



**City of East Palo Alto
Community and Economic Development Department
Engineering Division**

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**DEVELOPMENT IMPACT FEES
(updated to reflect FY 2023-2024 fees)**

Applicable development projects will be subject to payment of impact fees to fund future parks and trails, public facilities, storm drainage, water capacity, and transportation infrastructure improvements that will benefit future development (Chapter 13.28 of Municipal Code and Resolution No. 5093). See attached Fee Schedule for the current impact fees.

PROJECTS SUBJECT TO DEVELOPMENT IMPACT FEES

- RESIDENTIAL UNITS: new single-family (SF) homes, townhouses, multi-family dwelling units, and detached accessory dwelling units; storm drainage fee also applies to expansion of a SF home.
- NON-RESIDENTIAL PROJECTS: new and expanded buildings for office space, retail and restaurant uses, mixed use projects, industrial uses, and other land uses, including but not limited to, private schools, hotels, and public assembly buildings.
- CHANGE OF USE: existing buildings that are adapted or converted to another more intensive use (e.g., from industrial to office or residential) based on the net change in residential or employee population or net increase in vehicle trips.

(Exception: projects with a valid building permit or recognized by the City as a vested development project on July 2, 2018, are not subject to the development impact fees.)`

PAYMENT OF FEES

Impact fees are one-time fees that shall be paid in full at the time of building permit issuance. Where construction of a project is phased, fees can be paid for each residential unit or building when the applicable building permit is issued. The amount of fees due shall be calculated from the fee schedule in effect at time of building permit issuance unless otherwise agreed upon in writing by the City.

ADDITIONAL IMPACT FEES

Development projects may also be subject to water capacity fees (Chapter 13.24), affordable housing fees (Res. No. 4539 and Ord. No. 397), street improvements and dedications (Ordinance 288), and/or Quimby Act park in-lieu fees (Ordinance 288). Please consult with City staff for more information.

For questions, please contact _____

PARKS AND TRAILS IMPACT FEE

a. FEE SCHEDULE:

Land Use Category	Unit	Impact Fee
Detached Accessory Dwelling Unit (greater than 750 square feet)	Dwelling Unit	\$1,942.18
Single-family/Townhouse*	Dwelling Unit	\$4,856.05
Multi-family Housing*	Dwelling Unit	\$3,345.07
Office/Research & Development	Square Foot	\$1.36
Industrial	Square Foot	\$0.54
Retail	Square Foot	\$0.90

*Applies to rental housing projects ONLY. Quimby Act park in-lieu fees apply to single-family/town house subdivisions and multi-family condominiums.

b. For other non-residential projects that are not included in the above land use categories, the impact fee shall be calculated as follows:

Peak Service Population x 0.5* x \$1,078.60 = Parks and Trails Impact Fee

* One employee/visitor is assumed to equal 0.5 service population for purpose of calculating the impact fee.

c. The following fee adjustments can be allowed:

- i. Credit for land uses that are/were on the project site during the two-year period (24 months) prior to filing a complete planning or building permit application, whichever date is earlier; credit shall be calculated based on (a) or (b) above, whichever is applicable.
- ii. Subject to City Council approval, a reduction in the impact fee can be considered when a project will include parkland dedication, public recreational facilities or improvements, or related long-term community benefits that exceed city requirements in effect at the time a complete planning application is filed. The allowable credit can be based on the estimated value of the land dedication or recreational amenity or another methodology acceptable to the City.

PUBLIC FACILITIES IMPACT FEE

a. FEE SCHEDULE:

Land Use Category	Unit	Impact Fee
Detached Accessory Dwelling Unit (greater than 750 square feet)	Dwelling Unit	\$3,406.17
Single-family/Townhouse	Dwelling Unit	\$8,516.00
Multi-family Housing	Dwelling Unit	\$5,866.50
Office/Research & Development	Square Foot	\$2.36
Industrial	Square Foot	\$0.96
Retail	Square Foot	\$1.57

- b. For other non-residential projects that are not included in the above land use categories, the impact fee shall be calculated as follows:

Peak Service Population x 0.5* x \$1,892.84 = Public Facilities Impact Fee

* One employee/visitor is assumed to equal 0.5 service population for purpose of calculating the impact fee.

- c. The following fee adjustments can be allowed:

- i. Credit for land uses that are/were on the project site during the two-year period (24 months) prior to filing a complete planning or building permit application, whichever date is earlier; credit shall be calculated based on (a) or (b) above, whichever is applicable.
- ii. Subject to City Council approval, a reduction in the public facilities impact fee can be considered when a project will include land dedication, public facilities or improvements, or related long-term community benefits that exceed city requirements in effect at the time a complete planning application is filed. The allowable credit can be based on the established value of the land dedication or public amenity or another methodology acceptable to the City.

STORM DRAINAGE IMPACT FEE

a. FEE SCHEDULE:

Land Use Category	Unit	Impact Fee (within RBD)	Impact Fee (outside RBD)
Detached Accessory DU (greater than 750 sq. ft.)	Dwelling Unit	\$2,274.70	\$1,315.94
Single-family Dwelling	Dwelling Unit	\$5,686.73	\$3,289.85
All other residential/non-residential land uses (including but not limited to expansion of a single-family home, or expansion or new construction of townhouses, multi-family, office/R&D, industrial, and retail uses)	Impervious Acre	\$142,168.33	\$82,246.14

- b. Subject to City Council approval, a reduction in the storm drainage impact fee can be considered when a project will include improvements to reduce stormwater impacts and discharge rates that exceed City requirements in effect at the time a complete planning application is filed. Qualifying improvements can include but are not limited to: on-site stormwater capture and reuse above the existing C-3 low impact development requirements; expanded green infrastructure in the public right-of way with a long-term operations and maintenance agreement; and full trash capture for off-site stormwater treatment of the public right-of-way through private facilities.
- c. Staff may develop guidelines that incorporate drainage factors for partial-impervious surfaces to calculate the storm drainage impact fee.
- d. No fee adjustment or credit shall be available for existing impervious acres on a project site unless an entitled development had previously paid storm drainage impact fees pursuant to Section 13.28 of the Municipal Code.
- e. Additional fees for stormwater management program and enforcement may also apply pursuant to Chapter 13.12, Section 13.12.220 of the Municipal Code.

TRANSPORTATION INFRASTRUCTURE IMPACT FEE

a. FEE SCHEDULE:

Land Use Category	Unit	Impact Fee
Detached Accessory Dwelling Unit (greater than 750 square feet)	Dwelling Unit	\$1,107.97
Single-family/Townhouse	Dwelling Unit	\$2,770.52
Multi-family Housing	Dwelling Unit	\$2,085.53
Office/Research & Development	Square Foot	\$8.61
Industrial	Square Foot	\$5.61
Retail	Square Foot	\$8.61

- b. For other non-residential projects that are not included in the above land use categories, the impact fee shall be calculated by a City-approved traffic engineer as follows:

PM Peak-hour Vehicle Trips x Internal Trips (%) * x \$8,104.77 = Transportation Infrastructure Impact Fee

* Internal trips pertain to percentage of PM peak-hour trips that begin or end within the City of East Palo Alto and also include non-motorized trips and public transit trips.

- c. The following fee adjustments can be allowed:

- i. Credit for land uses that are/were on the project site during the two-year period prior to filing a complete planning or building permit application, whichever date is earlier; credit shall be calculated based on (a) or (b) above, whichever is applicable.
- ii. Subject to City Council approval, a reduction in the transportation infrastructure impact fee can be considered by the City Council when a project will further reduce PM peak-hour vehicle trips beyond the projected trips for the development based on Institute of Transportation Engineers (ITE) trip generation rates, such as through a Transportation Demand Management (TDM) program, a Transportation Management Association (TMA), or alternative transportation facility or improvements. An adjustment to the impact fee can also be considered for affordable housing and senior housing developments based on projected PM peak-hour trips.

TRANSPORTATION INFRASTRUCTURE IMPACT FEE, cont'd

CALCULATING POTENTIAL TDM FEE ADJUSTMENT:

The Nexus Study assumed the following PM peak-hour trips to calculate the transportation infrastructure impact fee (Nexus Study, Tables 4-9 and E-2). These trip rates include adjustments based on the City/County Association of Governments of San Mateo (C/CAG) travel demand model and reductions for internal trips, non-motorized trips, and transit use.

Land Use Category	PM Peak-hour Trip Rate
Office/R&D	1.06/1,000 sq. ft.
Industrial	0.69/1,000 sq. ft.
Retail	1.93/1,000 sq. ft.
Townhouse	0.34/dwelling unit
Multi-family	0.26/dwelling unit

***STEP A:** Calculate the PM peak-hour trips for the project based on the traffic impact analysis for the development project and apply a TDM trip reduction factor.*

PM Peak-hour Vehicle Trips x TDM Reduction (%)* = Adjusted PM Peak-hour Trips

** Includes total reduction in PM peak-hour trips from: 1) internal trips; and 2) trip reduction measures from TDM program.*

***STEP B:** Calculate the PM peak-hour trips for the project using the assumed trip rate from the Nexus Study.*

Nexus Study Trip Rate* x (Building Sq. Ft./1,000 or Dwelling Units) = Nexus Study PM Peak-hour Trips

** From above table*

IF the amount in Step A is equal or greater than the amount in Step B, project is not eligible for a TDM credit.

IF the amount in Step A is less than the amount in Step B, project is eligible for TDM credit based on percentage reduction from Nexus Study PM Peak-hour Trips.

WATER CAPACITY IMPACT FEE

a. FEE SCHEDULE:

Land Use Category	Unit	Impact Fee
Detached Accessory Dwelling Unit (greater than 750 square feet)	Dwelling Unit	\$5,891.17
Single-Family/Townhouse	Dwelling Unit	\$9,572.27
Multi-family Housing	Dwelling Unit	\$5,891.17
Non-Residential	Meter Size ¾"	\$13,990.07
Non-Residential	Meter Size 1"	\$23,316.78
Non-Residential	Meter Size 1.5"	\$46,634.74
Non-Residential	Meter Size 2"	\$74,614.87
Non-Residential	Meter Size > 2" Gallons per Day	\$36.81

INTENSIFICATION OF EXISTING USE

When an existing building is proposed for conversion to a more intensive use (e.g. from an industrial warehouse to an office use), and/or an existing structure is proposed for expansion, the development impact fees for each impact fee shall be calculated based on the current fee schedules as described above. The total amount of impact fees would be as follow:

Fees for Proposed Use – Fees for Existing Use = Total Development Fees

CREDIT FOR IMPROVEMENTS CONSTRUCTED BY DEVELOPERS

A fee credit may be available where the developer agrees or offers to construct a portion of a capital improvement project that is partially funded with development impact fees. The potential credit shall only apply to the related impact fee (i.e., a street improvement can only provide credit to the transportation infrastructure impact fee.) Property frontage improvements are not eligible for a credit, unless the improvements exceed standard City requirements as determined by the City. A credit shall also be available for environmental mitigation measures or other City requirements where a fair share contribution is provided by a developer for a capital improvement project that is funded with development impact fees. Fee credits shall be based on the estimated cost of improvements. The developer may be required to fund the cost of a licensed engineer to estimate the value of the improvement.

ADDITIONAL FEE ADJUSTMENTS AND REDUCTIONS

In addition to the potential fee adjustments discussed above, the City Council may authorize other fee adjustments or reductions for affordable housing projects and other development projects when substantial community benefits will be provided to the City to address infrastructure, facility or other community needs.