



CITY OF EAST PALO ALTO
Community and Economic Development Department
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NOTICE OF PUBLIC MEETINGS

**NEXUS STUDY AND FINANCIAL FEASIBILITY STUDY
FOR DEVELOPMENT IMPACT FEES**

The City of East Palo Alto will be holding the following public meetings to consider the Nexus Study and Financial Feasibility Study for the City of East Palo Alto Development Impact Fee Program:

COMMUNITY MEETING

Wednesday, January 23, 2019, 6:30 – 8:00 pm

Community Room, 1st Floor, City Hall, 2415 University Avenue, East Palo Alto, CA

CITY COUNCIL STUDY SESSION

Tuesday, January 29, 2019, 6:30 pm

Council Chambers, City Hall, 2415 University Avenue, East Palo Alto, CA

The City has completed a [Development Impact Fee Program Nexus Study](#) (December 2018) to assess the fair share contribution from projected new development to fund infrastructure improvement needs in the City. The Nexus Study identifies the maximum supportable fees for four categories of infrastructure improvements: 1) parks and trails; 2) public facilities; 3) storm drainage and 4) transportation infrastructure. The purpose of the study is to demonstrate a reasonable and proportional relationship or nexus between the fee rate and the impact of anticipated development.

Development projections are based on planned residential and employment growth in the City for a 25-year planning horizon as identified in the City's General Plan. Infrastructure improvements include identified projects from the City's 10-year Capital Improvement Program (CIP), the Ravenswood Specific Plan Environmental Impact Report, and the Draft Engineering Plan for the Ravenswood Business District (DEPLAN).

The total gross cost of infrastructure improvements included in the Nexus Study is \$261,112,000. Based on the nexus analysis, future development could fund approximately 26 percent of this cost through the collection of one-time impacts fees which are typically collected at issuance of building permits. The other 74 percent of the cost would be the responsibility of the City.

A separate nexus study was prepared earlier for water infrastructure improvements, and a water capacity impact fee was adopted by the City Council in July 2018.

In addition to the Nexus Study, an accompanying [Development Impact Fee Program Financial Feasibility Study](#) (December 2018) was prepared to analyze the impact of the maximum supportable impact fees for the four fee categories on development projects. The financial feasibility analysis evaluates eight residential and commercial development prototypes through pro forma analyses to determine residual land value. The pro formas incorporate the City's four existing impact fees, as applicable, which consist of Quimby Act, commercial linkage, housing impact and water capacity fees. While the City also has a fifth existing fee for storm drainage, this would be replaced by the new storm drainage impact fee.

Please direct questions and submit comments to Hanson Hom, Interim Community Development Director, City of East Palo Alto, hhom@cityofepa.org or 650-304-6001.

The Americans with Disabilities Act (ADA) requires reasonable accommodation and access for the physically challenged. Those requesting such accommodation should contact the City Clerk's Office at (650) 853-3127 four days before the meeting date.