



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>6/15/2022</b>	<input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Other</b>	Ordinance Reading	<b>N/A</b>	<b>N/A</b>
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
File No.:				
<b>22-082</b>				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>N/A</b>	<b>Vanessa Leroy, Director</b>	<b>Sustainable Development</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> <b>Finance &amp; Budget</b>		<input checked="" type="checkbox"/> <b>Organizational Capacity</b>		<input type="checkbox"/> <b>Infrastructure/Projects</b>
Implementation Timeline:				
Estimated Start Date: 6/15/2022    Estimated End Date: 6/15/2022				

### SHORT TITLE:

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, SETTING AND ESTABLISHING FEES IN THE FEE BOOKLET FOR THE NEW CERTIFICATE OF USE PROGRAM FOR FISCAL YEAR 2022-2023; AND PROVIDING AN EFFECTIVE DATE.**

### STAFF SUMMARY:

**Summary:**

The proposed resolution would establish fees associated with the Certificate of Use (CU) program.

**Background:**

City Code requires fees to be incorporated into the City's fee booklet through a resolution of the City Commission. On May 18, 2022, staff proposed the creation of a CU program. During the

discussion of the CU program ordinance, the City Commission expressed a desire to increase the proposed CU fee.

**Current Situation:**

The following fee schedule is proposed for the CU program:

	<i>Previously Proposed Fees</i>	<i>Revised Fees</i>
Application Fee (only applicable to initial application)	\$60*	\$100*
<b>Certificate of Use Fee, Based on Use</b>		
Home-Based Businesses	\$200	\$250
Vacation Rentals (any rental less than 30 days)	\$200	\$250
Residential Apartment Buildings	\$150 +\$10 per unit	\$175 +\$10 per unit
Rental Units (including single-family homes, rented for 30 days or more)	\$100	\$125
All Other Commercial Uses	\$200	\$250
<b>Other Fees</b>		
Modification to CU	\$60	\$75
After-the-Fact Penalty	2x the Certificate of Use Fee	No Change
Late Renewal Penalty, 90 days or less	25% of Certificate of Use Fee	No Change
Late Renewal Penalty, 91 days to 180 days	50% of Certificate of Use Fee	No Change
Late Renewal Penalty, 181 days or more	100% of the Certificate of Use Fee	No Change
Reinspection Fee	\$30	\$45

\*Application fee is non-refundable.

Based on Commission Discussion at the May 18, 2022, Commission meeting, staff is proposing to increase the fees associated with the CU by 25%, except for the application fee, modification fee, and reinspection fee which were adjusted upward to further offset staff time.

**Why Action is Necessary:**

In accordance with Article III, Section 10-61, of the City of Hallandale Beach Code of Ordinances, service or user charges or fees shall be set or amended by Resolution of the City Commission.

**Cost Benefit:**

As proposed, the fees associated with the CU program would offset the staff time needed to process the applications and conduct the annual inspections.

The Business Tax & Regulations Division consist of the following positions:

- Business Tax & Regulations Division Manager
- Senior Business Tax & Regulations Specialist
- Business Tax & Regulations Specialist - *Proposed FY2022 Budget Amendment*
- Administrative Office Associate
- Business Tax & Regulations Inspector
- Business Tax & Regulations Inspector - *Proposed FY2023 Budget*

In addition to the CU program, the division manages several revenue-generating programs, including, but not limited to, Business Tax Receipts, Hotel Registration, Vacation Rental Registration, Temporary Use Permits, and Adult Entertainment permits. The division's FY2023 draft budget is projected to have expenses of \$784,000 with a revenue projection of \$1,562,000. As such, the projected net revenue for the division is estimated at \$778,000 in FY2023. The FY2023 expenses include all proposed positions and operating expense, while revenue includes CU fees calculated prior to the proposed increase.

Potential Revenue – FY22-23

	#	Previously Proposed		Revised Fees	
		Fee	Total	Fee	Total
Application Fees – New Businesses Only	800	\$60	\$48,000	<b>\$100</b>	<b>\$80,000</b>
New Businesses	300	\$200	\$60,000	<b>\$250</b>	<b>\$75,000</b>
Rental Units (New)	500	\$100	\$50,000	<b>\$125</b>	<b>\$62,500</b>
Existing Businesses (Renewal)	1560	\$200	\$312,000	<b>\$250</b>	<b>\$390,000</b>
Existing Home-Based Businesses (Renewal)	40	\$200	\$8,000	<b>\$250</b>	<b>\$10,000</b>
		<b>Total</b>	<b>\$478,000</b>		<b>\$617,500</b>

Please note, that the revenue projections above, are best-case scenarios, which assume all existing businesses apply for the required CU during FY22-23. This revenue includes rental properties, that would be required to obtain a CU and BTR based on the proposed CU process.

Should the CU fees be increased to the revised fees, staff recommends maintaining the original FY2023 CU revenue projections. This is in anticipation of the challenges to obtain voluntary compliance from existing businesses, considering that the CU is a new program. The majority of penalty fees from non-compliant businesses are expected to be reflected in the following fiscal year (FY24). Though it is difficult to determine the compliance rate and potential revenue from penalties, future budget projections will be adjusted as information and trends are collected during the process of the CU program in FY23.

Based on the most recent Census data, the City has a rental occupancy rate of about 41%, inclusive of single-family homes. Based on the number of individually owned residential units in the City, it is estimated that 10,000+ residential units may be required to comply with the CU program. This number does not include units in a multifamily apartment building, under single ownership. It is recognized that all these units may not be rentals, as the City has a large snowbird population, also it will take time to obtain compliance from those properties that are true rentals. As such, the estimate for this category is very conservative, with 500 applicants for FY22-23.

**PROPOSED ACTION:**


Staff recommends the City Commission approve the proposed resolution.

**ATTACHMENT(S):**

Exhibit 1 – Proposed Resolution  
Exhibit A – Proposed Amendment to Fee Booklet  
Exhibit 3 – CU Fee Comparison

Prepared By:  \_\_\_\_\_

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