



## Council Agenda Report

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Item 6e

**Department:** Fire  
**Cost Center:** 8503  
**For Agenda of:** 6/15/2021  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Keith Aggson, Fire Chief

**Prepared By:** Rodger Maggio, Fire Marshal Chief Building Official

**SUBJECT:** AUTHORIZATION TO CONTINUE THE COLLECTION OF MULTI-DWELLING PROPERTY FIRE AND LIFE SAFETY INSPECTION FEES

### RECOMMENDATION

Adopt a Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, authorizing the San Luis Obispo County Auditor to collect fees for 2021-22 Fire and Life Safety Inspections of Multi-Dwelling Properties containing three or more dwelling units on the Secured Property Tax Roll pursuant to California Government Section 54988, Et Seq."

### DISCUSSION

#### Background

In May 2005, the City Council approved a cost recovery program for State-mandated fire and life safety inspections for multi-dwelling properties with three or more units. In June 2017, the Council approved a change on how fees for apartment buildings, hotels/motels, and sorority/fraternity inspections are calculated. This change is reflected in Exhibit A to the Resolution (Attachment A). The result was an increase from approximately \$194,000 per year in gross revenue to approximately \$260,000 at the time of change in the fee schedule. Since the adoption of the new fee schedule, revenue under this program has increased to \$325,000 for fiscal year 2021-22 due to the increase in the number of units for each category and the annual CPI adjustment to the fee. Staff is not recommending any further changes in the current fees for 2021-22, however, the County requires an annual resolution adopted by the Council authorizing the continued collection of those fees on the property tax roll. Staff is recommending that the fee collection continue to be done through the secured property tax role in 2021-22 and is requesting that Council adopt the required resolution to authorize that collection.

#### Policy Context

California Health & Safety Code Section 13146. 2(b) authorizes cities to charge property owners in recovering the reasonable costs of providing these annual inspections. As part of this program, on June 7, 2005, the Council adopted Ordinance No. 1472 authorizing the collection of annual fees for these inspections through the secured County property

tax roll as the most cost-efficient method for fee collection (City Municipal Code Section 3.50.01(c)).

### **Public Engagement**

This item is on the agenda for the June 15, 2021 City Council meeting and will follow all required postings and notifications. The public will have the opportunity to provide comment on this item at or before the meeting.

### **ENVIRONMENTAL REVIEW**

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

### **FISCAL IMPACT**

Budgeted: Yes

Budget Year: 2021-22

Funding Identified: N/A

The Finance Department will work with the County of San Luis Obispo to place the fees on the annual tax rolls.

### **Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	N/A	N/A	N/A	N/A
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

In fiscal year 2020-21, the City is scheduled to collect roughly \$325,000 in multi-dwelling property fire and life safety inspection fees. As of May 10, 2021 the City had collected \$287,015 with the remaining amount expected to be posted in the near future as the deadline to pay property taxes was April 10, 2021 and tax payments are now delinquent. Projected revenue for fiscal year 2021-22 is expected to increase due to the increased number of multi-dwelling properties within the City.

## ALTERNATIVES

***Do not adopt the Resolution and go to a less cost-effective billing system by the Finance Department.*** This is not recommended as it would be counter to fiscal sustainability while the City continues to navigate the fiscal impacts of COVID-19 health restrictions.

## ATTACHMENTS

A – Draft Resolution