



City Council Agenda Report

Meeting Date: August 27, 2024

Prepared By: Nick Zornes

Approved By: Gabriel Engeland

Subject: Development Impact Fee and In-Lieu Fee Ordinance

COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

RECOMMENDATION

Introduce an Ordinance of the City Council of the City of Los Altos Adding Chapter 3.60 to Title 3 Revenue and Finance of the Los Altos Municipal Code Enacting Regulations for Development Impact and In-Lieu Fees and find that this Ordinance 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

FISCAL IMPACT

Not Applicable.

ENVIRONMENTAL REVIEW

Pursuant to CEQA Guidelines Section 15378(b)(4) and 15273(a)(1) and (a)(2) this item is exempt from environmental review. CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies.

PREVIOUS COUNCIL CONSIDERATION

July 11, 2024, and July 25, 2024.

BACKGROUND

On May 28, 2024, the Los Altos City Council adopted a Development Impact Fee Nexus Study to provide a comprehensive review and support for the establishment of Impact Fees within the City. Development Impact Fees in California are governed by the Mitigation Fee Act, which includes AB1600 and AB602.

On June 11, 2024, the Los Altos City Council held a Public Hearing for the consideration of the proposed Development Impact and In-Lieu Fees based on the adopted nexus study. At the hearing the City Council received a presentation from the Assistant City Manager, asked clarifying questions, received public testimony, and discussed the item under consideration. The item was continued to a date certain of June 25, 2024, to allow additional time for the City Council to review the proposed changes to Development Impact and In-Lieu Fees.

On June 25, 2024, the Los Altos City Council held a Public Hearing and adopted the Development Impact and In-Lieu Fees Resolution based on the adopted nexus study. The City Council however, continued to a date certain of August 27, 2024, the proposed Ordinance (Chapter 3.60) for the administrative component of the Development Impact and In-Lieu Fees. The City Council also gave direction to exempt all Below Market Rate (BMR) units from the payment of Development Impact and In-Lieu Fees in the administrative ordinance (Chapter 3.60) and to return with an update to the Art in Public Places Ordinance to create more of an equitable requirement throughout the city.

RECOMMENDATION

Introduce and Waive Second Reading of an Ordinance of the City Council of the City of Los Altos Adding Chapter 3.60 to Title 3 Revenue and Finance of the Los Altos Municipal Code Enacting Regulations for Development Impact and In-Lieu Fees and find that this Ordinance 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.

ATTACHMENTS

1. Draft Ordinance – Adopting Chapter 3.60
2. Appendix A – Chapter 3.60 Text