

**FINDINGS FOR ADOPTION OF
COST-BASED PERMIT FEE FOR
COMMERCIAL SOLAR ENERGY SYSTEMS**

By the adoption of Resolution No. XX-2026, the City Council approved a fee for commercial solar energy system permits that exceeds the fee amounts established by California Government Code Section 66015. The fee amount is based upon the costs to the City of using the services of independent contractors who are immediately available to review permit applications and who have the necessary expertise and experience to expeditiously review the applications, as well as the actual costs of City staff involved in the application review. In support of the adoption of the fees, the City Council makes the following findings providing substantial evidence of the reasonable cost to issue the permits, as required by Section 66015(c):

1. The City has adopted appropriate ordinances, permit fees, and processes to streamline the submittal and approval of permits for solar energy systems pursuant to the practices and policies in state guidelines, the checklists and standard plans in the California Solar Permitting Guidebook, and model ordinances.

In 2015, the City of South San Francisco implemented a streamlining process for small photovoltaic systems to allow reduced time and expense in getting these types of “common” systems processed. This process is codified in South San Francisco Municipal Code section 15.62.080 – Expedited permit application review and approval. In conjunction with this and in compliance with the California Solar Permitting Guidebook and state guidelines, the City of South San Francisco is addressing the permitting processing of more complex, Commercial Photovoltaic systems. These systems typically are much more complicated, having substantially more power output resulting in detailed electrical configurations. These installations are located primarily on rooftops which are low slope and filled with mechanical equipment, possibly requiring the utilization of ballasted systems which are weighted to overcome uplift. Systems installed in this manner require a substantive and comprehensive review by qualified engineers in order to ensure safety both electrically and structurally.

City staff are not necessarily immediately available to review the permit applications for the more complex Commercial Photovoltaic systems. The City maintains on-call contracts with three independent contractors who have the necessary experience and expertise to review Commercial Photovoltaic systems and rotates jobs among them. When a permit application is submitted to the City, the City contacts the next in line to determine their availability to review the application. If the next firm in line is not immediately available, the City checks with the next one and so on. Review of the permit is assigned to the firm that is able to review the application most quickly. Because of each firm’s experience and expertise and review of these permits, the actual review is efficient and expeditious, ensuring a streamlined process for review. Additionally, the contract with each firm contains a provision requiring a first review of an application within fifteen business days and seven business days thereafter for each re-submittal.

2. A calculation related to the administrative cost of issuing a solar permit that includes consideration of any reduction in costs to issue the permit or inspect a solar energy system pursuant to Government Code Section 65850.5.

In 2023, when the City Council updated the City's Master Fee Schedule, many updated fees were based on the fully loaded hourly rate of each employee performing services associated with the application and a reasonable estimate the amount of time necessary to perform the associated services. The calculations were performed by an outside consultant with relevant experience and expertise, Matrix, which used time and motion studies and comparisons to other local government agencies. The City pays the independent contractors that perform permit application review based upon the rates established in their respective contracts with the City. The amounts paid to the firms represent the City's actual costs to have the work performed. The City Council has adopted a fee for review of Commercial Photovoltaic system permit applications that requires payment of the time that City staff spend on each application and the charges to the City by the independent contractors based on the contract rates. These amounts represent the City's actual costs.

3. A description of how the higher fee will result in a quick and streamlined approval process.

As noted above, City staff are not necessarily immediately available to review applications for Commercial Photovoltaic system permits. The use of on-call independent contractors, as described in these findings, ensures that a person with the necessary knowledge and training will be immediately available to review applications and complete a first review within fifteen business days with review of re-submittals completed in seven business days. The fee adopted for Commercial Photovoltaic system permits is based upon the actual cost to the City of the charges by the independent contractors and actual cost of work by City staff based upon the hourly rates calculated by Matrix. This process results in a quicker and more streamlined approval process than review by City staff alone and the related fee is limited to the City's actual cost.