



CITY OF PETALUMA, CALIFORNIA

ANNUAL DEVELOPMENT IMPACT FEE REPORT

FISCAL YEAR 2015-16

City of Petaluma
Annual Development Impact Fee Report
Fiscal Year 2015-16

Background

The Mitigation Fee Act, *Government Code §§66000 et seq.*, (the “Act”) governs the establishment and administration of development impact fees paid by new development projects for public facilities needed to serve new development. Fees must be separately accounted for and used for the specific purpose for which the fee was imposed. The City's adopted development impact fees are listed in the attached exhibits. Expenditures are authorized through the annual Capital and Operating Budgets and the City's Capital Improvement Program. The annual adopted City Budget is on file with the City Clerk.

Annual Development Fee Reporting

The Act requires that the City prepare an annual review of all development impact fees as defined in the Act and make a public report on the fees available to the public after the end of each fiscal year. Government Code §66006(b)(2) requires the report to be placed on an agenda for review at a public meeting not less than 15 days after the report is made available to the public. The Fiscal Year 2015-2016 report was made available to the public on the City of Petaluma website on November 17, 2016; a copy of the report also was mailed to all persons who had requested mailed notice relating to city fees on November 17, 2016.

Excluded from this report are developer fees which are not subject to the reporting requirements of the Act. For example, fees collected pursuant to the City's zoning powers, rather than pursuant to the Act, are in-lieu housing fees, the commercial linkage fee which is the non-residential equivalent of an in-lieu housing fee, public art in-lieu fees and one fee related to the Central Petaluma Specific Plan area. Water capacity fees and wastewater capacity fees are not development impact fees as defined in Sections 66006 and 66001 of the Act. The Quimby Act parkland acquisition fee for residential subdivisions is imposed pursuant to the Subdivision Map Act (Gov't. Code §66477), and is also not included in the Section 66001 reporting requirement.

The Storm Drainage Fee was last updated in 1986, prior to the January 1, 1989 effective date of AB1600, but is nevertheless included in this report and findings for informational purposes.

The city is also required to adopt by resolution certain findings for any fund accounts which contain unexpended funds as of the fifth fiscal year following the first deposit into those funds and every five years thereafter. (Gov't. Code §66001(d).) In FY 15-16, no impact fee funds fall into this category and therefore no resolution has been adopted related to unexpended funds.

The report is organized as follows:

Exhibit A: A brief description of the purposes of each development impact fee and its authorizing legislation (Gov't. Code §66006(b)(1)(A).)

Exhibit B: Summary of the July 1, 2015 beginning balance, annual fee revenue collected, interest earned, returned unused funds from projects and loan repayments, identification of public improvements on which fees were expended and the ending balance as of June 30, 2016 for each fee (Gov't. Code §66006(b)(1)(C)-(E).) Excess funds from capital project funds were returned to the originating revenue funds. The annual expenditures on each specific public improvement are listed, including the total

percentage of the cost of the public improvement that was funded with development impact fees. In addition to public improvement project costs, the City incurs costs to administer each mitigation fee program and to prepare the annual reports and the five-year compliance analysis also required by the Act. As shown in the mitigation fee cost studies (or "nexus studies") which support the various impact fees, the City charges administrative and compliance costs at 2% of the program cost for each fee as a program expense. The actual dollar cost for these expenditures is listed for each fee. No individual development impact fee fund has collected sufficient funds to construct all improvements covered by that fund as described in the nexus studies (Gov't. Code §66006(b)(1)(F).)

Exhibit C: Identifies the amount of each development impact fee, including the modifications which were adopted December 7, 2015, when the City amended provisions of the Traffic Development Impact Fee.

Exhibit D: Identifies interfund loans, transfers, refunds or reallocation of funds in lieu of refunds in Fiscal Year 2015-2016 (Gov't. Code §66006(b)(1)(G)-(H)).

City of Petaluma
Development Impact Fee Summary

Fee #		Impact Fee Name	Fee Authority	Brief Description of the Type of Fee
1	(A)	Aquatic Center Facilities Impact Fee	Reso. 2008-086 N.C.S., May 19, 2008	The Aquatic Center Facilities Impact Fee is to finance the portion of construction of an aquatic complex with a 50 meter lap pool and a 4,500 square foot recreation pool that is related to the project's services to new development.
2	(A)	Community Center Facilities Impact Fee	Reso. 2008-088, N.C.S., May 19, 2008	The Community Center Facilities Impact Fee is to finance the expansion of community center facilities, including furniture and fixtures, to equip new community center facilities space required to reduce the impact of future development.
3	(A)	Fire Suppression Facilities Impact Fee	Reso. 2008-088 N.C.S., May 19, 2008	The Fire Suppression Facilities Impact Fee is to finance specific fire protection and emergency services facilities to reduce impacts caused by future development.
4	(A)	Library Facilities Impact Fee	Reso. 2008-090 N.C.S., May 19, 2008	The Library Facilities Impact fee is to provide funding for additional library facilities, furniture, fixtures and collection materials to reduce the impacts caused by future development.
5		Parkland Acquisition Fee	Reso. 2014-038 N.C.S., March 3, 2014; Reso. 2012-124 N.C.S., August 27, 2012; Reso. 2008-092 N.C.S., May 19, 2008	The Parkland Acquisition Fee is imposed on development projects that are <i>not</i> subject to the Quimby Act. It funds acquisition of and payment for parkland necessary to maintain the standard established in the city's General Plan, based on a ratio of parkland acreage to population, including employees of new commercial development, as new residents and employees are added by new development.
6		Parkland Development Impact Fee	Reso. 2014-037 N.C.S., March 3, 2014; Reso. 2012-122 N.C.S., August 27, 2012; Reso. 2008-093 N.C.S., May 19, 2008	The Parkland Development Fee funds public facilities which improve neighborhood and community parklands as needed to serve new development.
7		Open Space Acquisition Impact Fee	Reso. 2014-039 N.C.S., March 3, 2014; Reso. 2012-123 N.C.S., August 27, 2012; Reso. 2008-091 N.C.S., May 19, 2008	The Open Space Acquisition Fee funds acquisition of and payment for open space necessary to maintain the city's standard established in its General Plan based on a ratio of open space acreage to population, including employees of new commercial development, as new residents and employees are added by new development.

8	(A)	Law Enforcement Facilities Impact Fee	Reso. 2008-089 N.C.S., May 19, 2008	The Law Enforcement Facility Fee funds the portion of construction of new law enforcement facilities, including a new police station and two communications towers, and acquisition of police vehicles and equipment, that is related to the need to serve new development.
9	(A)	Public Facilities Impact Fee	Reso. 2008-094 N.C.S., May 19, 2008	The Public Facilities Impact Fee funds a proportionate share of City Hall renovation or relocation, corporation yard construction and VOIP and Wi-Fi communications systems. It also funds additional computer technology and city vehicles to serve the added population and employees brought to the city by new development.
10	(A)	City Facilities Development Impact Fee	Reso. 2014-036 N.C.S., March 3, 2014; Reso. 2012-121 N.C.S., August 27, 2012	The City Facilities Development Impact Fee funds design, engineering, right-of-way and reasonable costs of outside consultant studies related thereto, reimburse the City for the Facilities constructed by the City with funds from other sources including funds from other public entities, reimburse developers who have designed and constructed any of the facilities with prior City approval and have entered into an agreement and pay for and/or reimburse costs of program development and ongoing administration and maintenance for the Fee program, including, but not limited to, the cost of studies, legal costs, and other costs of updating the Fee.
11		Storm Drainage Impact Fee	Ord. 1530 N.C.S., eff. Sept. 20, 1982; Ord. 1653 N.C.S., eff. June 2, 1986 (Petaluma Municipal Code Chapter 17.30); Reso. 9751 N.C.S., June 2, 1986	The Storm Drainage Impact Fee funds the construction of storm drainage improvements needed to control increases in run-off created by new development projects. The Storm Drainage Impact Fee was adopted and last updated before the enactment and effective date of AB1600, but is included in this report for informational purposes.
12		Traffic Development Impact Fee	Reso 2015-191 N.C.S., Dec 7, 2015; Reso 2014-112 N.C.S., July 7, 2014 Reso. 2014-040 N.C.S., March 3, 2014; Reso. 2012-125 N.C.S., August 27, 2012; Reso. 2008-095 N.C.S., May 19, 2008	The Traffic Development Impact Fee funds construction and implementation of improvements to key elements of the citywide transportation system sufficient to accommodate future traffic demand generated by new development.

(A) The City Facilities Impact Fee consolidated the following six previous development impact fees into a single fee: Aquatic Center Facilities Impact Fee, Community Center Facilities Impact Fee, Fire Suppression Facilities Impact Fee, Law Enforcement Facilities Impact Fee, Library Facilities Impact Fee, and the Public Facilities Impact Fee.

Exhibit B

**Development Impact Fee Report
Fiscal Year 2015-16**

Fund	Fund Title / Project Title	Fund Balance 7/1/2015	Fee Revenue	Interest Revenue	Return Unused Funds /loan repymt	Expenditures/ Transfers	Est % funded by Impact Fees	Ending Balance 6/30/2016
2110	(A) Aquatic Center Facilities Impact Fees	76,839.92	491.00	264.93		9.82		77,586.03
	City administrative costs					9.82	100.0%	
2120	(A) Community Facilities Impact Fees	1,083,490.12	-	5,291.99		-		1,088,782.11
2121	(A) Community Center Facilities - 08	178,702.36	653.00	614.73		13.06		179,957.03
	City administrative costs					13.06	100.0%	
2125	(A) Fire Suppression Facilities Impact Fees	282,880.32	1,135.00	958.50		21,022.70		263,951.12
	c00300405 Expansion of Fire Station #2 & #3					21,000.00	100.0%	
	City administrative costs					22.70	100.0%	
2135	(A) Library Facility Impact Fees	233,983.50	859.00	804.75		17.18		235,630.07
	City administrative costs					17.18	100.0%	
2140	Parkland Acq and Dev Impact Fees	(0.00)	-	-	-	-		(0.00)
2141	Parkland Acquisition Impact Fees -08	796,667.84	125,785.49	2,846.50		2,515.71		922,784.12
	City administrative costs					2,515.71	100.0%	
2142	Parkland Development Impact Fees -08	594,864.91	385,428.98	5,167.60	400,000.00	240,708.58		1,144,752.91
	c14501604 E Washington Park Restroom					133,000.00	100.0%	
	c14501403 E Washington Park Pathway					100,000.00	24.2%	
	City administrative costs					7,708.58	100.0%	
2143	Open Space Acquisition Impact Fees -08	122,038.62	36,283.79	479.32		725.68		158,076.05
	City administrative costs					725.68	100.0%	
2145	(A) Law Enforcement Facilities Impact Fees	443,402.58	1,483.00	1,524.55		29.66		446,380.47
	City administrative costs					29.66	100.0%	
2150	(A) Public Facilities Impact Fees	174,530.18	543.00	600.08	-	10.86		175,662.40
	c00100104 Museum Roof					-	100.0%	
	City administrative costs					10.86	100.0%	
2151	(A) Public Facilities Impact Fees -08	163,169.90	1,352.00	563.39		27.04		165,058.25
	City administrative costs					27.04	100.0%	
2152	City Facilities Development Impact Fees	1,047,993.77	287,328.52	7,195.52		5,746.57		1,336,771.24
	City administrative costs					5,746.57	100.0%	
2155	Storm Drainage Impact Fees	3,410,504.27	4,178.43	14,898.31	(27,583.33)	630,985.57		2,771,012.11
	c16301413 Capri Creek					40,900.00	35.3%	
	c00500208 River Plan-Denman Phase 3					81,000.00	6.5%	
	c00500705 Lakeville Channel Improvements					10,000.00	100.0%	
	c00500308 Stream and Precipitation Gauges					9,000.00	3.1%	
	c16301307River Flood Control					490,002.00	65.9%	
	City administrative costs					83.57	100.0%	
2156	Storm Drainage Impact Fees -08	210,145.17	37,548.77	784.54		750.98		247,727.50
	City administrative costs					750.98	100.0%	

Exhibit B

Fund	Fund Title / Project Title	Fund Balance 7/1/2015	Fee Revenue	Interest Revenue	Return Unused Funds /loan repymt	Expenditures/ Transfers	Est % funded by Impact Fees	Ending Balance 6/30/2016
2160	Traffic Impact Fees	3,015,846.97	-	17,561.46		-		3,033,408.43
2161	Traffic Impact Fees -08	11,655,982.90	2,290,105.37	76,188.87		255,555.41		13,766,721.73
	c00501204 Rainier Ave Cross town connector					20,000.00	22.0%	
	c65501503 Petaluma Transit Vehicle Location					25,000.00	19.2%	
	c16101201 Washington St Bridge Rehabilitation					9,000.00	3.5%	
	e16102015 Caulfield Lane Grade Crossing Improvements					155,753.30	100.0%	
	City administrative costs					45,802.11	100.0%	

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FY 15/16 Development Impact Fee Schedule

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
City Facilities Development Impact Fee)^(A)	Single Family Residential	\$5,680	Unit
	Multifamily Residential	\$3,824	Unit
	Accessory Dwelling	\$1,948	Unit
	Commercial	\$1,076	1,000 sq ft of building space
	Office	\$1,028	1,000 sq ft of building space
	Industrial	\$655	1,000 sq ft of building space
Commercial Development Housing Linkage Fee			
	Commercial	\$2.19	Square Foot
	Retail	\$3.78	Square Foot
	Industrial	\$2.26	Square Foot
Open Space Acquisition Fee			
	Single Family Residential	\$398	Unit
	Multifamily Residential	\$268	Unit
	Accessory Dwelling	\$137	Unit
	Commercial	\$76	1,000 sq ft of building space
	Office	\$73	1,000 sq ft of building space
	Industrial	\$46	1,000 sq ft of building space
Park Land Acquisition Fee (Quimby and Non-Quimby Act Projects)^(B)			
	Single Family Residential	\$1,700	Unit
	Multifamily Residential	\$1,150	Unit
	Accessory Dwelling	\$583	Unit
	Commercial	\$322	1,000 sq ft of building space
	Office	\$308	1,000 sq ft of building space
	Industrial	\$196	1,000 sq ft of building space
Park Land Development Impact Fee			
	Single Family Residential	\$5,484	Unit
	Multifamily residential	\$3,693	Unit
	Accessory Dwelling	\$1,881	Unit
	Commercial	\$1,039	1,000 sq ft of building space
	Office	\$994	1,000 sq ft of building space
	Industrial	\$632	1,000

FY 15/16 Development Impact Fee Schedule

Exhibit C

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
Traffic Development Impact Fee	Single Family Residential	\$ 13,623	Unit
	Multifamily Residential	\$ 8,363	Unit
	Accessory Dwelling	\$ 3,777	Unit
	Senior Housing	\$ 3,642	Unit
	Office	\$ 17,995	1,000 sq ft of building space
	Hotel/Motel	\$ 5,367	Room
	Commercial/Shopping	\$ 26,326	1,000 sq ft of building space
	Industrial/Warehouse	\$ 10,656	1,000 sq ft of building space
	Education	\$ 1,341	Student
	Institution	\$ 5,521	1,000 sq ft of building space
	Gas/Service Station	\$ 44,070	Fuel Position
Wastewater Capacity Fee ^(c)			
Wastewater Capacity Fee ^(c)	Single Family Residential	\$7,554.05	Unit
	Multifamily Residential	\$5,000.90	Unit
	Accessory Dwelling	\$2,778.75	Unit
	Non-Residential Customers	\$ 16.02 \$ 3,638.05 \$ 4,171.63	Per gallon daily flow Per daily pound of BOD Per daily pound of TSS
Water Capacity Fee (per meter size)			
Water Capacity Fee (per meter size)	METER SIZE	FEE	
	¾	\$3,676.89	
	1" (residential)	\$3,676.89	
	1" (non-residential)	\$6,140.43	
	1 ½	\$12,243.98	
	2"	\$19,597.74	
	3"	\$36,768.82	
	4"	\$61,293.68	
	6"	\$121,337.13	
>6	Case by Case basis		

- (a) The City Facilities Impact Fee consolidated the following six previous development impact fees into a single fee: Aquatic Center Facilities Impact Fee, Community Center Facilities Impact Fee, Fire Suppression Facilities Impact Fee, Law Enforcement Facilities Impact Fee, Library Facilities Impact Fee, and the Public Facilities Impact Fee.
- (b) The Quimby Act applies only to fees and/or dedications imposed on certain subdivisions subject to the Subdivision Map Act to fund land acquisition costs for park or recreational purposes.
- (c) The wastewater capacity fee for non-residential users is based on the daily flow, biological oxygen demand and the total suspended solids of the wastewater being discharged. Please contact the Department of Public Works & Utilities at 707-778-4546 for a quote.

STORM DRAIN IMPACT FEE

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 portion 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 type detached single-family subdivision would pay approximately \$1,500 per acre.

**Status of Interfund Loans, Transfers, Refunds or Reallocation of Funds
Fiscal Year 2015-16**

Interfund Loans

The Storm Drainage Impact Fee fund loaned the Storm Water Utility Operations fund \$690,230 to cover storm water maintenance costs from January 1, 2012 through June 30, 2013. Payment of principal and interest for FY 15-16 was \$48,473. The balance as of June 30, 2016 is \$604,337. This loan is scheduled to be repaid by June 30, 2026.

The Community Facilities Impact Fee fund loaned the Parks CIP fund \$39,732 through June 30, 2016 to renovate the Swim Center pool heating boilers. All payment of principal and interest are payable upon receipt of the PG&E General On-Bill Financing Loan described in Resolution No. 2011-170 N.C.S. and 2013-004 N.C.S.

There were no Transfers, Refunds or Reallocation of Funds during FY 15-16.