



Legislation Text

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REQUEST FOR CITY COUNCIL ACTION

DATE: 12/07/2022

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

Ordinance amending Corona Municipal Code [Section 3.02.080](#) to establish a 50% reduction for building, planning, and development service fees for Nonprofit Organizations and adding Section 3.02.090 to establish a 50% reduction for plan check and permit/inspection fees for single-family infill residential development within the Downtown Specific Plan area; and Resolution No. 2022-118 revising the Citywide Master Fee Recovery Schedule and Recovery Percentages to identify such reduced fees and to revise the Public Improvement Plan Check Fee.

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider an ordinance to establish a 50% reduction for building, planning, and development service fees for Nonprofit Organizations and a 50% reduction for plan check and permit/inspection fees for single-family infill residential development within the Downtown Specific Plan; and consider Resolution No. 2022-118 revising the Citywide Master Fee Recovery Schedule and Recovery Percentages to identify such reduced fees and to revise the Public Improvement Plan Check Fee.

RECOMMENDED ACTION:

That the City Council:

- a. Introduce, by title only, and waive full reading of Ordinance No. 3356, first reading of an ordinance of the City of Corona, California amending Corona Municipal Code [Section 3.02.080](#) to establish a 50% reduction of building, planning, and development service fees for Nonprofit Organizations, adding Section 3.02.090 to establish a 50% reduction for plan check and permit/inspection fees for single-family infill residential development within the Downtown Specific Plan, and making certain other non-substantive clarifications.
- b. Adopt Resolution No. 2022-118 revising the Citywide Master Fee Recovery Schedule and

Recovery Percentages.

BACKGROUND & HISTORY:

The last comprehensive review and update of all City non-market based (or time-based) user fees was completed in Fiscal Year 2022 (Resolution No. 2022-021). The purpose of conducting a user fee study is to identify the full cost of providing fee related services and recommending recovery levels for each fee.

Calculating the true cost of providing City services is a critical step in the process of establishing user fees and corresponding cost recovery levels. Although it is a principal factor, other factors must also be given consideration. City management must also consider the effects that establishing fees for services will have on the individuals purchasing those services, as well as the community. The following legal, economic, and policy issues help illustrate these considerations:

- State Law: In California, user fees are limited to the "estimated reasonable cost of providing a service" by Government Code section 66014(a) and other supplementary legislation.
- Economic barriers: It may be a desired policy to establish fees at a level that permits lower income groups to use services that they might not otherwise be able to afford.
- Community benefit: The Council may wish to subsidize some user fees in order to reflect policy considerations which supersede cost recovery. Many community services fees have very moderate cost recovery levels. Some programs are provided free of charge or for a minimal fee regardless of cost. Youth and senior programs tend to have the lowest recovery levels. Miscellaneous classes tend to have a moderate cost recovery level and adult sports programs typically have a higher cost recovery level.
- Incentives: Fees can be set low to encourage participation in a service, such as a youth sports program or the issuance of a permit for solar panels.

ANALYSIS:

On March 16, 2022, the City Council approved Resolution No. 2022-021, which revised the Citywide Master Fee Recovery Schedule and Recovery Percentages (excluding Community Services' fees). Building permit and plan check fees benefit individuals and the development community and are therefore eligible for cost recovery. The City's policy is to generally set fees to recover 100% of all costs associated with providing fee-for-service activities.

New Fee Reductions

At the October 5, 2022 City Council Meeting, Council Member Richins requested a waiver of permit application fees for two nonprofit organizations within the City, ABC Hopes and Settlement House. After further deliberation, and to maintain an environment of fairness and equality, the City Council agreed to move forward with a 50% reduction of building, planning, and development service fees for nonprofit organizations. The term "nonprofit organization" means an organization in current good standing under United States Internal Revenue Code section 501(c)(3) and authorized to operate as such in California. Amended CMC [Section 3.02.080](#) will implement this City Council

direction.

Additionally, at the October 26, 2022 Study Session, a discussion was held on building and grading permit fees for infill lots in the City's Historic District. Based on that discussion, City Council agreed to move forward with a 50% reduction in single-family plan check and permit/inspection fees for new construction on infill residential lots within the boundary of the Downtown Specific Plan. New CMC Section 3.02.090 will implement this City Council direction.

Finally, a column has been added to the Master Fee Recovery Schedule titled "Fee Discount/Waiver (CMC 3.02)" to identify the specific fees to which the fee discounts and waivers provided for in CMC [Sections 3.02.080](#) and 3.02.090 apply.

Public Improvement Plan Check Fee Revision

The Public Improvement Plan Check Fee (PW-190) is proposed to be revised to incorporate a base fee in the amount of \$1,700. Public improvement plan check fees are charged on a base fee plus percentage of project valuation. The base fee is set to cover the following costs at the front-end of the project: fees assessment, preparation of permit documents, routing, and approval of plans. Fee increases require a Public Notice. As such, a public notice was published in the Sentinel on November 18, 2022 and again on November 25, 2022.

FINANCIAL IMPACT:

Fee reductions will be effective thirty (30) calendar days following the second reading of Ordinance 3356. The Public Improvement Plan Check fee will become effective 60 days after Council approval, or February 5, 2023. The impact of the fee reductions is undetermined at this time. Non-profit building and development activity has not been tracked separately from other types of organizations. With these changes, the information can be gathered and reported on in the future.

ENVIRONMENTAL ANALYSIS:

These actions are exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action simply revises the master fee schedule and there is no possibility that adopting this Ordinance and Resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: LUIS NAVARRO, SENIOR FINANCIAL ANALYST

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

1. Ordinance No. 3356

2. Ordinance No. 3356 - Redline Version
3. Resolution No. 2022-118 with Fee Recovery Schedule