



Administrative Report

L.2., File # 26-0590

Meeting Date: 6/16/2026

To: MAYOR AND CITY COUNCIL
From: STEPHANIE MEYER, FINANCE DIRECTOR

TITLE

PUBLIC HEARING TO CONSIDER PROPOSED USER FEE AMENDMENTS FOR THE COMMUNITY DEVELOPMENT AND COMMUNITY SERVICES DEPARTMENTS

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2606-044, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE COMMUNITY DEVELOPMENT DEPARTMENT USER FEES

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2606-045, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE COMMUNITY SERVICES DEPARTMENT USER FEES

PROCEDURES:

- a. Open Public Hearing and take testimony;
- b. Close the Public Hearing; and,
- c. Adopt by title only Resolution Nos. CC-2606-044 and CC-2606-045

EXECUTIVE SUMMARY

The City strives to maintain the community's quality of life by providing excellent municipal services. The City regularly reviews City fees to assess whether the established rates reflect the cost to deliver the services to the community, and thus ensure that the City can maintain desired service levels over time. This item proposes fee adjustments for the Community Development and Community Services Departments.

The impact of the proposed fee increases have been included in the Proposed FY 2026-27 Budget, with descriptions included in Decision Packages #5 (Community Development Department) and #3, #4, #6, #7, and #8 (Community Services Department).

In addition to the user fees recommended for adoption by Resolution with this report, staff proposes increasing Parking Meter rates for FY 2026-27 as part of the Proposed Budget (Decision Package #2). Parking meter rates are adopted by ordinance. If Council approves the rate change through the budget adoption process, staff will return to Council in July with an ordinance update.

BACKGROUND

Staff regularly reviews City fees to ensure they accurately reflect current service delivery costs. Staff proposes adjustments for fees associated with services provided by the following departments: (1) Community Development and (2) Community Services. These fee increases are presented with the FY 2026-27 Proposed Budget in the Decision Packages noted above.

Community Development Department

The Community Development Department (CDD) recently completed a comprehensive user fee study performed by Revenue & Cost Specialists (RCS). The study revealed that CDD's existing fee structure captures approximately 75% of the total service cost. RCS made recommendations to modify the CDD fee schedule, which would result in approximately \$1 million of additional annual revenue and would address the gap in service cost.

One of the largest changes to fee calculation methodology is the transition for CDD from its current valuation-based permit fee structure (based on project value) to a square-footage-based model, which would clarify the fees for the applicant and ensure better compliance with California Building Code requirements. Using a square-footage based calculation would also be consistent with neighboring cities, such as Rancho Palos Verdes, Manhattan Beach, and Hermosa Beach.

The City Council reviewed the fee study on March 17, 2026, and was supportive of updating the fee schedule, but directed staff to consider making adjustments to some of the proposed new fees. In response, staff has since made the following adjustments to the fee schedule:

- The proposed new appeal fee was reduced from \$2,810 to \$600, which is more in line with the current fee of \$500.
- The proposed new fees for Conditional Use Permits (CUP), Variances, Historic Variances, Live Entertainment Permits, and Pre-Applications were reduced by 50%, as was recommended by staff at the City Council meeting.
- Some of the other planning application fees, including Temporary Use Permits, Administrative Use Permits and Permit Extensions were reduced to bring them closer to existing rates.
- Two of the proposed Building Division fees with the largest proposed increases, Commercial Tenant Improvement (TI) and Single-Family Addition, were reduced by 40% from what was originally proposed. As such, the existing permit fees for a Commercial TI project would still increase from \$6,780 to \$10,350; while fees for a Single-Family Addition would increase from \$5,690 to \$10,960. This is more reflective of the true cost of administering services to process these types of permits.

The proposed increase is a measured approach to generating the necessary revenue to offset rising costs associated with providing a high level of service, while striving to minimize the financial impact on applicants and developers. New fees are included in the proposed master fee schedule and are also presented in Decision Package #5.

Recommended fee changes result in an estimated ongoing increase to General Fund revenue of \$1,100,000.

Community Services Department

Special Event Street Use Fee: As presented in Decision Package #3, the Community Services Department recommends creating a Special Event Street Use Fee, intended to sustain and improve revenue to the City by establishing a standardized charge for the use of public streets and rights-of-

way during permitted special events. The City currently recovers direct operational costs for special events (e.g., police, public works, traffic control) but does not assess a fee for the underlying use of public roadway assets, particularly for high-demand coastal and arterial corridors. The proposed rate is \$8,000 per mile (pro rata), per day, reflecting the implied market value of street occupancy derived from comparable large-city right-of-way pricing systems, as well as other annual and one-time large-scale events that require exclusive use of the public right-of-way.

Recommended fee changes result in an estimated ongoing General Fund revenue increase of \$96,000. Staff will evaluate this revenue each year as it will depend on the specific events planned for the following fiscal year.

Affordable Housing Administration and Monitoring Fees: As presented in Decision Package #4, staff proposes adjustments to affordable housing administration and monitoring fees paid by project applicants/operators. The current fees have not been evaluated in many years and are significantly below the cost of service, while affordable housing development continues to expand, there is increasing demand for income certification, resale processing, compliance oversight, and ongoing monitoring.

Housing Division staff are currently funded entirely through HUD Section 8 restricted funds, which limits their ability to administer non-HUD affordable housing programs without an alternative revenue source to offset staff time. Revenue generated from these fee increases and new fees would help offset staffing costs and support consultant services to meet expanding monitoring and compliance demands, ensuring continued program effectiveness, regulatory compliance, and service quality as the City's affordable housing inventory grows.

Staff proposes the following increases to existing fees to better reflect staff time and administrative complexity:

- Buyer Application/Income Certification fee: from \$250 to \$750
- Resale Price Determination fee: from \$50 to \$500
- Refinance/HELOC Review: from \$250 to \$750
- Subordination Agreement fee: from \$250 to \$750 each.

Staff proposes the following new fees to establish a sustainable funding source for ongoing program administration:

- Annual Monitoring Fee: \$175 per unit
- Resale Transaction Processing Fee: \$1,500

These fees are comparable to those administered in other cities.

Recommended fee changes would result in an estimated ongoing Housing Successor Agency Fund revenue annual increase of \$20,000 .

Dominguez Park Picnic Shelter Rental Fee: As discussed in Decision Package #6, staff recommends a rental fee for the recently installed Dominguez Park picnic shelter, which is a desirable place for community gatherings, family parties, and small events. Staff recommends establishing and adding

to the Master Fee Schedule a \$125 rental fee, per five-hour event, with an additional \$200 refundable damage deposit.

Recommended fee changes would result in an estimated ongoing General Fund revenue increase of \$6,500.

Hopkins Wilderness Park Whole Park Daytime Event Fees: As discussed in Decision Package #7, staff proposes implementing a security deposit and fee for whole park reservations to better protect the integrity of Hopkins Wilderness Park and ensure responsible use of the various park amenities. The current \$200 deposit is applied uniformly, whether a renter reserves a single camp site or the entire park. Increasing the deposit amount to \$1,000 for full-park rentals more accurately reflects the scope of the reservation, aligns with industry standards for large-group facility use, and helps ensure that funds are available to address any necessary repairs, excessive cleaning, or restoration of natural areas.

Additionally, staff proposes a Whole Park Daytime Event fee of \$1,500, charged per event, for up to five hours of use. Events that use the majority of Hopkins Wilderness Park cause major impact to community access and use. While staff approves these events sparingly to maintain the integrity and intention of Hopkins Wilderness Park as a natural space open for the public to enjoy, no fee currently exists for whole park private use.

The recommended deposit fee would be refundable and have no impact on overall revenue. Approval of the Whole Park Daytime Event fees would result in ongoing General Fund revenue totaling \$4,500.

Veteran's Park Use Fee: As discussed in Decision Package #8, the proposed fee would establish a mechanism for the City to collect revenue associated with occasional private use of designated areas within Veteran's Park, including the open lawn space and ocean-facing area on the southwest side of the park. Currently, no fee structure exists for these uses despite periodic public interest in reserving the space. To preserve public access and minimize impacts to regular park users, rentals would be limited primarily to Monday through Thursday, with Thursday requests carefully evaluated to avoid disruption to the adjacent Certified Farmers Market operations. Adoption of the fee would provide appropriate cost recovery and administrative structure for these occasional private uses.

Staff does not anticipate additional revenue as a result of the recommended fee changes due to the limited frequency of requests and restrictive use parameters.

Parking Meter Rates

In addition to the items above, and as described in Decision Package #2, staff proposes increasing the parking meter rate to \$2.25 per hour citywide, consistent with Council direction in the FY 2025-26 Budget process. Parking meter rates are set by ordinance. If Council approves the Decision Package, staff will return to Council with the ordinance for adoption in early July. The ordinance would be effective 30 days following its second reading and adoption.

COORDINATION

The City Manager's Office and the Finance, Community Development, and Community Services Departments collaborated in preparing the proposed fee amendments. The Resolutions were approved as to form by the City Attorney's Office.

FISCAL IMPACT

The estimated impact of the proposed fee changes presented in this report is summarized in the table below:

Department	Fund	Estimated Annual Revenue
Community Development	General Fund	1,100,000
Community Services	General Fund	107,000
	Housing Successor Agency	20,000
	Total General Fund	\$1,207,000
	Grand Total	\$1,227,000

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Reso - No. CC-2606-044 Amending Community Development Department User Fees including Exhibit A - Proposed Master Fee Schedule, Community Development Department Adjustments
- Community Development Department Master Fee Schedule
- Reso - No. CC-2606-045 Amending Community Services Department User Fees including Exhibit A - Proposed Master Fee Schedule, Community Services Department Adjustments
- Community Services Department Master Fee Schedule