



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**Item No.** \_\_\_\_\_

**FROM:** City Manager

**SUBJECT:** PUBLIC HEARING WITH THE CITY COUNCIL TO CONSIDER ADOPTING A RESOLUTION AMENDING USER ("PLANNING") FEES FOR PLANNING PERMITS AND APPROVALS PURSUANT TO TITLE 19 ("ZONING") OF THE CITY OF COMMERCE MUNICIPAL CODE ("CMC")

**MEETING DATE:** March 11, 2024

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### **RECOMMENDATION:**

It is recommended that the City Council consider:

1. Opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the submitted evidence:
  - a. Approving Resolution No. \_\_\_\_\_ amending user ("Planning") fees for planning permits and approvals pursuant to Title 19 ("Zoning") of the City of Commerce Municipal Code ("CMC");
  - b. Adopting a Categorical Exemption under the provisions of the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines") (CEQA Guidelines § 15060(c)(2), § 15378(b)(5), § 15301, § 15303 and § 15061(b)(3)); and
3. Taking such additional, related, action that may be desirable.

### **PUBLIC NOTICE REQUIREMENTS:**

California Government Code §§ 66014 and 66016 require that a local agency post a public notice including the time and place and general explanation of the matter to be considered ten (10) days before the public hearing. Said notice was published in the Los Cerritos Community News on September 24, 2025.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):**

Pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"), the City reviewed the environmental impacts of the proposed Resolutions. No additional environmental review is required for this Resolution pursuant to CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303

and § 15061(b)(3). The proposed Resolution is exempt from CEQA because it is to update Planning fees Citywide, which will not have a direct or reasonably foreseeable indirect physical change in the environment and does not qualify as a “project” under CEQA because it will not make physical changes to the environment. The proposed Resolution is also exempt from CEQA under the commonsense exemption that it will not affect the environment.

## **BACKGROUND:**

In 2018, the City hired Willdan Financial Services (“Consultant”) to conduct a user fee study to determine whether the City is collecting fees that adequately offset the impacts of new development without overburdening development with unnecessary costs contained in Attachment 2. Presentations on the findings were made by the Consultant to the City Council on October 16, 2018 and June 2, 2020, respectively. The City Council directed staff to update the fees based on the findings of the user fee study.

On September 1, 2020, the City Council adopted Resolution No. 20-91 to update Building & Safety and Planning fees based on the user fees study prepared by the Consultant. The fees that were adopted were missing critical Planning permit fees that were previously adopted and included in the user fee study.

## **ANALYSIS:**

The Community Development Department provides a wide array of services to the public as it relates land uses and property development, including, but not limited to review and approval of development proposals by developers and property owners, and new business approvals. Planning services are funded by user fees and a general fund allocation to support long-range planning initiatives and customer service responsibilities (e.g. conducting code updates, answering phones, and general public counter inquiries, among others). Planning user fees are comprised of flat and deposit-based fees, both of which aim at recovering the full cost to provide the service to those requesting development review and permits. Flat fees apply to requests that are generally simple and routine to process. Deposit-based fees apply to projects that are either more complex and far exceed the amount of time typically spent on processing an application or where consultants are required due to specialized knowledge or training needed to process the permit.

This amendment to the user permit fees for Planning is needed to correct an existing deficiency in the user fees to ensure that the City has a mechanism to recover costs associated with the issuance of permits and approvals authorized pursuant to CMC Title 19 (“Zoning”). In the last update to Planning fees under Resolution No. 20-91 adopted on September 1, 2020, the adopted fees were missing user fees for several routine processes such as home occupation permits, landscape plan reviews, zoning verification letters, and temporary sign permits, among others.

The Resolution contained in Attachment 1 contains the entire list of fees included in the user fee study, plus a few additional fees that are needed to fill in gaps in fees for services that the Planning Division provides. Given that five years have passed since the user fee study was prepared, an adjustment was calculated into the proposed fees to account for changes between 2020 to 2025 using the Consumer Price Index for All Urban Consumers (“CPI-U”) as published by the U.S. Bureau of Labor Statistics. CPI-U reflects the average

change over time in the prices paid by consumers for goods and services. As a general practice, cities update user fees every five years by conducting a user fee study as previously prepared by the Consultant. This amendment to Planning fees will address an immediate need to eliminate deficiencies in the meantime that the City contemplates a new user fee study.

## **FISCAL IMPACT**

State law requires that fees charged by the city reasonably reflect the cost of providing the related service. The proposed fee adjustments are based on the most recent user fee study, which ensures that the updated amounts align with the actual cost of service.

The recommended amendment also includes an adjustment to account for inflation and other cost increases that have occurred since the previous study. In addition, it introduces new Planning fees for routine services that are currently not being recovered, which will help improve the city's cost recovery efforts.

There is no direct impact to the adopted FY 2025-26 budget. Future budgets will reflect updated revenue projections based on the adopted fee schedule.

## **ALTERNATIVES:**

1. Approve recommendation.
2. Reject recommendation.
3. Provide staff with further direction.

## **RELATIONSHIP TO STRATEGIC GOALS:**

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability," and 3 "Support a long-range planning vision through the City's General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning."

Recommended by:	Jessica Serrano, Director of Economic Development and Planning Department
Reviewed by:	Alvaro Castellon, Director of Finance
Approved as to form:	Noel Tapia, City Attorney
Respectfully submitted:	Ernie Hernandez, City Manager

## **ATTACHMENTS:**

1. Resolution
2. User Fee Study Prepared by Willdan presented to City Council on June 2, 2020
3. Notice of Exemption