Chapter 11, Article 2, Section 11-2.24 is punishable as follows:
 - a) A fine not exceeding two thousand five hundred dollars (\$2,500) for a first violation.
 - b) A fine not exceeding five thousand dollars (\$5,000) for a second violation of the same ordinance.
 - c) A fine not exceeding ten thousand dollars (\$10,000) for the third violation and each additional violation of the same ordinance.
- (2) **Fine for Meter Tampering (\$130/\$700/\$1,300):** If water theft is committed via meter tampering in violation of an Hayward Municipal Code Chapter 1, Article 3, Section 1-3.00, it is punishable as follows:
 - a) A fine not exceeding one hundred thirty dollars (\$130) for a first violation.
 - b) A fine not exceeding seven hundred dollars (\$700) for a second violation of the same ordinance within one year of the first violation.
 - c) A fine not exceeding one thousand three hundred dollars (\$1,300) for the third violation and each additional violation of the same ordinance within one year of the first violation ordinance.
- (3) **Backflow Related Fees** for meter lock and meter unlock (service restoration) for backflow customers. The new fees being proposed below are intended to recover costs associated with the staff time, materials, and vehicle costs required to provide these services to customers.
 - a) Additional visits for backflow inspection/test fee
 - b) Meter Lock Fee due to Non-Compliant Backflow
 - c) Backflow Service Restoration/Unlock Fee
- (4) **On-Site Visits Requested by Customers** (\$50) can be charged to customers who specifically request City staff to make an on-site visit outside of the normal scope of City staff maintenance and repair tasks. This fee is in line with what is charged by EBMUD (\$50), ACWD (\$50), and DSRSD (\$112)

Staff also recommends updates to the Non-Residential Sewer Connection Fee Reduction Language. In Fiscal Year 2009 - 2010, in order to address the impacts of the 2008 recession, a 70% fee reduction to Non-Residential Sewer Connection Fee was introduced and has not been revised since Fiscal Year 2014.

Considering the current business conditions in Hayward and in light of the extremely high cost estimated for the Water Resource Recovery Facility (WRRF) Improvement Phase II project currently estimated at \$498 million, staff is proposing a phased transition to promote fiscal sustainability, maintain equitable rate structures across the customer base, and reduce financial impacts to the utility over time. Currently the Non-Residential Sewer Connection Fee is reduced by 70% from actual costs. Staff is proposing to gradually modify from a reduction of 70% from actual costs to a reduction of 50% of actual costs beginning in Fiscal Year 2026-27 and gradually increasing that modification over several fiscal years to limit any immediate impact to businesses in Hayward.

In addition, staff recommends similar updates to the carbonaceous biochemical oxygen demand (CBOD) and suspended solids (SS) milligrams per liter amounts due to domestic wastewater strengths having increased over the past several years due to water conservation efforts. Similar to the Non-Residential Sewer Connection Fee, staff is proposing to gradually modify from a reduction of 70% from actual costs to a reduction of 50% from actual costs beginning in Fiscal Year 2026-27 and gradually increasing that modification over several fiscal years to limit any immediate impact to businesses in Hayward

ENVIRONMENTAL REVIEW

This item is exempt from California Environmental Quality Act (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:

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

ECONOMIC IMPACT

Approval of the attached resolution may have an economic impact on our community as fees and fines are added and increased. Revenues from fees will be used to provide services.

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

Overall, staff anticipates that general fund revenues may increase by at least \$1 million for Fiscal Year 2026-27. Currently, most of the City's fee do not offset the staff time spent performing the various activities supported by the fees. Adopting these fee changes will more closely align revenues with expenses.

PUBLIC CONTACT

A public notice was published in The Daily Review on March 14, 2026, and March 21, 2026. 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 July 1, 2026, to allow for the required sixty-day notice period.

Prepared by: Franchesca Hatfield, Management Analyst
Nicholas Mullins, Senior Management Analyst
Michael Barnes, Acting Deputy Director of Finance/Revenue Manager

Recommended by: DeAnna Hilbrants, Director of Finance

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott".

Jennifer Ott, City Manager