



PRESS RELEASE

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COUNCIL APPROVES REVISIONS TO DEVELOPMENT IMPACT FEES

PLEASANTON, Calif. — The Pleasanton City Council voted last night to approve revisions to its current development impact fees that are assessed on new developments to help mitigate city costs that result from the development. The fees have remained unchanged for the last 20 years and are between 67 and 85 percent of the average of Dublin and Livermore fees.

The California State Legislature enacted AB1600, the California Mitigation Fee Act, in 1987, authorizing local governments to assess fees on new developments but also requiring the assessments be justified. Cities must therefore identify a fee's purpose and its use and must also determine a reasonable relationship between the fee, the development and the subsequent need for the public improvement.

The City's development impact fees, which were established pursuant to AB1600 and last restructured in 1998, include a public facilities fee, transportation fee, park fee, and an affordable housing fee.

In FY 2017/18, the City of Pleasanton collected \$4.3 million in development impact fees that significantly fund the City's Capital Improvement Program (CIP). The recommended revisions to

the development impact fees would result in approximately \$7 million in annual revenues based on current development activity.

City staff began work in 2015 with Economics & Planning Systems (EPS), a consulting firm that specializes in economic and financial consulting for local governments. A development impact fee study, called a Nexus Study, was developed that identified the maximum allowable fee limits.

While actual fees may be set below the maximum threshold, a Nexus Study is helpful in establishing a justifiable ceiling. Based on the assumption that new development increases demands on affordable housing, public facilities and parks, and transportation, the study examines fees for each of the following three categories: affordable housing, capital facility, and transportation fees.

For the full report, click on the following link, [Pleasanton Development Impact Fee Nexus Study](#), but a summary of fee levels is below. Staff recommended fee levels be set by land use category (single family, multi family, retail, office, industrial), at the maximum allowable limit per the Nexus Study, and that fees be adjusted accordingly to remain comparable with other nearby cities.

Capital Facility Fee

Land Use	Proposed			Basis
	Existing Fees	Fees	Difference	
Single Family (per unit)	\$14,913	\$16,029	\$1,116	Maximum
Multi-Family (per unit)	11,144	11,421	277	Maximum
Retail (per sq ft) (1)	0.65	1.69	1.04	Maximum - less than Dublin/Livermore Average
Office (per sq ft)	0.98	2.32	1.34	Maximum
Hotel/Motel (per room for max and per sq ft for existing)*	0.98	918	NA	Maximum
R&D (per sq ft)	0.79	1.86	1.07	Maximum
Industrial (per sq ft)	0.60	0.74	0.14	Maximum

* Hote/Motel is currently per square foot

Transportation Fee

Land Use	Proposed			Basis
	Existing Fees	Fees	Difference	
Single Family (per unit)	\$5,181	\$9,112	\$3,931	Maximum
Multi-Family (per unit)	3,626	5,607	1,981	Maximum
Retail (per sq ft) (1)	14.50	18.80	4.30	Dublin/Livermore Average
Office (per sq ft)	6.90	14.22	7.32	Maximum
Hotel/Motel (per room for max and per sq ft for existing)*		6,008	NA	Maximum
R&D (per sq ft)	5.18	10.71	5.53	Maximum
Industrial (per sq ft)	5.18	8.61	3.43	Maximum

* Hote/Motel is currently per square foot

Affordable Housing Fee

Land Use	Existing Fees	Proposed Fees	Difference	Basis
Single Family (per 3,000 sq ft unit)	\$27,187	\$44,248	\$17,061	Average Dublin/Livermore
Multi-Family (per 2-bedroom unit)	15,694	43,293	27,599	Average Dublin/Livermore
Retail (per sq ft)	3.15	4.56	1.41	No Change
Hotel/Motel	3.15	3.15	-	No Change - no comparable fee to Dublin/Livermore
Office (per sq ft)	3.15	7.61	4.46	Average Dublin/Livermore
Industrial (per sq ft)	3.15	12.64	9.49	Average Dublin/Livermore

For more information, contact City Finance Director Tina Olson at 925-931-5402 or tolson@cityofpleasantonca.gov.

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