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January 27, 2026

Angela Calvillo, Clerk
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, room 250
San Francisco, CA 94103

RE: Addition to Board file 251211 *Public Works, Administrative, Planning Codes - Street Trees*

To the Clerk of the Board of Supervisors:

Board File 251211 is a proposed ordinance introduced on December 9, 2025. The ordinance revises the Public Works, Administrative, and Planning codes. It is intended to improve the City's tree planting and maintenance operations and permit application processes for the public as well as our Bureau of Urban Forestry staff. Part of the revision makes it easier for the public to pay a street tree planting in-lieu fee instead of planting street trees on their own.

For the Board file, attached is a matrix showing the basis for calculating the fee for street tree in-lieu fees pursuant to Public Works Code Section 806. The matrix details the costs that support the fee. (The fee was established in fiscal year 2006-2007 and has grown by the Consumer Price Index since.) The matrix also details the annual inflation adjustments pursuant to Public Works Code Section 2.1.1.

If you have any questions, please contact Ian Schneider in my office at 628-271-3126 or Ian.Schneider@sfdpw.org.

Sincerely,

DocuSigned by:
073CF73A4EA6486...
Carla Short
Director

SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

Final Report for:

User Fee Study

June 5, 2024

Prepared by:

NBS
helping communities fund tomorrow

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TABLE OF CONTENTS

1. Executive Summary 3

1.1 Findings 3

1.2 Fee Study Sensitivity Analysis 2

1.3 Report Format 2

2. Introduction and Fundamentals 3

2.1 Scope of Study 3

2.2 Methods of Analysis 3

3. Bureau of Street-Use and Mapping (BSM) 9

3.1 Cost of Service Analysis 9

3.2 Fee Establishment 10

3.3 Cost Recovery Evaluation 11

4. Bureau of Urban Forestry (BUF) 12

4.1 Cost of Service Analysis 12

4.2 Fee Establishment 13

4.3 Cost Recovery Evaluation 13

5. Bureau of Street & Environmental Services (SES) 14

5.1 Cost of Service Analysis 14

5.2 Cost Recovery Evaluation 14

6. Conclusion 16

Appendices

Cost of Service Analysis (Fee Tables) Appendix A
Comparative Fee Survey Appendix B
Urban Analytics – Fee Study Sensitivity Analysis Appendix C

1. EXECUTIVE SUMMARY

NBS performed a User Fee Study (Study) for the San Francisco Department of Public Works (Public Works). The purpose of this report is to present the findings and recommendations of the various fee analyses performed and provide Public Works and the City/County Board of Supervisors with the information needed to update and establish user and regulatory fees for service. Throughout the process, the Study afforded much effort to ensure that not only are the fees and charges reasonable and equitable, but that they also meet industry standards and uphold the statutory requirements of the State of California.

California cities, counties, and special districts may impose user and regulatory fees for services and activities they provide through provisions set forth in the State Constitution, Article XIII C § 1. Under this legal framework, a fee may not exceed the reasonable cost of providing the service or performing the activity. For a fee to qualify as such, it must relate to a service or activity performed at the request of an individual or entity upon which the fee is imposed, or their actions specifically cause the local government agency to perform additional activities. In this instance, the service or underlying action causing the local agency to perform the service is either discretionary and/or is subject to regulation. As a discretionary service or regulatory activity, the user fees and regulatory fees considered in this Study fall outside of the definition and statutory requirement to impose general taxes, special taxes, and fees as a result of property ownership.

The main reason for conducting this Study was twofold: (1) first, to ensure that existing fees do not exceed the costs of providing the service, and (2) second, to provide an opportunity for the Board of Supervisors to re-align fee amounts with localized cost recovery policies.

1.1 Findings

This Study examined user and regulatory fees charged by the Public Works Bureau of Street-Use and Mapping, which includes fees for Permits, Inspection, and Subdivision and Mapping, as well as the Bureau of Urban Forestry. Additionally, the Study included one inspection fee within the Bureau of Street & Environmental Services' Community Preservation and Blight Reduction Act. The Study identified an estimated $16.9 million per year in eligible costs for recovery from fees, compared to approximately $9.5 million currently collected from fees. The following table provides a summary of the Study's results:

Table 1. Report Summary

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage
Bureau of Street-Use and Mapping				
Permits & Inspection divisions	3,885,875	8,827,262	(4,941,387)	44%
Subdivision and Mapping division	3,705,870	6,117,075	(2,411,205)	61%
Bureau of Urban Forestry	1,232,973	1,316,983	(84,010)	94%
Bureau of Street & Environmental Services - Community Preservation and Blight Reduction Act	690,880	699,093	(8,213)	99%
Total	**$ 9,515,598**	**$ 16,960,412**	**$ (7,444,814)**	**56%**

As shown in Table 1 on the previous page, Public Works is recovering approximately 56% of the costs associated with providing user and regulatory fee-related services. Should the Board adopt fees at 100% of the full cost recovery amounts determined by this Study, an additional $7.4 million in costs could be recovered.

However, Section 2.2.3 later explains, there may be other local policy considerations that support adopting fees at less than the calculated full cost recovery amount. Since this element of the Study is subjective, NBS provided the maximum potential of fee amounts at 100% full cost recovery for Public Works to consider. Once the Board of Supervisors has reviewed and evaluated the results of the Study, Public Works can set fees at appropriate cost recovery levels according to local policy goals and considerations.

1.2 Fee Study Sensitivity Analysis

As part of the scope of this project, NBS subcontracted with a San Francisco local business enterprise (LBE) consulting firm, Urban Analytics, to perform a review of the benefits of different types of fees for service activities through an analysis of potential market sensitivities to those fees and the interaction of those fees with established Public Woks goals and policies. A memorandum provided by Urban Analytics has been provided as an Appendix to this report which documents the results of the sensitivity analysis.

1.3 Report Format

This report documents the analytical methods and data sources used in the Study, presents findings regarding current levels of cost recovery achieved from user and regulatory fees, and provides a comparative survey of fees to neighboring agencies for similar services. The report is organized into the following sections:

- Section 2 - Outlines the general framework, approach, and methodology of the Fee Study.
- Sections 3 through 5 - Discusses the results of the cost of service analysis performed. The analysis includes: (1) fully burdened hourly rate(s); (2) calculation of the costs of providing service; and, (3) the cost recovery performance of each fee category.
- Section 6 - Presents the conclusions of the analysis provided in the preceding sections.
- Appendices to this report - Include additional details of the analysis performed, a comparison of the fees imposed by neighboring agencies for similar services and the Urban Analytics fee study sensitivity analysis.

2. INTRODUCTION AND FUNDAMENTALS

2.1 Scope of Study

The following is a summary of the fees evaluated during the Study:

- Bureau of Street-Use and Mapping
  - Permits & Inspection divisions
  - Subdivisions and Mapping division
- Bureau of Urban Forestry
- Bureau of Street & Environmental Services
  - Community Preservation and Blight Reduction Act

The fees examined in this report specifically exclude development impact fees, utility rates, and any special tax assessments which fall under a different set of statutory and procedural requirements from the body of user and regulatory fees analyzed in this Study. The Study also excludes facility and equipment rental rates, as well as most fines and penalties imposed by Public Works for violations of its requirements or codes.[1]

2.2 Methods of Analysis

Three phases of analysis were completed for Public Works:

2.2.1 COST OF SERVICE ANALYSIS

This cost of service analysis is a quantitative effort that compiles the full cost of providing governmental services and activities. There are two primary types of costs considered: direct and indirect costs. Direct costs are those that specifically relate to an activity or service, including the real-time provision of the service. Indirect costs are those that support the provision of services in general but cannot be directly or easily assigned to a singular activity or service.

Direct Costs:

- **Direct personnel costs –** Salary, wages and benefits expenses for personnel specifically involved in the provision of services and activities to the public.
- **Direct non-personnel costs –** Discrete expenses attributable to a specific service or activity performed, such as contractor costs, third-party charges, and materials used in the service or activity.

[1] According to the California Constitution Article XIII C § 1 (e) (4) and (5), the Public Works is not limited to the costs of service when charging for entrance to or use of government property, or when imposing fines and penalties.

Indirect Costs:

- **Indirect personnel costs –** Personnel expenses supporting the provision of services and activities. This can include line supervision and departmental management, administrative support within a department, and staff involved in technical support activities related to the direct services provided to the public.
- **Indirect non-personnel costs** – Expenses other than labor involved in the provision of services. In most cases, these costs are allocated across all services provided by a department, rather than directly assigned to individual fee/rate categories.
- **Overhead costs** – These are expenses, both labor and non-labor, related to department wide support services. The amount of overhead costs included in this Study were sourced from the Indirect Cost Plan prepared by Public Works. Countywide overhead costs as typically sourced from a Countywide Cost Allocation Plan were omitted from this analysis as directed by Public Works.

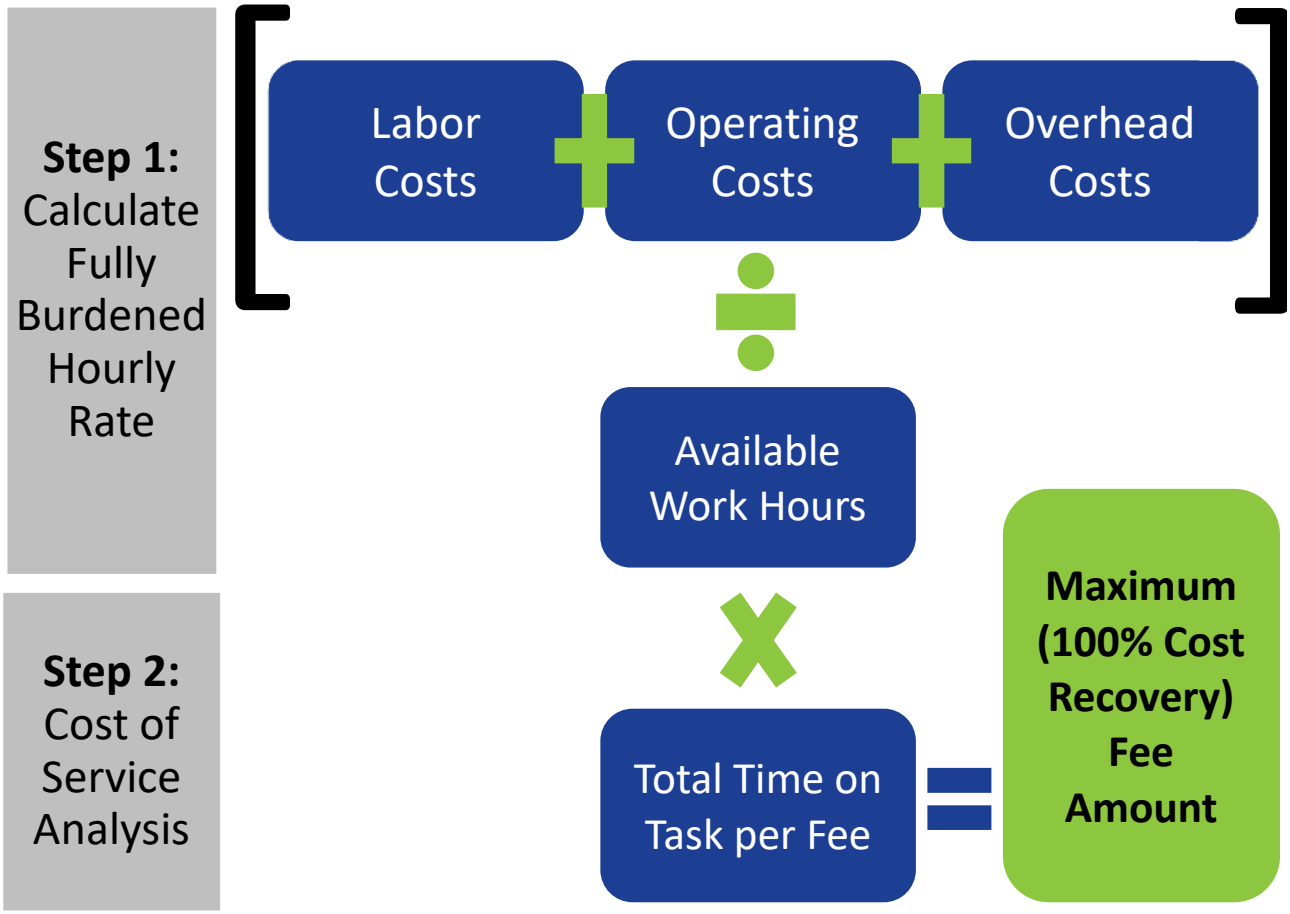
All cost components in this Study use annual (or annualized) figures, representing a twelve-month cycle of expenses incurred in the provision of all services and activities.

Nearly all the fees reviewed in this Study require specific actions on the part of Public Works staff to provide the service or conduct the activity. Since labor is the primary underlying factor in these activities, the Study expresses the full cost of service as a fully burdened cost per labor hour. NBS calculated a composite, fully burdened, hourly rate for each Bureau or division included in the Study. This rate serves as the basis for further quantifying the average full cost of providing individual services and activities. Determining the fully burdened labor rate requires two data sets: (1) the full costs of service, and (2) the number of staff hours available to perform those services. NBS derived the hours available based on the complete list of all employees.

The total number of paid labor hours for each employee was derived from the City & County of San Francisco's Memoranda of Understandings & Labor Agreements. These available hours represent the amount of productive time available to provide both fee-recoverable and non-fee recoverable services and activities. Available labor hours divided into the annual full costs of service equal the composite, fully burdened, labor rate. Some agencies may also use the resulting rates for purposes other than setting fees, such as calculating the full cost of general services or structuring a cost recovery agreement with another agency or third party.

NBS also assisted Public Works in estimating the staff time for the services and activities listed in the published fee schedule. Since Public Works does not systematically track the service time of activities at the individual fee-level, NBS relied on interviews and questionnaires to develop the necessary data sets of estimated labor time. In many cases, Public Works provided estimates of the average amount of time (in minutes and hours) it took to complete a typical service or activity considered on a per-occurrence basis.

It should be noted that the development of these time estimates was not a one-step process but required careful review by both NBS and managers to assess the reasonableness of such estimates. Based on the results of this review, Public Works reconsidered its time estimates until all parties were comfortable that the fee models reasonably reflected the average service level provided. Finally, the fully burdened labor rate(s) calculated in earlier steps were applied at the individual fee level time estimates, yielding an average total cost of providing each fee for service or activity. The graphic below provides a visual representation of the steps discussed in this section.



2.2.2 FEE ESTABLISHMENT

The fee establishment process includes a range of considerations, including the following:

- **Addition to and deletion of fees** – The Study provided the Department with the opportunity to propose additions and deletions to their current fee schedules, as well as re-name, re-organize, and clarify which fees were to be imposed. Many of these fee revisions allowed for better adherence to current practices, as well as the improvement in the calculation, application, and collection of the fees owed by an individual. Some additions to the fee schedule were simply the identification of existing services or activities performed by Public Works staff for which no fee is currently charged.

- **Revision to the structure of fees** – In most cases, the focus was to re-align the fee amount to match the costs of service and leave the current structure of fees unchanged. However, in several cases, fee categories and fee names had to be simplified or re-structured to increase the likelihood of full cost recovery or to enhance the fairness of how the fee is applied to the various types of fee payers.
- **Documentation of the tools used to calculate special cost recovery –**Public Works' fee schedule should include the list of fully burdened rates developed by the Study. Documenting these rates in the fee schedule provides an opportunity for the Board of Supervisors to approve rates for cost recovery under a "time and materials" approach. It also provides clear publication of those rates so that all fee payers can readily reference the basis of any fee amounts. The fee schedule should provide language that supports special forms of cost recovery for activities and services not included in the adopted master fee schedule. In these rare instances, published rates are used to estimate a flat fee or bill on an hourly basis, which is at the department director's discretion.

2.2.3 COST RECOVERY EVALUATION

The NBS fee model compares the existing fee for each service or activity to the average total cost of service quantified through this analysis. Here are the possible outcomes of the fee analysis:

- Cost recovery rate of 0% - This signifies that there is currently no current recovery of costs from fee revenues (or insufficient information available for evaluation).
- Cost recovery rate of 100% - This means that the fee currently recovers the full cost of service.
- Cost recovery rate between 0% and 100% - This indicates partial recovery of the full cost of service through fees.
- Cost recovery rate greater than 100% - This means that the fee exceeds the full cost of service. User fees and regulatory fees should not exceed the full cost of service.

In all cases, the cost recovery rate achieved by a fee should not be greater than 100%. In most cases, imposing a fee above this threshold could change the definition of the charge from a cost of service based fee to a tax which has other procedural requirements, such as ballot protest or voter approval.

NBS provided the framework for setting "recommended" or "target" level of cost recovery for each fee, established at either 100% or any amount less than the calculated full cost of service. Targets and recommendations reflect discretion on the part of the agency based on a variety of factors, such as existing Public Works policies and agency-wide or departmental revenue objectives, economic goals, community values, market conditions, level of demand, and others.

A general method of selecting an appropriate cost recovery target is to consider the public and private benefits of the service or activity in question, such as:

- To what degree does the public at large benefit from the service?
- To what degree does the individual or entity requesting, requiring, or causing the service benefit?

When a service or activity benefits the public at large, there is generally little to no recommended fee amount (i.e., 0% cost recovery), reinforcing the fact that a service which truly benefits the public is best funded by general resources of Public Works, such as revenues from the General Fund (e.g., taxes). Conversely, when a service or activity wholly benefits an individual or entity, the cost recovery is generally closer to or equal to 100% of cost recovery from fees collected from the individual or entity.

In some cases, a strict public-versus-private benefit judgment may not be sufficient to finalize a cost recovery target. Any of the following factors and considerations may influence or supplement the public-versus-private benefit perception of a service or activity:

- If optimizing revenue potential is an overriding goal, is it feasible to recover the full cost of service?
- Will increasing fees result in non-compliance or public safety problems?
- Are there desired behaviors or modifications to behaviors of the service population helped or hindered through the degree of pricing for the activities?
- Does current demand for services support a fee increase without adverse impact to the community served or current revenue levels? In other words, would fee increases have the unintended consequence of driving away the population served?
- Is there a good policy basis for differentiating between the type of user (e.g., residents vs. non-residents, residential vs. commercial, non-profit entities, and business entities)?
- Are there broader Public Works objectives that merit a less than full cost recovery target from fees, such as economic development goals and local social values?

NBS provided the cost of service calculation based on 100% full cost recovery and the framework for Public Works' use to adjust the amount of cost recovery in accordance with its broader goals as they pertain to code compliance, cost recovery, economic development, and social values.

2.2.4 COMPARATIVE FEE SURVEY

Appendix B presents the results of the Comparative Fee Survey for Public Works. Policy makers often request a comparison of their jurisdictional fees to those of surrounding or similar communities. The purpose of a comparison is to provide a sense of the local market pricing for services, and to use that information to gauge the impact of recommendations for fee adjustments.

In this effort, NBS worked with Public Works to choose five comparative agencies – cities of Berkeley, Los Angeles, Oakland, Sacramento and Seattle. It is important to keep the following in mind when interpreting the general approach to, and use of, comparative survey data:

- Comparative surveys do not provide information about cost recovery policies or procedures inherent in each comparison agency.
- A "market-based" decision to price services below the full cost of service calculation is the same as deciding to subsidize that service.
- Comparative agencies may or may not base their fee amounts on the estimated and reasonable cost of providing services. NBS did not perform the same level of analysis of the comparative agencies' fees.
- The results of comparative fee surveys are often non-conclusive for many fee categories. Comparison agencies typically use varied terminology for the provision of similar services.

NBS made every reasonable attempt to source each comparison agency's fee schedule from their respective websites and compile a comparison of fee categories and amounts for the most readily comparable fee items that match the Public Works' existing fee structure.

2.2.5 DATA SOURCES

The following data sources were used to support the cost of service analysis and fee establishment phases of this Study:

- Public Works' Adopted Budget for Fiscal Year 2023-2024 with a COLA adjustment to bring labor costs in line with FY 25.
- A complete list of all Public Works personnel, salary/wage rates, regular hours, paid benefits, and paid leave amounts provided by the Finance Department
- Prevailing fee schedules
- Annual workload data provided by each fee program evaluated in the Study

Public Works' adopted budget serves as an important source of information that affects the cost of service results. NBS did not audit or validate Public Works' financial documents and budget practices, nor was the cost information adjusted to reflect different levels of service or any specific, targeted performance benchmarks. This Study accepts Public Works' budget as a legislatively adopted directive describing the most appropriate and reasonable level of Public Works spending. NBS consultants accept the Board of Supervisors' deliberative process and Public Works' budget plan and further assert that through this legislative process, Public Works has yielded a reasonable and valid expenditure plan to use in setting cost-based fees.

3. BUREAU OF STREET-USE AND MAPPING (BSM)

The Bureau of Street-Use and Mapping (BSM) ensures that residents and visitors in San Francisco experience a safe, accessible, and aesthetically pleasing public right of way. The staff is organized into five divisions: Permits, Mapping, Inspection, Special Projects, and Administration. This Study focused on the Permits, Inspection and Mapping divisions of BSM.

- The Permits & Inspection divisions ensure that City sidewalks and streets are safe and accessible by permitting and inspecting the use of the public right-of-way, including the installation and inspection of sidewalks.
- The Subdivision and Mapping division processes and reviews all subdivision projects that occur in San Francisco, including all condominium conversions. Additionally, the division provides surveying services for all city agencies and maintains the official map of the City and County of San Francisco.

3.1 Cost of Service Analysis

NBS developed composite, fully burdened, hourly rates for the Bureau of Street-Use and Mapping as shown in table 2 below:

Table 2. Fully Burdened Hourly Rate

Cost Element	BSM Public Information/ Phone and Counter Duty	BSM Non-fee Related Services	BSM Permits & Inspection Direct Fees for Service	BSM Subdivision and Mapping Direct Fees for Service	Total
Labor	$ -	$ 2,139,966	$ 6,984,679	$ 2,518,503	$ 11,643,147
Recurring Non-Labor	-	5,658	18,466	6,659	30,783
CCSF Overhead	-	1,279,974	4,177,735	1,506,388	6,964,098
Allocated Common Activities	1,912,998	1,731,322	5,650,897	2,037,574	11,332,791
Department Total	**$ 1,912,998**	**$ 5,156,920**	**$ 16,831,778**	**$ 6,069,123**	**$ 29,970,818**
Fully Burdened Hourly Rate			**$ 229**	**$ 238**	
	Reference: Direct Hours Only		*73,537*	*25,529*	

As shown, the total cost of BSM is approximately $30 million per year. However, the results of the cost of service analysis identified $16.8 million in eligible costs for recovery from fee for service activities provided by the Permits & Inspection divisions, and $6.1 million in eligible costs for recovery from fee for service activities provided by the Subdivision and Mapping division. All subsequent cost of service calculations at the individual fee level for these divisions assume a fully burdened hourly rate of **$229** for the Permits & Inspection divisions, and **$238** for the Subdivision and Mapping division.

Based on interviews with staff, the analysis segregated the total cost of services into four primary services categories: (1) Public Information/Phone and Counter Duty; (2) Non-fee Related Services; (3) Permits & Inspection Direct Fees for Service; and, (4) Subdivision and Mapping Direct Fee for Service. In order to clarify the underlying costs and assumptions used to calculate the fully burdened hourly rate, here is a summary of the descriptions for each cost category:

- **BSM Public Information/Phone and Counter Duty –** Activities associated with responding to phone calls and general information requests that support the development review process. Typically, some portion of costs for the provision of general public information and assistance do not apply toward recovery from fees and are considered a basic function of governmental services to the public. The portion of costs indirectly attributable to fee for service activity has been included in Permitting & Inspection and Subdivision & Mapping Direct Fees for Service columns, while the remaining costs should not be considered in the calculation of fees for services.
- **BSM Non-fee Related Services –** Costs associated with Staff's time spent on non-fee related services. These activities have alternate funding sources, therefore should not be considered in the calculation of fees for services.
- **BSM Permits & Inspection Direct Fees for Service –** This category includes Staff time spent providing routine permitting and inspection fee for service activities, therefore, 100% of these costs are recoverable from fees for service.
- **BSM Subdivision and Mapping Direct Fees for Service –** This category includes Staff time spent providing routine subdivision and mapping fee for service activities, therefore, 100% of these costs are recoverable from fees for service.

The fully burdened hourly rate involves significant analytical and policy-related decisions regarding the inclusion of categorized activity costs. The decision to either include or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters set forth by industry standard fee calculation methods and the California State Constitution. State statutes require that any new fee that is levied or any existing fee that is increased should not exceed the estimated amount required to provide the service for which the charge is levied.

3.2 Fee Establishment

The following is a summary of the overall changes to the Permits & Inspection fee schedule:

- Deletion of fees that are no longer used or needed:
  - Debris Box
  - Sign Printing
  - News Racks
- Reorganization of fee categories or clarification of fee names to create a more user-friendly fee structure:
  - Banners – split fee into processing vs inspection.
  - Contractor Parking Plan – excavation fee split into separate administrative, inspection and modification fees.
  - Mobile Food Facilities – split new application with one (1) location into separate filing, notification and inspection fees. Added in "Each additional location" and "Modification of location, or hours of operations" fee categories for clarification on how the fees are intended to be charged.
- Addition of new fee categories, notated as "New" in the Current Fee column of Appendix A.1.
  - Major Encroachment – added at risk and City Attorney fee sub-categories.
  - Minor Sidewalk Encroachment – added a public hearing fee.

- Publishing Inspection fees for: nighttime work, overwide driveway, pipe barriers, security bollards, sidewalk repair, and special sidewalk.
- Street Improvement – split minimum submittal fee into a simple vs complex category.
- Street Space – added occupancy assessment fee
- Transient Shelters – added a fee for exiting location when no public notice is required

The following is a summary of the overall changes to the Subdivision and Mapping fee schedule:

- Deletion of fees that are no longer used or needed, such as flood letter request.
- Reorganization of fee categories or clarification of fee names to create a more user-friendly fee structure, such as displaying the additional fee for sidewalk legislation, and street vacation.
- No new fees were added at this time.

3.3 Cost Recovery Evaluation

Appendix A.1 and A.2 presents the results of the detailed cost recovery analysis of fees for the Bureau of Street-Use and Mapping. In the Appendix, the "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

Currently, approximately 51% of the total cost of providing BSM services is being recovered from fees. As Table 3 shows, approximately $7.6 million is collected per year in revenue at the current fee amounts. At full cost recovery and the same demand level for these services, approximately $14.9 million could be recovered.

Table 3. Cost Recovery Outcomes

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage
Bureau of Street-Use and Mapping				
Permits & Inspection divisions	3,885,875	8,827,262	(4,941,387)	44%
Subdivision and Mapping division	3,705,870	6,117,075	(2,411,205)	61%
Total	**$ 7,591,745**	**$ 14,944,337**	**$ (7,352,592)**	**51%**

NBS provided a full cost of service evaluation and the framework for considering fees, while it is up to Public Works and the Board to determine the appropriate cost recovery levels at or below full cost amounts.

In addition to the "Annual Estimated Revenues at Current Fee" amount shown above, the Permits & Inspection divisions also collect approximately $7.1 million in revenue from occupancy assessment/street space rentals. NBS did not evaluate these fees based on the stipulations of California Constitution Article XIII C § 1 (e) (4) which may consider these occupancy assessment fees as part of the "entrance to or use of government property" exemption from the definition of a charge as a tax, therefore they would not be limited to the cost of providing services.

4. BUREAU OF URBAN FORESTRY (BUF)

The Bureau of Urban Forestry (BUF) enhances the City's green infrastructure by preserving and growing the trees and plants that make up San Francisco's urban forest. The Bureau also repairs tree-related sidewalk damage and provides emergency tree response.

4.1 Cost of Service Analysis

NBS developed a composite, fully burdened, hourly rate for the Bureau of Urban Forestry as shown in table 4 below:

Table 4. Fully Burdened Hourly Rate

Cost Element	BUF Non-fee Related Services	BUF Direct Permitting & Inspection Fees for Service	Total
Labor	$ 448,145	$ 541,485	$ 989,629
Recurring Non-Labor	36,571	44,189	80,760
CCSF Overhead	196,119	236,966	433,085
Allocated Common Activities	227,544	274,936	502,480
Bureau Total	**$ 908,378**	**$ 1,097,576**	**$ 2,005,954**
Fully Burdened Hourly Rate	**n/a**	**$ 205**	
	Reference: Direct Hours Only	**5,358**	

As shown, the total cost of BUF is approximately $2 million per year. However, the results of the cost of service analysis identified $1 million in eligible costs for recovery from fee for service activities. All subsequent cost of service calculations at the individual fee level for these divisions assume a fully burdened hourly rate of **$205**.

Based on interviews with staff, the analysis segregated the total cost of services into two primary services categories: (1) Non-fee Related Services; and (2) Direct Permitting & Inspection Fees for Service. In order to clarify the underlying costs and assumptions used to calculate the fully burdened hourly rate, here is a summary of the descriptions for each cost category:

- **BUF Non-fee Related Services –** Costs associated with Staff's time spent on non-fee related services. These activities have alternate funding sources, therefore should not be considered in the calculation of fees for services.
- **BUF Direct Permitting & Inspection Fees for Service –** This category includes Staff time spent providing routine permitting and inspection fee for service activities, therefore, 100% of these costs are recoverable from fees for service.

The fully burdened hourly rate involves significant analytical and policy-related decisions regarding the inclusion of categorized activity costs. The decision to either include or exclude certain costs toward recovery in fees for service stems from the basic fee setting parameters set forth by industry standard fee

calculation methods and the California State Constitution. State statutes require that any new fee that is levied or any existing fee that is increased should not exceed the estimated amount required to provide the service for which the charge is levied.

4.2 Fee Establishment

The following is a summary of the overall changes to the Permitting & Inspection fee schedule:

- No fees were deleted at this time
- Reorganization of fee categories or clarification of fee names to create a more user-friendly fee structure:
    - Sidewalk Landscaping – recategorized the list of per application based on property count fees into a "non-construction related" category. To account for the difference in the level of service required for "construction related" activities, a new set of fee categories was added based on lineal feet of frontage.
    - In-lieu Tree Fee – to provide the fee payor with a better understanding of what is included, the fee was broken up into the time staff spends processing the request and then adding in the pass through cost of the tree itself and the cost of watering.
- Addition of new fee categories, notated as "New" in the Current Fee column of Appendix A.3.[2]
    - Construction related sidewalk landscaping
    - New planting (standalone, no tree removal permit)
    - Re-inspection fee / additional site visit

4.3 Cost Recovery Evaluation

Appendix A.3 presents the results of the detailed cost recovery analysis of fees for the Bureau of Urban Forestry. In the Appendix, the "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

Currently, approximately 94% of the total cost of providing services is being recovered from fees. As Table 5 shows, approximately $1.2 million is collected per year in revenue at the current fee amounts. At full cost recovery and the same demand level for these services, approximately $1.3 million could be recovered.

Table 5. Cost Recovery Outcomes

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage
Bureau of Urban Forestry	1,232,973	1,316,983	(84,010)	94%

NBS provided a full cost of service evaluation and the framework for considering fees, while it is up to Public Works and the Board to determine the appropriate cost recovery levels at or below full cost amounts.

[2] Refer to Section 2.2, *Methods of Analysis*, for additional discussion on the Study's approach to adding, deleting, and revising fee categories.

5. BUREAU OF STREET & ENVIRONMENTAL SERVICES (SES)

The Bureau of Street & Environmental Services' (SES) Community Preservation and Blight Reduction Act aims to reduce the number of blighted properties in San Francisco neighborhoods. A blighted property is one that is under significant deterioration or disrepair. It is a dilapidated building or an abandoned lot that is inadequately maintained and an eyesore in the neighborhood. The ordinance specifically focuses on conditions of blight visible from the street or sidewalk. These properties can attract illegal activities, cause general neighborhood instability, are a public nuisance, and can endanger the health and safety of its residents and neighbors. Enforcement of anti-blight provisions is vital to ensuring the quality of life in San Francisco and the City can take action to rehabilitate these properties.

5.1 Cost of Service Analysis

Upon notification of a blighted property, Public Works will send an inspector to assess the property to determine if enforcement of the Blight Ordinance is warranted. If violations are found, an action notice will be issued to abate the blighted property and an inspection fee will be assessed. If owners fail to correct the blighted issue, additional notice of violations will be assessed. Due to the punitive nature of most of the charges in the Blight Ordinance, the focus of this Study was the cost of service of the initial inspection fee only.

Based on interviews with the Public Works staff responsible for performing the inspection, the time it takes to complete the initial inspection is approximately 2.5 hours. To determine the total cost of providing this service, the average fully burdened cost per hour of an inspector performing these services was calculated using the base hourly rate of a SES Inspector, multiplied by the bureau and department overhead, as well as the fringe benefits and paid time off overhead rates calculated by Public Works staff in the FY 2022-23 indirect cost plan. For purposes of this analysis, all subsequent fees for service assume a fully burdened hourly rate of **$130.**

5.2 Cost Recovery Evaluation

Appendix A.4 presents the results of the cost recovery analysis of inspection fee assessed as part of the Bureau of Street & Environmental Services' Community Preservation and Blight Reduction Act. In the Appendix, the "Cost of Service per Activity" column establishes the maximum adoptable fee amount for the corresponding service identified in the "Fee Name" list.

Currently, approximately 99% of the total cost of providing services is being recovered from fees. As Table 6 shows, approximately $691,000 is collected per year in revenue at the current fee amounts. At full cost recovery and the same demand level for these services, approximately $700,000 could be recovered.

Table 6. Cost Recovery Outcomes

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage
Bureau of Street & Environmental Services - Community Preservation and Blight Reduction Act	690,880	699,093	(8,213)	99%

NBS provided a full cost of service evaluation and the framework for considering fees, while it is up to Public Works and the Board to determine the appropriate cost recovery levels at or below full cost amounts.

6. CONCLUSION

Based on the outcomes of the Cost of Service Analysis, Fee Establishment, and Cost Recovery Evaluation presented in this Study, the proposed Master Fee Schedule has been prepared by Public Works for implementation and included in the accompanying Staff Report.

As discussed throughout this report, the intent of the proposed fee schedule is to improve Public Works' recovery of costs incurred to provide individual services, as well as adjust fees where the fees charged exceed the average costs incurred. Predicting the amount to which any adopted fee increases will affect revenue is difficult to quantify. For the near-term, Public Works should not count on increased revenues to meet any specific expenditure plan. Experience with the revised fee amounts should be gained first before revenue projections are revised. However, unless there is some significant, long-term change in activity levels, proposed fee amendments should enhance cost recovery performance over time, providing the ability to stretch other resources further for the benefit of the public at-large.

The Master Fee Schedule should become a living document, but handled with care:

- A fundamental purpose of the fee schedule is to provide clarity and transparency to the public and to staff regarding fees imposed by Public Works. Once adopted by the Board of Supervisors, the fee schedule is the final word on the amount and method in which fees should be charged and supersedes all previous fee schedules. If it is discovered that the master document is missing certain fees, those fees will eventually need to be added to the master fee schedule and should not exist outside the consolidated, master framework.
- Public Works should consider adjusting these user fees and regulatory fees on an annual basis to keep pace with cost inflation. For all fees and charges, for example, an annual Consumer Price Index adjustment could be applied to the new fee schedule. Conducting a comprehensive user fee study is not an annual requirement, and only becomes worthwhile over time as shifts in organization, local practices, legislative values, or legal requirements result in significant change.

As a final note, it is worth mentioning the path that fees, in general, have taken in the State of California. In recent years, there has been more public demand for the precise and equitable accounting of the basis for governmental fees and a greater say in when and how they are charged. It is likely that in the future, user and regulatory fees will require an even greater level of analysis and supporting data to meet the public's growing expectations. An agency's ability to meet these new pressures will depend on the level of technology they invest in their current systems. Continuous improvement and refinement of time tracking abilities will greatly enhance Public Works' ability to set fees for service and identify unfunded activities in years to come.

Disclaimer: In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the Public Works's budgets, time estimate data, and workload information from Public Works staff, were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A.1

Cost of Service Analysis – Bureau of Street-Use and Mapping – Permits & Inspection Divisions

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
I	**STREET-USE**		[4,5]								
1	**Additional Street Space**										
	New Application	each		9.00	$ 229	**$ 2,060**	$ 594	29%	5	$ 2,970	$ 10,300
	Renewal	each		4.00	$ 229	**$ 916**	$ 336	37%	63	$ 21,168	$ 57,680
	per SF/month - assessment (<80' bulk & height)	per SF/month					$ 6.50				
	per SF/month - assessment (over 80' bulk & height)	per SF/month					$ 17				
2	**Banners**		[2]								
	Processing	per 20 banners		2.30	$ 229	**$ 526**	$ 121	23%	652	$ 78,892	$ 343,242
	Inspection	per 20 banners		0.50	$ 229	**$ 114**	$ 208	182%	671	$ 139,568	$ 76,792
3	**Board of Appeals Surcharge**	each					$ 10				
4	**Café Tables & Chair (annual)**										
	New	each		13.00	$ 229	**$ 2,976**	$ 165	6%	186	$ 30,690	$ 553,454
	plus each additional SF	each SF		0.03	$ 229	**$ 7**	$ 9.25	135%	13,198	$ 122,082	$ 90,626
	Renewal	each		2.40	$ 229	**$ 549**	$ 82	15%	465	$ 38,130	$ 255,440
	plus each additional SF	each SF		0.01	$ 229	**$ 2**	$ 8.00	350%	54,267	$ 434,136	$ 124,211
	Requiring Departmental Action	each		6.90	$ 229	**$ 1,579**	$ 165	10%	-	$ -	$ -
	plus each additional SF	each SF		0.05	$ 229	**$ 11**	$ 10.50	92%	-	$ -	$ -

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
5	**Commemorative Plaque**	each	[3]	19.60	$ 229	**$ 4,486**	$ 1,833	41%	1	$ 1,833	$ 4,486
6	**Contractor Parking Plan**										
	Street Space	each		4.00	$ 229	**$ 916**	$ 765	84%	1	$ 765	$ 916
	Excavation	each									
	Administrative Fee	each		1.25	$ 229	**$ 286**	$ 168	59%	70	$ 11,760	$ 20,028
	Inspection	each		1.00	$ 229	**$ 229**	$ 390	170%	71	$ 27,690	$ 16,251
	Modification	each		1.25	$ 229	**$ 286**	$ 69	24%	-	$ -	$ -
7	**Consultation / Pre-Application**										
	First 2 hours	flat		2.50	$ 229	**$ 572**	$ 533	93%	4	$ 2,132	$ 2,289
	each additional hour	hourly		1.00	$ 229	**$ 229**	$ 266	116%	-	$ -	$ -
8	**Display Merchandise**										
	Annual	each		4.95	$ 229	**$ 1,133**	$ 178	16%	286	$ 50,908	$ 324,038
	plus each additional SF	each SF		0.08	$ 229	**$ 18**	$ 11.75	64%	9,412	$ 110,591	$ 172,344

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
9	**Excavation**										
	Administrative Fee										
	Small project - to 100 SF	per permit		1.80	$ 229	**$ 412**	$ 111	27%	1,382	$ 153,402	$ 569,385
	Medium project - 100 to 1,000 SF	per block		1.50	$ 229	**$ 343**	$ 140	41%	360	$ 50,400	$ 123,600
	Large project - 1,000+ SF	per block		2.50	$ 229	**$ 572**	$ 186	33%	227	$ 42,222	$ 129,895
	General Inspection Fee										
	Small project - to 100 SF	per permit		2.00	$ 229	**$ 458**	$ 600	131%	1,383	$ 829,800	$ 633,107
	Medium project - 100 to 1,000 SF	per day		0.14	$ 229	**$ 32**	$ 92	287%	359	$ 33,028	$ 11,504
	Large project - 1,000+ SF	per day		0.09	$ 229	**$ 21**	$ 136	660%	227	$ 30,872	$ 4,676
	Tank removal, standard side sewer, boring/monitoring wells)	per hour	[6]	1.00	$ 229	**$ 229**	$ 150	66%	364	$ 54,600	$ 83,316
	Utility Inspection Fee										
	Small project - to 100 SF	per permit		2.00	$ 229	**$ 458**	$ 26	6%	-	$ -	$ -
	Medium project - 100 to 1,000 SF	per day		0.14	$ 229	**$ 32**	$ 92	287%	-	$ -	$ -
	Large project - 1,000+ SF	per day		0.16	$ 229	**$ 37**	$ 136	371%	-	$ -	$ -
10	**Flower Markets**	each		5.50	$ 229	**$ 1,259**	$ 1,213	96%	4	$ 4,852	$ 5,036
11	**Free Sample Merchandise**	per day	[9]	1.55	$ 229	**$ 355**	$ 100	28%	52	$ 5,200	$ 18,448
12	**Inspection of Conformity**	each		3.00	$ 229	**$ 687**	$ 300	44%	216	$ 64,800	$ 148,320

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
13	**Major Encroachment**		[3]								
	New Application	each		43.00	$ 229	**$ 9,842**	$ 5,748	58%	10	$ 57,480	$ 98,422
	At Risk	each		4.00	$ 229	**$ 916**	NEW	%		$ -	$ -
	City Attorney	actual cost					NEW				
	Annual Assessment Fee (min $100)	per SF/year					$ 5.25				
14	**Minor Sidewalk Encroachment**		[3]								
	New Application	each		22.00	$ 229	**$ 5,036**	$ 1,481	29%	629	$ 931,549	$ 3,167,368
	Public Hearing Required (additional fee)	each		6.00	$ 229	**$ 1,373**	NEW	%		$ -	$ -
	Annual Assessment Fee (min $100)	per SF/year					$ 5.25				
	Existing Conditions or Submittal with SI Permit (except shoring MSE permits)	each		2.00	$ 229	**$ 458**	$ 211	46%	-	$ -	$ -
15	**Mobile Food Facilities**		[6,7]								
	One (1) Location	each								$ -	$ -
	Filing Fee	each		6.00	$ 229	**$ 1,373**	$ 228	17%	135	$ 30,780	$ 185,400
	Notification Fee	each		2.00	$ 229	**$ 458**	$ 277	61%	38	$ 10,526	$ 17,396
	Inspection Fee	each		1.00	$ 229	**$ 229**	$ 528	231%	13	$ 6,864	$ 2,976
	Each additional location										
	Notification Fee	each		2.00	$ 229	**$ 458**	$ 277	61%	40	$ 11,080	$ 18,311
	Inspection Fee - first additional location	each		1.00	$ 229	**$ 229**	$ 264	115%	44	$ 11,616	$ 10,071
	Inspection Fee - each additional location	each		1.00	$ 229	**$ 229**	$ 264	115%	-	$ -	$ -
	Modification of location, or hours of operation										
	Filing Fee	each		4.00	$ 229	**$ 916**	$ 117	13%	-	$ -	$ -
	Notification Fee	each		2.00	$ 229	**$ 458**	$ 277	61%	-	$ -	$ -
	Inspection Fee	each		1.00	$ 229	**$ 229**	$ 264	115%	-	$ -	$ -
	Renewal (no violations within previous year)	each		1.00	$ 229	**$ 229**	$ 183	80%	-	$ -	$ -
	Per Decal (if applicable)	each		0.50	$ 229	**$ 114**	$ 50	44%	82	$ 4,100	$ 9,384

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
16	**Nighttime Work (new application)**										
	Permit	each		4.70	$ 229	**$ 1,076**	$ 151	14%	687	$ 103,737	$ 739,060
	Inspection	per night		4.00	$ 229	**$ 916**	NEW	%	-	$ -	$ -
17	**Overwide Driveway (30+ feet)**		[3]								
	New Application	each		6.25	$ 229	**$ 1,431**	$ 1,158	81%	-	$ -	$ -
	Existing Condition	each		2.00	$ 229	**$ 458**	$ 211	46%	14	$ 2,954	$ 6,409
	Annual Assessment Fee	per SF/year					$ 5.25				
	Inspection	each		2.00	$ 229	**$ 458**	$ 371	81%	-	$ -	$ -
18	**Shared Spaces/Parklet**		[11]								
	Tier 1: Public Parklet										
	First parking space	each		13.00	$ 229	**$ 2,976**	$ 1,090	37%	-	$ -	$ -
	Each additional parking space	each		3.00	$ 229	**$ 687**	$ 272	40%	-	$ -	$ -
	Annual license per parking space	each		1.00	$ 229	**$ 229**	$ 109	48%	-	$ -	$ -
	Tier 2: Movable Commercial Parklet										
	First parking space	each		13.00	$ 229	**$ 2,976**	$ 2,180	73%	-	$ -	$ -
	Each additional parking space	each		3.00	$ 229	**$ 687**	$ 1,090	159%	-	$ -	$ -
	Annual license per parking space	each		1.00	$ 229	**$ 229**	$ 1,635	714%	-	$ -	$ -
	Tier 3: Fixed Commercial Parklet										
	First parking space	each		15.00	$ 229	**$ 3,433**	$ 3,270	95%	-	$ -	$ -
	Each additional parking space	each		3.00	$ 229	**$ 687**	$ 1,635	238%	-	$ -	$ -
	Annual license per parking space	each		1.00	$ 229	**$ 229**	$ 2,180	952%	-	$ -	$ -
19	**Pipe Barriers**		[3]								
	New Application	each		4.25	$ 229	**$ 973**	$ 1,040	107%	30	$ 31,192	$ 29,183
	Inspection Fee	per 25 ft		2.00	$ 229	**$ 458**	$ 489	107%	-	$ -	$ -
	Existing Conditions	each		2.00	$ 229	**$ 458**	$ 211	46%	6	$ 1,266	$ 2,747

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
20	**Security Bollards (new application)**		[3]							$ -	$ -
	Application Fee	each		8.00	$ 229	**$ 1,831**	$ 3,067	167%	-	$ -	$ -
	Inspection Fee	per 25 ft		4.00	$ 229	**$ 916**	NEW	%	-	$ -	$ -
21	**Sidewalk Repair**	per 100 SF		1.00	$ 229	**$ 229**	$ 25	11%	617	$ 15,425	$ 141,225
	Inspection Fee	each		3.00	$ 229	**$ 687**	NEW	%	-	$ -	$ -
22	**Special Sidewalk**		[3]								
	New Application	each		4.00	$ 229	**$ 916**	$ 594	65%	34	$ 20,196	$ 31,129
	Non-Std Cross Slopes, Existing Conditions/Submittal with SI Permit	each		2.00	$ 229	**$ 458**	$ 211	46%	-	$ -	$ -
	Inspection Fee (Special Coating)	each		6.00	$ 229	**$ 1,373**	NEW	%	-	$ -	$ -
23	**Storage Container (registered companies only)**										
	Annual	each		2.10	$ 229	**$ 481**	$ 841	175%	-	$ -	$ -
	Deposit	each	[10]				$30,000 refundable bond				
	Individual Location										
	1st Day	each		1.00	$ 229	**$ 229**	$ 84	37%	14	$ 1,176	$ 3,204
	2nd & 3rd Day	each		1.00	$ 229	**$ 229**	$ 169	74%	-	$ -	$ -
	Over 3 days	each		1.00	$ 229	**$ 229**	$ 169	74%	-	$ -	$ -
	plus per container / day	per container / day		0.50	$ 229	**$ 114**	$ 84	73%	-	$ -	$ -

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
24	**Street Improvement**										
	Minimum Submittal Fee (w/Building Permit App) - Simple	each		11.00	$ 229	**$ 2,518**	$ 1,660	66%	122	$ 202,520	$ 307,169
	Minimum Submittal Fee (w/Building Permit App) - Complex	each		39.00	$ 229	**$ 8,927**	NEW	%	-	$ -	$ -
	Minimum Notice to Repair	each		5.00	$ 229	**$ 1,144**	$ 554	48%	-	$ -	$ -
	Curb Cut Only Annual Assessment Fee (min $100)	per SF/year					$ 5.25				
25	**Street Space**										
	Permit	each		2.00	$ 229	**$ 458**	$ 168	37%	34	$ 5,712	$ 15,564
	Occupancy Assessment	per month/per 20 LF					NEW				
26	**Street Vending**										
	Application	each		6.00	$ 229	**$ 1,373**	$ 454	33%	-	$ -	$ -
	Renewal	each		1.00	$ 229	**$ 229**	$ 106	46%	-	$ -	$ -
27	**Temporary Occupancy**	per day / per block face		1.55	$ 229	**$ 355**	$ 84	24%	92	$ 7,728	$ 32,640
28	**Transit Shelters (registered companies only)**										
	New Location	each		12.30	$ 229	**$ 2,815**	$ 470	17%	26	$ 12,220	$ 73,199
	Existing location (if no public notice required)	each		3.00	$ 229	**$ 687**	NEW	%	-	$ -	$ -
29	**Vault (Transformer) Encroachment**		[3]								
	New Application	each		14.00	$ 229	**$ 3,204**	$ 1,536	48%	49	$ 75,264	$ 157,018
	Annual Assessment Fee	per SF/year					$ 19.75				

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
30	**SFMTA Parking Meter Occupancy Fees**	per 25 LF / day					$ 18				
31	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly		1.00	$ 229	**$ 229**	$ -	%	-	$ -	$ -
TOTAL										3,885,875	8,827,262

NOTES

[1] Sourced from: 2022-23 Public Works Permit Fee Schedule, effective 7-1-22.

[2] Prorate if less than 20 banners.

[3] Permit may require notarization and recordation. Fees for such requirements are not included.

[4] All permits are subject to Board of Appeal Surcharge ($9) except for Commemorative Plaque, Flower Markets, Inspection of Conformity and Major Encroachments.

[5] Additional fees may apply for any additional time and materials, for processing permits as set forth In the Public Works Code, Section 2.1.3. Any expired or inactivated permits shall be subject to an additional renewal fee. Additional permits and fees may be required by other agencies.

[6] Boring, Monitoring Well, Side Sewer, Tank Removal, General Excavation and Mobile Food Facilities fees vary due to duration and size of the project. Please contact the main office for a plan checker at (415) 554-5810 for assistance.

[7] May require referral to Department of Public Health. The Department of Public Health may charge up to $191 per hour for referrals sent by Public Works.

[8] Separate fees shall be paid to the Department of Health and the Fire Marshal for the annual approvals required by each department for a valid permit. Fees for Department of Public Health are set forth in the Business and Taxation Code.

[9] $500 refundable bond applies

[10] $30,000 refundable bond applies

[11] Published fees are split between SFMTA and SFDPW

APPENDIX A.2

Cost of Service Analysis – Bureau of Street-Use and Mapping – Subdivision and Mapping Division

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 Subdivision & Mapping Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
II	**SUBDIVISION AND MAPPING**										
1	**Application Processing**	each		6.00	$ 238	**$ 1,426**	$ 1,000	70%	-	$ -	$ -
2	**Parcel Map**		[3]								
	Condominium Conversions of 4 Units or Less	each		57.00	$ 238	**$ 13,551**	$ 12,429	92%	147	$ 1,827,063	$ 1,991,993
	New Construction Condominiums & Subdivisions of 4 Units or Less	each		57.00	$ 238	**$ 13,551**	$ 11,518	85%	58	$ 668,044	$ 785,956
	plus per lot	per lot		0.25	$ 238	**$ 59**	$ 50	84%	-	$ -	$ -
3	**Final Map**		[3]								
	Condominium Conversions of 5 or 6 Units	each		94.00	$ 238	**$ 22,347**	$ 12,592	56%	-	$ -	$ -
	plus per lot	per lot		0.25	$ 238	**$ 59**	$ 50	84%	-	$ -	$ -
	plus per lot (air space subdivision)	per lot		2.00	$ 238	**$ 475**	$ 806	170%	-	$ -	$ -
	New Construction Condominiums & Subdivisions of 5 Units or More	each		94.00	$ 238	**$ 22,347**	$ 12,592	56%	6	$ 75,552	$ 134,083
	plus per lot	per lot		0.25	$ 238	**$ 59**	$ 50	84%	-	$ -	$ -
	plus per lot (air space subdivision)	per lot		2.00	$ 238	**$ 475**	$ 806	170%	-	$ -	$ -

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 Subdivision & Mapping Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
4	**Vertical Subdivision Map**		[3,4]								
	Parcel Map (4 Lots or Less)	each		59.00	$ 238	**$ 14,026**	$ 12,852	92%	14	$ 179,928	$ 196,370
	Final Map (5 Lots or More)	each		96.00	$ 238	**$ 22,823**	$ 12,852	56%	-	$ -	$ -
	Each Additional Lot (air space subdivision)	each		2.00	$ 238	**$ 475**	$ 806	170%	-	$ -	$ -
5	**Vesting Tentative Map**	each	[3,4]	98.00	$ 238	**$ 23,298**	$ 13,592	58%	3	$ 40,776	$ 69,894
6	**Amended Map**	each		35.00	$ 238	**$ 8,321**	$ 4,357	52%	-	$ -	$ -
7	**Lot Line Adjustment**	each		57.00	$ 238	**$ 13,551**	$ 4,357	32%	17	$ 74,069	$ 230,367
8	**Certificate of Compliance**	each		35.00	$ 238	**$ 8,321**	$ 3,446	41%	12	$ 41,352	$ 99,849
9	**Certificate of Correction**	each		35.00	$ 238	**$ 8,321**	$ 3,446	41%	-	$ -	$ -
10	**Sidewalk Legislation, Street Vacation**	per block		43.00	$ 238	**$ 10,223**	$ 3,293	32%	106	$ 349,058	$ 1,083,602
	Additional Fee (fronting/re-circulation)	per lot		8.00	$ 238	**$ 1,902**	$ 1,750	92%	4	$ 7,000	$ 7,608

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 Subdivision & Mapping Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
11	**Record of Survey**	each		58.00	$ 238	**$ 13,789**	$ 816	6%	81	$ 66,096	$ 1,116,885
12	**Corner Record**	each	[2]	3.00	$ 238	**$ 713**	$ 25	4%	48	$ 1,200	$ 34,234
13	**Department of Building Inspection (DBI) Review Fee**	each	[6]				$ 538				
14	**Pre-application Meeting or Staff Consultation (first 2 hours)**	flat		2.50	$ 238	**$ 594**	$ 533	90%	-	$ -	$ -
	each additional hour	hourly		1.00	$ 238	**$ 238**	$ 266	112%	-	$ -	$ -
15	**Project Reinstatement (Untermination)**	each		4.00	$ 238	**$ 951**	$ 1,000	105%	8	$ 8,000	$ 7,608
16	**Incomplete Submittal**	each		2.50	$ 238	**$ 594**	$ 500	84%	17	$ 8,500	$ 10,104
17	**Appeal of Tentative Map Decision Fee**	each	[5]	4.00	$ 238	**$ 951**	$ 381	40%	2	$ 762	$ 1,902
18	**Monument Reference**	each		18.00	$ 238	**$ 4,279**	$ 4,070	95%	81	$ 329,670	$ 346,620
19	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly		1.00	$ 238	**$ 238**	$ -	%	-	$ -	$ -
TOTAL										3,705,870	6,117,075

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 Subdivision & Mapping Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee

NOTES

[1] Sourced from: 2022-23 Public Works Subdivision and Mapping Fee Schedule, effective 7-1-22.

[2] Maximum fee amount is set by State.

[3] Submit two (2) separate checks, payable to San Francisco Public Works or SFPW. One check is a non-refundable application processing fee of $1,000; and the second check is for the remaining map review fee. Please date checks no more than 15 days from the day of application submittal.

[4] Minimum fee. Additional fees may be assessed on time and material basis.

[5] Legislated fee

[6] Passthrough fee for DBI review

APPENDIX A.3

Cost of Service Analysis – Bureau of Urban Forestry

Fee No.	Fee Name	Fee Unit of Charge	Notes	Activity Service Cost Analysis: Estimated Average Labor Time Per Activity (hours)	Activity Service Cost Analysis: Fully Burdened Hourly Rate	Activity Service Cost Analysis: Cost of Service Per Activity	Cost Recovery Analysis: Current Fee 2023-24 PW Permit Fee Schedule	Cost Recovery Analysis: Existing Cost Recovery %	Annual Estimated Revenue Analysis: Estimated Volume of Activity	Annual Estimated Revenue Analysis: Annual Estimated Revenues: Current Fee	Annual Estimated Revenue Analysis: Annual Estimated Revenues: Full Cost Recovery Fee
III	**URBAN FORESTRY**										
1	**Sidewalk Landscaping**										
	Non-Construction Related										
	One (1) Property	per app		2.50	$ 205	**$ 512**	$ 340	66%	123	$ 41,820	$ 62,995
	2-4 Properties	per app		3.50	$ 205	**$ 717**	$ 292	41%	4	$ 1,168	$ 2,868
	5+ Properties	per app		4.50	$ 205	**$ 922**	$ 253	27%	97	$ 24,541	$ 89,423
	Construction Related										
	Single Property / Small Parcel / Residential - Retroactive (no changes required)	per app		2.00	$ 205	**$ 410**	NEW	%	-	$ -	$ -
	Up to 25 lf of frontage	flat		2.50	$ 205	**$ 512**	NEW	%	-	$ -	$ -
	26-75 lf of frontage	flat		3.00	$ 205	**$ 615**	NEW	%	-	$ -	$ -
	76-200 lf of frontage	flat		3.25	$ 205	**$ 666**	NEW	%	-	$ -	$ -
	201+ lf of frontage	flat		3.50	$ 205	**$ 717**	NEW	%	-	$ -	$ -
2	**In-Lieu Tree Fee**										
	DPW Labor	per tree		1.50	$ 205	**$ 307**					
	36 inch box tree	actual cost	[1]			**$ 538**					
	Water -3 years, 1350 gallons per week	actual cost	[1]			**$ 1,600**					
	Subtotal					**$ 2,446**	$ 2,431	99%	360	$ 875,160	$ 880,419
	DPW Labor	per tree		1.50	$ 205	**$ 307**					
	48 inch box tree	actual cost	[1]			**$ 1,658**					
	Water -3 years, 1350 gallons per week	actual cost	[1]			**$ 1,600**					
	Subtotal					**$ 3,566**	$ 2,431	68%	-	$ -	$ -
	DPW Labor	per tree		1.50	$ 205	**$ 307**					
	60 inch box tree	actual cost	[1]			**$ 3,317**					
	Water -3 years, 1350 gallons per week	actual cost	[1]			**$ 1,600**					
	Subtotal					**$ 5,224**	$ 2,431	47%	-	$ -	$ -

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee 2023-24 PW Permit Fee Schedule	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
3	**Tree Removal Permit Application (includes New Planting)**										
	Non-Construction Related										
	1 - 3 Trees	flat		3.00	$ 205	**$ 615**	$ 458	75%	31	$ 14,198	$ 19,052
	4-9 Trees	flat		4.00	$ 205	**$ 819**	$ 1,228	150%	19	$ 23,332	$ 15,570
	10+ Trees	flat		5.00	$ 205	**$ 1,024**	$ 1,845	180%	10	$ 18,450	$ 10,243
	Construction Related										
	1 - 3 Trees	flat		4.00	$ 205	**$ 819**	$ 923	113%	237	$ 218,751	$ 194,210
	4-9 Trees	flat		5.00	$ 205	**$ 1,024**	$ 1,228	120%	-	$ -	$ -
	10+ Trees	flat		6.00	$ 205	**$ 1,229**	$ 1,845	150%	-	$ -	$ -
4	**Tree Protection Plan**										
	1-3 Trees	per app		2.00	$ 205	**$ 410**	$ 151	37%	103	$ 15,553	$ 42,202
	4+ Trees	per app		3.00	$ 205	**$ 615**	$ 151	25%		$ -	$ -
5	**New Planting (standalone, no tree removal permit)**										
	Non-Construction Related	each		1.50	$ 205	**$ 307**	NEW	%	-	$ -	$ -
	Construction Related										
	Up to 50 lf of frontage	each		2.50	$ 205	**$ 512**	NEW	%	-	$ -	$ -
	51-125 lf of frontage	each		3.50	$ 205	**$ 717**	NEW	%	-	$ -	$ -
	126-250 lf of frontage	each		5.00	$ 205	**$ 1,024**	NEW	%	-	$ -	$ -
	251+ lf of frontage	each		6.50	$ 205	**$ 1,332**	NEW	%	-	$ -	$ -
6	**Reinspection Fee / Additional Site Visit**	per inspection		2.00	$ 205	**$ 410**	NEW	%	-	$ -	$ -
7	**Billboard Permit**	each	[2]				$ 300				
8	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly		1.00	$ 205	**$ 205**	$ -	%	-	$ -	$ -
TOTAL										1,232,973	1,316,983

NOTES

[1] Actual costs are passed through to applicant. NBS did not evaluate.

[2] Fee set by San Francisco Public Works code 805.1. NBS did not evaluate.

APPENDIX A.4

Cost of Service Analysis –

Bureau of Street & Environmental Services – Community Preservation and Blight Reduction Act

				Activity Service Cost Analysis			Cost Recovery Analysis		Annual Estimated Revenue Analysis		
Fee No.	Fee Name	Fee Unit of Charge	Notes	Estimated Average Labor Time Per Activity (hours)	Fully Burdened Hourly Rate	Cost of Service Per Activity	Current Fee	Existing Cost Recovery %	Estimated Volume of Activity	Annual Estimated Revenues	
										Current Fee	Full Cost Recovery Fee
IV	**BLIGHT**										
1	**Blight Violations**		[1]								
	Inspection Fee	per inspection		2.50	$ 130	**$ 324**	$ 320	99%	2,159	$ 690,880	$ 699,093
	Failure to Correct Notice of Violation										
	15 days - 90 days following notice	per day					$ 100				
	91 days - 120 days following notice	per day					$100 - $500				
	121 days or more following notice	per day					$500 - $1,000				
2	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly		1.00	$ 130	**$ 130**	NEW	%	-	$ -	$ -
TOTAL										690,880	699,093

NOTES

[1] Includes: Overgrown weeds and grass, Landscaping, Trash, litter and debris, Outside storage of household items, Property blight, Disrepair and exterior property conditions, Graffiti, Abandoned or junk vehicles, Vehicles parked on lawn or unpaved area, Home auto repair

APPENDIX B.1

Comparative Fee Survey – Bureau of Street-Use and Mapping – Permits & Inspection Divisions

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
I	**STREET-USE**							
1	**Additional Street Space**							
	New Application	each	$ 594	see street space	see street space	see street space	see street space	see street space
	Renewal	each	$ 336					
	per SF/month - assessment (<80' bulk & height)	per SF/month	$ 6.50	see street space	see street space	see street space	see street space	see street space
	per SF/month - assessment (over 80' bulk & height)	per SF/month	$ 17					
2	**Banners**							
	Processing	per 20 banners	$ 121	$582 (from Planning fee schedule)	Actual Cost	*no comparison available*	New: $600 Renew/Ext: $300	Event Pole Banner Issuance: $300
	Inspection	per 20 banners	$ 208					
3	**Board of Appeals Surcharge**	each	$ 10	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
4	**Café Tables & Chair (annual)**							
	New	each	$ 165	*no comparison available*	$1,854 + sewerage facility charge	see street space	Staff issued: $190 City Council approval: $390	see street space
	plus each additional SF	each SF	$ 9.25					
	Renewal	each	$ 82		no fee			
	plus each additional SF	each SF	$ 8.00					
	Requiring Departmental Action	each	$ 165		Actual Cost			
	plus each additional SF	each SF	$ 11					
5	**Commemorative Plaque**	each	$ 1,833	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
6	**Contractor Parking Plan**							
	Street Space	each	$ 765	see street space	see street space	see street space	see street space	see street space
	Excavation	each		Base Fee: $34 No Parking Sign: $15 Daily: $15.80 Weekly: $79	*no comparison available*	Short-term (14 days): Metered area: $34.50/meter/day Un-metered area: $17/25 ft/day Signs: $3/sign Long-term (15-180 days): Metered: $1,037/meter/30 days Un-metered: $519/25 ft/30 days	*no comparison available*	*no comparison available*
	Administrative Fee	each	$ 168					
	Inspection	each	$ 390					
	Modification	each	$ 69					

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
7	**Consultation / Pre-Application**							
	First 2 hours	hourly (2 hr. min)	$ 533	*no comparison available*	$149/hr	$174 - $199.16 per hour	$120/hr	$269/hr
	each additional hour	hourly	$ 266					
8	**Display Merchandise**			see street space	No investigation: $556 Investigation: $1,854 Board Report Required: Actual Cost ($7,000 min deposit)	see street space	see street space	see street space
	Annual	each	$ 178					
	plus each additional SF	each SF	$ 11.75					
9	**Excavation**			Filing Fee: $22 Base Permit: $127 Plan Check: $190 Insp: $153		Permit (2 hrs insp time): $454.65 Add'l insp: $211.05/hr City-performed repairs: Act Cost + 2% surcharge Admin fee: $1,953 Permit Review <300 ft: $454.65 300+ ft: $1,257.90 ea 300 ft	Min fee $74 / actual cost	*no comparison available*
	Administrative Fee							
	Small project - to 100 SF	per permit	$ 111		U Permit: $191 E Permit: $438			
	Medium project - 100 to 1,000 SF	per block	$ 140					
	Large project - 1,000+ SF	per block	$ 186		U Permit: Act Cost E Permit: Act Cost			
	General Inspection Fee							
	Small project - to 100 SF	per permit	$ 600		U Permit: $114 E Permit: $114			
	Medium project - 100 to 1,000 SF	per day	$ 92		U Permit: $2.20/sq.ft. E Permit: $2.20/sq.ft.			
	Large project - 1,000+ SF	per day	$ 136		U Permit: Act Cost E Permit: Act Cost			
	Tank removal, standard side sewer, boring/monitoring wells)	per hour	$ 150		see above			
	Utility Inspection Fee					Permit: No Fee Inspection: $180.83/hr (normal hours, $316.05/hr outside normal hours)		
	Small project - to 100 SF	per permit	$ 26					
	Medium project - 100 to 1,000 SF	per day	$ 92					
	Large project - 1,000+ SF	per day	$ 136					
10	**Flower Markets**	each	$ 1,213	*no comparison available*	No investigation: $556 Investigation: $1,854 Board Report Required: Actual Cost ($7,000 min deposit)	see street space	see street space	$ 181

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
11	**Free Sample Merchandise**	each	$ 100	see street space	No investigation: $556 Investigation: $1,854 Board Report Required: Actual Cost ($7,000 min deposit)	see street space	see street space	*no comparison available*
12	**Inspection of Conformity**	each	$ 300	$190/hr	$149/hr	$174/hr	$120/hr	$269/hr
13	**Major Encroachment**							
	New Application	each	$ 5,748	$ 454				
	At Risk	each	NEW					
	City Attorney	each	NEW	Approval Fee: $1,774	No investigation: $556 Investigation: $1,854 Board Report Required: Actual Cost ($7,000 min deposit)	see street space	Non-billable accounts: $300 min Billable accounts: monthly invoicing Temp Street Use: $0-$75	see street space and occupancy use fee
	Annual Assessment Fee (min $100)	per SF/year	$ 5.25					
14	**Minor Sidewalk Encroachment**							
	New Application	each	$ 1,481	$ 454				
	Public Hearing Required (additional fee)	each	NEW					
	Annual Assessment Fee (min $100)	per SF/year	$ 5.25	Approval Fee: $1,228				
	Existing Conditions or Submittal with SI Permit (except shoring MSE permits)	each	$ 211					
15	**Mobile Food Facilities**							
	One (1) Location							
	Filing Fee	each	$ 228					
	Notification Fee	each	$ 277					
	Inspection Fee	each	$ 528					
	Each additional location							
	Notification Fee	each	$ 277			$100/yr or pro-rata Downtown Park Sites: $40/hr/date/site Other Park Sites: $30/hr/date/site		Annual Food-vehicle zone vending (paid parking): $478 (each 4-hr period x each day per week) Annual Food-vehicle zone vending (unpaid parking): $104 (each 4-hr period x each day per week)
	Inspection Fee - first additional location	each	$ 264	*no comparison available*	*no comparison available*		*no comparison available*	
	Inspection Fee - each additional location	each	$ 264					
	Modification of location, or hours of operation							
	Filing Fee	each	$ 117					
	Notification Fee	each	$ 277					
	Inspection Fee	each	$ 264					
	Renewal (no violations within previous year)	each	$ 183					
	Per Decal (if applicable)	each	$ 50					
16	**Nighttime Work (new application)**							
	Permit	each	$ 151	$190/hr	Weekday: $95/hr Weekend/Holiday: $380/hr (4 hr min)	$316.05/hr	$120/hr	$538/hr
	Inspection	per night	NEW					

City of San Francisco				Comparison Agencies				
Fee No.	**Fee Description**	**Fee Unit / Type**	**Current Fee / Deposit**	**Berkeley**	**LA**	**Oakland**	**Sacramento**	**Seattle**
17	**Overwide Driveway (30+ feet)**			Filing Fee: $22 Base Permit: $127 Plan Check: $190	$273 + $0.85 per sq. ft.	Permit: $433 Over 200 ft: $0.93/sq. ft.	Variance: Residential/< 2 lots: $120 Commercial/>2 lots: $320 deposit Appeal: Actual Cost Permit & Inspection: <23 ft: $250 24-35 ft: $325 36-45 ft: $400 Asphaltic Concrete: $175	*no comparison available*
	New Application	each	$ 1,158					
	Existing Condition	each	$ 211					
	Annual Assessment Fee	per SF/year	$ 5.25	see street space	see street space	see street space	see street space	see street space
	Inspection	each	$ 371	Insp: $28 per 100 sq. ft.	*no comparison available*	*no comparison available*	see street space	see street space
18	**Shared Spaces/Parklet**							
	Tier 1: Public Parklet							
	First parking space	each	$ 1,090	*no comparison available*	*no comparison available*	*no comparison available*	Staff issued: $190 City Council approval: $390	*no comparison available*
	Each additional parking space	each	$ 272					
	Annual license per parking space	each	$ 109					
	Tier 2: Movable Commercial Parklet							
	First parking space	each	$ 2,180					
	Each additional parking space	each	$ 1,090					
	Annual license per parking space	each	$ 1,635					
	Tier 3: Fixed Commercial Parklet							
	First parking space	each	$ 3,270					
	Each additional parking space	each	$ 1,635					
	Annual license per parking space	each	$ 2,180					
19	**Pipe Barriers**			*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
	New Application	each	$ 1,040					
	Inspection Fee	per 25 ft	$ 489					
	Existing Conditions	each	$ 211					
20	**Security Bollards (new application)**			*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
	Application Fee	each	$ 3,067					
	Inspection Fee	per 25 ft	NEW					

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
21	**Sidewalk Repair**	per 100 SF	$ 25	Filing Fee: $22 Base Permit: $127 Insp: $28/100 sf	$273 + $0.85 per sq. ft. No Fee if due to City tree	Voluntary: Repair: Act cost Admin Fee: $454.65 Interest on unpaid balance: 10%/5% low income Mandatory: Repair: Act cost Admin Fee: $454.65 Surcharge: 2% No Fee if due to City tree	Admin Fee: $40 Repair: Act Cost Root Inspection: $100	*no comparison available*
	Inspection Fee	each	NEW					
22	**Special Sidewalk**							
	New Application	each	$ 594	*no comparison available*	see sidewalk	see sidewalk	see street space	*no comparison available*
	Non-Std Cross Slopes, Existing Conditions/Submittal with SI Permit	each	$ 211					
	Inspection Fee (Special Coating)	each	NEW					
23	**Storage Container (registered companies only)**							
	Annual	each	$ 841	see street space	see street space	see street space	see street space	see street space
	Deposit	each	$30,000 refundable bond					
	Individual Location							
	1st Day	each	$ 84					
	2nd & 3rd Day	each	$ 169					
	Over 3 days	each	$ 169					
	plus per container / day	per container / day	$ 84					

City of San Francisco				Comparison Agencies				
Fee No.	**Fee Description**	**Fee Unit / Type**	**Current Fee / Deposit**	**Berkeley**	**LA**	**Oakland**	**Sacramento**	**Seattle**
24	**Street Improvement**			$190/hr	Class "A" Permit - $273 Insp: Curb: $3.7/lf Paving/Gutter/Sidewalk/Driveway: $0.85/sf Resurfacing: $3.30/sf Area Drain/Tree well: $15.95 each Pipe: $5.50 each Density Test: $300 ea Relative Compaction: $115 ea Concrete Cylinder Test: $100 ea Class "B" Permit: Actual Cost	$1-$5k: $1,000 $5,001-$10k: $3,046 $10,001-$50k: $3,046 + $73/add'l $1,000 val $50,001-$100k: $5,966 + $52/add'l $1,000 val $100,001-$500k: $8,566 + $47/add'l $1,000 val $500,001-$2.5 mil: $27,366 + $45/add'l $1,000 val $2.5 mil+: $117,366 + $21/add'l $1,000 val	Min fee $74 / actual cost	*no comparison available*
	Minimum Submittal Fee (w/Building Permit App) - Simple	each	$ 1,660					
	Minimum Submittal Fee (w/Building Permit App) - Complex	each	NEW					
	Minimum Notice to Repair	each	$ 554					
	Curb Cut Only Annual Assessment Fee (min $100)	per SF/year	$ 5.25	see street space	see street space	see street space	see street space	see street space
25	**Street Space**			Filing Fee: $22 Base Permit Fee: $127 Temp ROW Inspection: $190 Monthly Fee: $221	No investigation: $556 Investigation: $1,854 Board Report Required: Actual Cost ($7,000 min deposit)	City Engineer Action: New encroach: $1,781 Existing: $3,176 Private Bike Rack: $74 New Bike Share: $1,781 Encroach R3 Occup: $1,781 Amend/Recession: $1,084 City Council Action: $4,980	Encroachment - non-billable account: $300 min deposit Encroachment - billable account: monthly invoicing Encroachment - temp use: $0-$75 Revocable - no Council action: $300 Revocable - Council action - $600	ROW - Simple: $194 ROW - Complex: $698 General Long Term Issuance: $395 General Renewal: $300 Major Permits: $8,262
	Permit	each	$ 168			Obstruction - Short (14 day max): Metered: $34.50/day Un-Metered: $17/25 ft/day Obstruction - Long (15-180 day max): Metered: $1,037/meter/30 days Un-Metered: $519/25 ft/30 days		
	Occupancy Assessment	per month/per 20 LF	NEW	$7.50/LF/Month	*no comparison available*	*no comparison available*	*no comparison available*	Arterial: $0.90 - $1.40/per sf Non-arterial: $0.70 - $1.20 per sf

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
26	**Street Vending**							
	Application	each	$ 454	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	Year-Round Street/Sidewalk Activities: $200
	Renewal	each	$ 106					
27	**Temporary Occupancy**	per day / per block face	$ 84	see street space	see street space	see street space	see street space	see street space
28	**Transit Shelters (registered companies only)**							
	New Location	each	$ 470	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
	Existing location (if no public notice required)	each	NEW					
29	**Vault (Transformer) Encroachment**							
	New Application	each	$ 1,536	see street space	see street space	see street space	see street space	see street space
	Annual Assessment Fee	per SF/year	$ 19.75	see street space	see street space	see street space	see street space	see street space
30	**SFMTA Parking Meter Occupancy Fees**	per 25 LF / day	$ 18	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
31	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly	$ -	$ 190	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*

APPENDIX B.2

Comparative Fee Survey – Bureau of Street-Use and Mapping – Subdivision and Mapping Division

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
II	**SUBDIVISION AND MAPPING**							
1	**Application Processing**	each	$ 1,000	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
2	**Parcel Map**							
	Condominium Conversions of 4 Units or Less	each	$ 12,429	*no comparison available*	Prelim Parcel: Map: $8,240 Revision/Mod: $824 Exemption: $1,262 Tent Sub: < 20: $8,240 >= 20: Act Cost Revision/Mod: $1,854	Condominium Conversion: $3,624 Tentative Map: $6,532	Tentative map (parcel, master parcel, sub): $1,000 deposit Extension: $950	*no comparison available*
	New Construction Condominiums & Subdivisions of 4 Units or Less	each	$ 11,518					
	plus per lot	per lot	$ 50					
3	**Final Map**							
	Condominium Conversions of 5 or 6 Units	each	$ 12,592	*no comparison available*	Final Parcel: $8,240 Resubmit: $824 Reversion to acerage: $1,854 Waiver: $1,262	Final map: $4,033.50 first 2.5 hours, $417.90 each additional 2 hrs	Final Parcel: $3,200 deposit Final Sub: $3,800 dep + $25/lot Master Parcel check: $3,800 deposit	*no comparison available*
	plus per lot	per lot	$ 50					
	plus per lot (air space subdivision)	per lot	$ 806					
	New Construction Condominiums & Subdivisions of 5 Units or More	each	$ 12,592		Final Sub: <20: $8,240 >=20: Act Cost Resubmit: $824 Reversion to acerage: $2,549			
	plus per lot	per lot	$ 50					
	plus per lot (air space subdivision)	per lot	$ 806					

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
4	**Vertical Subdivision Map**							
	Parcel Map (4 Lots or Less)	each	$ 12,852	*no comparison available*	Airspace: Actual Cost	*no comparison available*	*no comparison available*	*no comparison available*
	Final Map (5 Lots or More)	each	$ 12,852					
	Each Additional Lot (air space subdivision)	each	$ 806					
5	**Vesting Tentative Map**	each	$ 13,592	*no comparison available*	*no comparison available*	*no comparison available*	$950 dep	*no comparison available*
6	**Amended Map**	each	$ 4,357	*no comparison available*	Parcel: $824 Sub: $1,854	$1,709/map	$600 dep	*no comparison available*
7	**Lot Line Adjustment**	each	$ 4,357	$1,743 plus $588 deposit	no comp	$ 320	2-4 parcels: $2,600 > 2 acres: $2,600 dep	$ 1,970
8	**Certificate of Compliance**	each	$ 3,446	*no comparison available*	$ 1,262	First 6 hours: $1,311 Each add'l: $226.80/hr	Lot splits: $1,800 Lot mergers: $2,300 Admin fee waiver: $1,000 dep	*no comparison available*
9	**Certificate of Correction**	each	$ 3,446	*no comparison available*	*no comparison available*	$ 1,157	$600 dep	*no comparison available*
10	**Sidewalk Legislation, Street Vacation**	per block	$ 3,293	*no comparison available*	Actual Cost	City Council: $4,980 City Engineer: $2,564 Shared Access Eng Review: $1,804	$ 2,500	$ 6,500
	Additional Fee (fronting/re-circulation)	per lot	$ 1,750					
11	**Record of Survey**	each	$ 816	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
12	**Corner Record**	each	$ 25	*no comparison available*	*no comparison available*	Pre-const: $2,228.10 Post-const: $522.90	*no comparison available*	*no comparison available*
13	**Department of Building Inspection (DBI) Review Fee**	each	$ 538	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
14	**Pre-application Meeting or Staff Consultation (first 2 hours)**	hourly	$ 533	*no comparison available*	$149/hr	$174 - $199.16 per hour	$120/hr	$269/hr
	each additional hour	hourly	$ 266					
15	**Project Reinstatement (Untermination)**	each	$ 1,000	*no comparison available*	*no comparison available*	*no comparison available*	$ 500	*no comparison available*
16	**Incomplete Submittal**	each	$ 500	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
17	**Appeal of Tentative Map Decision Fee**	each	$ 381	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
18	**Monument Reference**	each	$ 4,070	*no comparison available*	*no comparison available*	$ 6,757	*no comparison available*	*no comparison available*
19	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly	$ -	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*

APPENDIX B.3

Comparative Fee Survey – Bureau of Urban Forestry

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
III	**URBAN FORESTRY**							
1	**Sidewalk Landscaping**			*no comparison available*	no cost	*no comparison available*	*no comparison available*	*no comparison available*
	Non-Construction Related							
	One (1) Property	per app	$ 340					
	2-4 Properties	per app	$ 292					
	5+ Properties	per app	$ 253					
	Construction Related				*no comparison available*			
	Single Property / Small Parcel / Residential - Retroactive (no changes required)	per app	NEW					
	Up to 25 lf of frontage	flat	NEW					
	26-75 lf of frontage	flat	NEW					
	76-200 lf of frontage	flat	NEW					
	201+ lf of frontage	flat	NEW					
2	**In-Lieu Tree Fee**	per tree	$ 2,431	*no comparison available*	Development Tree Planting: $2,612 per tree Public Works Tree Planting: $1,945 per tree (reduced by $267 per tree for residential property with 4 or fewer dwelling units)	$619/tree	Trees other than palm trees - $325 per inch DSH Palm Trees - $100 per linear foot	*no comparison available*

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
3	**Tree Removal Permit Application**							
	Non-Construction Related							
	1 - 3 Trees	flat	$ 458	*no comparison available*	Broadhead/Palm: $343 <10: 2% surcharge Oak Trees: $1,084	Non-development: 1-10: $503.53 11+: $503.53 + $10/tree Development: 1-10: $503.53 11-100: $503.53 + $10/tree 100+: $503.53 + $125.83/hr	$50 application fee	Performing • a street tree removal, • a street tree planting, • major pruning of street tree branches or roots greater than 2" diameter, or • major pruning comprising more than 15% of foliagebearing area: no cost Work is on an arterial street and will take more than 2 hours per day: $599 + Street Use fees + $98 review fee Work is on a non-arterial street and will take more than 8 hours per day:$599 + Street use fees Work is in Hub Area or High Impact Area downtown: $98 Review fee
	4-9 Trees	flat	$ 1,228					
	10+ Trees	flat	$ 1,845					
	Construction Related							
	1 - 3 Trees	flat	$ 923					
	4-9 Trees	flat	$ 1,228					
	10+ Trees	flat	$ 1,845					

City of San Francisco				Comparison Agencies				
Fee No.	Fee Description	Fee Unit / Type	Current Fee / Deposit	Berkeley	LA	Oakland	Sacramento	Seattle
4	**Tree Protection Plan**							
	1-3 Trees	per app	$ 151	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
	4+ Trees	per app	$ 151					
5	**New Planting (standalone, no tree removal permit)**							
	Non-Construction Related		NEW	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
	Construction Related							
	Up to 50 lf of frontage	each	NEW	Tree planting in public-right of-way: City plants a tree or residents can plant their own tree All trees considered City property Pruning to be done by City Staff Resident will water for at least 3 years (approx 20 gal per week for 7 mo)	15 gallon: $427 24" box size: $434	Concrete cutting: Actual Cost 15 gallon: $490.26 24" box size: $814.39	Corner lot: $200 per tree Interior lot: $100 per tree	no cost
	51-125 lf of frontage	each	NEW					
	126-250 lf of frontage	each	NEW					
	251+ lf of frontage	each	NEW					
6	**Reinspection Fee / Additional Site Visit**	per inspection	NEW	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
7	**Billboard Permit**	each	$ 300	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*
8	For services requested of City staff which have no fee listed in this fee schedule. Additionally, the City will pass-through to the applicant any discrete costs incurred from the use of external service providers if required to process the specific application.	hourly	$ -	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*	*no comparison available*

APPENDIX C

Fee Study Sensitivity Analysis

Urban Analytics

Memorandum

To: Bruce Robertson, Deputy Director for Financial Management and Administration, San Francisco Department of Public Works
From: David Mealy
RE: San Francisco Department of Public Works Fee Study Sensitivity Analysis
Date: May 23, 2023
CC: Nicole Kissam, NBS; Lauren Guido, NBS

Introduction

As part of the scope of the Fee Study for the San Francisco Department of Public Works (the Department), NBS and Urban Analytics were asked to facilitate the Department's review of the benefits of different types of fees for service activities through an analysis of potential market sensitivities to those fees and the interaction of those fees with established Department goals and policies. This memorandum sets out the results of our sensitivity analysis.

Summary

Permit fees are a cost recovery mechanism for public agencies, compensating for the time and materials needed to ensure projects meet public safety and regulatory requirements. Fee reductions, deferrals, waivers and rebates are employed in San Francisco and elsewhere to further particular public policies, provide needs-based assistance on a case-by-case basis, offset past inequities for defined populations and as an emergency response tool. Revenue forgone from fee reduction, waivers and rebates can be treated as non-recoverable, be capped to limit budget impact, be offset by outside funding, be provided in return for other impact mitigation, or simply be treated as a cost necessary to achieve larger public policy goals; however, the forgone revenue cannot be recaptured from increased fees on other fee-payers.

San Francisco has implemented a number of innovative policies to reduce permitting costs in response to the economic hardships caused by the COVID-19 pandemic, including permit streamlining, notification waivers and business license, permit and tax waivers. Some of these and other policies have been extended post-pandemic to ameliorate the impact fees may have on particular public policy goals intended to rebuild San Francisco's economic resilience and increase housing supply.

Background

The initial scope for this task was developed in conjunction with Department staff in late 2019, a time when soaring costs for both housing and commercial space were raising concerns about the affordability of the City for residents and small businesses. The focus of this portion of the fee study at the time was on potential impacts related to the retention of both businesses and affordable housing in the City.

In the intervening three years, the shelter-in-place requirements brought on by the COVID pandemic upended the local economy by virtually eliminating most local activity related to office, retail, restaurant, tourism, hospitality, the arts and sports for much of that period. The pandemic also brought to the fore social equity issues around exposure to COVID for essential service workers, often people of color living in close quarters because of the lack of housing affordability. Beyond the pandemic, racial justice and systemic racism became a major and ongoing public concern with the deaths of numerous Black Americans at the hands of law enforcement as well as with racist attacks here and elsewhere on Asian Americans and Pacific Islanders.

The City established the Office of Racial Equity (ORE) as a division of the Human Rights Commission in 2019 and required all departments within the City to prepare a Racial Equity Action Plan in two phases. The first phase, completed in January 2021, focused on the internal dynamics and operations of City departments and the second phase focusses on how they deliver services and community programs. The ORE is charged with implementing, among other things, a Racial Equity Policy Analysis Tool for Legislation at the Board of Supervisors to illuminate the impact of policy on communities of color as well as a Budget Equity Tool to assess how the City budget decisions and priorities benefit and/or burden communities, specifically communities of color.

The challenges of retaining small businesses and residents that were top-of-mind in 2019 remain a major concern today. These issues have been exacerbated by the pandemic-caused economic shutdown and subsequent layoffs in technology, restaurant, hospitality and other industry sectors, leading in part to a 7.5% decline in San Francisco's population[1] – conditions that are a near inverse of

the overheated economy three years ago. The following analysis will focus on particular tools – cost-recovery adjustments, waivers, deferrals and rebates – related to permit fees that have been employed by San Francisco and other cities.

Analysis

User fees and regulatory fees in California must be adopted by the elected governing body during a public hearing[2] and may not exceed the full cost of providing services for which the fee is charged[3]. In other words, the cost recovery rate achieved by a fee may not be greater than 100%. Local governments will typically select cost recovery targets that meet local priorities. Targets can be applied to fee programs such as recreation services, or to individual fees such as a building permit for a water heater.

A general means of selecting an appropriate cost recovery target is to consider the public and private benefits of the service or activity in question:

- To what degree does the public at large benefit from the service?
- To what degree does the individual or entity requesting, requiring, or causing the service benefit?

When a service or activity completely benefits the public at large, significantly lowered fee amounts as relates to costs of providing services typically apply. A low or 0% cost recovery policy for a service or fee program reflects a policy directive to subsidize a service, utilizing general funds from taxes or other sources than fees to finance the services provided. Conversely, when a service or activity completely benefits an individual or entity, there is generally closer or equal to 100% of cost recovery from fees collected from the individual or entity.

Each governing body establishes fee amounts in accordance with local community goals including code compliance, financial constraints, economic development, social values, and equity considerations. Once fees are established, waivers, deferrals, reductions and rebates are all additional tools and incentives that can be applied in response to particular circumstances such as economic need, racial and social equity or disaster response.

Targeted Fee Mitigation

While the Covid pandemic is generally considered to be behind us, and the public health shut-down orders have ended, the City's economy is still reeling from the pandemic for several reasons: most businesses had to close for some time during the pandemic and many never re-opened; some re-

opened but owe back rent and City fees that were deferred; many businesses are open but don't have clientele, staff, cash flow, tourist spending, etc. that they had before the pandemic began.

According to a recent report by the San Francisco Controller's Office[4], businesses located in the downtown core were decimated by the pandemic and some have not rebounded,[5] with office vacancies above 25%. A significant number of office workers have been laid off, not fully returned to downtown offices or are working hybrid schedules while many employers have given up or sublet their San Francisco office leases or shut down altogether Although the public-health crisis is largely over, many San Francisco businesses of all types, especially downtown and in industrial areas, small and homegrown, and those in low-income communities, are still struggling and likely will be for the foreseeable future.

To identify where businesses most in need of economic support are located, the San Francisco County Transportation Authority developed a map identifying "communities of concern" by several demographic measures at a census block group level that is useful for this purpose[6]. In addition, the San Francisco Controller's Office released The Status of the Re-Opening of the San Francisco Economy in November 2022[7] that shows new business licenses by type pre- and post-Covid. A 2015 collaboration between U.C. Berkeley's Urban Displacement Project and the Mayor's Office of Housing and Community Development produced a map of gentrification and displacement risk by census tract[8]. The San Francisco Office of Cannabis' Equity Applicant program uses a map to qualify applicants by residency in particular census tracts with 17% or more of households at or below the federal poverty level[9]. There are a number of broad strategies in furtherance of racial and social equity goals in Oakland and Alameda County described in reports from PolicyLink[10] and the Dellums Institute[11].

The San Francisco Department of Public Health tracking of Covid by neighborhood[12] shows the highest rates of infection, hospitalizations and death were and continue to be in low-income communities of concern. The data also shows significant overlap between negative economic impacts from the pandemic with low-income communities of concern that also experienced the City's highest rates of Covid infection and death. As the City evaluates ways to mitigate the Department's fee impacts a focus should be maintained on historically underserved, low-income, disproportionately BIPOC (Black, Indigenous and People of Color) neighborhoods as defined by SFCTA, SFDPH, and others.

In addition to geographic targeting of fee mitigation, it is also important to look at the variety and types of businesses that interface with the Department, pay permit fees, and may also be impacted

by the post-Covid struggle to regain a foothold in the City. Many retailers, food and hospitality, and sales/service providers downtown, in neighborhood commercial districts, and especially in communities of concern, still do not have sufficient clientele, staff or cash flow to be stable or thrive.

Restaurants (primarily) were thrown a lifeline during the pandemic by being allowed to open "Shared Spaces" or "parklets" on City streets and sidewalks. The Department administers this program which has evolved over time in terms of locations, construction and material requirements, permit costs, etc. The initial permit fees were waived during the pandemic and legislation was recently introduced to eliminate permit fees for "curbside" Shared Spaces entirely[13]. Other recently passed legislation extends the grace period for an additional 120 days for permit applicants to operate under pandemic Shared Spaces permits and convert the shared spaces use into a post-pandemic permit.

Many businesses quickly opened shared spaces with materials on hand, only to find after opening that they didn't meet the evolving criteria (for example, spaces on the street near intersections had to remove the upper "ceilings" so fire trucks could navigate around corners safely)[14]. The cost of building the spaces, then altering them, was too expensive for some businesses, and many were removed or abandoned. But these spaces effectively saved the life of San Francisco neighborhoods by enabling residents to gather safely outdoors, eat together with family and friends, and bring activity back to the streets. While not without controversy, the Shared Spaces program (also the JAM program – Just Add Music – that allows live music in Shared Spaces) was a success story that came out of the pandemic and helped keep neighborhood commercial districts alive. Whether the recently-introduced legislation passes, fee mitigation could be prioritized in low-income communities of concern that had a harder time building and maintaining Shared Spaces due to long-standing poor street conditions and exacerbated economic challenges. The same prioritization could be applied to fee mitigation for stand-alone outdoor tables and chairs.

Food trucks were key to feeding residents safely during the pandemic, either individually or collectively in outdoor food hubs. While they also come with some controversy (some feel they compete unfairly with near-by brick-and-mortar restaurants), food trucks can add economic and social life to City streets, in parks, and in the downtown core. Fee mitigations could be applied to permit applications for food trucks located in communities of concern, in neighborhood parks, and downtown to help bring vitality to areas that are struggling or that need more "eyes on the streets".

Street vendors also fall within the Department's permitting purview. The City has stepped up permit requirements and enforcement recently due to complaints about an increase in unpermitted and unmanaged street vendors around the City. These actions have been noted by the City's Office of

Racial Equity as problematic because street vendors may be targeted unfairly due to ethnicity, immigrant status and/or locations. The Office issued an analysis[15] that discourages permit requirements/enforcement and instead recommends designing enforcement based on the needs of the vendors.

Businesses in industrial areas zoned as PDR (Production, Distribution and Repair) - are experiencing a lack of basic City services (street and sidewalk construction, repair and maintenance, parking enforcement, timely SF311 report responses, pedestrian infrastructure upkeep, safety oversight, etc.) that are prioritized in commercial and residential areas in part because of pandemic-related budget and staff shortages. This leads to economic hardship for PDR businesses as well as potential danger to workers and clients.

PDR areas often are located in communities of concern that have been historically underserved long before the pandemic. For example, in the Bayview, many streets are deemed "unaccepted" as public rights-of-way by the City and therefore are not maintained by City agencies including the Department. As a result, public infrastructure and roadway conditions do not meet City standards nor serve employers and workers in these areas. These conditions themselves may have occurred due to under-investment, red-lining and other longstanding policies that were (and continue to be) the product of social inequality and racism[16]. Businesses on these and other streets in industrial areas rely on the Department for basic upkeep of public rights-of-way but often do not receive the services that their commercial and residential counterparts receive, even though they are subject to the same permit fees and taxes. Many of these PDR businesses are food-service related (for example non-profits like Meals on Wheels and the SF Produce Market, family-owned firms like BiRite and Legacy Businesses like Wilcox Foods) while others are large anchor businesses like Amazon and Prologis; many have workers that arrive at night and by public transportation and most have delivery and distribution requirements that rely on public infrastructure.

While the Department issues permits for General Excavation and Major Encroachments for new building construction, the November 2022 SF Controller's Economic Report highlighted a weakening housing market and decline in residential permit activity. Housing-related fee mitigation opportunities could help reverse this trend. The Board of Supervisors recently passed legislation to allow 4 and 6-unit dwellings in RH (residential housing) zones throughout the City. The legislation is intended to increase housing availability and affordability for City residents. However, the City's Office of Racial Equity reviewed the legislation[17] and noted concerns that low-income communities of color may be inadvertently negatively impacted by this legislation because the cost would be so high

that only the most expensive units could be built, perpetuating exclusionary zoning and worsening the City's racial wealth gap.

Other Forms of Fee Mitigation

Annually in May, the Department and DBI waive 18 of the 23 permit fees normally charged for awning replacement and pedestrian lighting as part of a Small Business Month support program. These waivers apply to small businesses (100 or fewer employees) submitting over-the-counter permit applications for these storefront improvements during May; the applicant submits a simple one-line affidavit attesting to their employee count[18]. The City has also implemented the "First Year Free" program to waive certain first-year permit, license and business registration fees from November 2021 through June 2023[19].

In 2020, the City implemented voter-approved Proposition H, the Save Our Small Businesses Initiative, imposing a number of amendments to the Planning Code and the Business and Tax Regulations Code[20]. These include a coordinated, simplified and expedited 30-day review process among City departments for storefront commercial uses principally permitted in Neighborhood Commercial Districts and Neighborhood Commercial Transit (NCT) Districts, elimination of neighborhood notifications for most storefront land use changes in Neighborhood Commercial Districts, and other changes intended to provide small businesses with added flexibility in adapting their operations to current conditions. To the extent that they reduce the number of fee-based permits required for covered projects, these changes could have the effect of reducing fees [21]. The Initiative implemented a waiver for fees charged by any City department for additional reviews that result from errors in that department's interpretation of code requirements or their determination of required approvals [22].

The City has instituted a number of programs offering financial assistance to small businesses affected by the pandemic. Among these is a program funding business license and registration fee deferrals for restaurants, subsequently turned into one-year fee waivers, and two-year business license and registration fee waivers for entertainment venues; both types of businesses also received waivers of their payroll taxes for 2020 [23]. These fee waivers are limited to businesses with qualifying permit types and gross receipts under certain amounts.

San Francisco also offers a cannabis equity program similar to those in Los Angeles, Oakland and elsewhere that includes priority permit processing and application and cannabis business permit fee waivers[24].

On March 23, 2023, Mayor Breed announced a new legislative proposal of over 100 changes in the Planning Code to facilitate easier permitting for small businesses, encourage economic recovery and growth, and fill commercial vacancies. This comes after passing Prop H in 2020 (Save Our Small Business Initiative) and the Small Business Recovery Act (expanded provisions in Prop H to NCTs and other commercial areas, added use flexibility, deleted the definition for a few uses so they fall under General Retail, etc.). According to the Mayor's office, "…*since the City began implementing Proposition H in January 2021, over 3,500 businesses have benefited from the program, which allows more commercial projects to be processed within a shorter timeframe as over-the-counter permit applications are processed immediately upon submission*". In addition, Prop H and the Small Business Recovery Act enabled the Office of Small Businesses to add two new Small Business Permit Specialist positions in March 2022 that have supported over 870 business owners with researching permit requirements, serving as a main point of contact for permits being routed through multiple agencies, and resolving permitting questions. A new Permit Center[25] opened in July 2021 and offers 23 distinct service areas through the Planning Department, Department of Building Inspection, Department of Public Health and Department of Public Works, among others. The Mayor's office says, "*By centralizing services in one place, customers can move between permitting departments efficiently, resulting in a better experience and improved government function. Since the start of this year, the Permit Center has served an average of 191 customers per day and provides on average 531 services daily"*.

As of April 2023, the Mayor's new legislative proposal had not been introduced at the Board of Supervisors so the additional code changes are not yet available for review. In her announcement[26] the Mayor gives some information as to how her proposal will be applied to permit changes to expand small business reforms tailored to neighborhood commercial areas – they include:

- Reduce the number of barriers small businesses experience when trying to open a new storefront or expand into a new space;
- Provide small business entrepreneurs greater flexibility to adapt to the changing times caused not only by the pandemic, but also due to shifts in consumer behavior as seen globally;
- Allow more businesses to open without going through the months-long Conditional Use Authorization process by principally permitting more uses throughout the City, and reducing the ability for appeals to cause even longer delays;
- Allow more business use types to open on the ground floor to provide more options in filling vacant commercial ground floor spaces;

- Address challenges for venues that provide entertainment and/or alcohol, as well as for businesses that offer outdoor patios for patrons

These all appear to be changes to Planning/Building permit processes but there may be changes to the Department permitting included as well. It should also be noted that these changes are focused on easing permitting for small businesses, while the Department permit fee mitigations we are discussing may apply to other sorts of businesses as well as small businesses.

As noted previously, San Francisco recently implemented business license and registration fee waivers as well as payroll tax waivers for entertainment venues and restaurants in response to the widespread economic damage done to those business sectors by the pandemic. These waivers represent foregone general fund revenue in an amount that was somewhat predictable based on the number of permits for establishments that fall within the revenue limits, and were authorized by the Board of Supervisors as a citywide response to a citywide issue. The City also allows annual fee waivers for certain storefront improvements by small businesses, at a minimal cost to the City.

Conclusions

Fee waivers and reductions through permit consolidation has been a prominent strategy with respect to small businesses as the City emerges from the pandemic. This strategy can be extended to meet racial and social equity goals as well by, among other means, geographic targeting of fee waivers and permit streamlining.

While the actual delineation of neighborhoods and communities would be determined in close collaboration with individuals, organizations and representatives in those communities, several tools are available to facilitate such targeting.

Examples of equity programs that could incorporate fee waivers include:

- Legacy and Anchor Business Retention:
    - Legislation passed in 2021 established a Neighborhood Anchor Business Registry which is managed, in addition to the Legacy Business Program, by the Office of Small Business for businesses located at or near their original location for over 15 years. Assistance offered to Anchor Businesses must be consistent with the City's racial equity and language access goals. Permit fee waivers or rebates could be offered to Anchor Businesses located in communities of concern.

- Anti-Displacement:
    - Aging-in-place programs: fee waivers for improvements required to enable elderly residents to remain in their homes or with their families; the target communities could be geographic areas identified as experiencing displacement having large elderly populations.
    - Retention of long-time residents: waivers of permit fees for long-time residents buying homes in their neighborhoods, targeting communities experiencing high levels of displacement with residential longevity established through public records, neighborhood organizations or other means.
- Anti-Racism:
    - First-time homebuyers from previously redlined areas, areas that experienced displacement through urban renewal and redevelopment, segregated public housing developments or other areas in which homeownership was closed off for communities of color could be provided with fee waivers for home renovations for a period of time after a home purchase; eligibility criteria would be developed in conjunction with the communities affected.

Waivers and reductions have been demonstrated as reasonable to effective, especially in communities of concern. Fee deferrals are not recommended because many businesses still owe what they deferred during the pandemic and may never be able to pay, let alone future deferred fees. Fee rebates are not very helpful because they require paying the full fees at the outset, and many businesses (some new and some existing but struggling) still can't afford them.

Gross receipts may not be an appropriate measure for fee mitigations post-pandemic because most businesses took a big hit during Covid and many have not fully come back, so their gross receipts may not be an accurate measure for the foreseeable future. On the other hand, fee mitigation could be directed to businesses that stayed afloat but whose gross receipts dropped by a significant percentage between 2019 – 2023 (50% for example).

As discussed previously, businesses that are deemed small (less than 100 employees), Legacy Businesses and Anchor Businesses could be prioritized for Department fee waivers or reductions, especially in communities of concern, or where new business licenses are still lagging post-pandemic according to the SF Controller's Office.

Recognizing that Department fees are only part of the permit and regulatory fees that apply to most commercial and residential projects, fee waivers implemented solely by the Department in the

absence of similar waivers of other departmental fees would be less effective than a coordinated fee waiver program across all departments. Coordinated fee reductions through permit consolidation, streamlining and expediting, such as those implemented through Proposition H, would serve a similar end. The "First Year Free" small business fee waivers program may serve as a model for the application of fee waivers in other circumstances, including meeting City goals for racial and social equity.

Permit fee waivers that are part of broader multi-departmental programs to achieve economic, racial and social equity goals will require Citywide administration to establish eligibility criteria and provide consistent and funded program administration across departments. There are a number of programs in San Francisco – pandemic-related business assistance and public health outreach, cannabis equity, affordable housing, homeless assistance – that are interdepartmental in nature and may provide useful models.

[1] The San Francisco Standard It's Official: A Quarter Million People Fled the Bay Area Since Covid, March 31, 2023
[2] California Government Code 66016
[3] California Constitution Article XIII C, Section 1
[4] San Francisco Controller's Office Status of the San Francisco Economy, January 2023
[5] Yahoo.com Houston, Dallas Lead the Country in Office Attendance and Empty Office Space, April 16, 2023
[6] San Francisco County Transportation Authority Equity Priority Communities map
[7] San Francisco Controller's Office Status of the Re-Opening of the San Francisco Economy, November 2022
[8] Urban Displacement Project, U.C. Berkeley Mapping Displacement, Gentrification and Exclusion in the San Francisco Bay Area, 2015
[9] San Francisco Office of Cannabis Equity Applicant Eligibility Criteria
[10] PolicyLink and the City of Oakland, A Roadmap Towards Equity: Housing Solutions for Oakland, California, 2015
[11] The Dellums Institute for Social Justice, Saving Homes Today: Immediate Anti-Displacement Solutions for the Alameda County Housing Bond, April 2016
[12] San Francisco Department of Public Health Covid-19 Case Maps
[13] San Francisco Board of Supervisors Shared Spaces legislation
[14] Impacts on small businesses developed through conversations with Dee Dee Workman, Workman Associates San Francisco, May 2023; Ms. Workman is a policy advisor to San Francisco's small business community.

[15] ORE Racial Equity Impacts - Street Vendor Regulation
[16] Unaccepted Streets in Bayview Hunters Point
[17] ORE Racial Equity Impacts - Density Exceptions in Residential Districts
[18] Small Business Month Fee Waivers Affidavit
[19] San Francisco Office of the Treasurer and Tax Collector First Year Free
[20] Proposition H Implementation Press Release, November 19, 2020
[21] Conversation with Dee Dee Workman, Ibid.
[22] San Francisco Municipal Code, Article 1, Section 32(f), added by Proposition H, effective 12/18/2020
[23] News Release: Mayor London Breed's Legislation Providing Fee Waivers and Deferrals for Small Businesses Passes at Board of Supervisors, Jan 5 2021

[24] San Francisco Police Code Section 1604
[25] SF.GOV: San Francisco Permit Center
[26] San Francisco Office of the Mayor Small Business Permitting Improvements and Permit Center, March 23, 2023