

Community Development Cost of Services Study

City of Redondo Beach

March 17, 2026

RCS



➤ **Revenue & Cost Specialists founded in 1980**

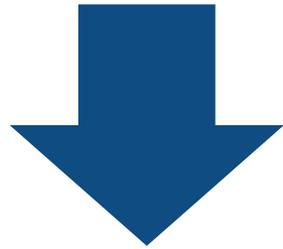
Pioneered matching Fee Revenues with Cost of the Services.

Studied over 250 agencies in 5 states

Eric Johnson, President

36 years with RCS. Assisted over 150 agencies

Department Budget



Business Orientation

Conditional Use Permit
Design Review
Tentative Parcel Map
Zoning Compliance Report
Building Plan Check
Building Permit



(2) Identified Cost of Services to Customers
(3) Matched Revenues to Costs

THOROUGH PROCESS



Proposition 4 (1979)

- Defined service fees as being limited to the full costs of providing the service.
- Rents and fines are exempted from cost recovery limitations.

Proposition 218 (1996)

- Placed limits on the creation and updates of property-related fees.

Proposition 26 (2010)

- Codified existing fee-setting practices as Article XIIC of the State Constitution.
- Fees must be for a service directly benefitting the fee payor.





Establish service
& time spent



Review budget
and calculate
overhead



Determine
Community vs
Personal Choice



Cost recovery &
Recommendations

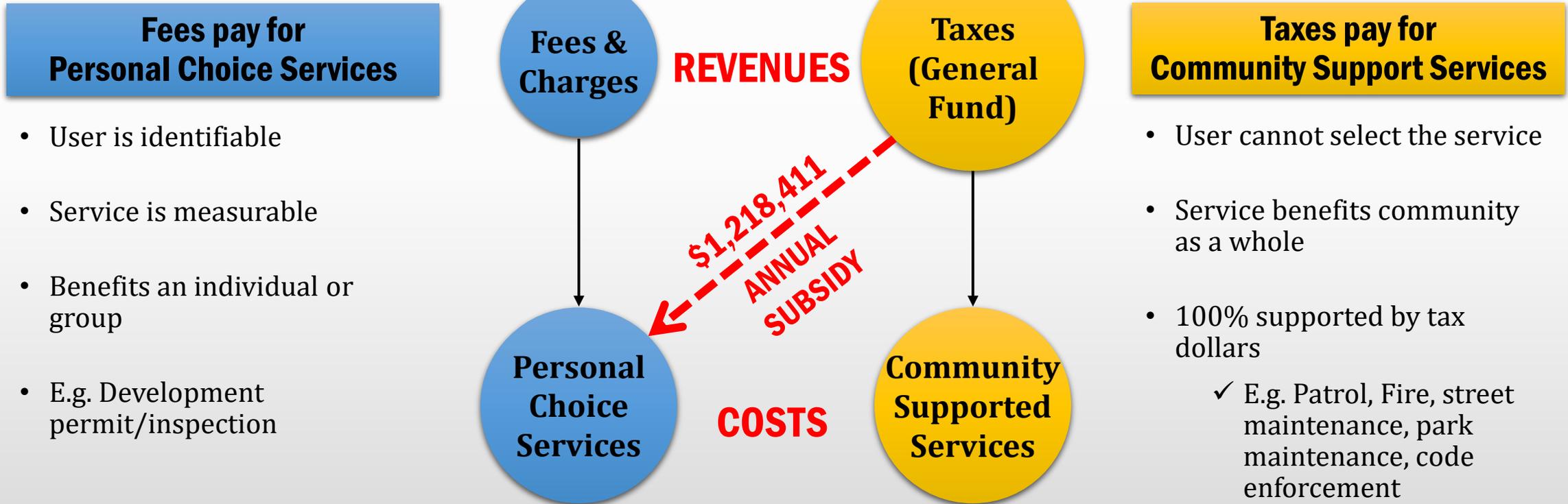
Community Support (Tax) Services

- Typically benefits community as a whole
- 100% supported by tax dollars
 - ✓ E.g. police, fire, street maintenance, park maintenance and code enforcement

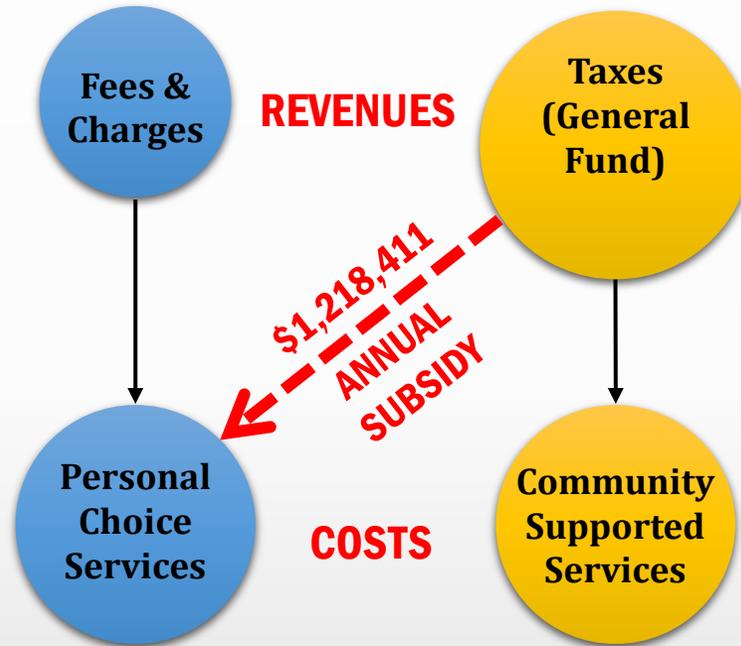
Personal Choice (Fee) Services

- The Customer is identifiable and the Service is measurable
- Benefits an individual or group
- Subsidy levels may be based on social, safety or welfare reasons
- E.g. Development Services

FULL COST OF FEE SERVICES



FULL COST OF FEE SERVICES



SERVICE	TOTAL FEE REVENUE	TOTAL SERVICE COST	TOTAL PROFIT/ (SUBSIDY)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE
				ACTUAL	SUGGEST	
PLANNING SERVICES	\$489,514	\$1,046,918	(\$557,404)	46.8%	100.0%	\$536,000
BUILDING & SAFETY SERVICES	\$3,214,452	\$3,875,459	(\$661,007)	82.9%	100.0%	\$661,000
ALL FEE SERVICES	\$3,703,966	\$4,922,377	(\$1,218,411)	75.2%		\$1,197,000

**Community Development
Cost of Services Study
for the
City of Redondo Beach**

JANUARY 2026



Revenue & Cost Specialists

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Fullerton, CA 92831

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SUMMARY SCHEDULE

REF # (1)	SERVICE (2)	TOTAL FEE REVENUE (3)	TOTAL SERVICE COST (4)	TOTAL PROFIT/ (SUBSIDY) (5)	PCT. RECOVERY FROM FEES		POSSIBLE NEW REVENUE (8)	
					ACTUAL (6)	SUGGEST (7)		
S-001	MINOR ADMIN DESIGN REVIEW	\$97,995	\$132,237	(\$34,242)	74.1%	100%	\$34,200	
S-002	MAJOR ADMIN DESIGN REVIEW	\$108,528	\$88,410	\$20,118	122.8%	100%	(\$20,100)	
S-003	OTHER MINOR DESIGN REVIEW	\$31,740	\$39,841	(\$8,101)	79.7%	100%	\$8,100	
S-004	OVERLAP PARKING REVIEW	\$2,290	\$2,032	\$258	112.7%	100%	(\$300)	
S-005	ADDITIONS PLANNING COM DESIGN REV	\$3,215	\$5,791	(\$2,576)	55.5%	100%	\$2,600	
S-006	NEW CON NON-RES PLAN COM DESIGN REV	\$41,915	\$31,032	\$10,883	135.1%	100%	(\$10,900)	
S-007	NEW CON MFR PLAN COM DESIGN REV	\$6,430	\$31,253	(\$24,823)	20.6%	100%	\$24,800	
S-008	NON-RES CONDITIONAL USE PERMIT	\$57,744	\$134,533	(\$76,789)	42.9%	100%	\$76,800	
S-009	MULTI-FAMILY CONDITIONAL USE PERMIT	\$0	\$0	\$0	0.0%	100%	\$0	(c)
S-010	CONDOMINIUM CONVERSION	\$16,558	\$7,474	\$9,084	221.5%	100%	\$0	(a)
S-011	DEVELOPMENT AGREEMENT	\$0	\$0	\$0	0.0%	100%	\$0	
S-012	ZONE CHANGE	\$0	\$0	\$0	0.0%	100%	\$0	(b)
S-013	GENERAL PLAN AMENDMENT	\$0	\$0	\$0	0.0%	100%	\$0	(b)
S-014	NEW SPECIFIC PLAN	\$0	\$0	\$0	0.0%	100%	\$0	(b)

Schedule of fiscal impact by each fee

APPENDIX A – CURRENT & PROPOSED FEES

CITY OF REDONDO BEACH
FEE COMPARISON REPORT
FY 2024-2025

REF #: S-001

TITLE: MINOR ADMIN DESIGN REVIEW

CURRENT FEE

Single Family, Additions, Commercial Remodels, Signs, etc. - No Charge
Pre-Application - \$695 per application

RECOMMENDED FEE

Residential Addition - \$840 per application
Commercial Tenant Improvement - \$840 per application
Standalone Sign Program - \$840 per application
New Single Family Residence - \$1,970 per application

REF #: S-002

TITLE: MAJOR ADMIN DESIGN REVIEW

CURRENT FEE

New Development containing 2-3 units on a lot - \$2,360 per application plus \$688 per unit
Multi-Family Residential - \$2,360 per application plus \$688 per unit
Non-Residential under 10,000 square foot floor area - \$5,400 per application

RECOMMENDED FEE

Non-Residential (under 10,000 sf) - \$3,660 per application
Residential Base (up to 4 Units) - \$3,660 per application
Each additional unit over 4 (up to 15) - \$180

REF #: S-003

TITLE: OTHER MINOR DESIGN REVIEW

CURRENT FEE

Additions - \$1,145 per application
Signs/Fences/Walls - \$115 per review

RECOMMENDED FEE

\$145 per application

APPENDIX B -

REVENUE & COST SUMMARY W/ COST DETAIL WORKSHEETS

CITY OF REDONDO BEACH
REVENUE AND COST SUMMARY WORKSHEET
FY 2024-2025

SERVICE MINOR ADMIN DESIGN REVIEW		REFERENCE NO. S-001
PRIMARY DEPARTMENT PLANNING	UNIT OF SERVICE APPLICATION	SERVICE RECIPIENT
DESCRIPTION OF SERVICE Review of an Administrative Minor Design project, such as New SFR, some residential additions, commercial TI's, and standalone sign programs for compliance with City codes and standards.		
CURRENT FEE STRUCTURE Single Family, Additions, Commercial Remodels, Signs, etc. - No Charge Pre-Application - \$695 per application		
REVENUE AND COST COMPARISON		
UNIT REVENUE:	\$695.00	TOTAL REVENUE: \$97,995
UNIT COST:	\$937.85	TOTAL COST: \$132,237
UNIT PROFIT (SUBSIDY):	\$(242.85)	TOTAL PROFIT (SUBSIDY): \$(34,242)
TOTAL UNITS:	141	PCT. COST RECOVERY: 74.11%
SUGGESTED FEE FOR COST RECOVERY OF: 100%		
Residential Addition - \$840 per application Commercial Tenant Improvement - \$840 per application Standalone Sign Program - \$840 per application New Single Family Residence - \$1,970 per application		

January 29, 2026

CITY OF REDONDO BEACH
COST DETAIL WORKSHEET
FY 2024-2025

SERVICE MINOR ADMIN DESIGN REVIEW		REFERENCE NO. S-001				
NOTE Unit Costs are an Average of Total Units		TOTAL UNITS 141				
DEPARTMENT	POSITION	TYPE	UNIT TIME	UNIT COST	ANN. UNITS	TOTAL COST
PLANNING SVCS	PLANNING MANAGER	Resid. Addition	1.00	\$264.25	110	\$29,068
PLANNING SVCS	ASSOC/SENIOR PLANNER	Resid. Addition	4.00	\$577.40	110	\$63,514
TYPE SUBTOTAL			5.00	\$841.65		\$92,582
PLANNING SVCS	PLANNING MANAGER	New SFR	2.00	\$528.50	12	\$6,342
PLANNING SVCS	ASSOC/SENIOR PLANNER	New SFR	10.00	\$1,443.50	12	\$17,322
TYPE SUBTOTAL			12.00	\$1,972.00		\$23,664
PLANNING SVCS	PLANNING MANAGER	Commercial TI	1.00	\$264.25	18	\$4,757
PLANNING SVCS	ASSOC/SENIOR PLANNER	Commercial TI	4.00	\$577.40	18	\$10,393
TYPE SUBTOTAL			5.00	\$841.65		\$15,150
PLANNING SVCS	PLANNING MANAGER	Standalone Sign Prog	1.00	\$264.25	1	\$264
PLANNING SVCS	ASSOC/SENIOR PLANNER	Standalone Sign Prog	4.00	\$577.40	1	\$577
TYPE SUBTOTAL			5.00	\$841.65		\$842
TOTALS			27.00	\$937.85		\$132,237

January 29, 2026

APPENDIX C - DETAIL OF BUILDING & SAFETY FEES

Misc Inspection Hours		\$174.32	\$275.00			
Description	Bldg Insp Hours	Bldg Insp Cost	Plan Check Hours	Plan Check Cost	Total Cost	Proposed Fee
Permit Issuance					\$63.00	\$63
Single Family Dwelling renovation and repair - interior only non-structural with PME					65% of New Construction Fee	
Kitchen/Bathroom Remodel					65% of New Construction Fee	
Tenant Improvements					65% of New Construction Fee	
Fence First 100 lineal feet(wood,vinyl,w.iron etc)	0.75	\$130.74	1	\$275.00	\$405.74	\$406
each additional 100 lineal feet	0.5	\$87.16	0.3	\$82.50	\$169.66	\$170
All masonry wall heights measured from top of footing to top of wall						
Masonry Wall- ≤ 6ft high-First 100 lineal feet	1.5	\$261.47	0.75	\$206.25	\$467.72	\$468
each additional 100 ft	0.5	\$87.16	0.3	\$82.50	\$169.66	\$170
Retaining Wall-Special Design-≤6 ft high-First 100 lineal feet	1.5	\$261.47	1.5	\$412.50	\$673.97	\$674
each additional 100 ft	0.5	\$87.16	0.3	\$82.50	\$169.66	\$170
Retaining wall-Special design-over 6 ft high per 1000 sq ft	1.5	\$261.47	1.5	\$412.50	\$673.97	\$674
Patio Cover, Pergola, Gazebo, Porch, Deck-First 500 sq ft	2	\$348.63	1.5	\$412.50	\$761.13	\$761
each additional 500 sq ft	1	\$174.32	0.5	\$137.50	\$311.82	\$312
Patio Enclosure First 500 sq ft - ICC	2	\$348.63	0.5	\$137.50	\$486.13	\$486
each additional 500 sq ft	1	\$174.32	0.1	\$27.50	\$201.82	\$202
Patio Enclosure First 500 sq ft - Conventional/Special Design	2	\$348.63	1	\$275.00	\$623.63	\$624
each additional 500 sq ft	1	\$174.32	0.5	\$137.50	\$311.82	\$312
Loft - Special Design - first 500 sq ft	3	\$522.95	2	\$550.00	\$1,072.95	\$1,073
each additional 500 sq ft	1	\$174.32	0.3	\$82.50	\$256.82	\$257
Garage Conversion - Conventional Construction					65% of New Construction Fee	
Garage Conversion - Special Design					65% of New Construction Fee	

FINAL TAX SUBSIDY DECISION

The Project Goal is to identify the full costs for the various services

RCS and City Staff have made fee recommendations for every service

City Council decides which services should be charged the full costs and which services are subsidized with tax dollars

History of 500 N Gertruda

- Resident petition submitted in late 2022
- Study conducted in 2023, RBMC thresholds met during midday weekdays only
- PWSC approved PPZ on 8/28/2023 subject to Coastal approval and recommended business outreach
- Council approved PPZ resolution on 12/19/2023 subject to Coastal Development Permit
- PPZ hours: Residents only Monday-Friday, 8am – 6pm
- Coastal Zone is any area west of PCH

Fee Reductions

Permit Type	Current Fee	Proposed Fee	Proposed Fee 50% Reduction
Non-Res CUP	\$3,208	\$7,305	\$3,650
Variance	\$3,200	\$7,950	\$3,975
Pre-App Review	\$695	\$2,515	\$1,257
Entertainment Permit	\$806	\$3,375	\$1,687
Historic Variance	\$2,570	\$7,950	\$3,975
PC Appeal	\$550	\$4,470	\$2,235
CC Appeal	\$500	\$5,620	\$2,810

Anticipated Revenue

- Past few years average revenue \$4.1 million
- Expenses reach \$4.9 million
- Proposed fee update would net approximately \$1 million or more in annual revenue
- Closes the gap between revenue and expenses
- Support expenses associated with enhanced service delivery

Development Impact Fees

Current Fees

- Park in-Lieu Fees (Quimby Fees) - \$25,000 per new subdivided residential unit
- Public Art Fee - 1% of project valuation (for valuations over \$250,000) for commercial, mixed-use and multi-family of 4+ units
- Parks and Recreation Fee - \$430 flat to any new single-family residential

➤ Consider updating agreement with RCS to evaluate adding new impact fees

Recommendations

- Receive and file report;
- Provide direction on feed study and proposed fee updates; and
- Provide direction on agreement for impact fee study.

Building Fees Existing/Proposed

Permit Type	Current Fee	Proposed Fee	Difference
Water Heater Replacement	\$91.60	\$151.91	\$60.31
Residential Reroof Permit	\$394.92	\$659.53	\$264.61
Grading for New Construction	\$1,029.82	\$644.10	-\$385.72
Shoring for New Construction	\$1,663.74	\$2,131.87	\$468.13
New Single-Family Residence	\$35,680.38	\$41,122.50	\$5,442.12
New Multifamily 3-unit	\$46,125.17	\$53,483.38	\$7,358.21
Electrical Panel Upgrade	\$122.13	\$147.78	\$25.65
Single-Family Addition	\$5,692.86	\$14,459.05	\$8,766.19
Commercial Tenant Improvement	\$6,782.04	\$12,887.58	\$6,105.54

Permit Type	Current Fee	Proposed Fee
Minor Admin DR	Single Family, Additions, Commercial Remodels, Signs, etc. - No Charge Pre-Application - \$695 per application	Residential Addition - \$825 per application Commercial Tenant Improvement - \$825 per app Standalone Sign Program - \$825 per app New Single-Family Residence - \$1,930 per app
Major Admin DR	New containing 2-3 units on a lot - \$2,360 per app + \$688 per unit Multi-Family Residential - \$2,360 per app + \$688 per unit Non-Residential under 10,000 square foot floor area - \$5,400	Non-Residential (under 10,000 sf) - \$3,580 Residential Base (up to 4 Units) - \$3,580 per app Each additional unit over 4 (up to 15) - \$175
Non-Res Commercial DR	Non-Residential under 10,000 square foot floor area - \$3,215 Non-Residential 10,000-49,999 square foot floor area - \$12,900 Non-Residential 50,000 square foot or more floor area - \$25,800	0-9,999 square foot of floor area - \$7,305 10,000-49,999 square foot of floor area - \$9,235 50,000+ square foot of floor area - \$13,795
Non-Res CUP	\$3,208	\$7,305
Variance	\$3,200	\$7,950
Res Modification	\$920	\$2,165