



City of Palo Alto

City Council Staff Report

(ID # 11875)

Report Type: Consent Calendar

Meeting Date: 1/25/2021

Summary Title: Annual Status Development Impact Fees FY2020

Title: Review and Acceptance of the Annual Status Report on Development Impact Fees for Fiscal Year 2020 and Adoption of a Resolution Making Statutory Findings for Certain Funds

From: City Manager

Lead Department: Administrative Services

RECOMMENDATION

Staff recommends that the City Council review and accept the Annual Report on Development Impact Fees for the period ending June 30, 2020 (Attachment A) and adopt the resolution making statutory findings for certain development impact fee funds (Attachment B).

BACKGROUND

State law (Government Code Section 66006) requires that each local agency that imposes development impact fees prepare an annual report providing specific information about those fees. This requirement is part of the law commonly referred to as AB 1600 or the Mitigation Fee Act. It codifies the legal requirement that fees on new development must have the proper nexus to any project on which they are imposed. In addition, AB 1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general funds of the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to that fund or account and used only for the purposes for which the fees were collected.

Government Code Section 66006 contains comprehensive annual reporting requirements for development impact fees. This statute requires that, within 180 days after the close of the fiscal year, the agency that collected the fees must make available to the public the following information regarding each fund or account:

- Brief description of the type of fee in the fund.
- Amount of the fee.
- Beginning and ending balance in the fund.
- Amount of fees collected and interest earned.

- Identification of each public improvement on which fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- Identification of an approximate date by which the construction of a public improvement will commence, if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- Description of each interfund transfer or loan made from the account or fund, including the public improvement on which the loaned funds will be expended, and in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- Amount of any refunds made due to inability to expend fees within the required time frame.

This report must also be reviewed by the City Council at a regularly scheduled public meeting not less than 15 days after the information is made available to the public. In addition, notice of the time and place of the meeting shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the local agency for such a mailed notice. An early packet consisting of Exhibit A only was made available to the public and included in the packet for the December 14, 2020 meeting of the City Council.

The law also provides that, for the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. The finding must:

- identify the purpose to which the fee is to be put;
- demonstrate a nexus between the fee and the purpose for which it was originally charged; and
- identify all sources and amounts of funding anticipated to complete financing of incomplete improvements along with the approximate dates on which the anticipated funding is expected to be deposited into the fund.

If the agency no longer needs the funds for the purposes collected, or if the agency fails to make required findings, or to perform certain administrative tasks prescribed by AB 1600, the agency may be required to refund to property owners a prorated portion of the monies collected for that project and any interest earned on those funds.

DISCUSSION

The City of Palo Alto development fees covered by AB 1600, and documented in Attachment A, include the following:

- Stanford Research Park/El Camino Real traffic impact fees (PAMC Ch. 16.45): Fee for new nonresidential development in the Stanford Research Park/El Camino Real Service

Commercial zone, to fund capacity improvements at eight intersections. City ceased collecting effective fiscal year 2020.

- San Antonio/West Bayshore Area traffic impact fees (PAMC Ch. 16.46): Fee for new nonresidential development in the San Antonio/West Bayshore area to fund capacity improvements at four intersections. City ceased collecting effective fiscal year 2020.
- Housing impact fees imposed on commercial developments (PAMC Ch. 16.65): Fee on commercial and industrial development to offset the demand that new jobs create for low income and moderate-income in the City.
- Parking in-lieu fees for University Avenue Parking District (PAMC Ch. 16.57): Fee on new non-residential development in the University Avenue Parking Assessment District in lieu of providing required parking spaces.
- Parks, Community Centers, and Libraries impact fees (PAMC Ch. 16.58): Fee on new residential and non-residential development to provide community facility funds for parks, community centers, libraries, public safety, and general government.
- Residential housing in-lieu fees (PAMC Ch. 16.65): Fee on ownership residential developments of three or more units (including mixed use with ownership housing) in-lieu of providing required below-market rate units to low- and moderate-income households.
- Charleston-Arastradero Corridor pedestrian and bicyclist safety fees (PAMC Ch. 16.60): Fee on new development and re-development within the Charleston-Arastradero Corridor to provide for pedestrian and bicyclist improvements.
- Citywide Transportation impact fees (PAMC Ch 16.59): Fee on development in all parts of the City to fund transportation projects and programs to reduce congestion.
- Public Safety facilities (PAMH Ch. 16.58): Fee on residential and non-residential development to fund police and fire facilities, including fire apparatus and vehicles.
- General Government facilities (PAMH Ch. 16.58): Fee on residential and non-residential development to fund facilities associated with municipal administration.
- Residential (Rental) impact fees (PAMC Ch. 16.65) Fee on rental residential developments (including mixed use with rental housing) to offset the demand that new market-rate rental housing creates for low and moderate-income housing in the City.
- Public Art fees (PAMC 16.61): Fee on public art for private developments.

- Parkland dedication fees (Quimby Act) (California Government Code Section 66477): Fee or parkland dedication imposed on new residential and non-residential development.
- Water and sewer capacity fees (California Government Code Section 66000): Fee on developments adding load to water and sewer systems.

AB 1600 requires the City to make specified findings in the event any funds are not expended within five fiscal years of collection and every five years thereafter. While there are several funds containing collected fees that have not been expended in five years, the required statutory carryover findings have already been made for many of those funds and no further findings are required. In fiscal year 2020, there are two categories of fees that require statutory findings. These proposed findings are contained in Attachment B.

The Public facilities fund has an unexpended balance of \$455,912 that was collected in fiscal year 2015 and prior.

The General Government facilities fund has an unexpended balance of \$574,118 that was collected in fiscal year 2015 and prior.

RESOURCE IMPACT

These various fee funds are reviewed annually for any unallocated balances and the nexus of appropriate projects annually as part of the development of the City's five-year capital improvement plan. For example, during the most recent budget process, the City Council expressed a desire to purchase and develop additional parkland off Birch Street. This acquisition and planned improvement were possible in large part due to applicable restricted funds as outlined in this report.

If the Council does not make the findings contained in Attachment B, the development fees described therein might be required to be refunded. This would have fiscal impact of \$1,030,030 million.

Attachments:

- Attachment A: Annual Report on Development Impact Fees FY20
- Attachment B: Impact Fee Reso for Pub Safety and Gen Gov Fees

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

FUND	Stanford Research Park/ El Camino Fund	San Antonio/West Bayshore Fund
Purpose and Authority for Collection	Traffic impact fees imposed on new nonresidential development in the Stanford Research Park/El Camino Real CS zone to fund improvements at eight identified intersections. PAMC Ch. 16.45,	Traffic impact fees imposed on new nonresidential development in the San Antonio/West Bayshore Areas to fund capacity improvements at four identified intersections. PAMC Ch. 16.46
Amount of the Fee	City ceased collecting effective FY 2020	City ceased collecting effective FY 2020
Fund Balance July 1, 2020	\$3,349,581	\$1,308,009
Activity in 2019-20		
Revenues		
Fees Collected	0	0
Interest Earnings	73,752	18,987
Unrealized Gain/Loss Investments	74,438	16,860
Total Revenues	\$148,190	\$35,847
Operating Transfer to Capital Projects Fund	0	(900,000)
Total Expenditures	0	(900,000)
Ending Balance June 30, 2020	\$3,497,771	\$443,857
Other Commitments/Appropriations		
Reserve for Reappropriation	-	
Reserve for Unrealized Gain on Investments	(90,015)	(22,990)
Net Funds Available	\$3,407,756	\$420,867
	USE OF FEES:	USE OF FEES:
	No expenditures have been made for this fund in Fiscal Year 2020. In FY 2020, City ceased collecting the Stanford Research / El Camino Real CS Zone fee established in 1989. Two of the projects envisioned for funding have been completed and two are funded and in process.	Budget transfer of \$900k made to Capital Project Fund in FY 2020 for Traffic Signal and Intelligent Transportation Systems (PL-05030). In FY 2020, City ceased collecting the San Antonio/West Bayshore area fee established in 1986. Most of development anticipated has occurred, and while not all the original projects envisioned for funding have been pursued by the City, remaining funds will be programmed for alternative improvements in the area, subject to a nexus analysis/finding and City Council approval.

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2020**

FUND	Commercial Housing Impact Fee Fund	University Avenue Parking In-Lieu Fund
Purpose and Authority for Collection	Fees imposed on commercial and industrial development to offset the demand that new jobs create for low and moderate-income housing in the City PAMC Ch.16.65	Fees collected from non-residential development within the University Ave. Parking Assessment District in lieu of providing the required number of parking spaces. PAMC Ch 16.57
Amount of the Fee	Hotel / Retail / Other Non Residential: \$21.26 per sq. ft. Office/R&D: \$36.53 per sq. ft.	\$106,171 per space
Fund Balance July 1, 2020	\$24,797,386	\$6,117,748
<u>Activity in 2019-20</u>		
Revenues		
Fees Collected	114,760	0
Interest Earnings	275,160	134,604
Unrealized Gain/Loss Investments	265,591	132,142
Total Revenues	655,511	266,746
Expenditures		
Salaries and Benefit	(15,704)	
Planning	(7,500)	
Liability Insurance	(567)	
Operating transfer to General Benefit Fund	(477)	
Total Expenditures	(24,248)	0
Ending Balance June 30, 2020	\$25,428,649	\$6,384,494
Other Commitments/Appropriations		
Reserve for Notes Receivable include:\$1,290,000 for 2811 Alma, and \$4,137,254 for 801 Alma, \$7,700,000 for Bueva Vista Mobile Home Park.	(13,127,254)	
Reserve for Reappropriations	(11,669,330)	
Reserve for unrealized gain on investments	(315,320)	(164,285)
Net Funds Available	\$316,745	\$6,220,209
	USE OF FEES: Expenditures in Fiscal Year 2020 are \$17k for salaries and benefits and \$8k for planning. Reserve for Reappropriation is for Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court).	USE OF FEES: No expenditures have been made from this fund in Fiscal Year 2020 FUTURE USE OF FEES: \$5.5M planned to be used for the New Downtown Parking Garage (PE-15007) in FY 2022 as part of the 2021-2025 5-year Capital Improvement Plan

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

FUND	Residential & Non-Residential Community Facilities Parks	Residential & Non-Residential Community Facilities Community Centers
Purpose and Authority for Collection	Fees imposed on new residential and non-residential development approved after Jan 28, 2002 for Parks. PAMC Ch. 16.58	Fees imposed on new residential and non-residential development approved after Jan 28, 2002 for Community Centers. PAMC Ch. 16.58
Amount of the Fee	Residential: Single family \$12,436 per residence (or \$18,570 per residence larger than 3,000 sq ft); Multi-family \$8,141 per unit (or \$4,116 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$5,281 per 1,000 sq ft or fraction thereof; Hotel/Motel \$2,388 per 1,000 sq ft or fraction thereof.	Residential: Single family \$3,321 per residence (or \$4,887 per residence larger than 3,000 sq ft); Multi-family \$2,122 per unit (or \$1,071 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$298 per 1,000 sq ft or fraction thereof; Hotel/Motel \$134 per 1,000 sq ft or fraction thereof.
Fund Balance July 1, 2020	\$5,611,245	\$4,283,300
<u>Activity in 2019-20</u>		
Revenues		
Fees Collected	402,902	134,638
Operating Transfer from Capital Projects Fund	85,000	
Interest Earnings	81,899	59,074
Unrealized Gain/Loss	91,745	72,642
Total Revenues	\$661,547	\$266,354
Operating Transfer to Capital Projects Fund	(2,720,000)	(1,671,860)
Total Expenditures	(2,720,000)	(1,671,860)
Ending Balance June 30, 2020	\$3,552,791	\$2,877,794
Reserve for unrealized gain on investments	(119,679)	(94,044)
Net Funds Available	\$3,433,112	\$2,783,750

Attachment A**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2020**

FUND	Residential & Non-Residential Community Facilities Parks	Residential & Non-Residential Community Facilities Community Centers
	<p>USE OF FEES: Budget transfer of \$2.7M was made in FY 2020 to Capital Project Fund for Birch Street acquisition (PE-19003). The \$85K operating transfer from Capital Project Fund was due to cancellation of Baylands Athletic Center project (PG-19001)</p> <p>FUTURE USE OF FEES: Budget transfers planned in FY 2021 to Capital Improvement Fund in the amount of \$150k for dog park installation (PG-18001), \$350k for park restroom installation (PG-19000)</p> <p>A total of \$1.4M is planned in FY2022-2025 of the 5-year CIP for Birch Street Improvements (PE-19003) (\$400K), Park Restroom Installation (PG-19000) (\$700K) and Dog Park Installation and Renovation (PG-18001) (\$300K).</p>	<p>USE OF FEES: Budget transfer of \$1.7M was made in FY 2020 to Capital Improvement Fund for JMZ Renovation (AC-18001)</p> <p>FUTURE USE OF FEES: Budget transfers planned in FY 2021 to Capital Improvement Fund in the amount of \$126k for JMZ Renovation (AC-18001), \$2.4M for Rinconada Park Improvements (PE-08001)</p>

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

FUND	Residential & Non-Residential Community Facilities Libraries	Residential Housing In-Lieu Fund
Purpose and Authority for Collection	Fees imposed on new residential and non- residential development approved after January 28, 2002 for Libraries. PAMC Ch. 16.58	Fees collected from ownership residential developments of three or more units (including mixed used with ownership in housing) in-lieu of providing the required below-market rate units(s) to low and moderate income households. PAMC Chapter 16.65
Amount of the Fee	Residential: Single family \$1,126 per residence (or \$1,676 per residence larger than 3,000 sq ft); Multi-family \$674 per unit (or \$370 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/industrial \$284 per 1,000 sq ft or fraction thereof; Hotel/Motel \$119 per 1,000 sq ft or fraction thereof.	Single family \$78.27 per sq. ft. Single family detached; \$52.18 per sq. ft. single family attached. Multi Family \$52.18 per sq. ft. condos.
Fund Balance July 1, 2020	\$1,150,846	\$24,717,614
Activity in 2019-20		
Revenues		
Fees Collected	46,033	35,027
Webster Wood Property Rental		2,775
Interest Earnings	26,171	219,304
Unrealized Gain/Loss Investments	25,465	198,114
Total Revenues	\$97,668	\$455,220
Expenditures		
Salaries and Benefits		(15,704)
Contract Services		(174,708)
Liability Insurance		(567)
Transfer to General Benefits Fund		(477)
Total Expenditures	0	(191,456)
Ending Balance June 30, 2020	\$1,248,514	\$24,981,378
Other Commitments/Appropriations		
Reserve for Reappropriations		(8,474,633)
Reserve for Encumbrances		(54,860)
Reserve for unrealized gain on investments	(31,531)	(244,501)
Reserve for Notes Receivable include \$375,000 for 3053 Emerson, \$3,504,850 for Tree House Apts, \$747,734 for Sheridan Apts., \$2,285,026 for 801 Alma, \$901,201 for Palo Alto Housing Project, \$600,000 for 2811-2825 Alma St., \$203,561 for Colorado Park Housing, \$149,968 for El Dorado Palace, and \$6,800,000 for Buena Vista Mobile Home Park.		(15,567,340)
Net Funds Available	\$1,216,983	\$640,044

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2020**

FUND	Residential & Non-Residential Community Facilities Libraries	Residential Housing In-Lieu Fund
	<p>USE OF FEES: No expenditures have been made from this fund in FY2020</p> <p>FUTURE USE OF FEES: Budget transfers planned in FY 2021 to Capital Improvement Fund in the amount of \$260k for Library Automated Material Handling (LB-21000)</p> <p>\$370K planned in FY2022-2025 of the 5-year CIP for LB-21000</p>	<p>USE OF FEES: Expenditures in Fiscal Year 2020 were \$16k for salaries and benefit, \$175k for Palo Alto Housing Corp for BMR admin fees and for consultancy fees. Fiscal Year 2020 Reserve for Reappropriation is for Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court) and for Alta Housing (formerly Palo Alto Housing Corporation -PAHC) Affordable Housing Loan amounting to \$8.3M and \$200K, respectively.</p>

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

FUND	Charleston-Arastradero Corridor Pedestrian and Bicyclist Safety	Citywide Transportation
Purpose and Authority for Collection	Fees collected from new development and re-development within the Charleston- Arastradero Corridor to provide for pedest- rian and bicyclist safety improvements. PAMC Ch. 16.60	Transportation impact fees imposed on new development in all parts of the City to fund congestion reduction projects. PAMC Ch. 16.59
Amount of the Fee	Residential: \$1,362 per residential unit; Commercial: \$0.40 per sq ft	\$7886 per net new PM peak hour trip
Fund Balance July 1, 2020	\$18,670	\$2,361,542
Activity in 2019-20		
Revenues		
Fees Collected	0	180,103
Interest Earnings	411	50,946
Unrealized Gain/Loss	426	49,156
Total Revenues	\$838	\$280,205
Operating Transfer to Capital Projects Fund	0	(383,362)
Total Expenditures	0	(383,362)
Ending Balance June 30, 2020	\$19,507	\$2,258,385
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(502)	(60,714)
Net Funds Available	\$19,005	\$2,197,671
	USE OF FEES:	USE OF FEES:
	No expenditure of funds have been made from this Fund in Fiscal Year 2020	Budget transfer of \$383k made to Capital Project Fund in FY 2020 for Traffic Signal and Intelligent Transportation (PL-05030)
		FUTURE USE OF FEES:
		Budget transfers in FY 2021 to Capital Improvement Fund in the amount of \$400k for Traffic Signal and Intelligent Transportation (PL- 05030)
		\$1.58M planned in FY2022-2025 of the 5-year CIP for PL-05030

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2020**

FUND	New Public Safety Facilities	General Government Facilities
Purpose and Authority for Collection	Fees imposed on residential and non-residential development to fund police and fire facilities (including fire apparatus and vehicles) PAMC Ch. 16.58	Fees imposed on residential and non-residential development to fund facilities associated with municipal administration. PAMH Ch. 16.58
Amount of the Fee	Residential: Single family \$1,081 per unit; Multi-family \$865 per unit Nonresidential: Commercial \$604 per 1,000 sq ft. or fraction thereof; Industrial \$200 per 1,000 sq. ft. or fraction thereof; Office/Institutional \$806 per 1,000 sq ft or fraction thereof.	Residential: Single family \$1,362 per unit; Multi-family \$1,089 per unit Nonresidential: Commercial \$760 per 1,000 sq ft. or fraction thereof; Industrial \$251 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$1,016 per 1,000 sq ft or fraction thereof.
Fund Balance July 1, 2020	\$346,826	\$436,785
Activity in 2019-20		
Revenues		
Fees Collected	90,589	114,039
Interest Earnings	9,312	11,727
Unrealized Gain/(Loss)	9,185	11,567
Total Revenues	\$109,086	\$137,333
Total Expenditures	0	0
Ending Balance June 30, 2020	\$455,912	\$574,118
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(10,561)	(13,300)
Net Funds Available	\$445,351	\$560,818
	USE OF FEES:	USE OF FEES:
	No expenditure of funds have been made from this Fund in Fiscal Year 2020.	No expenditure of funds have been made from this Fund in Fiscal Year 2020.
	FUTURE USE OF FEES:	FUTURE USE OF FEES:
	Budget transfers planned in FY 2021 to Capital Improvement Fund in the amount of \$450k for New Public Safety Building (PE-15001)	Budget transfers for approval will be recommended in FY 2021 Mid-Year in the amount of \$574K to Capital Improvement Fund for Civic Fire Life Safety(PE-18016)

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

FUND	Residential Housing Impact Fee Fund	
Purpose and Authority for Collection	Fees imposed on all rental residential developments (including mixed use with rental housing) to offset the demand that the new market-rate rental housing creates for low income and moderate- income housing in the City. PAMC Ch. 16.65	
Amount of the Fee	Single and Multi-Family: \$20.87 per sq. ft. apartment (rentals)	
Fund Balance July 1, 2020		\$0
Activity in 2019-20		
Revenues		
Fees Collected	600,040	
Interest Earnings	11,589	
Unrealized Gain/(Loss)	8,174	
Total Revenues		\$619,803
Expenditures		
Total Expenditures		0
Ending Balance June 30, 2020		\$619,803
Other Commitments/Reappropriations		
Reserve for Reappropriations	(600,000)	
Reserve for unrealized gain on investments	(8,174)	
Net Funds Available		\$11,629
USE OF FEES: No expenditure of funds have been made from this Fund in Fiscal Year 2020. Reserve for Reappropriations for Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court)		

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2020**

(INFORMATION ONLY)

FUND	Public Art Fund	Parkland Dedication
Purpose and Authority for collection	Fees imposed on new commercial developments (including mixed use projects), including new construction, remodels, additions and reconstruction that (i) have a floor area of 10,000 sq. ft. or more, and (ii) have a construction value of \$200,000, or more, exclusive of costs for architecture, design, engineering, and required studies; and all new residential projects of five or more units to fund public art for private developments. PAMC Ch. 16.61	Fees on parkland dedication imposed on new residential and non-residential development. Govt Code Sec. 66477 (Quimby Act)
Amount of the Fee	1% of first \$114.13 million construction valuation and 0.9% of construction valuation for valuation in excess of \$114.13 million	Single Family: \$63,107.94 per unit; Multi-Family: \$43,498.13 per unit. This applies only to residential projects that require a subdivision or parcel map. Land dedication is required for subdivisions resulting in more than 50 parcels. Parkland Dedication Fee -Land: Single Family: 531 sq. ft. per unit; Multi-Family: 366 sq. ft. per unit. When parkland dedication applies, park impact fees do not apply.
Fund Balance July 1, 2020	\$1,323,439	\$3,981,565
<u>Activity in 2019-20</u>		
Revenues		
Fees Collected	386,100	733,325
Interest Earnings	36,133	102,020
Unrealized Gain/Loss Investments	34,837	97,180
Operating Transfer from General Fund	169,998	100,000
Total Revenues	\$627,068	\$1,032,525
Expenditures		
Salaries and benefits	(210,233)	
Liability Insurance	(2,896)	
Transfer to General Benefit Fund	(4,818)	
Total Expenditures	(217,947)	0
Ending Balance June 30, 2020	\$1,732,560	\$5,014,090
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(40,274)	(118,245)
Net Funds Available	\$1,692,286	\$4,895,845
	This fund is not subject to AB1600 requirements and is listed only for information purposes.	This fund is not subject to AB1600 requirements and is listed only for information purposes.

Attachment A

City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2020

(INFORMATION ONLY)

FUND	Water and Wastewater Collection	
Purpose and Authority for Collection	Capacity fees charged to developers that are adding load to the water and sewer systems effective July 1, 2005. California Government Code Sect 66000	
Amount of the Fee	<p>Water Capacity Fees: 5/8 in., 3/4 in E-Meter. \$3,750, 1 in. E-Meter \$6,250, 1 1/2 in. E-Meter \$18,850, 2 in. E-Meter \$31,250, 4 in. Compound Meter by est. \$125/FU (min. 5,000 FU) , 6 in. Compound Meter by est. \$125/FU (min. 7,000 FU)</p> <p>Fire Service Capacity Fees: 2 in. \$750, 4 in. \$8,425, 6 in. \$18,250, 8 in. \$30,950, 10in. \$48,110</p> <p>Sewer Capacity Charges: 4 in. connection with 5/8 in Water Meter (WM) \$5,250, 4 in connection. with 1-in WM \$10,500, 4 or 6 in. connection with 1-1/2 in WM \$31,668, 6 in. connection with 2 in. WM \$52,500, 6 in. and larger connection with 4 in. or larger WM by est. at \$210/FU</p>	
Activity in 2019-20 Capacity Fees Collected Water Wastewater Collection Total		\$466,665 <u>500,610</u>
	USE OF FEES: <div style="border: 1px solid black; padding: 5px; width: fit-content;"> The fees are used exclusively for water and sewer system improvements </div>	

Attachment B

NOT YET APPROVED

Resolution No. ____

Resolution of the Council of the City of Palo Alto Making Findings
Regarding Continuing Need for Unexpended Development Fees.

R E C I T A L S

A. Government Code Section 66001(d) requires the City to make certain findings with respect to fees that remain unexpended in the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter; and

B. As authorized under Chapter 16.58 of the Palo Alto Municipal Code, the City has collected a fee known as the “Public Safety Facility Development Fee” for the purpose of funding police and fire facilities (including fire apparatus and vehicles); and

C. The sum of \$455,912 represents the most recent audited total of fees collected pursuant to the Public Safety Facility Development Fee that remain unexpended, together with accrued interest thereon (“unexpended Public Safety Facility funds”); and

D. As authorized under Chapter 16.58 of the Palo Alto Municipal Code, the City has collected a fee known as the “General Government Facility Development Fee” for the purpose of funding facilities associated with municipal administration; and

E. The sum of \$574,118 represents the most recent audited total of fees collected pursuant to the General Government Facility Development Fee that remain unexpended, together with accrued interest thereon (“the unexpended General Government Facility funds”).

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council makes the following findings:

Public Safety Facility funds

1. The unexpended Public Safety Facility funds were collected pursuant to Chapter 16.58 of the Palo Alto Municipal Code, to be used for the purpose of funding police and fire facilities (including fire apparatus and vehicles).

2. The unexpended Public Safety Facility funds in the amount of \$455,912 are intended to be used to fund development of the City’s Public Safety Building (CIP PE-15001).

3. The City will transfer \$455,912 to fund this project in Fiscal Year 2021. The remaining funds needed to complete the Public Safety Building are expected to come from General Fund and Bond Funding sources and be deposited into the appropriate fund in Fiscal Year(s) 2021.

4. The need for the improvements for which Public Safety Facility funds were collected was identified in the December 10, 2014 Development Impact Fee Justification Study prepared by David Taussig and Associates.

General Government Facility funds

5. The unexpended General Government Facility funds were collected pursuant to Chapter 16.58 of the Palo Alto Municipal Code, to be used solely for the purpose of funding.

6. The City plans to spend the unexpended General Government Facility funds in the amount of \$574,118 to fund Civic Center Fire Life Safety and Electrical Upgrades (CIP PE-18016), and portions of the JMZ Renovation (CIP AC-18001) dedicated to administrative uses (collectively, the "Buildings & Facilities Projects").

7. The City will transfer \$574,118 to fund the General Government Facility Projects in Fiscal Year 2021. The remaining funds needed to complete these Buildings & Facilities Projects are expected to come from General Fund and Grant sources and be deposited into the appropriate fund in Fiscal Year(s) 2021.

8. The need for the improvements for which the unexpended General Government Facility funds were collected was identified in the December 10, 2014 Development Impact Fee Justification Study prepared by David Taussig and Associates.

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ATTACHMENT B
NOT YET APPROVED

SECTION 2. The Council finds that this is not a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Assistant City Attorney

Director of Administrative Services

Director of Planning and Community
Environment