

**RESOLUTION NO. 2024-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING DEVELOPMENT IMPACT AND IN-LIEU FEES BASED ON THE  
ADOPTED NEXUS STUDY**

**WHEREAS**, the Los Altos Municipal Code specifies that certain fees and charges shall be set by Resolution of the City Council; and

**WHEREAS**, the mitigation Fee Act contained in Government Code Section 66000 permits the City to impose development impact fees on new development for the purposes of funding public facilities necessary to serve that new development; and

**WHEREAS**, the City of Los Altos has existing Development Impact Fees; and

**WHEREAS**, new development projects attract new residents and employees to the City, generating an increased demand for park, transportation, public safety and general government facilities; and

**WHEREAS**, the City of Los Altos has determined that City parks, transportation, public safety and general government facilities are reaching capacity, and that the city requires a cost-effective and efficient way of serving future residents and employees while maintain existing levels of service; and

**WHEREAS**, the City of Los Altos wishes to update existing Development Impact fees, and establish new Development Impact Fees in direct relationship to associated development within the City; and

**WHEREAS**, the City desires to adopt a Park Impact Fee on new development to fund the costs associated with increased demand for community parks and recreational facilities created by new development; and

**WHEREAS**, the City Council has determined additional funds are necessary for maintain and operating the City's Public Safety Infrastructure; and

**WHEREAS**, the City Council desires to acquire vehicles and transportation-related equipment and improve, replace and/or construct one or more public safety facilities to serve new development in the City; and

**WHEREAS**, the City Council has determined that the creation of a Public Safety Impact Fee on new development within the City would provide the necessary funding for police and fire services related to new development; and

**WHEREAS**, the City's General Plan and Complete Streets Master Plan calls for strategies to provide an efficient, reliable, and convenient transit system; improved bicycle routes; and a balanced street system to serve automobiles, pedestrians, bicycles, and transit; and

**WHEREAS**, it is appropriate for new development to pay for improvements and development to the transportation network proportionate to the demands the new development places on the City's transportation infrastructure; and

**WHEREAS**, the City desires to impose a Transportation Impact Fee on new development to fund the costs associated with maintaining adequate street and transportation facilities related to new development; and

**WHEREAS**, the City Council has determined additional funds are necessary for maintain and operating the City’s General Government Infrastructure related to Municipal Operations; and

**WHEREAS**, the City Council desires to replace and/or construct new municipal facilities to serve new development in the City; and

**WHEREAS**, the City Council has determined that the creation of a General Government Impact Fee on new development within the City would provide the necessary funding for municipal operations related to new development; and

**WHEREAS**, the City Council has determined the physical development or funding of public art within the community is necessary; and

**WHEREAS**, the City Council has determined that the creation of a Public Art Development Fee on new development within the City would provide the necessary funding for public art within the community related to new development; and

**WHEREAS**, the City Council has determined funds are necessary for mitigating the impacts associated with non-residential development with the City; and

**WHEREAS**, the City Council has determined that the creation of a Commercial Linkage Fee on new development within the City would provide the necessary funding for the creation of affordable housing related to new development; and

**WHEREAS**, the City Council has determined funding the creation of affordable housing is necessary to further the City’s Housing related goals; and

**WHEREAS**, the City Council has determined that the creation of an Affordable Housing Fee on new development within the City in-lieu of construction of affordable units onsite would provide the necessary alternatives in helping to construct more housing within the City; and

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element Update; and

**WHEREAS**, Program 2.B of the Housing Element calls for the establishment of an affordable housing in-lieu fee; and

**WHEREAS**, Program 2.B of the Housing Element requires the City of Los Altos to conduct a feasibility analysis to support the establishment of an affordable housing in-lieu fee for residential development; and

**WHEREAS**, Program 2.B of the Housing Element requires the City of Los Altos to adopt an affordable housing in-lieu fee based on the feasibility study prepared; and

**WHEREAS**, on January 23, 2024, the City Council adopted an Inclusionary Housing In-Lieu Fee based on the results of the Inclusionary Housing Economic Feasibility Study completed by Bae Urban Economics; and

**WHEREAS**, Program 3.D of the Housing Element calls for the City of Los Altos to Evaluate and Adjust Impact Fees; and

**WHEREAS**, Program 3.D of the Housing Element expressly requires the modification of Development Impact Fees to be charged on a per square foot basis rather than per unit to encourage the development of higher densities and smaller, more affordable housing units; and

**WHEREAS**, Program 3.D of the Housing Element expressly requires the modification of Development Impact Fees to be completed no later than December 2024; and

**WHEREAS**, Government Code Section 66016 requires the City of Los Altos adopt a Nexus Study to support modifications to existing Development Impact Fees, and the establishment of new Development Impact Fees; and

**WHEREAS**, consultant Matrix Consulting Group, and subconsultants DKS Associates, and Strategic Economics on behalf of the City of Los Altos prepared the Development Impact Fee Nexus Study dated May 2024 (the “Nexus Study”); and

**WHEREAS**, the Nexus Study substantiates a methodology that will charge each new development project only for the costs necessary to mitigate the impacts expected to be caused by that development project; and

**WHEREAS**, there is a reasonable relationship between the Development Impact Fees and the development projects on which the Fees will be imposed because the Fees will only fund costs necessitated by each new development; and

**WHEREAS**, the Development Impact Fees will not exceed the estimated reasonable cost of providing the land and facilities for which the Fees are imposed; and

**WHEREAS**, the Development Impact Fees will not be levied, collected, or imposed for general revenue purposes, but are levied specifically to fund facilities of the types set forth in the Nexus Study; and

**WHEREAS**, the Nexus Study establishes proposed amounts and provides an evaluation of the need for new Development Impact Fees and establishes the nexus between the imposition of the new Fees and the estimated reasonable costs of providing the services for which the Fees are charged; and

**WHEREAS**, the Nexus Study identifies the City’s existing level of parks, transportation, public safety and general government services, identifies the level of service, and includes an explanation of why the level of service is appropriate; and

**WHEREAS**, the Nexus Study includes information that supports the City’s actions, as required by Government Code Section 66001(a); and

**WHEREAS**, the Nexus Study calculates the maximum justifiable Development Impact Fees that can be charged on new development, and therefore, the City Council may adopt reduced Development Impact Fees below the maximum justifiable amount identified within the Nexus Study if doing so effectuates a policy of the City; and

**WHEREAS**, on May 28, 2024, the City Council adopted a Nexus Study for Development Impact Fees in Compliance with Assembly Bill 602 (AB602) following a thirty-day public notice and review period; and

**WHEREAS**, the amendments were processed in accordance with the applicable provisions of the California Government Code and the Los Altos Municipal Code; and

**WHEREAS**, the City Council held a duly noticed public hearing on June 11, 2024 and continued to a date certain of June 25, 2024; and

**WHEREAS**, this Resolution is exempt from environmental review pursuant to Section 15378(b)(4) and 15273(a)(1) and (a)(2) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended; and

**NOW THEREFORE**, that the City Council of the City of Los Altos hereby adopts the following development impact and in-lieu fees:

<b>Parks and Recreation Impact Fee</b>	
<b>Category</b>	<b>Full Cost</b>
Single-Family	\$12.12/sqft.
Multi-Family	\$44.15/sqft.
<b>Public Art Development Fee</b>	
All Development	1% of Construction Cost
<b>Public Safety Impact Fee</b>	
Single-Family	\$0.09/sqft.
Multi-Family	\$0.34/sqft.
Commercial/Retail	\$1.22/sqft.
Office	\$1.62/sqft.
<b>General Government Impact Fee</b>	
Single-Family	\$0.13/sqft.
Multi-Family	\$0.48/sqft.
Commercial/Retail	\$2.14/sqft.
Office	\$2.86/sqft.
<b>Transportation Impact Fee</b>	
Single-Family	\$1.55/sqft.
Multi-Family	\$6.29/sqft.
Commercial/Retail	\$10.71/sqft.
Office	\$9.45/sqft.
<b>Commercial Linkage Fee</b>	
Commercial/Retail	\$35.10/sqft.
Office	\$12.25/sqft.

**BE IT FURTHER RESOLVED** that the resolution shall be effective upon the commencement of the sixty-first day post adoption and shall remain in effect until a new Resolution amending the same is adopted by the City Council.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 25<sup>th</sup> day of June 2024 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jonathan D. Weinberg, MAYOR

Attest:

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Melissa Thurman, CITY CLERK