



# City of Palo Alto

## City Council Staff Report

(ID # 10796)

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**Report Type: Consent Calendar**

**Meeting Date: 1/27/2020**

**Summary Title: Annual Status Development Impact Fees FY2020**

**Title: Review and Acceptance of the Annual Status Report on Development Impact Fees for Fiscal Year 2019**

**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, 2019 (Attachment A).

### **BACKGROUND**

State law (Government Code Section 66006) requires that each local agency that imposes development impact fees prepare an annual report providing specified 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 enough 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 only of Attachment A was made available to the public and included in the packet for the December 16, 2019 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.
- 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.
- Housing impact fees imposed on mixed-use, nonresidential and residential rental projects (PAMC 16.65) Fee on commercial and industrial development to contribute to programs that increase the City's low income and moderate-income housing stock.
- 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, and libraries, public safety, and general government.
- Residential housing in-lieu fees (PAMC Ch. 16.65): Fee on residential developments 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.
- Public Art fees (PAMH 16.61): Fee 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 or more years, the required statutory carryover findings have already been made for those funds and no further findings are required.

On January 13, 2019 the City Council approved an additional \$10,518,971 loan to the Palo Alto Housing Corporation for the development of a 100% affordable housing project at 3705 El Camino Real (Wilton Court) (CMR 10928). This information will be reflected in future Annual Reports on Development Impact Fees.

#### **STAKEHOLDER ENGAGEMENT**

In accordance with Government Code Section 66006 (AB1600), an early packet consisting of Attachment A was made available to the public and included in the packet for the December 16, 2019 meeting of the City Council to allow time for public notice in excess of the minimum 15-day advanced posting requirement.

#### **RESOURCE IMPACT**

Council approved the required findings with respect to unexpended fees for Stanford Research Park/El Camino Fund and San Antonio/West Bayshore Fund in Fiscal year 2018. The next finding date will be in Fiscal year 2020 for New Public Safety Facilities Fund and General Government Facilities Fund. The expended balances for each fee type are noted at the bottom of each section in Attachment A.

#### **ENVIRONMENTAL REVIEW**

This is not a project for purposes of the California Environmental Quality Act (CEQA).

#### **Attachments:**

- Attachment A-Annual Report on Development Impact Fees for FY19

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

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	\$12.85 per square foot	\$2.65 per square foot
<b>Fund Balance July 1, 2018</b>	<b>\$2,288,715</b>	<b>\$904,216</b>
<b>Activity in 2018-19</b>		
Revenues		
Fees Collected	925,290	358,553
Interest Earnings	56,145	18,407
Unrealized Gain/Loss Investments	79,431	26,834
<b>Total Revenues</b>	<b>\$1,060,866</b>	<b>\$403,794</b>
Expenditures		
Inter-agency expenses	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>
<b>Ending Balance June 30, 2019</b>	<b>\$3,349,581</b>	<b>\$1,308,010</b>
Other Commitments/Appropriations		
Reserve for Reappropriation	(2,200,000)	
Reserve for Unrealized Gain on Investments	(15,576)	(6,130)
<b>Net Funds Available</b>	<b>\$1,134,005</b>	<b>\$1,301,880</b>
<b>Unexpended balance at next finding date (FY 2022-23)</b>	<b>\$2,283,139</b>	<b>\$898,086</b>
	<b>USE OF FEES:</b>	<b>USE OF FEES:</b>
	No expenditures have been made for this fund in Fiscal Year 2019. The \$2.2M Reserve for Reappropriation is for the County of Santa Clara for support of intersection improvements at Page Mill Road/Hanover and Page Mill Road/Hansen concurrent with construction of the project at 1050 Page Mill Road	No expenditures have been made from this fund in Fiscal Year 2019.  <b>FUTURE USE OF FEES:</b> Budget transfers in FY 2020 budgeted to Capital Improvement Fund in the amount of \$900K for traffic signal and intelligent transportation (PL-05030)

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

FUND	Commercial Housing In-Lieu Fund	University Avenue Parking In-Lieu Fund
Purpose and Authority for Collection	Fees imposed on large commercial and industrial development to contribute to programs that increase the City's low income and moderate-income housing stock. 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: \$21.08 per sq. ft. Office/R&D: \$36.22 per sq. ft.	\$70,094 per space
<b>Fund Balance July 1, 2018</b>	<b>\$19,499,101</b>	<b>\$5,476,120</b>
<b>Activity in 2018-19</b>		
Revenues		
Fees Collected	4,798,747	420,564
Interest Earnings	235,207	84,067
Unrealized Gain/Loss Investments	280,833	136,997
<b>Total Revenues</b>	<b>5,314,787</b>	<b>641,628</b>
Expenditures		
Salaries and Benefit	(16,157)	
Liability Insurance	(57)	
Operating transfer to General Benefit Fund	(288)	
<b>Total Expenditures</b>	<b>(16,502)</b>	<b>0</b>
<b>Ending Balance June 30, 2019</b>	<b>\$24,797,386</b>	<b>\$6,117,748</b>
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	(9,000,000)	
Reserve for unrealized gain on investments	(49,729)	(32,143)
<b>Net Funds Available</b>	<b>\$2,620,403</b>	<b>\$6,085,605</b>
<b>Unexpended balance at next finding date (FY 2022-23)</b>	<b>\$6,305,616</b>	<b>\$5,443,977</b>
	<p><b>USE OF FEES:</b> Expenditure in Fiscal Year 2019 is for \$16K for Senior Planner and Management Analyst salaries. The \$9M Reserve for Reappropriation is for Affordable Housing Loan Agreement: 3705 El Camino Real (Wilton Court).</p> <p><b>FUTURE USE OF FEES:</b> \$2.6M planned to be used for additional loan to 3705 El Camino Real (Wilton Court)</p>	<p><b>USE OF FEES:</b> No expenditures have been made from this fund in Fiscal Year 2019.</p> <p><b>FUTURE USE OF FEES:</b> \$5.5M planned to be used for the New Downtown Parking Garage (PE-15007) in FY 2022 as part of the 2020-2024 5-year Capital Improvement Plan</p>

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**



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**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

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 \$12,333 per residence (or \$18,416 per residence larger than 3,000 sq ft); Multi-family \$8,073 per unit (or \$4,082 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$5,237 per 1,000 sq ft or fraction thereof; Hotel/Motel \$2,368 per 1,000 sq ft or fraction thereof.	Residential: Single family \$3,196 per residence (or \$4,787 per residence larger than 3,000 sq ft); Multi-family \$2,104 per unit (or \$1,062 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$296 per 1,000 sq ft or fraction thereof; Hotel/Motel \$133 per 1,000 sq ft or fraction thereof.
<b>Fund Balance July 1, 2018</b>	<b>\$4,533,306</b>	<b>\$3,492,984</b>
<b><u>Activity in 2018-19</u></b>		
Revenues		
Fees Collected	935,889	134,543
Transfer Development Rights (TDR)		3,942,978
Interest Earnings	110,456	109,846
Unrealized Gain/Loss	131,594	128,666
<b>Total Revenues</b>	<b>\$1,177,939</b>	<b>\$4,316,033</b>
Inter-Agency Expenses		(2,500,000)
Operating Transfer to Capital Projects Fund	(100,000)	(1,025,717)
<b>Total Expenditures</b>	<b>(100,000)</b>	<b>(3,525,717)</b>
<b>Ending Balance June 30, 2019</b>	<b>\$5,611,245</b>	<b>\$4,283,300</b>
Reserve for unrealized gain on investments	(27,933)	(21,402)
<b>Net Funds Available</b>	<b>\$5,583,312</b>	<b>\$4,261,898</b>
<b>Unexpended balance at next finding date (FY 2021-22)</b>	<b>\$4,068,356</b>	<b>\$3,765,337</b>

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<p><b>USE OF FEES:</b></p> <p>Budget transfer in FY 2019 was made to Capital Project fund in the amount of \$100K for Bayland Athletic Center (PG-19001)</p> <p><b>FUTURE USE OF FEES:</b></p> <p>Budget transfers in FY 2020 budgeted to Capital Improvement Fund in the amount of \$150K for dog park installation (PG-18001), \$350K for park restroom installation (PG-19000) and \$2.7M for Birch Street Improvements (PE-19003) CMR 10416</p>	<p><b>USE OF FEES:</b></p> <p>Expenditure in Fiscal Year 2019 is an additional payment of \$2.5M to Avenida. This is a total of \$5M (\$2.5 M was paid in FY2018) grant funding for necessary seismic and other improvements to the existing building at 450 Bryant Street. The source of the \$5M was \$3.9 from TDR and \$1.1 from impact fees. Transfer to Capital Improvement Fund Project is for JMZ Renovation (AC-18001)</p> <p><b>FUTURE USE OF FEES:</b></p> <p>Budget transfers in FY2020 budgeted to Capital Improvement Fund in the amount of \$2M for Rinconada Park Improvement (PE-08001) and \$672K for JMZ Renovation (AC-18001)</p>
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**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

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 Jan 28, 2002 for Libraries. PAMC Ch. 16.58	Fees collected from residential developments of three or more units in lieu of providing the required below-market rate unit(s) to low and moderate income households. PA Comprehensive Plan and PAMC Chapter 18, PAMC 16.65
Amount of the Fee	Residential: Single family \$1,117 per residence (or \$1,662 per residence larger than 3,000 sq ft); Multi-family \$668 per unit (or \$367 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/industrial \$282 per 1,000 sq ft or fraction thereof; Hotel/Motel \$118 per 1,000 sq ft or fraction thereof.	Single family \$77.62 per sq. ft. Single family detached; \$51.75 per sq. ft. single family attached. Multi Family \$51.75 per sq. ft. condos.
<b>Fund Balance July 1, 2018</b>	<b>\$1,042,847</b>	<b>\$23,475,232</b>
<b><u>Activity in 2018-19</u></b>		
Revenues		
Fees Collected	68,370	814,715
Webster Wood Property Rental		6,175
Interest Earnings	24,918	239,983
Bad debt recovery		25,031
Unrealized Gain/Loss Investments	29,711	291,143
<b>Total Revenues</b>	<b>\$122,998</b>	<b>\$1,377,047</b>
Expenditures		
Salaries and Benefits		(16,157)
Contract Services		(118,163)
Liability Insurance		(57)
Transfer to General Benefits Fund		(288)
Transfer to General Fund	(15,000)	
<b>Total Expenditures</b>	<b>(15,000)</b>	<b>(134,665)</b>
<b>Ending Balance June 30, 2019</b>	<b>\$1,150,845</b>	<b>\$24,717,614</b>
Other Commitments/Appropriations		
Reserve for Reappropriations		(1,225,032)
Reserve for Potential Housing Project		(3,000,000)
Reserve for Encumbrances		(72,410)
Reserve for unrealized gain on investments	(6,066)	(46,387)
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)
<b>Net Funds Available</b>	<b>\$1,144,779</b>	<b>\$4,806,445</b>

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**Unexpended balance at next finding date  
(FY 2021-2022 Residential & Non  
Residential Housing Communities  
Facilities Libraries, FY2022-23  
Residential Housing In-Lieu)**

**\$984,421**

**\$7,751,871**

**USE OF FEES:**

Budget transfer in FY 2019 was made to General Fund in the amount of \$15K for new materials for International Languages Collection.

**FUTURE USE OF FEES:**

Transfer to the Capital Improvement Fund of \$300K is being planned for FY 2021 for Digital Lab Upgrades at the Mitchell Park Library

**USE OF FEES:**

Expenditures in Fiscal Year 2019 include \$16.1K for Senior Planner and Management Analyst salaries and benefit, \$95K to Palo Alto Housing Corp for BMR admin fees and \$23K for consultancy fees. The bad debt recovery is a payment received for a notes receivable that was written off and considered uncollectible. Fiscal Year 2019 Reserves for Reappropriation is for affordable housing loan agreement with Eldorado and Wilton Court amounting to \$225K and \$1M respectively. Reserves for \$3M is for 231 Grant Avenue: Potential Teacher Housing Project.

**FUTURE USE OF FEES:**

\$7.2M planned to be used for additional loan to 3705 El Camino Real (Wilton Court)

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
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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 pedestrian 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: \$1,351 per residential unit; Commercial: \$0.40 per sq ft	\$3,700 per net new PM peak hour trip
<b>Fund Balance July 1, 2018</b>	<b>\$8,557</b>	<b>\$1,833,471</b>
<b><u>Activity in 2018-19</u></b>		
Revenues		
Fees Collected	9,511	923,490
Interest Earnings	325	44,464
Unrealized Gain/Loss	277	66,592
<b>Total Revenues</b>	<b>\$10,113</b>	<b>\$1,034,546</b>
Expenditures		
Operating Transfer to Capital Projects Fund	0	(506,475)
<b>Total Expenditures</b>	<b>0</b>	<b>(506,475)</b>
<b>Ending Balance June 30, 2019</b>	<b>\$18,670</b>	<b>\$2,361,542</b>
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(76)	(11,558)
<b>Net Funds Available</b>	<b>\$18,594</b>	<b>\$2,349,984</b>
<b>Unexpended balance at next finding date (FY2021- 22 Charleston-Arastradero, FY2022-23 Citywide Transportation)</b>	<b>\$0</b>	<b>\$1,315,438</b>
	<b>USE OF FEES:</b>	<b>USE OF FEES:</b>
	No expenditure of funds have been made from this Fund in Fiscal Year 2019.	Budget transfer to Capital Project Fund in Fiscal Year 2019 in the amount of \$506K for Traffic Signal and Intelligent Transportation (PL-05030)
		<b>FUTURE USE OF FUNDS:</b>
		\$383K Budgeted to the Capital Project Fund in FY 2020 for Traffic Signal and Intelligent Transportation Systems Upgrade (PL-05030)

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

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 \$1,072 per unit; Multi-family \$858 per unit Nonresidential: Commercial \$599 per 1,000 sq ft. or fraction thereof; Industrial \$200 per 1,000 sq. ft. or fraction thereof; Office/Institutional \$799 per 1,000 sq ft or fraction thereof.	Residential: Single family \$1,351 per unit; Multi-family \$1,080 per unit Nonresidential: Commercial \$754 per 1,000 sq ft. or fraction thereof; Industrial \$251 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$1,008 per 1,000 sq ft or fraction thereof.
<b>Fund Balance July 1, 2018</b>	<b>\$146,779</b>	<b>\$184,946</b>
<b><u>Activity in 2018-19</u></b>		
Revenues		
Fees Collected	190,186	239,417
Interest Earnings	5,758	7,252
Unrealized Gain/(Loss)	4,103	5,170
<b>Total Revenues</b>	<b>\$200,047</b>	<b>\$251,839</b>
Total Expenditures	0	0
<b>Ending Balance June 30, 2019</b>	<b>\$346,826</b>	<b>\$436,785</b>
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(1,376)	(1,733)
<b>Net Funds Available</b>	<b>\$345,450</b>	<b>\$435,052</b>
<b>Unexpended balance at next finding date FY 2019-20</b>	<b>\$221</b>	<b>\$278</b>
	<b>USE OF FEES:</b>	<b>USE OF FEES:</b>
	No expenditure of funds have been made from this Fund in Fiscal Year 2019.	No expenditure of funds have been made from this Fund in Fiscal Year 2019.

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

**(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 \$113.18 million construction valuation and 0.9% of construction valuation for valuation in excess of \$113.18 million	Single Family: \$62,583.66 per unit; Multi-Family: \$43,136.76 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.
<b>Fund Balance July 1, 2018</b>	<b>\$729,193</b>	<b>\$3,634,309</b>
<b><u>Activity in 2018-19</u></b>		
Revenues		
Fees Collected	571,309	644,048
Interest Earnings	25,018	71,529
Unrealized Gain/Loss Investments	19,133	101,679
Operating Transfer from General Fund	169,998	
<b>Total Revenues</b>	<b>\$785,457</b>	<b>\$817,256</b>
Expenditures		
Salaries and benefits	(187,699)	
Liability Insurance	(1,858)	
Transfer to General Benefit Fund	(1,655)	
Transfer to Capital Projects Fund		(470,000)
<b>Total Expenditures</b>	<b>(191,211)</b>	<b>(470,000)</b>
<b>Ending Balance June 30, 2019</b>	<b>\$1,323,439</b>	<b>\$3,981,565</b>
Other Commitments/Reappropriations		
Reserve for unrealized gain on investments	(5,437)	(21,065)
<b>Net Funds Available</b>	<b>\$1,318,002</b>	<b>\$3,960,500</b>
	<div style="border: 1px solid black; padding: 5px;"> <p><b>This fund is not subject to AB1600 requirements and is listed only for information purposes.</b></p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p><b>This fund is not subject to AB1600 requirements and is listed only for information purposes.</b></p> </div>

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**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2019**

**(INFORMATION ONLY)**

<b>FUND</b>	<b>Water and Wastewater Collection</b>	
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. \$5,000, 1 in. E-Meter \$9,400, 1 1/2 in. E-Meter \$18,850, 2 in. E-Meter \$56,250 , 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. \$9,000, 6 in. \$22,530, 8 in. \$43,080, 10in. \$69,510</p> <p>Sewer Capacity Charges: 4 in. connection with 5/8 in Water Meter (WM) \$5,250, 4 in connection. with 1-in WM \$15,750, 4 or 6 in. connection with 1-1/2 in WM \$31,668, 6 in. connection with 2 in. WM \$94,500, 6 in. and larger connection with 4 in. or larger WM by est. at \$210/FU</p>	
<b><u>Activity in 2018-19</u></b>		
Capacity Fees Collected		
Water		\$524,100
Wastewater Collection		<u>283,250</u>
<b>Total</b>		
<b>USE OF FEES:</b>		
<div style="border: 1px solid black; padding: 5px; display: inline-block;">                     The fees are used exclusively for water and sewer system improvements                 </div>		