



Comprehensive Citywide Fee Study Results

SOUTH SAN FRANCISCO, CA

matrix 
consulting group

SOUTH SAN FRANCISCO, CA

AGENDA

Comprehensive Citywide Fee Study

1. Study Objectives
2. Methodology
3. Results
4. Recommendations

Study Objectives

Streamline Fee Structures

Consolidate and expand fees where appropriate to better reflect existing services.

Average Time Assumptions

Identify the average level of effort associated with different permits and applications.

Fully Burdened Hourly Rates

Determine direct and indirect costs associated with staff time.

Comparative Survey

Benchmark against other Bay Area jurisdictions.

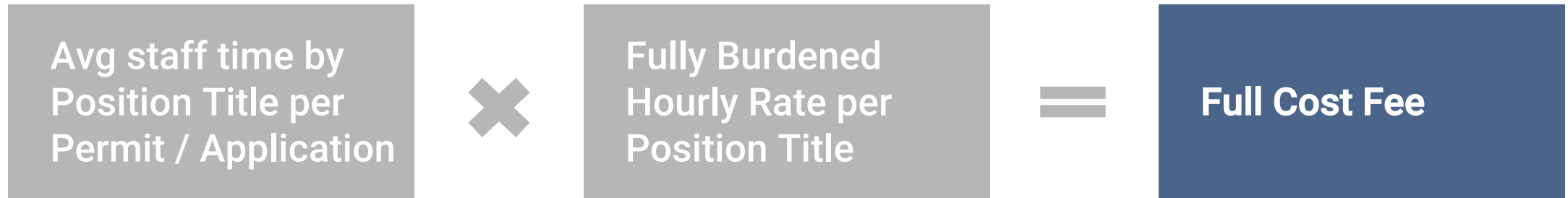
Compliance with Prop 218 and 26

Ensure that the direct and indirect costs do not exceed current fees.

Updated Master Fee Schedule

Provide an updated master fee schedule reflective of current costs.

Fee Calculation Methodology



Fee Study Results (1)

- Streamlined the Building Fee Schedule by expanding valuation-based fees for Single-Family Residential, Commercial, and Mechanical, Electrical, and Plumbing Permits and creating Plan Check as percentage of the Building Permit fee.
- Created stand-alone permits for over-the-counter building permit fees.
- Incorporated City Attorney, Engineering, and Police, Fire, and Building time assumptions into Planning fees, resulting in the applicant paying a single fee.
- Added a separate valuation table in Fire Prevention to cover Fire Life Safety Inspection review.

Fee Study Results (2) – Technology Surcharge

- **Technology Surcharge (Previously Database Maintenance Fee)** – covers the annual and potential replacement cost of TRAKiT.
 - Standard fee charged by other jurisdictions. Proposed fee lower than comparable jurisdictions.
 - Renamed to represent the true purpose of the fee.
 - Calculated separately so it can be consistently applied on business license “fees” (taxes) as well as permit applications.
 - Allows cost recovery for technology even on fees not set to full cost recovery
 - Ensures compliance for auditing purposes as funds are earmarked and set-aside for replacement.

Fee Study Results (2) – Other Development Surcharges

- **General Plan Maintenance Fee** – covers the cost of updating long-range planning efforts, only applicable on Building Permits. Calculated at 0.30% of the Building Permit Valuation.
- **Building Training Surcharge** – cover annual training costs for Building staff, calculated at \$7 per permit.
- **Climate Surcharge** – cover the costs of updating ordinances and plans based upon Climate policies. Calculated at 0.026% of Building Permit Valuation.

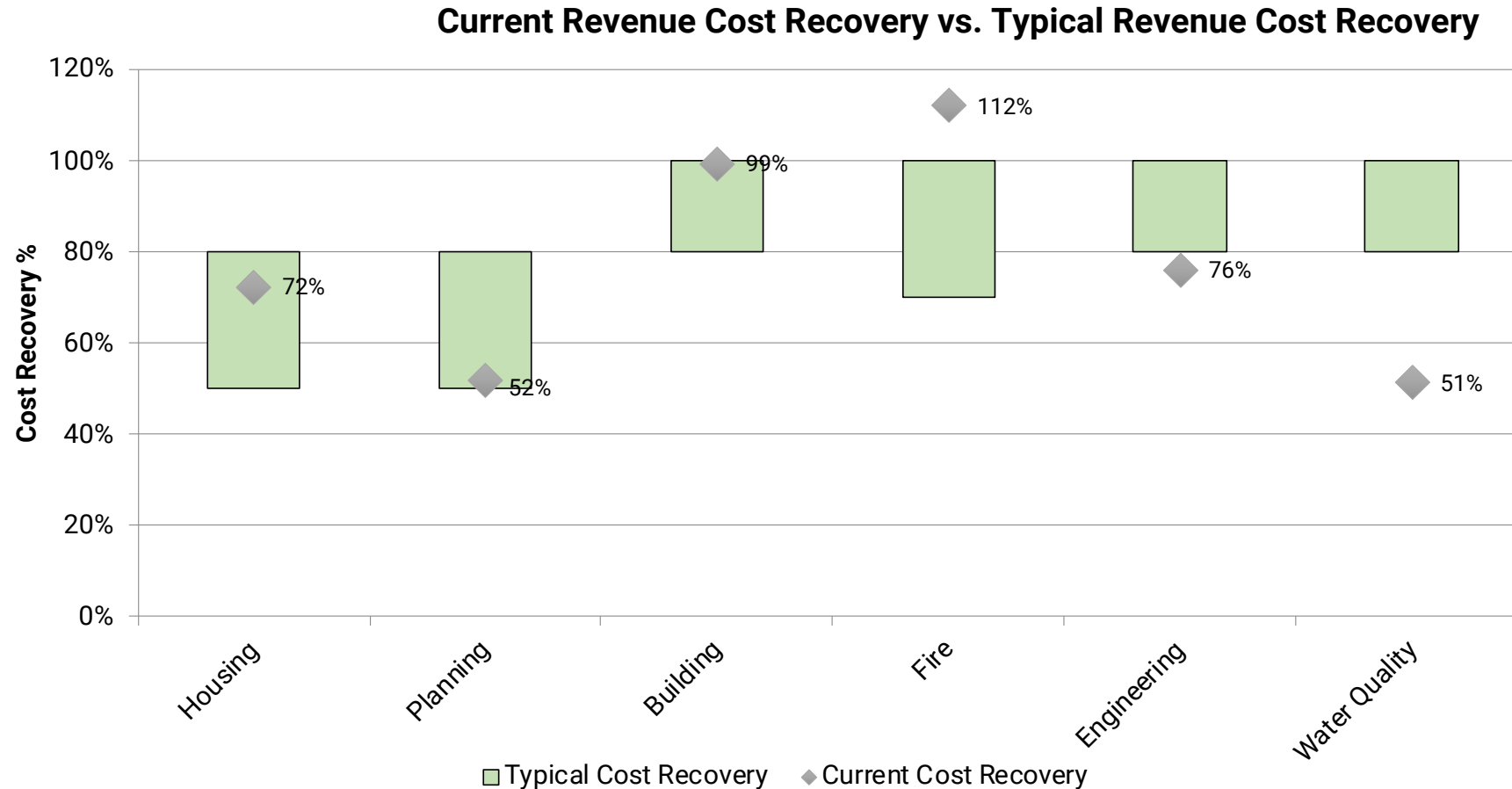
Fee Study Results (2)

| Category | Current Fee Revenue | Full Cost Revenue | Difference | Cost Recovery |
|---------------|---------------------|---------------------|----------------------|---------------|
| Housing | \$23,221 | \$32,104 | (\$8,883) | 72% |
| Planning | \$1,114,668 | \$2,159,082 | (\$1,037,318) | 52% |
| Building | \$9,220,734 | \$9,295,300 | (\$74,567) | 99% |
| Fire | \$3,303,365 | \$2,951,803 | \$351,562 | 112% |
| Engineering | \$1,305,957 | \$1,722,166 | (\$416,209) | 76% |
| Water Quality | \$92,421 | \$180,530 | (\$88,109) | 51% |
| Total | \$15,060,366 | \$16,333,889 | (\$1,273,522) | 92% |

Overall, at 92% cost recovery level.

Highest cost-recovery at 99% and 112% is for Building and Fire. Lower cost recoveries for Planning and Water Quality.

Cost Recovery Comparison



Fire is above typical cost recovery and Engineering and Water Quality are below the typical cost recovery ranges.

City Staff Recommendations

- All user fees are proposed at 100% cost recovery (exceptions to 100% cost recovery) discussed on the next slide.
 - 104 fees are decreasing (Film Permits, Fire Operational Permits, Police Permits, etc.)
- Fees should be annually updated based upon local CPI per best practices.
- Parks and Recreation Fees approved at 3% increase per Parks & Rec Commission and alignment with market rates.
- Library fees approved by Library Board.
- Proposed fees are generally in alignment with other jurisdictions.
 - Exception is Planning fees, which are higher due to the inclusion of departmental support which is not the same for other jurisdictions.

City Staff Recommendations – Less than 100% Cost Recovery

| Fee Title | Current Fee | Proposed Fee | % Cost Recovery |
|--|-------------|--------------|-----------------|
| ALS I / II | \$2,161 | \$2,593 | 75% |
| BLS (Emerg.) | \$2,161 | \$2,593 | 75% |
| BLS Non-Emerg. | \$754 | \$905 | 75% |
| Appeal (PC to Council) | \$1,848 | \$1,848 | 14% |
| Appeal to PC | \$923 | \$923 | 7% |
| Design Review – Signs (Type A – up to 25 sq.ft.) | \$185 | \$250 | 10% |
| Design Review – Signs (Type B – up to 100 sq. ft.) | \$923 | \$3,410 | 44% |
| Single-Family Res. Mod. | New | \$3,500 | 31% |
| Categorical Exemption | \$185 | \$250 | 17% |
| Livescan Fingerprinting | \$81 | \$81 | 89% |
| Tow Service Franchise Fee | \$20 | \$20 | 10% |
| Food Facility Discharge Permit | \$163 | \$324 | 60% |
| SIU Wastewater Discharge Permits | \$652 | \$1,311 | 60% |
| Waste / Septage Hauler Discharge Permit | \$163 | \$316 | 60% |
| Stormwater Facility Inspection | New | \$121 | 50% |

16 fees out of 500+ fees being proposed at less than full-cost recovery.

Encourages compliance with regulations, and limits barrier to entry for smaller design review / single-family projects.

City Staff Recommendation Impacts

| Category | Current Fee Revenue | Recommended Fee Revenue | Revenue Change |
|---------------|---------------------|-------------------------|--------------------|
| Housing | \$23,221 | \$32,104 | \$8,883 |
| Planning | \$1,114,668 | \$2,097,810 | \$983,142 |
| Building | \$9,220,734 | \$9,295,300 | \$74,567 |
| Fire | \$3,303,365 | \$2,951,803 | (\$351,562) |
| Engineering | \$1,305,957 | \$1,722,166 | \$416,209 |
| Water Quality | \$92,421 | \$113,237 | \$20,816 |
| Total | \$15,060,366 | \$16,212,420 | \$1,152,054 |

Based on City staff recommendations and prior year workload, implementing the recommended fees will result in approximately a \$1.15 million increase in revenue.

Largest increases would be for Planning and Engineering.

Questions and Answers