

# Resolution No. 2024-XXX N.C.S. of the City of Petaluma, California

## **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA ESTABLISHING A SCHEDULE OF FEES AND CHARGES FOR CITY SERVICES AND REPEALING PREVIOUSLY ADOPTED FEES AND CHARGES FOR SUCH SERVICES**

**WHEREAS**, the City Council of the City of Petaluma (“City”) has previously established fees and charges for City services, with the intent of recovering up to the City’s estimated actual and reasonable costs to provide such services; and

**WHEREAS**, with respect to fees and charges to be increased, the City has analyzed its fees and charges, the costs of providing services, the beneficiaries of the services, and the revenues produced by those paying charges for such services, and such analysis is contained in the Cost of Services Study (“Study”), which applicable portion of the Study is included in the Master Fee Schedule attached as Exhibit A to this resolution and which entire Study is hereby incorporated by reference; and

**WHEREAS**, a Comprehensive User Fee Study Report is attached as Exhibit B; and

**WHEREAS**, the City wishes to comply with both the letter and the spirit of Article XIII B of the California Constitution; and

**WHEREAS**, in adopting the fees and charges for City services as set forth in this Resolution, the City Council of the City of Petaluma is exercising its powers under Article XI, Sections 5 and 7 of the California Constitution, Section 66014 of the California Government Code, and other applicable law; and

**WHEREAS**, the City has a policy of recovering up to the full cost of providing voluntary services from those persons utilizing them so that general taxes are not diverted from general services to unfairly or inequitably subsidize such services; and

**WHEREAS**, the fees and charges set forth in the schedule of fees and charges adopted by this Resolution are not taxes as defined in Article XIII A, §3(b) (Proposition 26), of the California Constitution because such fees and charges are either:

- (1) imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs of conferring the benefit or granting the privilege to the payor; or
- (2) imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs of providing the service or product to the payor; or
- (3) imposed for the reasonable regulatory costs incident to issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; or

(4) imposed for entrance to or use of city property, or the purchase, rental, or lease of city property, except charges governed by Section 15 of Article XI; and

**WHEREAS**, the fees and charges set forth in the schedule of fees and charges adopted by this Resolution are consistent with the requirements of Article XIII D (Proposition 218) of the California Constitution pursuant to *Apartment Association of Los Angeles County v. City of Los Angeles* (2001) 24 Cal. 4th 830, in that such fees are not applicable to incidents of property ownership, but rather actual use of City services; and

**WHEREAS**, in accordance with Government Code Section 50076, fees and charges that do not exceed the reasonable cost of providing the service or regulatory activity for which the fees are charged and which are not levied for general revenue purposes are not special taxes as defined in Article 3.5 of the Government Code; and

**WHEREAS**, in accordance with Government Code Section 66014, local agency fees for: zoning variances, use permits, building inspections, building permits, filing and processing applications and petitions filed with the local agency formation commission or conducting proceedings filed under the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code § 56000 *et seq.*), processing maps under the Subdivision Map Act (Government Code § 66410 *et seq.*), or planning services shall not exceed the estimated reasonable cost of providing the service for which the fee is charged; and

**WHEREAS**, in accordance with Government Code Section 65104, fees to support the work of planning agencies shall not exceed the reasonable cost of providing the service for which the fee is charged; and

**WHEREAS**, in accordance with Government Code Section 65456, legislative bodies may, after adopting a specific plan, impose a specific plan fee upon persons seeking governmental approvals which are required to be consistent with the specific plan, and such fees shall, in the aggregate, defray but not exceed the cost of preparation, adoption and administration of the specific plan; and

**WHEREAS**, in accordance with Government Code Section 65909.5, reasonable city fees for the processing of use permits, zone variances, or zone changes shall not exceed the amount reasonably required to administer the processing of such permits, zone variances or changes; and

**WHEREAS**, in accordance with Government Code Section 66451.2, reasonable local agency fees for the processing of tentative, final and parcel maps shall not exceed the amount reasonably required by the agency; and

**WHEREAS**, in accordance with Health and Safety Code Section 17951, city governing bodies may prescribe fees for permits, certificates or other documents required or authorized concerning implementation and enforcement of the California Building Standards Code, and such fees shall not exceed the amount reasonably required to administer or process those permits, certificates or other forms or documents, and shall not be levied for general revenue purposes; and

**WHEREAS**, in accordance with Health and Safety Code Section 19132.3, city governing bodies may adopt fees for filing building permit applications, and such fees shall not exceed the amount reasonably required for the local enforcement agency to issue such permits, and shall not be levied for general revenue purposes; and

**WHEREAS**, in accordance with Health and Safety Code Section 19852, city governing bodies may prescribe such fees as will pay the expenses incurred by the building department in maintaining the official copy of the plans of buildings for which building permits have been issued, but such fees shall not exceed the amount

reasonably required in maintaining the official copy of the plans for which building permits have been issued; and

**WHEREAS**, fees adopted pursuant to Government Code Sections 66014, 65104, 65456, 65909.5, and 66451.2, and Health and Safety Code Sections 17951, 19132.3, and 19852, are to be imposed pursuant to Section 66016 of the Government Code, which imposes certain procedural requirements prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge; and

**WHEREAS**, in accordance with the Government Code Section 66016, the cost analysis and support for a fee or service charge which will be increased pursuant to this Resolution was available for public review and comment for ten days prior to the public hearing at which this Resolution was adopted; and

**WHEREAS**, in accordance with California Government Code Section 66016, at least 14 days prior to the public hearing at which the City Council first considered adoption of the fees established by this Resolution, notice of the time and place of the hearing was mailed to eligible interested parties who files written requests with the City for mailed notice of meetings on new or increased fees or service charges; and

**WHEREAS**, 10 days advance notice of the public hearing at which this Resolution was adopted was given by publication in accordance with Section 6062a of the Government Code; and;

**WHEREAS**, it is the intention of the City Council to adopt a schedule of fees and charges, which updates certain existing fees and charges, and/or establishes certain new fees and charges based on the City's budgeted and projected costs of services; and

**WHEREAS**, the schedule of fees and the total amounts thereof, described in Exhibit "A" attached, are hereby determined to be reasonable in that the amounts thereof do not exceed of the estimated reasonable costs of providing the services for which the charges and fees are made, as reflected in Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Petaluma as follows:

Section 1. Findings. The following findings are true and correct and adopted as the findings of the City Council:

- A. The purpose of the fees and charges set forth in Exhibit "A" of this Resolution is to recover up to the full, lawfully recoverable costs incurred by the City in providing various City services, and such fees and charges not levied for general revenue purposes.
- B. After consideration of the data and information regarding the costs of providing services relating to all fees and charges subject to this Resolution, including the Study, all testimony received orally or in writing at or before the noticed public hearing, the agenda report and the background documents to the agenda report (together, "Record"), the City Council of the City of Petaluma approves and adopts the cost analysis contained in the Study and attached as Exhibit A .
- C. Adoption of the fees and charges set forth in Exhibit "A" of this Resolution is intended to recover costs necessary to maintain such services within the City within existing service areas and is not a "project" within the meaning of the California Environmental Quality

Act ("CEQA") pursuant to 14 California Code of Regulations ("CEQA Guidelines") section 15378(b)(4) (the creation of government funding mechanisms or other government fiscal activities which do not involve any specific commitment to any specific project which may result in a potentially significant impact on the environment); and/or CEQA Guidelines section 15273 (statutory exemption for rates, tolls, fares and charges within an existing service area); and/or CEQA Guidelines section 15061(b)(3) ('common sense' general exception where there is no possibility the activity in question may have a significant effect on the environment). Moreover, the actions associated with the fees have all received their own review for compliance with CEQA previously.

- D. The Record establishes that the costs listed in the cost analysis for those fees and charges which are to be increased and/or established as costs incurred by the City in providing City services are reasonable estimates of the cost of providing such services, and that the revisions recommended to existing fees for such services are necessary to recover the reasonable, estimated cost of providing such services.
- E. The above recitals are declared to be true and correct and are incorporated into findings of this Resolution.

Section 2. Fee Schedule Adoption and Repeal of Prior Inconsistent Fees and Charges. The schedule of fees and charges set forth in Exhibit "A", of this Resolution, attached hereto and incorporated herein by reference, are hereby directed to be computed by, applied by and collected by the various City departments, for the herein listed services when provided by the City or its designated contractors.

Section 3. Separate Fee for Each Process. All fees set by this Resolution are for each identified process; additional fees shall be required for each additional process or service that is requested or required. Where fees are indicated on a per-unit of measurement basis, the fee is for each identified unit or portion thereof within the indicated ranges of such units.

- Added Fees and Refunds. Where additional fees need to be charged and collected for completed staff work, or where a refund of excess deposited monies is due, and where such charge or refund is ten dollars (\$10.00) or less, a charge or refund need not be made, pursuant to California Government Code Sections 29373.1 and 29375.1 and amendments thereto.
- Deposits Plus Staff Time and Materials. This means that the applicants will be billed for the full cost of processing the application based on staff time and materials over and above the amount of the deposit. Staff hourly rate shall be fully burdened and be determined by regular work rates established by the City of Petaluma Finance Director for the given fiscal year(s) in which the application is processed. For applications requesting multiple entitlements, the deposit shall be the sum of the individual amounts. The City Manager shall have the authority to modify or waive staff time and material costs when circumstances warrant.
- Flat Fee Applications. This is an application fee that does not include staff time and materials.

- Full Cost Recovery Applications. This includes a deposit amount and the actual costs of the staff time and required materials.

Section 4. Interpretation. This Resolution may be interpreted by the several City department directors in consultation with the City Manager and, should there be a conflict between two fees, then the lower in dollar amount of the two shall be applied.

Section 5. Use of Fee Revenue. The revenues raised by payment of the fees and charges established by this Resolution shall be used to fund the estimated reasonable cost of providing the services for which the fees are charged, and the revenues from such fees and charges shall not be used for general revenue purposes.

Section 6. Subsequent Analysis and Revision of the Fees. The fees and charges set herein are adopted and implemented by the City Council in reliance on the Record identified above. The City may continue to conduct further study and analysis to determine whether the fees and charges for City services should be revised. When additional information is available, the City Council may review the fees and charges to determine that the amounts do not exceed the estimated reasonable cost of providing the services for which the fees and charges are charged.

Section 7. Annual Adjustment. The fees and charges set forth in Exhibit "A" shall be adjusted by the City Manager on July 1st of every year by the percentage increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U, San Francisco-Oakland-Hayward) as of April of each year.

Section 8. Effective Date. This Resolution shall become effective immediately. In accordance with Government Code Section 66017, all new and/or increased fees and charges upon a development project, as defined in Government Code Section 66000, which apply to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use shall be effective no sooner than 60 days following the effective date of this Resolution. Those fees and charges upon a development project are identified with an asterisk in the attached Exhibit A. All other new and/or increased fees and charges not subject to Government Code Section 66017 that are set forth in Exhibit A shall become effective immediately.

Section 9. Repeal and Replace. These fees and charges shall supersede the corresponding fees previously established and adopted by the City Council. All previously adopted and conflicting fees and charges and all Resolutions and other actions of the City Council are hereby repealed to the extent they conflict with the contents of this Resolution. Resolution numbers 2015-139 and 2019-070 are repealed.

Section 10. Severability. The individual fees and charges set forth in Exhibit "A" of this Resolution and all portions of this Resolution are severable. Should any of the fees or charges or any portion of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining fees, charges and/or Resolution portions shall be and continue in full force and effect,

except as to those fees, charges, and/or Resolution portions that have been adjudged invalid. The City Council of the City of Petaluma hereby declares that it would have adopted each of the fees and charges set forth in Exhibit "A" of this Resolution, and this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more of the fees, charges, or sections, subsections, clauses, sentences, phrases or other portions of this Resolution may be held invalid or unconstitutional.

Under the power and authority conferred upon this Council by the Charter of said City.

<b>REFERENCE:</b>	I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 6th day of May 2024, by the following vote:	Approved as to form:
		<hr/> City Attorney

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

<b>ATTEST:</b>	<hr/> City Clerk	<hr/> Mayor
----------------	------------------	-------------