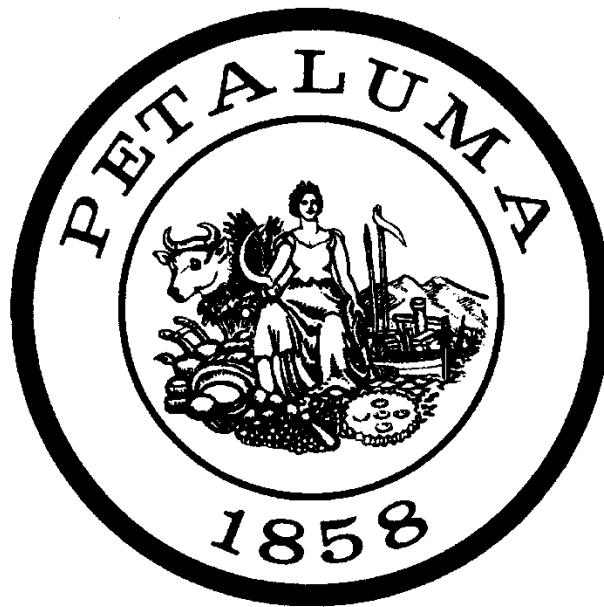


City of Petaluma, CA

# Development Impact & Capacity Fees



July 2024

**City of Petaluma**  
**City Manager's Office**  
11 English Street  
Petaluma, CA 94952  
[cityofpetaluma.org](http://cityofpetaluma.org)

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## **DEVELOPMENT & CAPACITY FEES**

This booklet is a collection of general descriptions of development and capacity fees imposed on new construction in the City of Petaluma. It is intended to serve as a general guideline describing when a fee applies, how it is calculated, and when it is collected. Each description also includes a reference to applicable ordinances, resolutions, and Municipal Code sections where more detailed information can be obtained. This does not include the many general development fees collected as part of the building and planning permit process (i.e., subdivision application, building permits, cost recovery services, etc.).

Included are descriptions of the following fees:

- City Facilities Development Impact Fee
- Commercial Development Housing Linkage Fee
- In-Lieu for Provision of Low Income Housing
- Open Space Acquisition Fee
- Park Land Acquisition Fee (Quimby and Non-Quimby Act Projects)
- Park Land Development Impact Fee
- Public Art In-Lieu Fee
- Storm Drain Impact Fee
- Traffic Development Impact Fee
- Wastewater Capacity Fee
- Water Capacity Fee
- Central Petaluma Specific Plan Fee
- School Facilities

Applicants should be aware that all fees are subject to change by Council action as well as annual adjustments. Current fees should always be confirmed.

For further information, contact the Community Development Department, 11 English Street, Petaluma, California 94952; phone (707) 778-4301; E-mail [cdd@ci.petaluma.ca.us](mailto:cdd@ci.petaluma.ca.us)

## City Facilities Development Impact Fee

### Amount of Fee

The amount of the fee is based on the following schedule.

<b>CITY FACILITIES DEVELOPMENT IMPACT FEE</b>		
<b>Land Use Type</b>	<b>Fee</b>	<b>Unit of Measurement</b>
Single Family Residential	\$7,665	Unit
Multifamily Residential	\$5,161	Unit
Accessory Dwelling*	\$2,629	Unit
Commercial	\$1,451	1,000 sq ft of building space
Office	\$1,386	1,000 sq ft of building space
Industrial	\$883	1,000 sq ft of building space

\*Accessory dwelling units less than 750 square feet are exempt from the City Facilities Development Impact Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

The amount of the Fee for Mixed Use Development shall be the sum of the following, as applicable: The applicable amount per unit, pursuant to the above schedule, for each residential development within a Mixed Use Development.

1. The applicable amount per 1,000 square feet of Development, pursuant to the above schedule, for each nonresidential Development or portion of such Development within a Mixed Use Development.

Any non-residential development on property on which a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

Any development on any parcel any portion of which is located within one half-mile of any portion of a parcel identified as a possible future location for a SMART Rail Station on which parcel proposed for development a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

### Time for Fee Payment

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to

the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.

### **Inapplicability of Fee**

The Fee shall not apply to the following:

1. Any alteration or addition to a residential structure, except to the extent that a residential unit is added to a single family residential unit or another unit is added to an existing multi-family residential unit.
2. Any replacement or reconstruction of an existing residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished. This shall not apply if the replacement or reconstruction increases the square footage of the structure by 50 percent (50%) or more.
3. Any replacement or reconstruction of an existing non-residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished, there is no change in the land use designation of the property, and the square footage of the replacement building does not exceed the square footage of the building that was destroyed or demolished.
4. Any addition to an existing non-residential structure of 500 square feet or less.
5. Any public or quasi-public development on lands designated Public/Semi-Public or Education on the General Plan Land Use Map, as of the effective date of the fee, so long as such development is intended to serve development in the City and does not itself generate a need for additional public infrastructure needed to serve new development, as in the way new residential development generates new residents requiring City services, and new non-residential development generates new employees in the City using City services.
6. Low and/or moderate income senior citizens housing projects owned and developed by a charitable, nonprofit organization recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
7. The City Council, in its discretion, may determine that the Fee is inapplicable to certain development constructed or to be constructed by a public entity on land having an appropriate General Plan land use designation provided that the City Council finds that such inapplicability is in the interest of the public health, safety and/or welfare, for reasons specified in the findings. Such reasons may include, but are not limited to, that the Fee as it would apply to such development by a public entity will be sufficiently recovered in whole or in part from residential development, the residents of which may constitute the primary users of the public entity development.
8. Residential development projects that will be deed-restricted prior to occupancy to acutely low, extremely low, very low, low, and/ or moderate income residents and that will be owned and operated by non-profit corporations recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
9. Residential development projects that will be deed- restricted prior to occupancy to acutely low, extremely low, very low, low and/ or moderate income residents, that will be supportive housing projects or will provide on-site supportive services, and that have received or will receive City financial support or other comparable City support such as the City applying for grant funding for the project as coapplicant with or on behalf of the project developer.

### **Purpose**

The Purpose of the City Facilities Development Impact Fee is to provide funds for the construction and implementation of improvements to current community facilities to accommodate the needs generated by future development including:

- a. To pay for design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies related thereto; To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless the City funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- b. To reimburse developers who have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- c. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

The Facilities, which are specifically described in Chapter III and Appendices A through O of the Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report (Municipal Resource Group, August 2012), include the following:

- Construct City Hall
- Construct corporation yard facilities
- Install VOIP system
- Purchase Public Works, Parks, and administrative pool vehicles
- Purchase technology equipment
- Relocate and construct Fire Station #1
- Refurbish Fire Station #2 and Fire Station #3
- Purchase Advanced Life Support (ALS) ambulance
- Purchase firefighter protective gear
- Construct Police Station
- Install communications tower
- Purchase police officer equipment
- Purchase patrol vehicles
- Construct aquatic facility
- Expand library facility
- Expand community center facility

### **Annual Economic Adjustment**

The City Facilities Development Impact Fee will escalate or decrease annually by the same percentage as the latest “Engineering News Record Construction Cost Index – 20 City Average” (“Index”) annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 19.04  
Resolution 2014-036 N.C.S.  
Resolution 2022-182 N.C.S.

## Commercial Development Housing Linkage Fee

### Amount of Fee

The amount of fee is based on the following schedule.

COMMERCIAL DEVELOPMENT HOUSING LINKAGE FEE		
Land Use Type	Fee	Unit of Measurement
Commercial	\$3.47	square foot of building space
Retail	\$6.00	square foot of building space
Industrial	\$3.57	square foot of building space

### Application and Calculation of Fee

- a. **Payment of Fees Required.** Every person constructing or causing to be constructed within the city nonresidential development projects and/or expanded nonresidential development projects shall pay to the city a fee computed as set out above.
- b. **Determination of Land Uses.** For the purposes of this fee, nonresidential land uses shall be divided into three classifications: commercial, retail, and industrial. When necessary, the Director of Community Development or such other person as may be designated by the City Manager shall determine the land use classification that most accurately describes the nonresidential development, or in the case of mixed use developments, the portion thereof, for the purposes of determining the fee to be imposed.
- c. **Time of Collection.** Such fees shall be due and payable prior to issuance of a building permit.

### Inapplicability of Fee

The Fee shall not apply to public facilities, public and private schools, and churches.

### Purpose

Monies collected shall be used in accordance with and in support of activities to implement the city's adopted housing element, consolidated plan, and implementation plan. Activities shall be limited to direct expenditures for the development of affordable housing as defined herein or incidental non-capital expenditures related to such projects, including but not limited to land acquisition, applicable predevelopment costs, construction, rehabilitation, subsidization, counseling or assistance to other governmental entities, private organizations or individuals to expand affordable housing opportunities to low- and moderate-income households, and ongoing administration and maintenance of the Commercial Development Housing Linkage Fee program, including expenditures for the cost of studies, legal costs, and other costs of administering, maintaining and updating the program. Monies in the fund may be disbursed, hypothecated, collateralized, or otherwise employed for these purposes from time to time as the city council so determines is appropriate to accomplish the purposes of the affordable housing fund. These uses include, but are not limited to, assistance to housing development corporations, equity participation loans, grants, predevelopment loan funds; participation leases, loans to develop affordable housing or other public/private partnership arrangements. The affordable housing funds may be expended for the benefit of both rental and owner-occupied housing.

### Annual Economic Adjustment

The Commercial Development Housing Linkage Fee will escalate or decrease annually by the same percentage as the latest "Engineering News Record Construction Cost Index – 20 City Average" ("Index") annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to

the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 19.36

Resolution 2011-071 N.C.S.

Resolution 2018-130 N.C.S.



## Open Space Acquisition Fee

### Amount of Fee

The amount of fee is based on the following schedule.

<b>OPEN SPACE ACQUISITION FEE</b>		
<b>Land Use Type</b>	<b>Fee</b>	<b>Unit of Measurement</b>
Single Family Residential	\$539	Unit
Multifamily Residential	\$361	Unit
Accessory Dwelling*	\$185	Unit
Commercial	\$104	1,000 sq ft of building space
Office	\$98	1,000 sq ft of building space
Industrial	\$63	1,000 sq ft of building space

\*Accessory dwelling units less than 750 square feet are exempt from the Open Space Acquisition Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

The amount of the Fee for Mixed Use Development shall be the sum of the following, as applicable:

1. The applicable amount per unit, pursuant to the above schedule, for each residential development within a Mixed Use Development.
2. The applicable amount per 1,000 square feet of Development, pursuant to the above schedule, for each nonresidential Development or portion of such Development within a Mixed Use Development.

Any non-residential development on property on which a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

Any development on any parcel any portion of which is located within one half-mile of any portion of a parcel identified as a possible future location for a SMART Rail Station on which parcel proposed for development a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

### Time for Fee Payment

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to

the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.

### **Inapplicability of Fee**

The Fee shall not apply to the following:

1. Any alteration or addition to a residential structure, except to the extent that a residential unit is added to a single family residential unit or another unit is added to an existing multi-family residential unit.
2. Any replacement or reconstruction of an existing residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished. This subsection shall not apply if the replacement or reconstruction increases the square footage of the structure by 50 percent (50%) or more.
3. Any replacement or reconstruction of an existing non-residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished, there is no change in the land use designation of the property, and the square footage of the replacement building does not exceed the square footage of the building that was destroyed or demolished.
4. Any addition to an existing non-residential structure of 500 square feet or less.
5. Any public or quasi-public development on lands designated Public/Semi-Public or Education on the General Plan Land Use Map, as of the effective date of the fee, so long as such development is intended to serve development in the City and does not itself generate a need for additional public infrastructure needed to serve new development, as in the way new residential development generates new residents requiring City services, and new non-residential development generates new employees in the City using City services.
6. The City Council, in its discretion, may determine that the Fee is inapplicable to certain development constructed or to be constructed by a public entity on land having an appropriate General Plan land use designation provided that the City Council finds that such inapplicability is in the interest of the public health, safety and/or welfare, for reasons specified in the findings. Such reasons may include, but are not limited to, that the Fee as it would apply to such development by a public entity will be sufficiently recovered in whole or in part from residential development, the residents of which may constitute the primary users of the public entity development.
7. Residential development projects that will be deed-restricted prior to occupancy to acutely low, extremely low, very low, low, and/ or moderate income residents and that will be owned and operated by non-profit corporations recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
8. Residential development projects that will be deed- restricted prior to occupancy to acutely low, extremely low, very low, low and/ or moderate income residents, that will be supportive housing projects or will provide on-site supportive services, and that have received or will receive City financial support or other comparable City support such as the City applying for grant funding for the project as coapplicant with or on behalf of the project developer.

### **Purpose**

The Purpose of the Open Space Land Acquisition Fee is to provide funding to achieve the City's goal of maintaining existing service levels and to provide adequate open space amenities for Petaluma residents

and employees as established in the General Plan and to accommodate the needs generated by future development including:

- a. To pay for design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies related thereto;
- b. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless the City funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- c. To reimburse developers who have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- d. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

The Facilities, which are specifically described in Chapter VII and Appendix T of the Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report (Municipal Resource Group, August 2012), include the following:

- Acquisition of 14.07 acres of open space land

#### **Annual Economic Adjustment**

The Open Space Acquisition Fee will escalate or decrease annually by the same percentage as the latest “Engineering News Record Construction Cost Index – 20 City Average” (“Index”) annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 19.08  
Resolution 2014-039 N.C.S.  
Resolution 2022-182 N.C.S.

## Park Land Acquisition Fee (Quimby and Non-Quimby Act Projects)

### Amount of Fee

The amount of fee is based on the following schedule.

PARK LAND ACQUISITION FEE		
Land Use Type	Fee	Unit of Measurement
Single Family Residential	\$2,293	Unit
Multifamily Residential	\$1,551	Unit
Accessory Dwelling*	\$787	Unit
Commercial	\$435	1,000 sq ft of building space
Office	\$415	1,000 sq ft of building space
Industrial	\$264	1,000 sq ft of building space

\*Accessory dwelling units less than 750 square feet are exempt from the Park Land Acquisition Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

The amount of the Fee for Mixed Use Development shall be the sum of the following, as applicable:

1. The applicable amount per unit, pursuant to the above schedule, for each residential development within a Mixed Use Development.
2. The applicable amount per 1,000 square feet of Development, pursuant to the above schedule, for each nonresidential Development or portion of such Development within a Mixed Use Development.

Any non-residential development on property on which a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

Any development on any parcel any portion of which is located within one half-mile of any portion of a parcel identified as a possible future location for a SMART Rail Station on which parcel proposed for development a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

### Time for Fee Payment

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to

the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.

### **Inapplicability of Fee**

The Fee shall not apply to the following:

1. Any alteration or addition to a residential structure, except to the extent that a residential unit is added to a single family residential unit or another unit is added to an existing multi-family residential unit.
2. Any replacement or reconstruction of an existing residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished. This subsection shall not apply if the replacement or reconstruction increases the square footage of the structure by 50 percent (50%) or more.
3. Any replacement or reconstruction of an existing non-residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished, there is no change in the land use designation of the property, and the square footage of the replacement building does not exceed the square footage of the building that was destroyed or demolished.
4. Any addition to an existing non-residential structure of 500 square feet or less.
5. Any public or quasi-public development on lands designated Public/Semi-Public or Education on the General Plan Land Use Map, as of the effective date of the fee, so long as such development is intended to serve development in the City and does not itself generate a need for additional public infrastructure needed to serve new development, as in the way new residential development generates new residents requiring City services, and new non-residential development generates new employees in the City using City services.
6. Low and/or moderate income senior citizens housing projects owned and developed by a charitable, nonprofit organization recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
7. The City Council, in its discretion, may determine that the Fee is inapplicable to certain development constructed or to be constructed by a public entity on land having an appropriate General Plan land use designation provided that the City Council finds that such inapplicability is in the interest of the public health, safety and/or welfare, for reasons specified in the findings. Such reasons may include, but are not limited to, that the Fee as it would apply to such development by a public entity will be sufficiently recovered in whole or in part from residential development, the residents of which may constitute the primary users of the public entity development.
8. Residential development projects that will be deed-restricted prior to occupancy to acutely low, extremely low, very low, low, and/ or moderate income residents and that will be owned and operated by non-profit corporations recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board (non-quimby only).
9. Residential development projects that will be deed- restricted prior to occupancy to acutely low, extremely low, very low, low and/ or moderate income residents, that will be supportive housing projects or will provide on-site supportive services, and that have received or will receive City financial support or other comparable City support such as the City applying for grant funding for the project as coapplicant with or on behalf of the project developer (non-quimby only).

### **Purpose**

The Purpose of the Park Land Acquisition Fee is to provide funding to achieve the City’s goal of maintaining existing service levels and to provide adequate park land for Petaluma residents and employees as established in the General Plan and to accommodate the needs generated by future development including:

- a. To pay for design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies related thereto;
- b. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless the City funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- c. To reimburse developers who have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- d. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

The Facilities, which are specifically described in Chapter VII and Appendix T of the Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report (Municipal Resource Group, August 2012), include the following:

- Acquisition of 103 acres of park land.

### **Annual Economic Adjustment**

The Park Land Acquisition Fee will escalate or decrease annually by the same percentage as the latest “Engineering News Record Construction Cost Index – 20 City Average” (“Index”) annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 20.34 (Quimby Act)  
Municipal Code Chapter 19.12 (Non-Quimby Act)  
Resolution 2014-038 N.C.S. (Non-Quimby Act)  
Resolution 2022-182 N.C.S. (Non-Quimby Act)

## Park Land Development Impact Fee

### Amount of Fee

The amount of fee is based on the following schedule.

<b>PARK LAND DEVELOPMENT IMPACT FEE</b>		
<b>Land Use Type</b>	<b>Fee</b>	<b>Unit of Measurement</b>
Single Family Residential	\$7,585	Unit
Multifamily Residential	\$5,107	Unit
Accessory Dwelling*	\$2,601	Unit
Commercial	\$1,437	1,000 sq ft of building space
Office	\$1,374	1,000 sq ft of building space
Industrial	\$876	1,000 sq ft of building space

\*Accessory dwelling units less than 750 square feet are exempt from the Park Land Development Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

The amount of the Fee for Mixed Use Development shall be the sum of the following, as applicable:

1. The applicable amount per unit, pursuant to the above schedule, for each residential development within a Mixed Use Development.
2. The applicable amount per 1,000 square feet of Development, pursuant to the above schedule, for each nonresidential Development or portion of such Development within a Mixed Use Development.

Any non-residential development on property on which a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

Any development on any parcel any portion of which is located within one half-mile of any portion of a parcel identified as a possible future location for a SMART Rail Station on which parcel proposed for development a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

### Time for Fee Payment

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to

the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.

### **Inapplicability of Fee**

The Fee shall not apply to the following:

1. Any alteration or addition to a residential structure, except to the extent that a residential unit is added to a single family residential unit or another unit is added to an existing multi-family residential unit.
2. Any replacement or reconstruction of an existing residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished. This subsection shall not apply if the replacement or reconstruction increases the square footage of the structure by 50 percent (50%) or more.
3. Any replacement or reconstruction of an existing non-residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished, there is no change in the land use designation of the property, and the square footage of the replacement building does not exceed the square footage of the building that was destroyed or demolished.
4. Any addition to an existing non-residential structure of 500 square feet or less.
5. Any public or quasi-public development on lands designated Public/Semi-Public or Education on the General Plan Land Use Map, as of the effective date of the fee, so long as such development is intended to serve development in the City and does not itself generate a need for additional public infrastructure needed to serve new development, as in the way new residential development generates new residents requiring City services, and new non-residential development generates new employees in the City using City services.
6. Low and/or moderate income senior citizens housing projects owned and developed by a charitable, nonprofit organization recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
7. The City Council, in its discretion, may determine that the Fee is inapplicable to certain development constructed or to be constructed by a public entity on land having an appropriate General Plan land use designation provided that the City Council finds that such inapplicability is in the interest of the public health, safety and/or welfare, for reasons specified in the findings. Such reasons may include, but are not limited to, that the Fee as it would apply to such development by a public entity will be sufficiently recovered in whole or in part from residential development, the residents of which may constitute the primary users of the public entity development.
8. Residential development projects that will be deed-restricted prior to occupancy to acutely low, extremely low, very low, low, and/ or moderate income residents and that will be owned and operated by non-profit corporations recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
9. Residential development projects that will be deed- restricted prior to occupancy to acutely low, extremely low, very low, low and/ or moderate income residents, that will be supportive housing projects or will provide on-site supportive services, and that have received or will receive City financial support or other comparable City support such as the City applying for grant funding for the project as coapplicant with or on behalf of the project developer.

### **Purpose**



The Purpose of the Park Land Development Fee is to provide funding for adequate community and neighborhood park facilities to meet the broad range of needs of Petaluma residents and employees as established in the General Plan to accommodate the needs generated by future development including:

- a. To pay for design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies related thereto;
- b. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless the City funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- c. To reimburse developers who have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- d. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

Facilities, which are specifically described in Chapter IV and Appendix Q of the Mitigation Fee Act Nexus Report & Quimby Act In-Lieu Fee Report (Municipal Resource Group, August 2012), include the following:

- Construction of 43.63 acres of community parks
- Construction of 29.01 acres of neighborhood parks

### **Annual Economic Adjustment**

The Park Land Development Impact Fee will escalate or decrease annually by the same percentage as the latest “Engineering News Record Construction Cost Index – 20 City Average” (“Index”) annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 19.16  
Resolution 2014-037 N.C.S.  
Resolution 2022-182 N.C.S.

## Traffic Development Impact Fee

### Amount of Fee

The amount of fee is based on the following schedule.

<b>TRAFFIC DEVELOPMENT IMPACT FEE</b>		
<b>Land Use Type</b>	<b>Fee</b>	<b>Unit of Measurement</b>
Single Family Residential	\$19,276	Unit
Multifamily Residential	\$11,833	Unit
Accessory Dwelling*	\$5,344	Unit
Senior Housing	\$5,152	Unit
Office	\$25,463	1,000 sq ft of building space
Hotel/Motel	\$7,593	Room
Commercial/Shopping	\$37,247	1,000 sq ft of building space
Industrial/Warehouse	\$15,077	1,000 sq ft of building space
Education	\$1,898	Student
Institution	\$7,811	1,000 sq ft of building space
Gas/Service Station	\$62,355	Fuel Position

\*Accessory dwelling units less than 750 square feet are exempt from the Traffic Development Impact Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

The amount of the Fee for Mixed Use Development shall be the sum of the following, as applicable:

1. The applicable amount per unit, pursuant to the above schedule, for each residential development within a Mixed Use Development.
2. The applicable amount per 1,000 square feet of Development, pursuant to the above schedule, for each nonresidential Development or portion of such Development within a Mixed Use Development.

Any non-residential development on property on which a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

Any development on any parcel any portion of which is located within one half-mile of any portion of a parcel identified as a possible future location for a SMART Rail Station on which parcel proposed for development a building or structure was demolished or on which the use of an existing structure changes to a more intensive use shall pay a prorated fee equal to the fee calculated pursuant to this resolution that is applicable to the new development or use, less the fee applicable to the prior development or use, so long as such prior use was in existence at the time of adoption of General Plan 2025.

In accordance with Government Code section 66005.1, housing developments with common ownership and financing where not less than 50 percent of the floor space is for residential use and that satisfy all of the following characteristics will be eligible for a reduced Fee reflecting the lower rate of automobile trip generation associated with such developments, unless the City adopts findings after a public hearing establishing that a housing development would not generate a lower rate of automobile trips than housing development that does not satisfy the requirements of this provision:

- The housing development is located within ½ mile of a transit station as defined in Government Code section 65460.1, including planned transit stations whose construction is programmed to be completed prior to completion and occupancy of the housing development, and there is direct access between the housing development and the transit station along a barrier-free, walkable pathway not exceeding ½ mile in length);
- Convenience retail uses, including a store that sells food, are located within ½ mile of the housing development;
- The housing development provides no more than the minimum number of parking spaces required by local ordinance, or not more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

The reduced Fee, if any, applicable to housing developments that meet the requirements of this provision as determined by the City will be determined on a project-by-project basis. Any applicable reduced Fee amounts must be supported by a development-specific trip generation analysis acceptable to City staff that substantiates a lower trip generation rate for a housing development that meets the requirements of this provision as compared with housing developments that do not meet the requirements of this provision.

### **Time for Fee Payment**

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.

### **Inapplicability of Fee**

The Fee shall not apply to the following:

1. Any alteration or addition to a residential structure, except to the extent that a residential unit is added to a single family residential unit or another unit is added to an existing multi-family residential unit.
2. Any replacement or reconstruction of an existing residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished. This subsection shall not apply if the replacement or reconstruction increases the square footage of the structure by 50 percent (50%) or more.
3. Any replacement or reconstruction of an existing non-residential structure that has been destroyed or demolished, if the building permit for reconstruction is obtained within one year after the building was destroyed or demolished, there is no change in the land use designation of the property, and the square footage of the replacement building does not exceed the square footage of the building that was destroyed or demolished.
4. Any addition to an existing non-residential structure of 500 square feet or less.

5. Any public or quasi-public development on lands designated Public/Semi-Public or Education on the General Plan Land Use Map, as of the effective date of the fee, so long as such development is intended to serve development in the City and does not itself generate a need for additional public infrastructure needed to serve new development, as in the way new residential development generates new residents requiring City services, and new non-residential development generates new employees in the City using City services.
6. The City Council, in its discretion, may determine that the Fee is inapplicable to certain development constructed or to be constructed by a public entity on land having an appropriate General Plan land use designation provided that the City Council finds that such inapplicability is in the interest of the public health, safety and/or welfare, for reasons specified in the findings. Such reasons may include, but are not limited to, that the Fee as it would apply to such development by a public entity will be sufficiently recovered in whole or in part from residential development, the residents of which may constitute the primary users of the public entity development.
7. Residential development projects that will be deed-restricted prior to occupancy to acutely low, extremely low, very low, low, and/ or moderate income residents and that will be owned and operated by non-profit corporations recognized as such by the United States Internal Revenue Service and the State of California Franchise Tax Board.
8. Residential development projects that will be deed- restricted prior to occupancy to acutely low, extremely low, very low, low and/ or moderate income residents, that will be supportive housing projects or will provide on-site supportive services, and that have received or will receive City financial support or other comparable City support such as the City applying for grant funding for the project as coapplicant with or on behalf of the project developer.

### **Purpose**

The Purpose of the Traffic Development Impact Fee is to provide funding to achieve the City's goal of maintaining existing traffic service levels and to provide traffic facilities to mitigate the traffic impacts of new development within the City, consistent with the land use and transportation policies of the General Plan, by developing an overall transportation system that will accommodate the City's expected future traffic demand and to accommodate the needs generated by future development including:

- a. To pay for design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies related thereto;
- b. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless the City funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- c. To reimburse developers who have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- d. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

Facilities, which are specifically described in Table 3-3 of the Traffic Mitigation Fee Program Update (Fehr & Peers, August 2012) and Addendum 1 (City of Petaluma, May 2016), include the following:

- Rainier Avenue Extension and Interchange (locally preferred alternative)
- Caulfield Lane Extension
- Old Redwood Highway Interchange Improvements
- Caulfield Lane/Payran Street Intersection Improvements

- Petaluma Boulevard/Magnolia Avenue/West Payran Street Intersection
- Construction of New Intersections throughout the City
- Traffic Signal Upgrades throughout the City
- Pedestrian/Bicycle Improvements throughout the City
- Transit Improvements throughout the City
- Redevelopment Supplement
- SMART Station Parking

**Annual Economic Adjustment**

The Traffic Development Impact Fee will escalate or decrease annually by the same percentage as the latest “Engineering News Record Construction Cost Index – 20 City Average” (“Index”) annually escalates or decreases. The adjustment shall be based on a comparison of the most recent Index to the Index in the month of adoption of the Fee, or the Index used for the prior adjustment of the Fee. The Finance Director shall compute the increase or decrease in such Fee. The adjustment will take effect on each July 1st.

Municipal Code Chapter 19.24  
Resolution 2016-076 N.C.S.  
Resolution 2022-182 N.C.S.

## Wastewater Capacity Fee

### Amount of Fee

The amount of the Fee is based on the following schedules for residential and nonresidential uses:

<b>WASTEWATER CAPACITY FEE</b>	
<b>Parameter</b>	<b>Capacity Fee</b>
Single Family Residential	\$10,737
Multifamily Residential	\$7,109
Accessory Dwelling*	\$3,952
Non-Residential Customers	
Per gallon daily flow:	\$22.76
Per daily pound of BOD:	\$5,171
Per daily pound of TSS:	\$5,928

\*Accessory dwelling units less than 750 square feet are exempt from the Wastewater Capacity Fee. For accessory dwelling units exceeding 34% of the square footage of a primary single-family dwelling or 51% of a primary multi-family dwelling, the ADU fees listed here shall apply. Accessory dwelling units not exceeding these thresholds, but over 750 square feet shall be prorated based on the proportion of the ADU size as it relates to the primary dwelling.

<b>WASTEWATER CAPACITY FEE – NONRESIDENTIAL</b>					
<b>Type of Business/Industry</b>	<b>Unit</b>	<b>Flow (gpd)</b>	<b>BOD (ppd)</b>	<b>TSS (ppd)</b>	<b>Charge</b>
Auto repair	Service bay	30	0.063	0.063	\$1,379
Bakery	1,000 sq. ft	150	0.313	0.313	\$6,889
Barber	1,000 sq. ft	40	0.083	0.083	\$1,838
Bowling alley	Alley	150	0.313	0.313	\$6,889
Church	1,000 sq. ft	60	0.125	0.125	\$2,755
Convalescent home	Room	90	0.188	0.188	\$4,134
Grocery w/ disposal	1,000 sq. ft	60	0.125	0.125	\$2,755
Grocery w/o disposal	1,000 sq. ft	60	0.125	0.125	\$2,755
Halls (no food service)	1,000 sq. ft	90	0.188	0.188	\$4,134
Hospitals	Bed	175	0.365	0.365	\$8,036
Hotels & motels with restaurants	Room	90	0.188	0.188	\$4,134
Hotels and motels w/o restaurant	Room	90	0.188	0.188	\$4,134
Misc Comm/Industrial	1,000 sq. ft	60	0.125	0.125	\$2,755
Mortuary	1,000 sq. ft	60	0.125	0.125	\$2,755
Offices, medical and professional	1,000 sq. ft	60	0.125	0.125	\$2,755
Restaurants	1,000 sq. ft	900	1.877	1.877	\$41,330
Restaurants, fast food	1,000 sq. ft	570	1.188	1.188	\$26,176
Retail	1,000 sq. ft	60	0.125	0.125	\$2,755
School	100 students	560	1.168	1.168	\$25,716
Service station	Fuel pump	30	0.063	0.063	\$1,379
Spas and health clubs	Shower head	90	0.188	0.188	\$4,134
Taverns/bars	Seat	20	0.042	0.042	\$918
Theater	1,000 sq. ft	90	0.188	0.188	\$4,134

## Nonresidential Calculation

**Formula.** The wastewater capacity fee for nonresidential users shall be based upon the daily flow, BOD and TSS of the wastewater being discharged, except the minimum fee shall be same for residential users. These three parameters shall be applied as outlined in the table above.

Wherein,

DF = Customer's Daily Flow (gallons per day)

BOD = Customer's Daily Concentration of BOD (ppd)

TSS = Customer's Daily Concentration of TSS (ppd)

**Loading Parameters.** Values for DF, BOD and TSS shall be estimated using the above table. The "Type of Business/Industry" to be used as the basis for the calculation shall be as determined by the Director or his/her designee. Loading parameters for uses not listed in the table shall be as determined by the Director.

**Reconciliation.** After connection, the City may, at the request of the Non-Residential User, monitor and track the customer's flow based on water use meter readings for a reconciliation period not to exceed one year. After the reconciliation period, the City may, upon request from the Non-Residential User, recalculate the capacity fee using the BOD and TSS values estimated in the table above and the actual average flows as monitored and recorded by the City. Reconciliation of Wastewater Capacity Fees for Qualifying Industrial Developments shall be in accordance with Resolution 2014-187 N.C.S. establishing administrative guidelines for payment of wastewater capacity fees for qualifying industrial development.

- ***Difference Less Than or Equal to \$250.***

If the difference between the recalculated capacity fee and the original capacity fee is less than or equal to \$250, no reconciliation shall be made.

- ***Difference of \$251 or More.***

If the recalculated capacity fee exceeds the original capacity fee paid by \$251 or more, the customer shall pay the total difference between the original capacity fee paid and the recalculated capacity fee. If the recalculated capacity fee is less than the original capacity fee paid by \$251 or more, the City shall refund the total difference between the original capacity fee paid and the recalculated capacity fee.

**Capacity Fee on Rebuilding, Remodeling or Expansion of Existing Non-Residential User Facilities.** In the event of any expansion, remodeling or rebuilding of any non-residential building, structure, or premises, currently connected to the wastewater system, in a manner which increases the loading parameters, an additional capacity fee shall be due. In no instance shall a refund be granted if the rebuilding, remodeling or expansion of a Non-Residential User facility decreases the size of the building or the loading parameters. The additional capacity fee for the expansion, remodeling or rebuilding of any non-residential building, structure, or premises, currently connected to the wastewater system, in a manner which increases the loading parameters, shall be calculated as follows:

$$ACF = NCF - OCF$$

Wherein,

- "ACF" is the additional capacity fee;
- "NCF" is the new capacity fee with the values of the loading parameters (DF, BOD and TSS) to be determined based on the facility after the expansion, remodeling or rebuilding (note: this is not to be the incremental increase in loading – it is to represent the total loading of the facility); and
- "OCF" is the old capacity fee calculated with the values of the loading parameters to be based on the facility prior to any expansion, remodeling or rebuilding.

***Industrial Relocation.*** This provision shall not be applied to a non-residential property or building that was formerly used for an industrial operation that has vacated the premises, relocated to a different parcel, and has received a relocation credit per the Allowance for Industrial Relocation Credit section below.

***Computation and Payment of Capacity Fees.***

1. General. The Director or his/her designee shall compute all fees as set forth in the resolution. Payment for the capacity fees shall be made in full prior to connection to the wastewater utility, or discharge of wastewater from the facility if there is already a capacity to the wastewater utility. Payment of the capacity fees for Qualifying Industrial Developments shall be in accordance with the Resolution Establishing Administrative Guidelines for the Payment of Wastewater Capacity Fees: Resolution 2014-187 N.C.S.
2. Mixed Use. Parcels that mix Residential Users and Non-Residential Users must be separately metered so Residential Users are served by a meter(s) that is separate from the meter(s) serving Non-Residential Users.

***Allowance for Industrial Relocation Credit.***

1. Qualification for Industrial Relocation Credit
  - A. Applicability. This section shall apply to Industrial Wastewater only, not to domestic wastewater. If the transfer of an industry discharging Industrial Wastewater to a different parcel of land does not impose any additional burden on the City's wastewater utility, a credit, which shall be referred to as a relocation credit, may be allowed, provided that:
    - a. Same Operation. Essentially the same industrial operation, as determined by the Director, has been transferred from one parcel to another and such operation was previously connected to the City's wastewater utility;
    - b. Ownership. The same person now making claim to the relocation credit owned the industrial operation prior to the transfer and will continue to own the industrial operation at the new location.
    - c. Abandonment. The owner has demonstrated to the satisfaction of the City that the industrial operation has been abandoned from the parcel from which the transfer has occurred, or presented a certification in writing that such industrial operation will be abandoned within six (6) months of the City approving an application for connection. Should the industrial operation not be abandoned within the prescribed period, the relocation credit shall be revoked and a capacity fee, with respect to the parcel to which the industrial operation transferred, shall be due and payable as of the date said parcel was connected to the City's wastewater utility.
    - d. Disconnection. The connection to the wastewater utility at the prior parcel has been disconnected and capped, the meter has been removed, and the account closed. Any subsequent use of the prior parcel requiring connection to the wastewater system will pay a new wastewater capacity fee in accordance with this resolution.
    - e. Capacity. There is adequate capacity in the City's wastewater utility to accommodate connection of the industrial operation to be transferred.
  - B. Basis for Relocation Credit. If the loading parameters (DF, BOD, TSS) for the industrial operation at its new location are equivalent to the loading parameters for the industrial operation at its prior location, no additional capacity fee shall be applied. If the loading parameters for the industrial operation at its new location will be increased over the loading



parameters for the industrial operation at its prior location, then an additional capacity fee shall be calculated.

### ***Capacity Fees for Restaurants and Laundromats Using Best Available Technology.***

If a restaurant or laundromat applies for a wastewater capacity fee and installs and continues to use the most water efficient hardware, fixtures, and systems (Best Available Technology) as determined by the Director, the wastewater capacity fee will be 50% less than the fee determined in the table.

### **Time for Fee Payment**

1. The Fee shall be charged and paid for each residential development upon the date of final inspection or issuance of the certificate of occupancy for such residential development, whichever is earlier.
2. The Fee shall be charged and paid for each non-residential development upon issuance of the building permit for such non-residential development.
3. If a mixed use development includes residential and non-residential development, the Fee as to the residential portion of the mixed development shall be paid upon the earlier of the date of final inspection or issuance of the certificate of occupancy for such residential portion, and the Fee as to the non-residential portion of the mixed use development shall be paid upon issuance of the building permit for such non-residential portion.
4. The fee shall be charged and paid in full for each industrial development upon issuance of the building permit for such development, or upon issuance of a new or revised industrial wastewater discharge permit, subject to applicable law. Alternatively, the fee for industrial development meeting specific criteria shall be as set forth in Resolution 2014-187 N.C.S. Establishing Administrative Guidelines for Payment of Wastewater Capacity Fees for Qualifying Industrial Development.

### **Purpose**

The Fee is calculated based on the relationship between the value of the City's existing wastewater facilities, and the value of upgrades and additional capacity needed to serve new users, and allocates to new wastewater system customers their fair share of the cost of existing and future wastewater improvements needed to serve the new customers. The Fee includes the buy-in component for existing facilities and projected capital expenditures that strictly benefit new customers, as described in detail in Appendix A of the Report (Water & Wastewater Capacity Charge Memo, Bartle Wells Associates, August 2012), as well as in the City's capital improvement plan. The Report establishes that wastewater system improvements are required, and justifies the changes in the wastewater capacity charge based on the amount required to "buy into" existing facilities and anticipated City capital expenditures. The Report explains how the capacity charges are calculated on the basis of capital costs related to the upgrades and expansion of the wastewater system required by the addition of future connections. The Fee is necessary to cover the City's cost of improvements required to serve anticipated future connections.

Revenues and interest shall be used only for the Facilities and the purposes for which the Fee was collected, which are the following:

- a. To pay for acquisition of the Facilities;
- b. To pay for design, engineering, construction of and property acquisition for, and reasonable costs of outside consultant studies related to, the Facilities;

- c. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless such funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- d. To reimburse developers that have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and
- e. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

**Annual Economic Adjustment**

On July 1<sup>st</sup> of each year the Wastewater Capacity Fee shall be adjusted to account for increases or decreases based on the Engineering News Record Construction Cost Index for the San Francisco area from December for the second prior calendar year to December for the prior calendar year.

Municipal Code Chapter 15.72  
Municipal Code Chapter 19.32  
Resolution 2014-186 N.C.S.  
Resolution 2014-187 N.C.S.

## Water Capacity Fee

### **Amount of Fee**

A Fee shall be levied for each new water meter connecting to the City water system according to the size of the meter as shown in the following table.

<b>WATER CAPACITY FEE</b>	
<b>Meter Size (inches)</b>	<b>Fee</b>
¾	\$5,228
1 (residential)	\$5,228
1 (nonresidential)	\$8,728
1 ½	\$17,403
2	\$27,856
3	\$52,262
4	\$87,121
6	\$172,463
>6	Case by Case Basis

### **Time for Fee Payment**

A Fee shall be charged and paid for each Development upon issuance of the building permit for such Development.

### **Rebuilding, Remodeling or Expansion of Existing Non-Residential User Facilities**

In the event of any expansion, remodeling or rebuilding of any non-residential building, structure, or premises, currently connected to the water system, in a manner which increases the size of the meter, an additional Fee shall be due. In no instance shall a refund be granted if the rebuilding, remodeling or expansion of a Non-residential User facility decreases the size of the building or the meter. The additional Fee for the expansion, remodeling or rebuilding of any non-residential building, structure, or premises, currently connected to the water system, in a manner which increases the size of the meter shall be calculated as follows:

$$ACF = NCF - OCF$$

Wherein,

- “ACF” is the additional Fee;
- “NCF” is the new Fee with the size of the meter to be determined based on the facility after the expansion, remodeling or rebuilding; and
- “OCF” is the old Fee calculated with the size of the meter used at the facility prior to any expansion, remodeling or rebuilding.

### **Industrial Relocation**

This provision shall not be applied to a non-residential property or building that was formerly used for an industrial operation that has vacated the premises, relocated to a different parcel, and/or has received a relocation credit per the following:

#### ***Allowance for Industrial Relocation Credit***

- A. Applicability. This section shall apply to Industrial customers only. If the transfer of an industry, using water, to a different parcel of land does not impose any additional burden on the City’s water utility, a credit, which shall be referred to as a relocation credit, may be allowed, provided that:

- a. Same Operation. Essentially the same industrial operation, as determined by the Director, has been transferred from one parcel to another and such operation was previously connected to the City’s water utility;
  - b. Ownership. The same person now making claim to the relocation credit owned the industrial operation prior to the transfer and will continue to own the industrial operation at the new location.
  - c. Abandonment. The owner has demonstrated to the satisfaction of the City that the industrial operation has been abandoned from the parcel from which the transfer has occurred, or presented a certification in writing that such industrial operation will be abandoned within six (6) months of the City approving an application for connection. Should the industrial operation not be abandoned within the prescribed period, the relocation credit shall be revoked and a capacity fee, with respect to the parcel to which the industrial operation transferred, shall be due and payable as of the date said parcel was connected to the City’s water utility.
  - d. Disconnection. The connection to the water utility at the prior parcel has been disconnected and capped, the meter has been removed, and the account closed. Any subsequent use of the prior parcel requiring connection to the water system will pay a new water capacity fee in accordance with this resolution.
  - e. Capacity. There is adequate capacity in the City’s water utility to accommodate connection of the industrial operation to be transferred.
- B. Basis for Relocation Credit. If the meter size for the industrial operation at its new location is equivalent to the meter size for the industrial operation at its prior location, no additional capacity fee shall be applied. If the meter size for the industrial operation at its new location will be increased over the meter size for the industrial operation at its prior location, then an additional capacity fee shall be calculated.

**Purpose**

The Fee is calculated based on the relationship between the value of the City’s existing water facilities, and the value of upgrades and additional capacity needed to serve new users, and allocates to new water system customers their fair share of the cost of existing and future water improvements needed to serve the new customers. The Fee includes the buy-in component for existing facilities and projected capital expenditures that strictly benefit new customers, as described in the Report (Water & Wastewater Capacity Charge Memo, Bartle Wells Associates, August 2012), and the Urban Water Management Plan (“UWMP”), which plans are incorporated by reference, as well as in the City’s capital improvement plan. The UWMP establishes that water system improvements are required, and justifies the changes in the water capacity charge based on the amount required to “buy into” existing facilities and anticipated City capital expenditures. The Report explains how the capacity charges are calculated on the basis of capital costs related to the upgrades and expansion of the water system required by the addition of future connections. The Fee is necessary to cover the City’s cost of improvements required to serve anticipated future connections.

Revenues and interest shall be used only for the Facilities and the purposes for which the Fee was collected, which are the following:

- a. To pay for acquisition of the Facilities;
- b. To pay for programs, measures, design, engineering, construction of and property acquisition for, and reasonable costs of outside consultant studies related to, the Facilities;

- c. To reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, unless such funds were obtained from grants or gifts intended by the grantor to be used for the Facilities.
- d. To reimburse developers that have designed and constructed any of the Facilities with prior City approval and have entered into an agreement; and,
- e. To pay for and/or reimburse costs of program development and ongoing administration and maintenance of the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.

**Annual Economic Adjustment**

On July 1<sup>st</sup> of each year commencing on July 1, 2014, the Water Capacity Fee shall be adjusted to account for increases or decreases based on the Engineering News Record Construction Cost Index for the San Francisco area from December for the second prior calendar year to December for the prior calendar year.

Municipal Code Chapter 15.08  
Municipal Code Chapter 19.28  
Resolution 2012-126 N.C.S.

## **In-Lieu Contributions for Provision of Very Low, Low, And Moderate-Income Housing**

### **Purpose**

As outlined in Section 3.040 of the Implementing Zoning Ordinance, all residential projects of five or more units, including residential components of mixed-use projects is required to provide 15% onsite inclusionary housing units. Payment of affordable housing in-lieu fees is permitted for fractional units less than 0.5 (3.040.B.5) or as alternative compliance if approved by the City Council (3.040.D). The City's inclusionary housing ordinance as outlined in IZO Section 3.040, provides for developers to comply with Program 4.3 of the 2015-2023 Housing Element (now Program 11 of the 2023-2031 Housing Element) of the Petaluma General Plan 2025, which requires residential projects of five or more units to contribute to the provision of affordable housing in one of the following ways: Require developers of residential projects, both homeownership and rentals, of five or more units to provide 15% of the units onsite for use as affordable housing with affordability restrictions of at least a 45 year duration for homeownership developments and affordability restrictions for of at least a 55 year duration for rental developments.

- Subject to approval by the City Council, developers may fulfill their inclusionary requirement by one of the following ways:
- Donate a portion of the project site or property to the City or a non-profit organization for use as affordable housing.
- The developer may make an in-lieu payment to the City's Housing Fund in an amount equal to a 20% inclusionary requirement.
- Use alternative methods, such as requesting a smaller percentage of on-site units, or donating a separate parcel of land to build affordable housing to meet the intent of the inclusionary requirement

The City will use the funds collected in a comprehensive program to assist in the provision of low and very low-income housing opportunities in Petaluma.

### **Applicability**

This policy applies to residential developments with five units or more. Projects deemed complete prior to January 1, 2019 shall be subject to the inclusionary requirements and fees in effect prior to adoption of Ordinance No. 2664 N.C.S. and Resolution No. 2018-142 N.C.S.

### **Time of Payment**

In-lieu fees shall be collected on behalf of the City of Petaluma at the time the escrow is closed on for-sale homes and at time of final inspection and issuance of a certificate of occupancy for multi-family properties. A recorded agreement establishes terms of payment.

### **Amount of Fee**

The amount of the fee is \$10.12/square foot.

Resolution 2003-241 N.C.S.  
Resolution 2018-142 N.C.S.  
Ordinance 2663 N.C.S.

## Storm Drainage Impact Fee

### Purpose

In September 1982, the Petaluma City Council established the Storm Drainage Impact Fee as a means of mitigating storm drainage impacts occurring as a result of development. The criteria established provides for either the payment of fees or the construction of on- or off-site detention areas, based upon the type of project. Fees collected are used by the City for the acquisition, expansion, and development of storm drainage improvements.

### Options for Compliance

Residential projects which create an increase in normal runoff exceeding two-acre feet may, as determined by the City Engineer; either provide on- or off-site detention equal to the calculated increase, or pay fees. Residential projects which create an increase in normal runoff of two-acre feet or less are required to pay fees.

Commercial and industrial projects have the option of either paying fees or providing on- or off-site detention areas equal to the calculated increase in runoff.

### Calculation of Fee

Runoff Computation: The increase in runoff created by a given project is calculated for a 100-year storm, utilizing runoff coefficients based upon the proportion of vegetated area to impervious surfaces, and expressed in acre-feet. Runoff coefficients are based upon the type of use, slope of the land, and percent of vegetation coverage.

Commercial/Industrial: Projects pay a fee of \$30,000 per acre foot of additional runoff. The amount of incremental runoff created is directly linked to the amount of landscaping provided. The maximum fee possible is \$9,000 per acre of land. This would apply to a project with 20% or less landscaping. A project with 25% landscaping can expect a fee of \$6,750 per acre, 30% would pay \$6,300 per acre, and so on.

Residential: Projects pay a fee of \$15,000 per acre foot of additional runoff. Incremental runoff is dependent upon the density of a project and the amount of landscaping and open space provided. A high density project with 20% or less area in landscaping could expect to pay \$4,500 per acre. A typical detached single-family subdivision would pay approximately \$1,500 per acre.

### Time of Payment

Flood Mitigation fees for **Commercial/Industrial** are calculated at time of issuance of building permit on a per-lot basis, and are **paid before a building permit is issued**.

Flood Mitigation fees for **residential** projects are calculated at Final Map. The fee is then equally dispersed over the number of units included in the Map. Payment of each unit's share is **paid before a final inspection is scheduled**.

Municipal Code Chapter 17.30

Ordinance No. 1530 N.C.S., Ordinance No. 1547 N.C.S.

Resolution No. 9564 N.C.S., Resolution No. 9565 N.C.S., Resolution No. 9751 N.C.S.

## Public Art Fee

### **Purpose**

The purpose of this chapter is to require the integration of public art into private and public development projects, and to authorize the establishment of guidelines, procedures and standards for the integration of public art into such development projects.

Public art helps make cities more livable and more visually stimulating. The experience of public art makes the public areas of buildings and their grounds more welcoming. It creates a deeper interaction with the places people visit, and in which people work and live. Public art illuminates the history of a community while it points to the city's aspirations for the future. A city rich in art encourages cultural tourism which brings in visitor revenues.

To achieve these goals, public art planning should be integrated into development project planning at the earliest possible stage, and artists selected should become a member of a development project's design team early in the design process.

### **Applicability**

The provisions of this chapter apply to all public construction projects and non-residential private construction projects with a construction cost of \$500,000 or more, (including private mixed-use construction projects that include residential development, as long as the non-residential development in the mixed-use project has a construction cost of \$500,000 or more), that will be constructed in any of the zoning districts specified in section 18.070, except those construction projects that are exempt from the requirements of this chapter in accordance with section 18.060.

### **Calculation of Fee**

Public Art provided in accordance with this chapter must have a public art cost of not less than one percent of the construction cost for a private or public construction project subject to this chapter, except as provided in this section. The public art in lieu fee that applies to private or public construction projects subject to this chapter shall be equal to one percent of the construction cost for the private or public construction project.

If public art proposed for a private or public construction project subject to this chapter has a public art cost of less than one percent of the construction cost, and the public art otherwise meets the requirements of this chapter, the developer and/or owner of the private or public construction project must pay a public art in lieu fee equal to the difference between the public art cost and one percent of the construction cost.

### **Inapplicability of Fee**

The requirements of this chapter do not apply to the following:

1. Underground public works projects;
2. Street or sidewalk repair, construction, or reconstruction;
3. Tree planting; 18-3 Ordinance No. 2300 N.C.S.
4. Remodeling, repair or reconstruction of structures which have been damaged by fire, flood, wind, earthquake or other calamity;
5. Affordable housing construction, remodel, repair or reconstruction projects;



6. Seismic retrofit projects as defined by Chapter 17.34 of the Petaluma Municipal Code;
7. Construction, remodel, repair or reconstruction of structures owned and occupied by public-serving social service and non-profit agencies;
8. Utility pump stations and reservoirs; and
9. Fire sprinkler installation projects as defined by Section 17.20.070 of the Petaluma Municipal Code

For a complete description of the Public Art Ordinance, see Chapter 18 of the Implementing Zoning Ordinance.

Ordinance No. 2468 N.C.S.

## **Central Petaluma Specific Plan Fee**

### **Applicability**

The following fee is associated with development that occurs only within the Central Petaluma Specific Plan designated area.

This fee will be charged to all applications requiring governmental approvals subject to the provisions of the Central Petaluma Specific Plan and the adopted land use and development regulations (the “Smart Code”). The fee will be as follows:

### **Calculation of Fee**

Per acre of land: \$2,125.00

### **Inapplicability of Fee**

Said fee shall not apply to the following types of applications:

1. Tenant improvements within an existing structure when there is no accompanying change in use.
2. Adaptive reuse of a designated historic structure.

Ordinance No. 2470 N.C.S.

Resolution No. 2003-106 N.C.S.

## **School Facilities Fee**

### **Purpose**

The purpose of the "School Facilities Fee/Dedication Ordinance" is to provide a method for providing sites and/or financing interim school facilities necessitated by new residential developments causing conditions of overcrowding.

### **Calculation of Fee**

The following is a list of districts collecting school facilities fees:

<b>District</b>	<b>Phone</b>	<b>Address</b>
Cinnabar	(707) 765-4345	286 Skillman Lane, Petaluma, CA 94952
Old Adobe	(707) 765-4321	845 Crinella Drive, Petaluma, CA 94954
Petaluma	(707) 778-4813	200 Douglas Street, Petaluma, CA 94952
Waugh	(707) 765-3331	1851 Hartman Lane, Petaluma, CA 94954

### **Time of Payment**

School facilities fee is paid prior to issuance of a building permit.

All fees are paid directly to the Elementary School District Office of the District in which the project is located. A signed Certificate of Compliance is required from each applicable district.

Municipal Code Chapter 17.28  
Ordinance No. 1377 N.C.S.  
Ordinance No. 1512 N.C.S.  
Resolution No. 84-165 N.C.S.  
Resolution No. 85-183 N.C.S.  
Resolution No. 85-184 N.C.S.  
Resolution No. 87-7 N.C.S.  
Resolution No. 87-25 N.C.S.

## **Administration**

The following fee administration components are common to the majority of the resolutions, for additional detail consult the individual fee resolutions.

### **Designation of Developments**

Nonresidential developments, other than Mixed Use Developments (but including non-residential developments within Mixed Use Developments) that are not within the definition of a use defined in the Fee resolutions shall be assigned to one of the defined use categories by the City Manager for purposes of imposition and charging of the Fee. The City Manager, or his designee, shall assign such categories as consistently as possible with the definitions of such categories established pursuant to the resolutions or as later amended by the City Council. The City Manager may also designate Development as Multifamily or Single-Family based on the actual number of dwelling units per structure within the development.

### **Credits and Reimbursement for Developer Constructed Facilities**

The City and a developer may enter into an improvement agreement to allow the developer to construct certain of the Facilities. Entering such an agreement is in the City's sole discretion. Such agreement shall provide for security for the developer's commitment to construct the Facilities and shall refer to this resolution for credit and reimbursement. If the City enters into such an agreement with a developer prior to construction of one or more of the Facilities, the City shall provide the developer a credit in accordance with the following:

1. **Credit Amount.**

The credit shall be in the amount of the lowest bid received for construction of the facility, as approved by the City Engineer. However, in no event shall a credit pursuant to this provision exceed the current facility cost. For the purposes of this section, such current facility cost shall be the amount listed in the Report for the particular facility, as subsequently adjusted pursuant to Sections 13 and 14 of this Resolution prior to issuance of the building permit for that facility. Once issued, credit pursuant to this section shall not be adjusted for inflation or any other factor. Credit provided pursuant to this section is not transferable.

2. **Application of Credit.**

Developers may apply credit given pursuant to this section against the Fee applicable to a particular project until the credit is exhausted or an excess credit results. The total credit shall be divided by the number of units or square footage of building space (or combination thereof for a Mixed Use Development) to determine the amount of credit which can be applied against the Fee for each unit of measurement and, if the credit per unit of measure is less than the Fee per unit of measurement, the developer shall pay the difference for each residential unit or square footage of building space.

3. **Reimbursement for Excess Credit.**

Reimbursement for excess credit shall only be from remaining unspent Fee revenues. Once all the Facilities have been constructed or acquired, and to the extent Fee revenues are sufficient to cover all claims for reimbursement of Fee revenues, including reimbursement for excess credit, developers with excess credit shall be entitled to reimbursement, subject to such developers certifying in writing to the City that the cost of constructing the facility that resulted in an excess credit was not passed on to homeowners, and indemnifying the City from land-owner claims for reimbursement under the Mitigation Fee Act, and Section 66001 in particular. If remaining Fee revenues after all of the Facilities have been constructed or acquired are insufficient to cover all

claims for reimbursement of Fee revenues, such claims, including claims for reimbursement of excess credit, shall be reimbursed on a pro rata basis in accordance with applicable law.

**Periodic Review.**

- a. During each fiscal year, the City Manager shall prepare a report for the City Council, pursuant to Government Code Section 66006, identifying the balance of Fee revenues in the Fee account.
- b. Pursuant to Government Code Section 66002, the City Council shall also review, as part of any adopted City Capital Improvement Plan each year, the approximate location, size, time of availability and estimates of cost for all Facilities to be financed with the Fee. The estimated costs shall be adjusted in accordance with appropriate indices of inflation. The City Council shall make findings identifying the purpose to which the existing Fee revenue balances are to be put and demonstrating a reasonable relationship between the Fee and the purpose for which it is charged.

**Subsequent Analysis and Revision of the Fee.**

The Fees are adopted and implemented by the City Council in reliance on the Record identified for each Fee. The City may continue to conduct further study and analysis to determine whether any Fee should be revised. When additional information is available, the City Council may review the Fee to determine that the Fee amounts remain reasonably related to the impacts of development within the City of Petaluma and areas included in the City’s General Plan. The City Council may revise the Fee to incorporate findings and conclusions of further studies and any standards in General Plan and/or the General Plan EIR, as well as increases due to inflation and increased construction costs.

**DEVELOPMENT FEES PROTEST (GOVT. CODE SECTION 66020)**

Consistent with Government Code section 66020(d), this section details ways in which a developer may protest the imposition of development impact fees on a project as required by the City of Petaluma for new construction or change of use in the case of water and wastewater capacity fees. As detailed in Government Code Section 66020(d), a developer has the opportunity to protest fees either (1) within 90 days of the time of approval or conditional approval of a development or (2) within 90 days after the date of the imposition of fees. For purposes of this section, approval or conditional approval of a development refers to the issuance of an approval by a decision making body of the City of Petaluma including administrative approvals issued by the Planning Director and approvals issued at a public hearing by the Historic and Cultural Preservation Committee, Planning Commission, and/or City Council. The imposition of fees refers to the building permit review process wherein impact fees are assessed and provided to the developer. This may be included as a conditional approval of a building permit by the Planning Division upon determination that the development project complies with all applicable regulations. For purposes of protesting fees, the 90-days commences upon issuance of the conditional approval by the Planning Division detailing the amount of fees to be paid based on the development type and size.

**Protest within 90-days of Approval or Conditional Approval**

As noted above, the developer has 90 days from the date of approval of a development project to protest the imposition of fees. A protest of the imposition of fees by a developer shall be considered by the City Council at a public hearing within 90 days after its filing, and the decision of the City Council shall be final. The following provides requirements for a developer to protest the imposition of development impact fees on a development project at the time of approval or conditional approval of a development project.

- 1. Tender the required payment in full or providing satisfactory evidence of arrangements to pay the fee when due; and

2. Serve a written notice on the City Clerk, including (i) a statement that the required payment is tendered or will be tendered when due, under protest, and (ii) a statement informing the City of the factual elements of the dispute and the legal theory forming the basis for the protest.

### **Protest within 90-days of Imposition of Fees**

As noted above, the developer has 90 days from the date of imposition of fees to protest such fees. A protest of the imposition of fees by a developer shall be considered by the City Council at a public hearing within 90 days after its filing, and the decision of the City Council shall be final. The following provides requirements for a developer to protest the imposition of development impact fees on a development project at the time of imposition of fees, which occurs during the building permit review process.

1. No previous notification was received on how to protest the development fees when the development was approved or the 90 days from receiving that notice has not lapsed;
2. Tender any required payment in full or providing satisfactory evidence of arrangements to pay the fee when due; and
3. Serve a written notice on the City Clerk, including (i) a statement that the required payment is tendered or will be tendered when due, under protest, and (ii) a statement informing the City of the factual elements of the dispute and the legal theory forming the basis for the protest.