



CITY OF PETALUMA, CALIFORNIA

ANNUAL DEVELOPMENT IMPACT FEE REPORT

FISCAL YEAR 2022-23

City of Petaluma
Annual Development Impact Fee Report
Fiscal Year 2022-23

Background

The Mitigation Fee Act, Government Code §§66000 *et seq.* (the “Act”), governs the establishment and administration of development impact fees paid by development projects which defray all or a portion of the cost of public facilities related to those projects. Fees must be separately accounted for and used for the specific purpose for which they are imposed. The City's adopted development impact fees are listed in the attached exhibits. Expenditures of collected fees are generally 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 and Five-Year Development Fee Reporting

The Act requires that the City prepare an annual report on all of its development impact fees after the end of each fiscal year. Government Code section 66006(b)(2) requires the annual report to be reviewed by the City Council at its next regular meeting not less than 15 days after the report is made available to the public. This Fiscal Year 2022-2023 annual report (“Report”) was made available to the public on the City of Petaluma website on December 29, 2023, posted at City Hall, and a copy of the Report also was mailed to all persons who had requested mailed notice relating to city fees on December 29, 2023.

Excluded from this Report are developer fees which are not subject to the reporting requirements of the Act. For example, the City collects the following fees pursuant to the City's zoning powers rather than pursuant to the Act: in-lieu housing fees, commercial linkage fees (which are the non-residential equivalent of the in-lieu housing fees), public art in-lieu fees, and the fee related to the Central Petaluma Specific Plan area. Water capacity fees and wastewater capacity fees also are not development impact fees as defined in Sections 66006 and 66001 of the Act. Finally, 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 Act's reporting requirements.

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 for informational purposes.

The City Council 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).) The effected accounts are shown on Exhibit E to this report and are the City Facilities Development Impact Fee, Parkland Development Impact Fee, Parkland Acquisition Impact Fee, Open Space Acquisition Fee, and Traffic Development Impact Fee.

The report is organized as follows:

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

Exhibit B: Summary of the July 1, 2022 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, percentage of the improvements funded by fees, and the ending balance as of June 30, 2023 for each fee (Gov't. Code §66006(b)(1)(C)-(E).) Excess funds from capital project funds were returned to the originating revenue funds.

Exhibit C: Identifies the amount of each development impact fee. (Gov't. Code §66006(b)(1)(B).)

Exhibit D: Identifies interfund loans, transfers, refunds or reallocation of funds in lieu of refunds in Fiscal Year 2022-2023 (Gov't. Code §66006(b)(1)(G)-(H)).

Exhibit E: Documents the findings required every five years including: identifying the purpose to which the fee is to be put, demonstrating a reasonable relationship between the fee and the purpose for which it is charged, identifying all sources and amounts of funding anticipated to complete financing in incomplete improvements, and designating the approximate dates on which this funding is expected to be available (Gov't. Code §66001(d)).

City of Petaluma
Development Impact Fee Summary

Fee #	Impact Fee Name	Fee Authority	Brief Description of the Type of Fee
1	Parkland Acquisition Fee	Reso. 2022-182 N.C.S; Reso. 2020-009 N.C.S, January 6, 2020; 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.
2	Parkland Development Impact Fee	Reso. 2022-182 N.C.S; Reso. 2020-009 N.C.S, January 6, 2020; Reso. 2016-160 N.C.S; October 3, 2016; 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.
3	Open Space Acquisition Impact Fee	Reso. 2022-182 N.C.S; Reso. 2020-009 N.C.S, January 6, 2020; 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.
4	City Facilities Development Impact Fee	Reso. 2022-182 N.C.S; Reso. 2020-009 N.C.S, January 6, 2020; 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.
5		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.
6		Traffic Development Impact Fee	Reso. 2022-182 N.C.S; Reso. 2020-009 N.C.S, January 6, 2020; Reso.2016-76 N.C.S. May 16, 2016 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.

**Development Impact Fee Report
Fiscal Year 2022-23**

Fund	Fund Title / Project Title	Fund Balance 7/1/2022	Fee Revenue	Interest/Gain/Loss Revenue	Return Unused Funds /loan repaymt	Expenditures/ Transfers	Est % funde d by Impact Fees	Ending Balance 6/30/2023
2141	Parkland Acquisition Impact Fees -08	2,032,513.73	585,119.00	61,723.78		11,702.38		2,667,654.13
	City administrative costs					11,702.38	100.0%	
2142	Parkland Development Impact Fees -08	3,256,655.75	1,930,645.00	123,386.16	-	4,975,612.90		335,074.01
	c14501607 Petaluma Comm Sports Fields					4,926,000.00	100.0%	
	c14502012 Schollenberger Improvements					11,000.00	100.0%	
	City administrative costs					38,612.90	100.0%	
2143	Open Space Acquisition Impact Fees -08	498,797.25	162,037.00	11,238.18		3,240.74		668,831.69
	City administrative costs					3,240.74	100.0%	
2152	City Facilities Development Impact Fees	5,726,722.61	2,309,540.00	106,625.59		437,890.80		7,704,997.40
	c11202019 Council Chambers Improvements					56,000.00	56.0%	
	c11202328 Fire Stations 1, 2, 3 Remodel					116,700.00	100.0%	
	e11502236 Public Safety Facilities Assessment					132,000.00	52.0%	
	e11202026 27 Howard St Improvements					3,000.00	100.0%	
	c11202116 Community Cntr Emergency Power Bkup & Bld					67,000.00	23.0%	
	c11502015 Electrical Vehicle Chargers					17,000.00	24.0%	
	City administrative costs					46,190.80	100.0%	
2155	Storm Drainage Impact Fees	2,690,820.07	-	56,712.22		198,086.70		2,549,445.59
	c16302255 960 Lakeville Storm Drain					123,000.00	100.0%	
	c16502254 Wilson Stormwater Pump Station Upgrades					57,750.00	100.0%	
	c16301722 Petaluma River Flood Mgmt Denman 4					17,336.70	2.0%	
2156	Storm Drainage Impact Fees -08	624,661.48	12,629.71	12,275.28		252.59		649,313.88
	City administrative costs					252.59	100.0%	
2160	Traffic Impact Fees	3,115,843.60	-	584,317.89		2,428,460.00		1,271,701.49
	c14501607 Petaluma Comm Sports Fields					200,000.00	5.0%	
	e16402252 Pedestrian Bridge Renovations					3,500.00	100.0%	
	c16102146 Traffic Calming & Bike Boulevards					42,000.00	53.0%	
	c14502114 Lych Creek Trail					10,000.00	23.0%	
	c16102250 Traffic Signal Timing Upgrades					34,000.00	14.0%	
	e16402238 Pedestrian Bridge Assessment					12,500.00	34.0%	
	e16502134 Active Transportation Plan					7,000.00	32.0%	
	c16101601 Petaluma Blvd. South Rd Diet Extension					505,000.00	13.0%	
	c65502211 Bus Stop Improvements					14,000.00	21.0%	
	c16402141 1st and F St Bridge Replacement					168,000.00	8.0%	
	c16102251 D Street Improvements					7,460.00	12.0%	
	c16102147 North McDowell Blvd Complete St					1,300,000.00	23.0%	
	c16102032 Pedestrian Improvements Citywide					125,000.00	53.0%	
	City administrative costs					-		
2161	Traffic Impact Fees -08	29,189,708.52	3,737,663.00	543,162.15	-	74,753.26		33,395,780.41
	City administrative costs					74,753.26	100.0%	

FY 22/23 Development Impact Fee Schedule

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
City Facilities Development Impact Fee)	Single Family Residential	\$7,419	Unit
	Multifamily Residential	\$4,995	Unit
	Accessory Dwelling	\$2,545	Unit
	Commercial	\$1,404	1,000 sq ft of building space
	Office	\$1,341	1,000 sq ft of building space
	Industrial	\$855	1,000 sq ft of building space
Commercial Development Housing Linkage Fee	Commercial	\$3.36	Square Foot
	Retail	\$5.81	Square Foot
	Industrial	\$3.46	Square Foot
Open Space Acquisition Fee	Single Family Residential	\$522	Unit
	Multifamily Residential	\$350	Unit
	Accessory Dwelling	\$179	Unit
	Commercial	\$100	1,000 sq ft of building space
	Office	\$95	1,000 sq ft of building space
	Industrial	\$61	1,000 sq ft of building space
Park Land Acquisition Fee (Quimby and Non-Quimby Act Projects)^(A)	Single Family Residential	\$2,291	Unit
	Multifamily Residential	\$1,501	Unit
	Accessory Dwelling	\$761	Unit
	Commercial	\$421	1,000 sq ft of building space
	Office	\$402	1,000 sq ft of building space
	Industrial	\$255	1,000 sq ft of building space
Park Land Development Impact Fee	Single Family Residential	\$7,341	Unit
	Multifamily residential	\$4,943	Unit
	Accessory Dwelling	\$2,517	Unit
	Commercial	\$1,391	1,000 sq ft of building space
	Office	\$1,330	1,000 sq ft of building space
	Industrial	\$848	1,000

FY 22/23 Development Impact Fee Schedule

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
Traffic Development Impact Fee	Single Family Residential	\$18,656	Unit
	Multifamily Residential	\$11,453	Unit
	Accessory Dwelling *	\$5,172	Unit
	Senior Housing	\$4,986	Unit
	Office	\$24,643	1,000 sq ft of building space
	Hotel/Motel	\$7,349	Room
	Commercial/Shopping	\$36,049	1,000 sq ft of building space
	Industrial/Warehouse	\$14,592	1,000 sq ft of building space
	Education	\$1,837	Student
	Institution	\$7,560	1,000 sq ft of building space
	Gas/Service Station	\$60,348	Fuel Position
Wastewater Capacity Fee ^(B)			
	Single Family Residential	\$9,846	Unit
	Multifamily Residential	\$6,519	Unit
	Accessory Dwelling	\$3,624	Unit
	Non-Residential Customers	\$20.87 \$4,742 \$5,437	Per gallon daily flow Per daily pound of BOD Per daily pound of TSS
Water Capacity Fee (per meter size)			
	METER SIZE	FEE	
	¾	\$4,794	
	1" (residential)	\$4,794	
	1" (non-residential)	\$8,004	
	1 ½	\$15,960	
	2"	\$25,546	
	3"	\$47,927	
	4"	\$79,894	
	6"	\$158,157	
	>6	Case by Case basis	

*Accessory dwelling units less than 750 square feet are exempt from development impact fees. 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.

- (a) 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.
- (b) 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 707-776-3777 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 2022-23**

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 22-23 was \$45,990. The balance as of June 30, 2023 is \$294,087. This loan is scheduled to be repaid by June 30, 2026.

There were no Transfers, Refunds or Reallocation of Funds during FY 22-23.