



COUNCIL REPORT

DATE: November 18, 2025

CATEGORY: Consent

DEPT.: Finance and Administrative Services

TITLE: **Fiscal Year 2024-25 Annual Compliance Reports for Development Impact Fees and Capacity Charges, and Informational Reporting of Park Land Dedication Fee**

RECOMMENDATION

1. Review the Fiscal Year 2024-25 Annual Compliance Report for Development Impact Fees (Attachment 1 to the Council report).
2. Review the Fiscal Year 2024-25 Annual Compliance Report for Capacity Charges (Attachment 2 to the Council report).
3. Review the Fiscal Year 2024-25 Informational Reporting for the Park Land Dedication Fund (Attachment 3 to the Council report).

BACKGROUND

Development Impact Funds

In accordance with California Government Code Section 66006(b)(1)(A)-(H)¹ local agencies are required, within 180 days after the end of each fiscal year, to make specific information available to the public regarding development impact fees. Section 66006(b)(2) further requires that this information be made available to the public at least 15 days prior to City Council consideration of the report.

Attachment 1 provides detailed information on the City's various fee programs, including Citywide Transportation Impact; East Whisman Impact Fees (Transportation, Portable Water, Recycled Water, and Sewer); Housing Impact; Rental Housing Impact; In-Lieu Parking; North Bayshore Development Impact (Transportation, Water, and Sewer); Water Development Impact; Sewer Development Impact; and Storm Development Excess Capacity fees.

Additionally, Section 66001(d)(1) requires local agencies to make findings regarding any unexpended development impact fees and related investment earnings - whether committed or

¹ Unless otherwise noted, all references are to the California Government Code.

uncommitted - beginning in the fifth fiscal year following receipt of the first fee deposit and every five years thereafter.

The City has adopted various impact fees subject to the Mitigation Fee Act:

- Citywide Transportation Impact Fee;
- East Whisman Facilities Impact Fee (Transportation, Portable Water, Recycled Water, and Sewer);
- Housing Impact Fees;
- Rental Housing Impact Fee;
- In-Lieu Parking Fee;
- North Bayshore Development Impact Fees (Transportation, Water, and Sewer);
- Water Development Impact Fee;
- Sewer Development Impact Fee; and
- Storm Development Fees Excess Capacity.

Capacity Charges

In accordance with Section 66013(d) of the California Government Code, local agencies that establish Water and Sewer Capacity Charges are required to make specific information available to the public within 180 days after the end of each fiscal year. Attachment 2 provides the required information and discussion related to the City's Water and Sewer Capacity Charges.

Park Land Dedication Fee

As defined in Section 66000(b), the term "fee" does not include fees specified in Section 66477 (Quimby Act), which governs the City's Park Land Dedication (PLD) Fee and is therefore not subject to annual reporting requirements. The PLD Fund is included in Attachment 3 for informational purposes only.

ANALYSIS

The Fiscal Year 2024-25 Annual Compliance Reports for Development Impact Fees and Capacity Charges, and Informational Reporting of the PLD Fee, Attachments 1 through 3, were made available to the public on November 3, 2025 through posting on the City's website [here](#). These reports provide detailed information for each of the Impact Fees and Capacity Charges, including a description and purpose, fee or charge amounts, beginning and ending balances, public improvements funded, and any required findings.

As noted in the reports, significant improvements and community benefits have been achieved through the strategic use of these funds. The expenditure of these funds is consistent with the

purpose of the established fees and charges and complies with the applicable spending timeline requirements. The City also remains in compliance with public disclosure requirements, having made the reports available to the public at least 15 days prior to City Council review.

The development impact funds summarized in Attachment 1 comply with the requirements of Government Code Section 66000, *et seq.*, related to the annual reporting of development fee collections and expenditures. The Water and Sewer Capacity Charges summarized in Attachment 2 comply with Government Code Section 66013, and the PLD Fund summarized in Attachment 3 complies with Government Code Section 66477(a)(6)(A) regarding the commitment of fees within five years of receipt.

The following table provides a fund summary of available balances, as detailed in the compliance reports included in Attachments 1 through 3.

FEE/FUND CATEGORY	UNEXPENDED/AVAILABLE FUND BALANCE June 30, 2025*
Development Impact Fees (Attachment 1)	
Citywide Transportation Impact Fund	\$2,345,257
East Whisman Facilities Impact Fund—Transportation	—
East Whisman Facilities Impact Fund—Potable Water	—
East Whisman Facilities Impact Fund—Recycled Water	—
East Whisman Facilities Impact Fund—Sewer	—
Housing Impact Fund	\$4,953,046
Rental Housing Impact Fund	\$2,639,483
In-Lieu Parking Fund	\$9,246,292
North Bayshore Development Impact Fund—Transportation	\$4,639,809
North Bayshore Development Impact Fund—Water	\$8,881,201
North Bayshore Development Impact Fund—Sewer	\$2,099,990
Water Development Impact Fund	—
Sewer Development Impact Fund	\$89,766
Storm Development Impact Fees Excess Capacity	—
Capacity Charges (Attachment 2)	
Water Capacity Charges Fund	\$1,671,779
Sewer Capacity Charges Fund	\$495,563
Park Land Dedication Fees (Attachment 3)	
Park Land Dedication Fund	\$39,139,687

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

☒ General policy and legislative actions

FISCAL IMPACT

There is no direct fiscal impact associated with this report. The fees are available for the purposes indicated and discussed in Attachments 1 through 3.

ALTERNATIVES

1. Provide other direction.
2. Take no action, resulting in noncompliance with the California Government Code.

PUBLIC NOTICING—Agenda posting.

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- Attachments:
1. Fiscal Year 2024-25 Annual Compliance Report for Development Impact Fees
 2. Fiscal Year 2024-25 Annual Compliance Report for Capacity Charges
 3. Fiscal Year 2024-25 Informational Reporting of Park Land Dedication Fees