



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 2/12/2013

**Report Type:** Consent

**Title:** Reduction of Home Occupation Permit Fee

**Report ID:** 2013-00130

**Location:** Citywide

**Recommendation:** Pass a Resolution reducing the current Home Occupation fee from \$300 to \$154.

**Contact:** Brad Wasson, Revenue Manager, (916) 808-5844, Finance Department

**Presenter:** None

**Department:** Finance / Community Development

**Division:** Revenue Administration

**Dept ID:** 06001211

**Attachments:**

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1-Description/Analysis

2-Background

3-Resolution

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**City Attorney Review**

Not Approved as to Form  
Grace Arupo  
1/29/2013 10:23:14 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
1/24/2013 8:46:23 AM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 1/28/2013 9:16:16 AM

## Description/Analysis

**Issue:** The current \$300.00 fee for a Home Occupation Permit (HOP) was calculated based on a manual process of sharing business information between the Finance Department and Community Development Department to issue a HOP. The departments have since automated the information sharing process, greatly reducing the amount of staff time required to process a HOP. As such, staff is recommending reducing the HOP fee to \$154.00. This change will be effective 60 days after City Council adoption.

**Policy Considerations:** Fees for service to the public should reflect the City's cost of providing the service.

**Economic Impacts:** None.

**Environmental Considerations:** The proposed project is exempt from the California Environmental Quality Act (CEQA) because it does not have the potential to cause a significant impact on the environment (CEQA Guidelines §15061(b)(3)).

**Sustainability:** There are no sustainability considerations applicable to adjusting the HOP fee.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The reduced fee of \$154.00 will cover both departments' cost to assist customers and issue a HOP.

**Financial Considerations:** Staff is not expecting a significant reduction in revenues with the reduction of this fee. The City has experienced a decrease in HOP's since the fee went from \$175.00 to \$300.00 on July 1, 2011. Consequently, an increase in volume should make up for the reduction of the fee.

**Emerging Small Business Development (ESBD):** This action will not result in any direct contracts with emerging and small businesses and the City of Sacramento.

## Attachment 1

### Background:

The City of Sacramento allows residents to conduct certain business at their residence via a Home Occupation Permit (HOP) with regulations established by the Sacramento City Code Section 17.224. The intent of these regulations is to reduce and control the impact of a home occupation so that its effects on a neighborhood are undetectable from normal and usual residential activity.

The fee for the HOP is to cover the City's cost of accepting the application, processing the application and issuing the permit. The fee is to be established by City Council Resolution (Sacramento City Code Section 17.196).

City staff recently automated a portion of the HOP application processing. This created an efficiency which in turn calculates to a reduction of the fee from \$300.00 to \$154.00. The HOP is a one-time fee when the home business is being established. The lower fee amount will be beneficial to residences who wish to start a home business in the future.

Development related fees are effective in 60 days. Consequently, the reduction of the HOP application fee will become effective 60 days after the City Council adopts the new fee amount.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council  
February \_\_, 2013

### **BACKGROUND**

- A. On February 7, 2006, the City Council adopted the Citywide Fees and Charges policy (Resolution No. 2006-106).
- B. Implementation of the policy requires a necessary mechanism to ensure that the City's fees and charges reflect the City's current costs and that those fees and charges are reviewed on an annual basis by City Council.
- C. On May 18, 2010, the Home Occupation Permit was set to \$175 with a fee increase to \$300 for FY2011/12 (Resolution No. 2010-265).
- D. Staff has conducted the required annual review and, due to increased automation and the decreased amount of staff time needed to process permits, recommends the Home Occupation Permit be reduced from \$300 to \$154.
- E. Development related fees are effective 60 days after adoption by City Council.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council accepts the reduction of the Home Occupation Permit from \$300 to \$154.