

# Council Work Session: Impact Fee Discussion

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- Work to Date
- Fee Study Findings and Utility Model Updates
- Fee Credits and Offsets: City of Fort Collins and Comparatives
- Next Steps and Questions

- Prior to consideration of ordinances updating fees for 2025, what questions do Councilmembers have related to the Fee Studies and Utility model updates?
- What policy considerations and/or options do Councilmembers want to investigate further?



# Work to Date and Fee Study/Model Updates

## 2023

- Capital Expansion Fee (CEF) Study Update – *Economic & Planning Systems, Inc.*
- Transportation Capital Expansion Fee (TCEF) Study Update - *TischlerBise*
- Biennial Utility Fee Model updates
- Water Supply Requirements: Additional analysis and outreach
- Council Finance Committee: October and December update meetings

## 2024

- February: Council adoption of 2024 fees w/inflationary updates only:
  - 5.6% for CEF
  - 7.4% for TCEF and Utility Plant Investment Fees and Electric Capacity Fee
- Continued assessment of Water Utility environment
- Policy considerations to supplement existing fee credit program

# Transportation Capital Expansion Fees: Overview



## Premise of Fees

- One-time fee from development and redevelopment
- Used to support growth share related infrastructure improvements
- Cannot be used for maintenance

## Use of Fees

- Reimbursement to developers
  - Northfield reimbursement
- Contribution to Capital Projects
  - Roadway projects (TCPPS)
  - Active Modes (Active Modes Plan)

## Previous Updates

- “Transportation Capital Expansion Fee Study” (2017), TischlerBise
- 2012 Transportation CIP
- 2014 Bicycle Master Plan
- 2010/2016 Arterial Intersection Prioritization Study
- 10 year build out through development
- 2016 Arterial Cost/Lane Mile (\$1.4M)

# TCEF: Study Update Draft Fees

- Generally, in range when compared to an inflation adjustment approach
  - (7.4% based on August 2022-August 2023 Engineering News-Record Denver City Cost Index)
- Estimate \$115M over the next 10 years to keep with anticipated growth needs and level of service

Residential		Roadway		Active		Update	2023		
Unit	Fee	% of Total	Modes	% of Total	Total	Total	Change	% Change	
up to 700 sq. ft.	Dwelling	\$2,863	91%	\$272	9%	\$3,135	\$2,703	\$432	16%
701-1,200 sq. ft.	Dwelling	\$4,988	91%	\$487	9%	\$5,475	\$5,020	\$455	9%
1,201-1,700 sq. ft.	Dwelling	\$6,363	91%	\$625	9%	\$6,988	\$6,518	\$470	7%
1,701-2,200 sq. ft.	Dwelling	\$7,380	91%	\$726	9%	\$8,106	\$7,621	\$485	6%
over 2,200 sq. ft.	Dwelling	\$8,191	91%	\$809	9%	\$9,000	\$8,169	\$831	10%
Development Type		Roadway		Active		Update	2023		
Unit	Fee	% of Total	Modes	% of Total	Total	Total	Change	% Change	
Commercial	1,000 sq. ft.	\$11,045	94%	\$702	6%	\$11,747	\$9,946	\$1,801	18%
Office & Other Services	1,000 sq. ft.	\$6,450	86%	\$1,075	14%	\$7,525	\$7,327	\$198	3%
Industrial	1,000 sq. ft.	\$2,897	75%	\$944	25%	\$3,841	\$2,365	\$1,476	62%

# Capital Expansion Fees: Overview



## Premise of Fees

- New developments pay a proportionate share of costs to “buy-in” to the current level of services the City provides.
- Paid upon application of a building permit and assessed by land use type.
- The concept of growth paying for the impact of growth is a policy decision that past City Councils have made.

## Use of Fees

- For approved capital expenditures identified in capital improvement plans.
- Includes planning, design, surveying, permitting and engineering costs; the cost of purchasing or leasing real property and construction costs.
- Does not, and generally cannot, include repair or maintenance costs.

## Previous Updates

- Duncan and Associates (2013 and 2017)
- Adhered to the incremental expansion methodology
- Updated asset values based on the cost of construction per sq. ft.
- Additional capital added to General Government Fees



# CEF: Study Update Draft Fees

## Overall

- Residential Occupancy Factor decreases
- Non-Residential Employee per sq. ft. adjustments
- Additional Non-Residential category justified by different demand impact – Office and Other Services
- Growing service population

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	2023 Total	Change	% Change
up to 700 sq. ft.	Dwelling	\$2,813	\$2,140	\$604	\$382	\$745	\$6,684	\$6,593	\$91	1%
701-1,200 sq. ft.	Dwelling	\$4,260	\$3,241	\$914	\$578	\$1,129	\$10,122	\$8,844	\$1,278	14%
1,201-1,700 sq. ft.	Dwelling	\$4,783	\$3,638	\$1,026	\$649	\$1,267	\$11,363	\$9,652	\$1,711	18%
1,701-2,200 sq. ft.	Dwelling	\$5,145	\$3,913	\$1,104	\$698	\$1,363	\$12,223	\$9,764	\$2,459	25%
over 2,200 sq. ft.	Dwelling	\$5,848	\$4,448	\$1,254	\$794	\$1,549	\$13,894	\$10,880	\$3,014	28%
Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	2023 Total	Change	% Change
Commercial	1,000 sq. ft.			\$1,281	\$811	\$1,582	\$3,674	\$2,791	\$883	32%
Office and Other Services	1,000 sq. ft.			\$701	\$444	\$866	\$2,010	\$2,791	(\$781)	-28%
Industrial	1,000 sq. ft.			\$332	\$210	\$410	\$953	\$656	\$297	45%



Utility Finance updates their fund models every two years with inflationary adjustments generally made in the off-years

# Utility Fees – Model Updates

Utility Fee	Model Updates for 2024
Electric Capacity Fee (ECF)	14.8%
Water Plant Investment Fee (PIF)	5.7%
Wastewater Plant Investment Fee (PIF)	4.1%
Stormwater Plant Investment Fee (PIF)	7.0%
Water Supply Requirement (WSR)	No Change

# Combined Fees Summary: Multi-Unit Residence



City Charged Fees: Multi-Unit Residence Example (48,000 sq. ft. development w/ 55 units)										
Type	2020	2021	2022	2023	2024		2025		2025 - \$/Unit	
					Actual	Study	Lo WSR	Hi WSR	Lo WSR	Hi WSR
CEF	\$ 448,585	\$ 460,753	\$ 469,536	\$ 509,916	\$ 538,471	\$ 587,572	\$ 608,137	\$ 608,137	\$ 11,057	\$ 11,057
TCEF	\$ 160,512	\$ 161,403	\$ 173,366	\$ 185,675	\$ 199,415	\$ 209,865	\$ 217,210	\$ 217,210	\$ 3,949	\$ 3,949
Dev Review/Permits/Other	\$ 67,695	\$ 67,846	\$ 58,850	\$ 58,850	\$ 58,850	\$ 58,850	\$ 60,910	\$ 60,910	\$ 1,107	\$ 1,107
Water PIF	\$ 62,707	\$ 64,365	\$ 71,102	\$ 77,501	\$ 83,236	\$ 81,919	\$ 84,786	\$ 84,786	\$ 1,542	\$ 1,542
Water Supply Requirement	\$ 245,004	\$ 252,354	\$ 196,039	\$ 196,039	\$ 196,039	\$ 196,039	\$ 172,181	\$ 334,876	\$ 3,131	\$ 6,089
Wasterwater PIF	\$ 142,450	\$ 146,740	\$ 151,745	\$ 165,385	\$ 177,623	\$ 172,166	\$ 178,192	\$ 178,192	\$ 3,240	\$ 3,240
Stormwater PIF	\$ 20,639	\$ 21,257	\$ 22,055	\$ 24,040	\$ 25,819	\$ 25,723	\$ 26,623	\$ 26,623	\$ 484	\$ 484
Electric Capacity Fee	\$ 111,209	\$ 117,836	\$ 121,972	\$ 132,949	\$ 142,788	\$ 152,626	\$ 157,968	\$ 157,968	\$ 2,872	\$ 2,872
<b>Combined Fees</b>	<b>\$ 1,258,801</b>	<b>\$ 1,292,554</b>	<b>\$ 1,264,665</b>	<b>\$ 1,350,356</b>	<b>\$ 1,422,242</b>	<b>\$ 1,484,759</b>	<b>\$ 1,506,006</b>	<b>\$ 1,668,701</b>	<b>\$ 27,382</b>	<b>\$ 30,340</b>
<b>Percentage Change</b>	<b>Baseline</b>	<b>2.7%</b>	<b>-2.2%</b>	<b>6.8%</b>	<b>5.3%</b>	<b>10.0%</b>	<b>11.5%</b>	<b>23.6%</b>	<b>11.5%</b>	<b>23.6%</b>
		<b>vs. 2020</b>	<b>vs. 2021</b>	<b>vs. 2022</b>	<b>vs. 2023</b>					

- 2024 is presented for both what is currently in force after the inflationary updates were approved and what the study/model updates total.
- 2025 rates presented reflect the 2024 study/model updates plus a projected assumption of **3.5%** for inflation during 2024 in addition to the low/high estimate ranges for WSR.

# Combined Fees Summary: Single/Duplex Residence

City Charged Fees: Single/Duplex Residence Example (1,890 sq. ft. floorplan)								
Type	2020	2021	2022	2023	2024		2025	
					Actual	Study	Lo WSR	Hi WSR
CEF	\$ 8,591	\$ 8,824	\$ 8,992	\$ 9,764	\$ 10,310	\$ 12,223	\$ 12,650	\$ 12,650
TCEF	\$ 6,586	\$ 6,623	\$ 7,115	\$ 7,621	\$ 8,185	\$ 8,106	\$ 8,390	\$ 8,390
Dev Review/Permits/Other	\$ 2,532	\$ 3,314	\$ 2,792	\$ 2,792	\$ 2,792	\$ 2,792	\$ 2,890	\$ 2,890
Water PIF	\$ 4,084	\$ 4,192	\$ 4,393	\$ 4,807	\$ 5,162	\$ 5,081	\$ 5,259	\$ 5,259
Water Supply Requirement	\$ 13,869	\$ 14,285	\$ 22,813	\$ 22,813	\$ 22,813	\$ 22,813	\$ 20,037	\$ 38,970
Wasterwater PIF	\$ 3,590	\$ 3,698	\$ 3,824	\$ 4,168	\$ 4,476	\$ 4,339	\$ 4,491	\$ 4,491
Stormwater PIF	\$ 1,119	\$ 1,153	\$ 1,197	\$ 1,305	\$ 1,402	\$ 1,397	\$ 1,446	\$ 1,446
Electric Capacity Fee	\$ 2,855	\$ 3,025	\$ 3,764	\$ 4,391	\$ 4,716	\$ 5,041	\$ 5,217	\$ 5,217
<b>Combined Fees</b>	<b>\$ 43,226</b>	<b>\$ 45,114</b>	<b>\$ 54,891</b>	<b>\$ 57,662</b>	<b>\$ 59,856</b>	<b>\$ 61,792</b>	<b>\$ 60,379</b>	<b>\$ 79,313</b>
<b>Percentage Change</b>	<b>Baseline</b>	<b>4.4%</b>	<b>21.7%</b>	<b>5.0%</b>	<b>3.8%</b>	<b>7.2%</b>	<b>4.7%</b>	<b>37.5%</b>
		<b>vs. 2020</b>	<b>vs. 2021</b>	<b>vs. 2022</b>	<b>vs. 2023</b>			

- 2024 is presented for both what is currently in force after the inflationary updates were approved and what the study/model updates total.
- 2025 rates presented reflect the 2024 study/model updates plus a projected assumption of **3.5%** for inflation during 2024 in addition to the low/high estimate ranges for WSR.



# Fee Credits and Offsets

- Prior to 2013, development fees for Affordable Housing were typically waived, especially for the City's designated Housing Authority (Housing Catalyst)
  - Fee credit program started in 2013 and has gone through several iterations
  - Current state:
    - Flat credit of \$14,000 per unit
    - Any affordable developer can access credits for 30% AMI units **only**
    - Affordable Housing Capital Fund (AHCF), funded via the CCIP Renewable Tax, is available for qualified projects – requires council appropriation for utilization
    - In 2022, an additional \$350,000 of ARPA funding was appropriated for eligible projects
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- *Units serving the lowest income households require extra subsidy to build, manage, and maintain; rents can't be increased to cover the cost of the unit*
  - *Most affordable housing developments are multi-unit buildings with 1-3 bedrooms per unit*
  - *Fee categories "under 700 sq. feet" and "700-1,200 sq. feet" are most relevant to affordable projects*

# Approaches to Incentivizing Affordable Housing – Fee Reductions



	Fort Collins	Longmont	Loveland	Boulder	Denver	Colorado Springs
<b>Impact Fee Type / Structure</b>	Varies by dwelling size and Sq. ft. of non-residential	Varies by dwelling size and sq. ft of non-residential	Flat fee per unit type	<ul style="list-style-type: none"> <li>Fees vary by dwelling size <i>plus</i></li> <li>Transportation Excise Taxes</li> </ul>	Water and Sewer tap fees	Police/Fire/Parks with rates based on units/structure plus water taps
<b>Eligibility / Framework</b>	<ul style="list-style-type: none"> <li>30% AMI</li> </ul>	<ul style="list-style-type: none"> <li>80% AMI – Sale</li> <li>50% AMI – Rental</li> <li>Minimum 12% Inclusionary housing</li> </ul>	<ul style="list-style-type: none"> <li>80% AMI</li> </ul>	<ul style="list-style-type: none"> <li>Less than 30% of income on housing</li> <li>25% inclusionary housing requirement</li> </ul>	Tiered Options <ul style="list-style-type: none"> <li>Hi / Lo- cost markets</li> <li>Sale/Rental</li> <li>Minimum of: 8% @ 60% AMI to 15% @ 90% AMI</li> </ul>	<ul style="list-style-type: none"> <li>All units reserved for below 120% AMI</li> </ul>
<b>Other Program Items</b>	2022 ARPA funding	Fee Deferral – pay at certificate of occupancy	Investigating variance of fees by dwelling size	Non-Residential Linkage Fee charged based on job generation	Incentives: <ul style="list-style-type: none"> <li>Reduced parking space requirements</li> </ul>	Point system rebate based on scoring rubric
<b>Amount</b>	\$14K per unit – fixed fee credit	Fee Waivers For Sale Units: 50 – 100% Rental Units: 20 – 50%	100% Fee waiver for non-profits using Low Income Housing Tax Credit	TBD - researching	\$6.5K - \$10k capped at 50% of total fees	0 – 100% fee rebate
<b>Funding Sources</b>	Affordable Housing Capital Fund (AHCF) or General Fund	Affordable Housing Fund funded by fee-in-lieu and allocated local funds	General Fund	Revenue from linkage fees funds Affordable Housing fund	Linkage fee for projects with 9 or fewer units	Housing /Community Vitality Department & Utilities Dept



# Fee Credits/Reductions: Options to Consider

- Continue program operation as it is today – credits can be used toward fees paid from AHCF for 30% AMI units
- Waive some or all fees for 30% AMI units
- Waive some or all fees for a broader income range
- Create a tiered approach where fees are waived for some units (e.g., 30-50% AMI) and partially credited for others (e.g., 60% AMI and above)

Fee offsets will generally need backfill to fund levels of service

Options		Annual Cost Estimate / Backfill Requirement
1	Keep fee credit program as is – flat credit of \$14,000 per unit (~ 58% of fees for 30% AMI units) – 25 units per year	\$350,000
2	Increase to maintain current ratio of fees covered for 30% AMI units (~ 64% of fees for 30%AMI units) – 25 units per year	\$360,000 - \$380,000
3	Increase to cover all fees for 30%AMI units (100% of fees for 30% AMI units) – 25 units per year	\$560,000 - \$595,000
4	Expand to cover some or all fees for a wider AMI range	
4A	40% AMI or below – 40 units per year	\$950,000 - \$950,000
4B	50% AMI or below – 85 units per year	\$1.9 - \$2.0 million
4C	60% AMI or below – 125 units per year	\$2.8 – \$2.9 Million
4D	70% AMI or below – 165 units per year	\$3.7 – \$3.9 million
4E	80AMI or below – (all affordable housing) – 185 units per year (City’s commitment under proposition 123)	\$4.2 – \$4.4 million



## Next Steps and Questions

- Evaluate and incorporate Councilmembers' feedback on fee structures, policy considerations and options.
- Continue coordination with Utilities for consolidated approach to 2025 fee updates and schedules.

- Prior to consideration of ordinances updating fees for 2025, what questions do Councilmembers have related to the Fee Studies and Utility model updates?
- What policy considerations and/or options do Councilmembers want to investigate further?



## Appendix 1 – Fee Study Detail

## TCEF 2023 Study Update Methodology

- Roadway Capacity: Incremental Expansion Methodology (same as previous TCEF study)
- Active Modes Component: Plan Based Methodology

## Data inputs

- North Front Range MPO and census data to update demand from development
- Growth Share of Plans
  - 2023 Transportation Capital Projects Prioritization Study (TCPPS)
  - 2022 Active Modes Plan
  - 10-year buildout of additional lane miles through development
  - Arterial Cost per Lane Mile (\$2.0M)
- Travel Diary Study Report

- Roadway Capacity: Incremental Expansion Methodology
  - Projected 10-year needs of transportation infrastructure (in terms of lane miles)
    - TCPPS projects that are growth related
    - Development construction of additional lane miles
  - Evaluates the growth share of infrastructure that's attributable to development impact
  - Impact is based on Vehicle Miles Traveled (VMT)
    - Vehicle trip length from Travel Diary Survey (4.9 miles)
- Roadway Capacity Analysis
  - 13% increase in VMT
  - 61.9 new lane mile needs over 10 years to maintain current LOS
    - 7% (4.3 lane miles) of trips on roadway network is external-external trips
    - \$8.6M out \$124M of our roadway capacity needs not attributable to growth/TCEF
    - 57.6 miles attributed to growth

- Active Modes Component: Plan Based Methodology
  - 10-year growth related cost compared to 10-year growth projection
  - High and Medium priority Active Modes Projects (\$87M)
- Active Modes Plan Analysis
  - From \$87M of High & Medium priority Active Modes Plan projects 13% (\$11M) attributed to 10-year growth
  - Based on demand from residential and nonresidential development and allocated based on the percent of commuters who walk or bike to work (22% active modes Travel Study Log)
  - Active Modes Plan share increase from 2017 (4%) to 2023 (9%)



- **Standards Based or “Incremental Expansion” Approach**
  - Maintains the current level of service or investment per unit of development
  - Replacement/Construction cost valuations
  - Offsets for debt funding
  - Adjustments by land use type and occupancy factors
  
- **Key Data inputs**
  - Updated 2023 asset inventories for City of Fort Collins and Poudre Fire Authority
  - Neighborhood and Community Park development costs and current land valuation estimates
  - Current market cost of construction estimates and Larimer County valuations
  - Updated residential household size and non-residential occupancy factors
  - Alignment of existing conditions with concurrent TCEF Study Update

- **Parks**

- Higher land valuations
- Inclusion of East District Maintenance Facility
- Neighborhood Parks – higher development costs reflective of newest park buildouts

- **Police and Fire**

- Significant Asset Value increases – Additional Equipment and Facilities and Higher unit replacement costs

- **General Government**

- Increased Asset Values but lower increases relative to Police and Fire

# CEF: Study Detailed Updated Draft Fees

## CEF - 2023 Fees

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	2023 Total
up to 700 sq. ft.	Dwelling	\$2,108	\$2,977	\$516	\$289	\$703	\$6,593
701-1,200 sq. ft.	Dwelling	\$2,822	\$3,985	\$698	\$391	\$948	\$8,844
1,201-1,700 sq. ft.	Dwelling	\$3,082	\$4,351	\$759	\$425	\$1,035	\$9,652
1,701-2,200 sq. ft.	Dwelling	\$3,114	\$4,396	\$772	\$431	\$1,051	\$9,764
over 2,200 sq. ft.	Dwelling	\$3,470	\$4,901	\$859	\$480	\$1,170	\$10,880
Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Current Total
Commercial	1,000 sq. ft.			\$650	\$364	\$1,777	\$2,791
Office and Other Services	1,000 sq. ft.			\$650	\$364	\$1,777	\$2,791
Industrial	1,000 sq. ft.			\$152	\$85	\$419	\$656

## CEF - Update

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total
up to 700 sq. ft.	Dwelling	\$2,813	\$2,140	\$604	\$382	\$745	\$6,684
701-1,200 sq. ft.	Dwelling	\$4,260	\$3,241	\$914	\$578	\$1,129	\$10,122
1,201-1,700 sq. ft.	Dwelling	\$4,783	\$3,638	\$1,026	\$649	\$1,267	\$11,363
1,701-2,200 sq. ft.	Dwelling	\$5,145	\$3,913	\$1,104	\$698	\$1,363	\$12,223
over 2,200 sq. ft.	Dwelling	\$5,848	\$4,448	\$1,254	\$794	\$1,549	\$13,894
Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total
Commercial	1,000 sq. ft.			\$1,281	\$811	\$1,582	\$3,674
Office and Other Services	1,000 sq. ft.			\$701	\$444	\$866	\$2,010
Industrial	1,000 sq. ft.			\$332	\$210	\$410	\$953

## CEF - Change \$

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change Total
up to 700 sq. ft.	Dwelling	\$705	(\$837)	\$88	\$93	\$42	\$91
701-1,200 sq. ft.	Dwelling	\$1,438	(\$744)	\$216	\$187	\$181	\$1,278
1,201-1,700 sq. ft.	Dwelling	\$1,701	(\$713)	\$267	\$224	\$232	\$1,711
1,701-2,200 sq. ft.	Dwelling	\$2,031	(\$483)	\$332	\$267	\$312	\$2,459
over 2,200 sq. ft.	Dwelling	\$2,378	(\$453)	\$395	\$314	\$379	\$3,014
Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change Total
Commercial	1,000 sq. ft.			\$631	\$447	(\$195)	\$883
Office and Other Services	1,000 sq. ft.			\$51	\$80	(\$911)	(\$781)
Industrial	1,000 sq. ft.			\$180	\$125	(\$9)	\$297

## CEF - Change %

Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change %
up to 700 sq. ft.	Dwelling	33%	-28%	17%	32%	6%	1%
701-1,200 sq. ft.	Dwelling	51%	-19%	31%	48%	19%	14%
1,201-1,700 sq. ft.	Dwelling	55%	-16%	35%	53%	22%	18%
1,701-2,200 sq. ft.	Dwelling	65%	-11%	43%	62%	30%	25%
over 2,200 sq. ft.	Dwelling	69%	-9%	46%	65%	32%	28%
Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Change %
Commercial	1,000 sq. ft.			97%	123%	-11%	32%
Office and Other Services	1,000 sq. ft.			8%	22%	-51%	-28%
Industrial	1,000 sq. ft.			119%	147%	-2%	45%





## **Appendix 2: Affordable Housing Fee Offsets – Comparative Municipal Approaches**

- Impact fees vary by home size
- Affordable Housing Definition: For-Sale 80% AMI, Rental 50% AMI
- 12% inclusionary housing requirement
- Fee Deferral: Pay fees at CO instead of Permit Issuance
- Waivers and discounts are available only if a project exceeds the 12% minimum requirement
  - Some fees are waived with no backfill, others are offset using the City's Affordable Housing Fund (discretionary)
  - The City's Affordable Housing Fund is funded by IH Fee-in-lieu and allocated local funds
  - 50% to 100% waiver for for-sale units, 20% to 50% for rental units

- Affordable Housing Definition: 80% AMI
- 100% Fee Waiver for non-profit builders and developers utilizing LIHTC for 80% AMI (recently passed)
- Loveland Affordable Housing Task Force
  - Partnership with the City
  - Examining options to restructure impact fees and water fees to vary by home size
  - Current fees are charged as a flat fee per unit
- The fee waivers are currently backfilled by the City's General Fund

- Capital impact fees vary by home size
  - \$4,400-\$11,500 based on home size
  - Non-residential: \$0.58 per sq. ft. to \$2.16 per sq. ft. based on land use
- Transportation excise tax in addition to impact fees
  - \$2.48/ non-residential square foot
  - \$4,128.12 per SFD; \$2,995.02 per attached dwelling
  - Transportation impact fee is low to avoid double charging (\$100-\$300/unit)
- Inclusionary Housing Requirement
  - 25% for project with more than 5 units
  - 20% for smaller developments including single-family homes
- Affordable Housing Definition: Households spend less than 30% of their income on housing, adjusted annually using market data
- Non-residential linkage fees
  - Affordable housing impact fee: linkage between job generation and affordable housing demand
  - Ranges from \$10.45 per sq. ft. to \$31.35 per sq. ft. based on land use type and wages

- No capital impact fees, only water and sewer tap fees
- Inclusionary housing requirement for projects with 10 or more units
- Option 1:
  - High-cost markets: Rental 10% at 60% AMI, For-sale 10% at 80% AMI
  - Typical markets: Rental 8% at 60% AMI, For-sale 8% at 80% AMI
- Option 2:
  - High-cost markets: Rental 15% at 70% AMI avg., For-sale 15% at 90% AMI avg.
  - Typical markets: Rental 12% at 70% AMI, For-sale 12% at 90% AMI
- Base incentives:
  - Reduce parking by 0.5 spaces/unit
  - \$10,000 permit fee reduction per unit in high markets; \$6,500/unit in typical marks not to exceed 50% of total permit fees
- Linkage fees apply projects with 9 or fewer units
  - Residential: Increases to \$5.00 to \$8.00 per square foot as of 7/1/2025
  - Nonresidential: Increases to \$6.00 to \$9.00 per square foot as of 7/1/2025 (\$2.50 industrial)
- No fee waiver program



- Capital Expansion fees for Police, Fire, Parks plus Utility water Tap Fees
- Fee Rebate Program based on point system ranging 0 to 50 points
  - All Units reserved for residents under 120% AMI
  - Score criteria:
    - Up to 10 points for % of units reserved at 50% AMI or below;
    - Up to 10 points for ongoing affordability;
    - Up to 3 points for every additional unit above Section 504 requirements (i.e., accessible units);
    - Up to 5 points for unit set-aside for special needs or veterans experiencing homelessness;
    - Up to 4 points for incorporating 7 principles of universal design;
    - Up to 8 points for alignment with City Planning Documents;
    - Up to 4 points for being located in a High Opportunity Neighborhood;
    - Up to 6 points for incorporation of CSU Conservation Programs
  - Score breakdown: 46-50: 100% fee rebate; 41-45: 80% fee rebate; 36-40: 60% fee rebate; 31-35: 40% fee rebate; 26-30: 20% fee rebate; 25 and below: 0% fee rebate
  - Funded by Housing and Community Vitality Department and Utilities Department