## CFC Committee Q&A 5/8/25

1. I appreciate that input from the development community will be solicited regarding the proposed fees. Will community input regarding facility rental and recreational fees be solicited? When and how?

Following the CFC meeting, staff will notify recreational facility renters and program participants of the proposed fees. The notice will include a link to the Proposed Fee Schedule, outline the next steps leading up to the Public Hearing on June 10, 2025, and provide contact information for submitting feedback. Staff will review all input received and may make further adjustments to the proposed fees prior to the Public Hearing based on any public feedback, if needed.

2. Facility Reservation/Rental – Aside from the one time/year special rate, is the rate for community groups the same as nonprofits? How is "community group" defined? The rate for Community Group and Nonprofits is currently the same. Council Policy H-5, Use of the City's Facilities, defines Community Groups as "a group or organization whose service area includes Mountain View and operates for a public or charitable purpose. Community Group does not include businesses that operate for private gain." The policy further defines Nonprofit organizations as a "501 (c) organizations that have a letter of determination by the Internal Revenue Service (IRS) and who service area includes Mountain View."

City	Fee	Fee Rate
Mountain View	Staff Research Fee (Proposed)	
	Building	\$172 per hr
	Planning	\$175 per hr
Sunnyvale	Data Research Fee	\$141 per hr
Palo Alto	Real Property Research Fee	\$315.10 per hr
Santa Clara	Special Request/Request	Full Cost of
	Research Fee	Compilation
complete it. They into Element obligations.	nnyvale started a comprehensive fee study end to restart the fee study in 2026 per the They did share with staff that preliminary ues similar to Mountain View's proposed E	ir adopted Housing study results in

## 3. What is the "Staff Research Fee"? Who pays for it?

A Staff Research fee is a fee paid by any member of the public who is requesting staff time to conduct research regarding a project or permit history which is not a Public Records Act (PRA) request (state law prohibits charging staff time for PRA requests). Other cities have a similar research fee:

4. Parking "New Construction" (\$64,472.00) – is this for downtown? Where else does it apply? I know state law makes this hard to enforce – who pays this now? (CDD) This is an existing development impact fee where no fee changes are proposed in the Citywide Master Fee Study.

The fee is required for new construction development proposed in certain areas of the Downtown Parking District (within the <u>Downtown Precise Plan</u>), where the feasibility to construct parking is less viable. As a result, an in-lieu fee is collected to contribute towards providing public parking elsewhere in Downtown. The amount of fee paid is based on the number of parking spaces required, but not constructed, for the project, which is paid by the project developer.

However, since <u>Assembly Bill 2097</u> became effective on January 1, 2023, the City has largely suspended collection of this fee for developments that qualify under this state law to not provide parking within ½ mile of a major transit stop (Mountain View Caltrain Station). The City still requires construction of disabled parking and electrical vehicle charging spaces, as permitted under AB 2097, which are still subject to this fee if they are not constructed on site.

- 5. CC&R Review New. Is this the same regardless of the number of units? Is the cost really the same for a 4-unit complex as a 10+ unit complex? Yes, staff is proposing a fixed fee rate as the same number of staff hours and members of City staff are involved in the review of a new set of CC&Rs, which is consistent irrespective to the project size. During this CC&R review, staff is confirming compliance with site-specific conditions, utilities, stormwater retention requirements, and other provisions that must be included in a set of CC&Rs. Staff has found the size of the development or complex results in no, or negligible, difference in the content being reviewed in the CC&Rs. The same amount of staff time is expended.
- 6. Development Agreement New. We often require a public benefit this is defined anywhere? How should it be calculated?

The requirements and procedures for Development Agreements (DA) are outlined in Chapter 36 (Zoning) of the City Code – specifically, <u>Division 14 of Article XVI</u>. Additionally, the City complies with State law provisions for DA's: <u>Gov. Code Section 65864-65869.5</u>. Any "public benefit" that may be agreed to in a Development Agreement does not need to be predefined in a City code or State law, nor be an adopted fee in a City Fee Schedule. City staff has not proposed such a fee in this Citywide Master Fee Study.

- 7. Preliminary Application per State Law (e.g. SB 330, etc.) is this the same regardless of the size of the project? Should the fee be proportional to the size of the project? Yes, staff is proposing a fixed rate as these applications have a standard list of application material requirements, set by State Law, that must be submitted to the City irrespective of project size. Therefore, the same amount of staff time is expended on reviewing these preliminary applications regardless of project size.
- 8. Gatekeeper Pre-Authorization Application this fee seems very high. Can staff provide information about the workload impacts? Should this fee be proportional to the size of the project?

The current Gatekeeper pre-authorization application fee accounts for planning staff time only, but does not include costs associated with other staff involved in the application review or Council public hearing process. The proposed fee includes the following staff involved in the process:

- Planning Board Clerk and Deputy City Clerk (3.5 hrs total) associated with preparing notices and public hearing agenda, minutes, etc.;
- Senior Planner and Community Development management staff (Director and Assistant Director of Planning) (35 hrs total) managing the review of the application,

confirming regulatory changes necessary, preparation of Council hearing materials, and coordination with applicant;

- Senior Civil Engineer, Traffic Engineer, and Transportation Engineer (11.5 hrs total) providing review of project traffic circulation, mapping, and compliance with City policies; and
- Building Plan Checker, Fire Protection Engineer, Housing Specialist (0.5 hr each) identify high-level life safety compliance concerns and identify housing programs/regulations project is subject to, or review any preliminary below-market-rate proposal included with application.

Additionally, the application fee includes the cost for preparing and mailing noticing postcards to property owners and tenants within 750 feet of a Gatekeeper application to be discussed at a Council Authorization hearing, in addition to placing a notice in the newspaper (Total Cost: \$1,000).

Note that the Development Services Fund (DSF) is in the red due to the volume, complexity, and length of development projects coupled with fees that are outdated and too low, which means the City is not recovering the actual cost of staff time and overhead, putting the DSF in the red over the last several years. Essentially, the General Fund has been subsidizing development activity in Mountain View, which is unsustainable for the City.

9. The Conditional Use Permit fees for ZA Review are quite high for uses that seem to have significant value to the community: Child-Care Center, Nonprofit Housing Needs, Meals, and Similar Programs Operated by Nonprofit Agencies, Safe Parking (page 10). Should we consider subsidizing these? What would a reasonable subsidy look like to incentivize or support these uses?

See response under question 12.

- 10. Similar question for the Development Review Permit fees. There is a dramatic increase for child-care centers and new multifamily residential buildings. Has staff evaluated the impacts of these fees on the financial feasibility of these uses? See response under question 12.
- 11. Similar question for the Provisional Use Permit (PUP) fees. The fee increases for Child-Care Centers and Nonprofit Housing Needs, Meals, and Similar Programs Operated by Nonprofit Agencies are significant. Should we consider subsidies, and what level of subsidy would incentivize or support these uses? See response under question 12.
- 12. Similar question for Temporary Use Permit (TUP, Admin Review) fees for Nonprofit Housing Needs, Meals, and Similar Programs Operated by Nonprofit Agencies. Again, the fee is very high, and I'm wondering if this could serve as a disincentive for these uses. The Building and Planning fees provided to the CFC represent the full cost of each type of permit or review, based on staff time. It is common for cities to adopt a cost-recovery model that may have some fee subsidies for certain types of fees, or all fees associated with a certain type of use. As indicated in the question, higher fees can be a disincentive for (1) people to obtain proper City approvals to operate, and (2) can deter certain development or businesses from locating in Mountain View. Thus, a cost-recovery approach is a policy

decision of the Council in considering the balance of reasonable fees for certain uses or users and long-term financial stability of providing the associated city services.

The last comprehensive Planning and Building fee study adopted by the City was in 2004. That fee study considered a cost-recovery structure where:

- Planning permits typically associated with larger development with significant entitlement privileges were recovered at 100% of staff cost;
- Planning permits typically associated with smaller applications, including those involving single-family homeowners, were recovered at 50% of staff cost; and
- Planning permits associated with services set by Council to be of greater public purpose and the applicant was perceived to have limited resources were at lower rates, such as childcare centers and nonprofits. Specifically, in this 2004 study, childcare center-related planning permits were 95% subsidized and nonprofit-related planning permits were 94% subsidized.

Typical cost-recovery models adopted by cities today include either a percent subsidy (100%, 75%, 50%, etc.) or a capped fee approach for certain permits (\$150, \$800, etc.). There is no "magic formula" to how fee cost-recovery is structure, but rather it's a policy decision on how much subsidy from the General Fund Council is comfortable with the City carrying.

Staff has not prepared a financial feasibility study for multifamily residential development in relation to this Citywide Master Fee study. Per State law, the City is not required to subsidize the cost of private development for purposes of processing, filing, accepting, reviewing and approving permit applications.

CFC could direct staff to further study how a potential fee decrease or subsidy could work for fees related to childcare centers or non-profits.

## 13. Why is the Heritage Tree Removal Appeal Fee so heavily subsidized?

The appeal process requires multiple staff in Parks and Forestry Divisions to review the appeal, collect payment, develop communications to the property owner (if not the appellant), conduct additional site visits with property owner(s) and to prepare staff reports and presentations in preparation to attend the Parks and Recreation Commission/Urban Forestry Board meeting. Following the meeting staff need to provide the necessary follow-up to all involved regarding the meeting outcome. Through the years, staff has heard that the existing \$50 fee can be seen as a barrier to residents who support keeping trees in the community and want to file an appeal.

While the proposed fee requires a high subsidy level, staff is taking into consideration those that have communicated this financial constraint that also want to be able to appeal tree decisions in the community. The proposed increase tries to balance the cost to provide this service while providing more equitable access to all community members. In addition, some property owners apply and pay for a tree removal application and may be denied the removal by City staff. In these cases, the property owner also has to pay the tree appeal cost on top of the initial application fee which increases the overall cost for removal of a tree on the property. Chapter 32 of City Code related to trees, shrubs and plants will be reviewed and likely updated following the adoption of the Biodiversity and Urban Forest Plan. The Committee can choose to recommend a fee adjustment through this process or provide direction to wait for staff to update the City Code and review this

fee at that time compared to other local agency fees and provide an updated staff cost and fee recommendation at that time.

14. Taxi Permits – are these paid also by ridesharing companies like Uber and Lyft? If not, why not?

There have been no taxi permits issued since 2018. FASD is working with the City Attorney's Office to clarify if a permit and/or business license is required for a rideshare driver that resides in the City of Mountain View.

- 15. MHRSO Rental Space Fee (\$300) the Council directed staff to explore reductions/subsidizes. What level of subsidy is staff considering? Both the CSFRA Rental Housing Fee and the MHRSO Rental Space Fee were not part of the user fee study and will be removed and included in a separate attachment for the June 10 Public Hearing. The proposed CSFRA fee is \$130 and the proposed MHRSO fee is \$142. The \$142 MHRSO fee reflects a \$50,000 subsidy from the General Fund, which is included in the FY 2025-26 Recommended Budget.
- 16. Why are we proposing to subsidize "Adult Entertainment" and "Card Room" application and renewal fees?

The City does not currently have any Adult Entertainment or Card Rooms and there have not been any inquiries or applications in many years. Since this fee has not been used in many years and future use appears unlikely, staff opted not to update it to full cost recovery, and even considered removing it. FASD will work with PD to either increase it to full cost recovery or remove it from the Master Fee Schedule for the public hearing and adoption on June 10.

17. Under "Massage Business," what is a "Parade Permit," and why is it proposed to be subsidized?

"Parade Permit" should not be included in the Massage Business category and should be in its own category. We will make sure to differentiate this in the final schedule. FASD and PD are confirming the full cost of the parade permit and will include a recommended fee amount in the June 10 item.

18. Why is the "Pool/Billiard Room Permit" proposed to be subsidized?

The City does not currently have any Pool/Billiard Room permits issued and there have not been any inquiries or applications in many years. Since this fee has not been used in many years and future use appears unlikely, staff opted not to update it to full cost recovery, and even considered removing it. FASD will work with PD to either increase it to full cost recovery or remove it from the Master Fee Schedule for the public hearing and adoption on June 10.

19. Why is the Abandoned Shopping Cart Impound fee subsidized?

Fees that FASD collects are generally rounded down to avoid odd pricing, such as \$103.78 versus \$100; even pricing can make transactions smoother and quicker to process; and signals fairness to the customer by not "nickel and diming" them. Unless otherwise directed, FASD will clean up any odd numbered pricing and round down for the final schedule that goes to the City Council on June 10.

For the Abandoned Shopping Cart Impound Fee, after determining the number of hours needed for each permit and the specific staff rate, the fees are rounded down to the nearest \$10. The rounding down has resulted in a 7% subsidy. CFC can provide direction to staff to round to the nearest \$1.00 instead.

20. Bicycle Locker/Shelter – what is a "Certificate of Compliance," and why is the fee so high (\$2,800.00)?

A Certificate of Compliance is a separate item from the Bicycle Locker / Shelter items. Staff's suggestion is to move "Certificate of Compliance" fee under the Mapping heading for clarity.

Certificate of Compliance is a legally recorded document that documents the legality of a parcel of land and its compliance with the Subdivision Map Act and local laws. The California Subdivision Map Act, <u>Section 66499.35</u> of the Government Code allows for a property owner to apply for Certificate of Compliance to determine whether a parcel of land has been legally created. The review requires significant amount of staff time confirming the documentation provided on the history of the parcel and the laws in effect at the time that the parcel was first created and subsequently sold in its current configuration. The fee represents the average amount of hours spent on review and research for the staff time and effort performing this work and developing the document at full cost recovery.

21. Multi Modal Transportation Analysis – how are small, medium, large, and complex defined?

The Multi-Modal Transportation Handbook (<u>located on the city's website</u>) defines when small, medium, large and complex (Very Large and Land Use Plans) MTAs are required. In general, they are based on the number of peak-hour trips that a development project generates. The complex category in the Fee Schedule allows for Very Large Projects, Land Use Plans and other projects at the discretion of the Public Works Director to be charged the full cost of the consultant plus appropriate city overhead and administrative costs.

22. I know certain fees (like community benefit fees and BMR in-lieu) are evaluated along with financial feasibility analyses. How are these fees affected by the often significant increases proposed for residential development? Can staff provide a "fee stack" analysis and let us know how much these fees affect financial feasibility?

City staff has not prepared a financial feasibility analysis for residential development in relation to this Citywide Master Fee Study. As noted in the response to question 12, the City is not required to subsidize processing fees for private development, so a financial feasibility study is not required.

Unfortunately, staff cannot provide an example in time for the CFC meeting. However, staff can provide an example fee estimate for a hypothetical residential project for the Council hearing for the Citywide Master Fee Study on June 10. This estimate would not be the same level of detail found in a financial feasibility study, but rather a summary of fees for a residential project.