



FY 2024–25
Development
Impact Fee
Annual
Report

City of Capitola
January 8, 2026



Background

- Development impact fees governed by AB 1600 (Mitigation Fee Act)
- Codified in Government Code Sections 66000–66023
- Requires annual and five-year reporting

Fees Subject to Reporting



- Affordable housing impact fees



- Affordable housing in-lieu fees



- Tree replacement in-lieu fees



- Bike parking in-lieu fees



- Public art fees

Purpose of Impact Fees

- Offset impacts of new development

- One-time contribution

- Limited to proportionate share of impacts

- Cannot correct existing deficiencies

Housing Impact Fees

- FY 2024–25 balance: \$144,598
- FY 2025–26 programmed: \$121,250
 - First-time homebuyer assistance
 - Housing rehabilitation
 - Six or less units

Housing In-Lieu Fees

- FY 2024–25 balance: \$204,882
- Pacific Cove loan retired
 - Funds programmed for housing rehabilitation
 - Seven or more units

Other Fee Balances

Tree Replacement Fees:

- Balance: \$127 (used for planting & maintenance)

Bike Parking In-Lieu Fees:

- Balance: \$1,200 (bike rack installation)

Public Art Fees:

- FY 2024–25 balance: \$100,200
 - \$65,505 identified for future public art projects

Conclusion



- REPORT COMPLIES WITH MITIGATION FEE ACT



- ENSURES TRANSPARENCY AND ACCOUNTABILITY



- ACCEPTANCE OF REPORT HAS NO FISCAL IMPACT



- STAFF RECOMMENDS ADOPTION

Recommended Action

- Adopt a resolution adopting the Fiscal Year 2024–25 Development Impact Fee Annual Report.