

Fee Waivers



Objective

The objective of this audit was to determine whether the City administers the fee waivers process effectively and the amount of fees waived for each year.

Background

Every year as part of the City budget process, City Council approves a fee schedule to establish the charges for various city services. City Council also approves waivers of these fees via a council ordinance, either by giving department executives authority to waive fees or by waiving fees for certain programs and projects via a Council ordinance.

Some of the programs that grant fee waivers are administered by one department, however the fee waivers apply to services provided by different departments, namely:

- Neighborhood Housing and Community Development administers the S.M.A.R.T. Housing program which waives fees paid to various other City departments.
- The Austin Center for Events coordinates permits related to special events and waives fees paid to various other City departments.

What We Found

The City does not have a system to aggregate fee waivers processed by City departments and City departments are not required to track the amount of fees they waive. Some departments do track fee waivers granted by their department while others do not track or track inconsistently. While special events fee waivers are tracked by the Austin Center for Events; fee waivers from multiple departments for the S.M.A.R.T. Housing program are not tracked.

At least 13 City departments grant fee waivers according to a survey conducted by our office. Based on the data we received, we estimate that the City waived at least \$16 million fees in FY 2016. In addition, department contacts in response to our survey and interviews, mentioned that staff are not using the City permitting system for properly recording the fee waivers and there is lack of consistency on how waivers are captured in the system.

Without complete and consistent data on fee waivers the City cannot know the total amount of fee waivers, the impact of fee waivers on the budget, or whether fee waivers are effectively adding value to the City. This could also affect the ability of the City to make strategic decisions.

What We Recommend

- The City Manager should designate a department for developing and implementing a process to ensure consistent tracking and reporting of the fees waived by the City.
- The City Manager should implement previous recommendations to create a process for consistent tracking of fees waived by the City for the affordable housing program.