June 22, 2004

TO: Mayor and City Council
FROM: Mark Lewis, City Manager
SUBJECT: MULTI-FAMILY DWELLING ANNUAL ADMINISTRATIVE FEE

RECOMMENDATION

None. Information only.

DISCUSSION

Background

Questions were raised during discussion at the June 8, 2004 Council meeting concerning the increase in the Multi-Family Dwelling Annual administrative fee that was adopted on May 25, 2004.

In order to recover the cost of administering the inspections of multi-family dwellings, a Development Services Fire Prevention Administrative Fee was approved by Council in the 2003-04 Fee Schedule. The cost recovery fee was set at $185.00 per year for all multi-family dwelling units over three units. The Development Services fee for full cost recovery was raised to $288 in the 2004-05 Fee Schedule.

A new tiered fee for the State mandated inspection of multi-family dwellings was initially proposed for the 2004-05 Fee Schedule. However, the inspection component for multi-family dwellings (MFDs) under ten units, 67.7% of all MFDs in the City of Stockton, was eliminated, which has resulted in a projected loss of $191,544 to the General Fund.

Present Situation

Staff has reviewed the administrative component of the fee calculation associated with the State mandated inspection of multi-family dwellings. It has been determined that the Development Services Multi-Family Dwelling Annual Administrative Fee of $288 as adopted in the 2004-05 Fee Schedule on May 25, 2004 is based on full cost recovery and no further consideration is recommended.
FINANCIAL SUMMARY

There is no change in projected revenue, as the budget adopted on May 25, 2004 contains a revenue projection of $312,691.

Respectfully submitted,

MARK E. LEWIS
CITY MANAGER