



CITY OF PETALUMA, CALIFORNIA

ANNUAL DEVELOPMENT IMPACT FEE REPORT

FISCAL YEAR 2021-22

City of Petaluma
Annual Development Impact Fee Report
Fiscal Year 2021-22

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 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 2021-2022 annual report (“Report”) was made available to the public on the City of Petaluma website on November 18, 2022, 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 November 18, 2022.

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 Act also requires the City to adopt 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 "Five Year Findings.") In FY 21-22, no impact fee funds fell into this category and therefore this Report does not contain information required to make the Five Year Findings and the City will not be adopting a Five Year Findings resolution.

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, 2021 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, 2022 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 2021-2022 (Gov't. Code §66006(b)(1)(G)-(H)).

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. 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. 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. 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. 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. 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.

Exhibit B

Development Impact Fee Report Fiscal Year 2021-22

Fund	Fund Title / Project Title	Fund Balance 7/1/2021	Fee Revenue	Interest/Gain/Loss Revenue	Return Unused Funds /loan repymt	Expenditures/ Transfers	Est % funded by Impact Fees	Ending Balance 6/30/2022
2141	Parkland Acquisition Impact Fees -08	1,977,561.53	77,062.50	(20,569.05)		1,541.25		2,032,513.73
	City administrative costs					1,541.25	100.0%	
2142	Parkland Development Impact Fees -08	3,206,000.76	338,456.20	(32,385.09)	-	255,416.12		3,256,655.75
	c14402010 Marina Dredging & Dock Repairs					137,000.00	84.00%	
	c14501607 Petaluma Comm Sports Fields					108,147.00	100.00%	
	c14502012 Schollenberger Improvements					3,500.00	100.00%	
	City administrative costs					6,769.12	100.00%	
2143	Open Space Acquisition Impact Fees -08	456,433.81	41,499.98	1,693.46		830.00		498,797.25
	City administrative costs					830.00	100.0%	
2152	City Facilities Development Impact Fees	5,640,246.75	321,360.09	(48,457.03)		186,427.20		5,726,722.61
	e11202121 Petaluma Library ADA Improv					175,000.00	100.0%	
	e11502236 Public Safety Facilities Assessment					1,000.00	100.0%	
	e11202026 27 Howard St Improvements					4,000.00	100.0%	
	City administrative costs					6,427.20	100.0%	
2155	Storm Drainage Impact Fees	3,172,054.32	-	(24,176.30)		116,980.68		3,030,897.34
	c16301413 Capri Creek Recontouring					25,049.04	100.0%	
	c16301417 Washington Creek Repair					3,683.40	100.0%	
	c16301620 Alert2 Stream & Precipitation Upgrade					5,248.24	22.0%	
	c16302144 Edith St. Drainage Improvements					83,000.00	81.0%	
2156	Storm Drainage Impact Fees -08	615,384.59	7,224.96	2,196.43		144.50		624,661.48
	City administrative costs					144.50	100.0%	
2160	Traffic Impact Fees	3,402,120.92	-	(30,777.32)		255,500.00		3,115,843.60
	c16102146 Traffic Calming & Bike Boulevards					115,000.00	100.0%	
	c14502114 Lych Creek Trail					50,000.00	21.0%	
	c16102250 Traffic Signal Timing Upgrades					34,000.00	10.0%	
	e16402238 Pedestrian Bridge Assessment					3,500.00	100.0%	
	e16502134 Active Transportation Plan					53,000.00	57.0%	
2161	Traffic Impact Fees -08	28,980,546.11	516,666.94	(297,171.19)	-	10,333.34		29,189,708.52
	City administrative costs					10,333.34	100.0%	

FY 21/22 Development Impact Fee Schedule

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
City Facilities Development Impact Fee)	Single Family Residential	\$6,854	Unit
	Multifamily Residential	\$4,614	Unit
	Accessory Dwelling	\$2,351	Unit
	Commercial	\$1,297	1,000 sq ft of building space
	Office	\$1,239	1,000 sq ft of building space
	Industrial	\$790	1,000 sq ft of building space
Commercial Development Housing Linkage Fee	Commercial	\$3.10	Square Foot
	Retail	\$5.37	Square Foot
	Industrial	\$3.20	Square Foot
Open Space Acquisition Fee	Single Family Residential	\$482	Unit
	Multifamily Residential	\$323	Unit
	Accessory Dwelling	\$165	Unit
	Commercial	\$92	1,000 sq ft of building space
	Office	\$88	1,000 sq ft of building space
	Industrial	\$56	1,000 sq ft of building space
Park Land Acquisition Fee (Quimby and Non-Quimby Act Projects)^(A)	Single Family Residential	\$2,050	Unit
	Multifamily Residential	\$1,387	Unit
	Accessory Dwelling	\$703	Unit
	Commercial	\$389	1,000 sq ft of building space
	Office	\$371	1,000 sq ft of building space
	Industrial	\$236	1,000 sq ft of building space
Park Land Development Impact Fee	Single Family Residential	\$6,782	Unit
	Multifamily residential	\$4,566	Unit
	Accessory Dwelling	\$2,325	Unit
	Commercial	\$1,285	1,000 sq ft of building space
	Office	\$1,229	1,000 sq ft of building space
	Industrial	\$783	1,000

FY 21/22 Development Impact Fee Schedule

FEE TYPE	LAND USE TYPE	FEE	UNIT OF MEASUREMENT
Traffic Development Impact Fee	Single Family Residential	\$17,235	Unit
	Multifamily Residential	\$10,580	Unit
	Accessory Dwelling	\$4,778	Unit
	Senior Housing	\$4,606	Unit
	Office	\$22,765	1,000 sq ft of building space
	Hotel/Motel	\$6,789	Room
	Commercial/Shopping	\$33,302	1,000 sq ft of building space
	Industrial/Warehouse	\$13,480	1,000 sq ft of building space
	Education	\$1,697	Student
	Institution	\$6,984	1,000 sq ft of building space
	Gas/Service Station	\$55,750	Fuel Position
Wastewater Capacity Fee ^(B)	Single Family Residential	\$9,113	Unit
	Multifamily Residential	\$6,034	Unit
	Accessory Dwelling	\$3,354	Unit
	Non-Residential Customers	\$19.32	Per gallon daily flow
		\$4,389	Per daily pound of BOD
\$5,032		Per daily pound of TSS	
Water Capacity Fee (per meter size)	METER SIZE	FEE	
	¾	\$4,437	
	1” (residential)	\$4,437	
	1” (non-residential)	\$7,408	
	1 ½	\$14,772	
	2”	\$23,644	
	3”	\$44,359	
	4”	\$73,946	
	6”	\$146,383	
	>6	Case by Case basis	

- (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 2021-22

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 21-22 was \$45,657. The balance as of June 30, 2022 is \$340,077. This loan is scheduled to be repaid by June 30, 2026.

There were no Transfers, Refunds or Reallocation of Funds during FY 21-22.