



MINUTES **SPECIAL MEETING**

CITY COUNCIL **CITY OF SOUTH SAN FRANCISCO**

WEDNESDAY, AUGUST 12, 2020
6:00 p.m.

Teleconference via Zoom

*City Council conducted this meeting in accordance with
California Governor Newsom's Executive Orders N-25-20 and
N-29-20 and COVID-19 pandemic protocols.*

CALL TO ORDER

Mayor Garbarino called the meeting to order at 6:00 p.m.

ROLL CALL

Present: Councilmembers Matsumoto, Nagales, and Nicolas,
Vice Mayor Addiego, and Mayor Garbarino.

AGENDA REVIEW

No Changes.

REMOTE PUBLIC COMMENTS – comments are limited to items on the Special Meeting Agenda.

1. *Members of the public wishing to participate were encouraged to submit public comments in writing in advance of the meeting to **all-cc@ssf.net** by 3:00 p.m. on Wednesday, August 12, 2020.*

The Council received the following remote public comments. The comments were distributed to the Council, uploaded to the website for public viewing, and are part of the record. The Mayor chose to limit the total amount of time for public comments as allowed by the Brown Act.

- Tracy Murphy
- Marcus Gilmour
- Elaine Breeze
- Brendan Hayes

ADMINISTRATIVE BUSINESS

2. Study session regarding proposed amendments to Developer Impact Fees (*Janet Salisbury, Finance Director*)

Management Analyst Enders presented the report and provided an overview of the proposed fee changes including repealing the E101 Traffic Impact Fee and Bike and Pedestrian Impact Fee and replacing with the proposed Citywide Transportation Impact Fee. She discussed the new Library Impact fee, the updated Childcare and Public Safety Impact fees and the proposed Parking InLieu fee.

She indicated that the Matrix Consulting Group was retained by the City of South San Francisco to evaluate four development impact fees – Childcare, Library, Police, Fire, and In-Lieu Fees (Parking and Cultural Arts / Landscape Resources). Additionally, the City contracted with DKS to calculate a Citywide Transportation Impact Fee. There are two typical methodologies utilized to calculate impact fees – service level standards and specific facility projections. For the purposes of the analysis the project team utilized the more commonly accepted and recognized service level standards approach.

The service level standard approach was based on the creation and recognition of existing service level standards provided by the jurisdiction to the users of its services (residents, employees, students, etc.). As there is new development and growth in the community, there is the potential for the service level standard to decline if appropriate measures are not taken to retain that service level standard. Therefore, the service level standard calculates the impact of each individual on the city's infrastructure and applies it to future individuals and growth. If there is an increase in the service population, there would be a corresponding impact on infrastructure, and thereby a nexus for collection of impact fees. However, if there is no increased population or use of those services, impact fees would not be justifiable or applicable.

The Childcare Impact Fee for the City of South San Francisco was developed and implemented in 2001 to help mitigate the impact of new development upon the need for future childcare space needs. The City annually increased fees per the original resolution in 2001 and the municipal code in 2002 to help account for increased construction costs. Through the course of the analysis, the impact fees were evaluated based upon the current projected impacts between 2020 and 2040. The City's cost recovery for Childcare impact fees ranged from a low of 34% for Low Density residential properties to a high of 107% for industrial properties. The full cost fee calculated through the study represented the maximum fee that the City could charge and was inclusive of the administrative fee allowable under the Mitigation Fee Act.

There are currently no impact fee charged for the expansion, rehabilitation, or replacement of library facilities or materials. Through the study, the project team worked with Library staff to calculate the projected impacts of increased residents and employees within the Development Impact Fee Study over the next 20 years. Similar to other impact fees in the City, the cost per dwelling unit was developed based upon residential density, and the cost per square foot was developed based upon commercial square footage. The full cost calculated for the library varied from \$1,227 for highly dense multi-family complexes to \$1,647 for low density single-family homes, and from \$0.03 per square foot for hotels to a high of \$0.12 per square foot for office / research and development projects.

The Police Impact Fees currently charged by the City were in place since 2012, and have not been updated based upon a CPI or any other construction cost factor. Currently, the City charges a singular Public Safety Fee, with 40% of the fee attributed to Police and 60% of the fee attributed to Fire. The fees were originally calculated as separate fees and then bundled together after calculation into a singular fee. For purposes of the analysis the fee was also calculated separately. The full cost fee for Police was significantly higher for most categories compared to the current proportion of fee retained by the Police Department. The cost recovery ranges from a low of 34% for Office / R&D properties to a high of 155% for Hotel / Visitor properties. The full cost represents the maximum amount the City can charge to recover for appropriate impacts.

The Fire Impact Fee was implemented at the same time as the Police Impact Fee in 2012. Currently, the Police and Fire Impact Fees are charged together as a singular fee on the fee schedule and then split apart in the City's accounting system, with 60% of the fee attributed to Fire and 40% of the fee attributed to Police. Similar to the prior nexus analysis the Fire and Police Impact Fees were calculated separately. The current cost recovery level for Fire Impact fees ranges from a low of 38% for Office / R&D properties to a high of 167% for Hotel / Visitor properties. The full cost represents the maximum amount the City can charge to recover for appropriate fire-related impacts.

As the Police and Fire Impact Fee sections discussed, the City currently charges a singular fee encompassing Police and Fire, which was calculated at 40% for Police and 60% for Fire. Through the study, the Police and Fire impact fees were calculated separately, with the option for the City to combine the fees together on its fee schedule; similar to its current practice. The average cost recovery for the City as it relates to the Public Safety Impact fees is approximately 68%. Should the City continue its practice of charging a singular (Public Safety) fee, it would need to update the percentage split between Police and Fire from 40% Police and 60% Fire to 43% Police and 57% Fire.

The City is interested in establishing a citywide Parking In-Lieu fee. Through the impact fee analysis, the project team calculated the full cost of a parking in-lieu fee to be \$79,910. The City has the ability to charge up to, but not more than this amount. It is important to note that unlike other impact fees, the Parking In-Lieu fee is only applicable if an applicant is unable to install requisite parking spaces as required by the City's General Plan and Municipal Code. Based upon the City's Downtown Parking Study, the city should consider what portion of the \$79,910 should be borne by new development and set the fee based upon an appropriate ratio.

The City currently charges two different transportation impact fees – East of 101 Traffic Impact Fee and a Bike / Pedestrian Impact Fee. Through the course of the analysis, it was determined that a singular citywide Transportation Impact Fee should be developed. The actual impact fee calculations were performed by DKS Associates and included in the report with all other impact fees evaluated for the City. By developing a citywide Transportation Impact Fee, the city would be spreading the cost of citywide transportation needs over the entire city limits. This would ensure that transportation impacts felt throughout the city were accounted for, rather than only accounting for impacts sustained in the East of 101 geographic area.

Councilmember Matsumoto expressed her concern and requested clarification on the Childcare Impact Fee with a breakdown of childcare responsibilities for both the City and the South San Francisco Unified School District. Assistant City Manager Ranals stated that a memo was provided to the Council with further information about the Childcare Impact Fee and provided an overview of the proposed fee. Senior Manager, Khushboo Hussain of the Matrix Consulting Group, provided an overview of the analysis and clarified Councilmember Matsumoto's concern.

Councilmember Matsumoto requested clarification on Traffic Impact Fees and Community Benefits. She discussed Public Safety and Mental Health and suggested that the Mayor's Commission on Social and Racial Equity further explore Mental Health Services. Councilmember Matsumoto shared her concerns with the housing developer fee and the proposed Library fees. She expressed her support of the Library Department and requested data from neighboring cities regarding fees. Management Analyst Enders provided an overview of the Library Impact Fees and clarified the use of Impact Fees. Councilmember Matsumoto asked for additional data to understand

the proposed Library Impact Fee. Library Director Sommers will forward statistical data to Council for their review.

Mayor Garbarino requested staff provide additional data for the Council's future consideration of the proposed fees.

City Manager Futrell provided an overview of Community Benefits and Impact Fees. City Attorney Woodruff provided clarification on the definition and fees. City Manager Futrell indicated that the staff would respond to the Council's inquiries with a written memo. The item would be brought back for the Council's consideration at a future date.

ADJOURNMENT

Being no further business Mayor Garbarino adjourned the meeting at 7:00 p.m.

Respectfully submitted by:

Approved by:



Rosa Govea Acosta, CMC, CPMC
City Clerk

Richard Garbarino
Mayor

Approved by the City Council: ____ / ____ / ____