

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: March 24, 2026

CAO File No. 0220-06091-0002

Council File No. 09-0969-S4

Council District: Citywide

To: The City Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Department of City Planning report dated March 10, 2026. Received by the City Administrative Officer on March 11, 2026. Additional information received through March 16, 2026.

Subject: **DEPARTMENT OF CITY PLANNING NON-APPLICANT APPEAL FEE OPTIONS
FISCAL IMPACT**

RECOMMENDATION

That the City Council note and file this report, as it is provided for informational purposes only.

SUMMARY

On October 28, 2025, the City Council instructed the Department of City Planning (DCP) and this Office to report on options for adjusting appeal fees to reduce the General Fund subsidy. On December 22, 2025, the City Council approved the planning and land use comprehensive fee update inclusive of the non-applicant appeal fee of \$229, representing one percent of full cost recovery. The fee update ordinance (Ordinance No. 188796) became effective on February 23, 2026. The DCP report dated March 10, 2026 provides options for adjusting the non-applicant appeal fee to reduce the General Fund subsidy. This report provides the fiscal analysis and impact of the options provided in the DCP report.

The DCP report provides various options to increase the \$229 non-applicant appeal fee. Option A proposes to increase the non-applicant appeal fee to either three, four, five, 10, or 20 percent of full cost recovery. Attachment A provides the detailed fiscal analysis of these options. The estimated annual fees collected amount is based on 148 non-applicant appeal cases submitted in Fiscal Year 2024-25. The estimated annual General Fund subsidy is based on \$3,388,312 revenue collected in Fiscal Year 2024-25.

Option B proposes to create two non-applicant appeal fees for: 1) non-applicants within the notification radius and 2) non-applicants outside the notification radius. Eligibility for the non-applicant appeal fee within radius depends on the notification distance requirement listed for the entitlement or appeal. Option B proposes 36 different fee combinations to increase the

non-applicant appeal fee. Attachment B provides the detailed fiscal analysis of these options. The estimated annual fees collected amount assumes 30 percent of the Fiscal Year 2024-25 non-applicant appeal cases are within the notification radius and 70 percent are outside the notification radius. The estimated annual General Fund subsidy is based on revenue collected in Fiscal Year 2024-25. The estimated total cost recovery rate is based on the estimated annual fees collected for appeal cases both within and outside the notification radius.

FISCAL IMPACT STATEMENT

There is no fiscal impact associated with the recommendation to note and file this report. There is a positive impact to the General Fund should the City Council approve an option to increase the non-applicant appeal fee from the Department of City Planning report dated March 10, 2026. The current annual General Fund subsidy of \$3,354,420 may be reduced by up to \$643,000 depending on the option selected.

FINANCIAL POLICIES STATEMENT

This report is in compliance with the City's Financial Policies in that the Mayor and City Council determined to set the amount of the non-applicant appeal fee below the level required to recover the reasonable cost of providing the service and have taken action in the 2025-26 Adopted Budget to appropriate necessary funds to fully pay for the service. Should the City Council increase the non-applicant appeal fee and maintain a General Fund subsidy, the Mayor and City Council must appropriate the necessary funds to fully pay for the services in the 2026-27 Budget and report annually through the budget process in order to comply with the City's Financial Policies.

Attachments

MWS:YC:VES:KHO:02260091

OPTION A FISCAL ANALYSIS

Options	Cost Recovery Rate	Non-Applicant Appeal Fee Amount	Estimated Annual Fees Collected*	Estimated Annual General Fund Subsidy**
A1	1%	\$229	\$33,892	\$3,354,420
A2	3%	\$687	\$101,676	\$3,286,636
A3	4%	\$916	\$135,568	\$3,252,744
A4	5%	\$1,145	\$169,460	\$3,218,852
A5	10%	\$2,289	\$338,772	\$3,049,540
A6	20%	\$4,579	\$677,692	\$2,710,620

*Based on the fiscal year 2024-25 number of non-applicant appeal cases submitted.

** Based on the fiscal year 2024-25 estimated revenue collected.

OPTION B FISCAL ANALYSIS

Options	Cost Recovery Rate (Within Radius)	Non-Applicant Appeal Fee Amount (Within Radius)	Cost Recovery Rate (Outside Radius)	Non-Applicant Appeal Fee Amount (Outside Radius)	Estimated Annual Fees Collected*	Estimated Annual General Fund Subsidy**	Estimated Total Cost Recovery Rate
B1	1%	\$229	1%	\$229	\$33,892	\$3,354,420	1%
B2	1%	\$229	3%	\$687	\$81,524	\$3,306,788	2%
B3	1%	\$229	4%	\$916	\$105,340	\$3,282,972	3%
B4	1%	\$229	5%	\$1,145	\$129,156	\$3,259,156	4%
B5	1%	\$229	10%	\$2,289	\$248,132	\$3,140,180	7%
B6	1%	\$229	20%	\$4,579	\$486,292	\$2,902,020	14%
B7	3%	\$687	1%	\$229	\$54,044	\$3,334,268	2%
B8	3%	\$687	3%	\$687	\$101,676	\$3,286,636	3%
B9	3%	\$687	4%	\$916	\$125,492	\$3,262,820	4%
B10	3%	\$687	5%	\$1,145	\$149,308	\$3,239,004	4%
B11	3%	\$687	10%	\$2,289	\$268,284	\$3,120,028	8%
B12	3%	\$687	20%	\$4,579	\$506,444	\$2,881,868	15%
B13	4%	\$916	1%	\$229	\$64,120	\$3,324,192	2%
B14	4%	\$916	3%	\$687	\$111,752	\$3,276,560	3%
B15	4%	\$916	4%	\$916	\$135,568	\$3,252,744	4%
B16	4%	\$916	5%	\$1,145	\$159,384	\$3,228,928	5%
B17	4%	\$916	10%	\$2,289	\$278,360	\$3,109,952	8%
B18	4%	\$916	20%	\$4,579	\$516,520	\$2,871,792	15%
B19	5%	\$1,145	1%	\$229	\$74,196	\$3,314,116	2%
B20	5%	\$1,145	3%	\$687	\$121,828	\$3,266,484	4%
B21	5%	\$1,145	4%	\$916	\$145,644	\$3,242,668	4%
B22	5%	\$1,145	5%	\$1,145	\$169,460	\$3,218,852	5%
B23	5%	\$1,145	10%	\$2,289	\$288,436	\$3,099,876	9%
B24	5%	\$1,145	20%	\$4,579	\$526,596	\$2,861,716	16%
B25	10%	\$2,289	1%	\$229	\$124,532	\$3,263,780	4%
B26	10%	\$2,289	3%	\$687	\$172,164	\$3,216,148	5%
B27	10%	\$2,289	4%	\$916	\$195,980	\$3,192,332	6%
B28	10%	\$2,289	5%	\$1,145	\$219,796	\$3,168,516	6%
B29	10%	\$2,289	10%	\$2,289	\$338,772	\$3,049,540	10%
B30	10%	\$2,289	20%	\$4,579	\$576,932	\$2,811,380	17%
B31	20%	\$4,579	1%	\$229	\$225,292	\$3,163,020	7%
B32	20%	\$4,579	3%	\$687	\$272,924	\$3,115,388	8%
B33	20%	\$4,579	4%	\$916	\$296,740	\$3,091,572	9%
B34	20%	\$4,579	5%	\$1,145	\$320,556	\$3,067,756	9%
B35	20%	\$4,579	10%	\$2,289	\$439,532	\$2,948,780	13%
B36	20%	\$4,579	20%	\$4,579	\$677,692	\$2,710,620	20%

*Assumes 30 percent of the fiscal year 2024-25 number of non-applicant appeal cases are within radius and 70 percent are outside radius.

** Based on the fiscal year 2024-25 estimated revenue collected.