

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending the Fiscal Year 2025
Municipal Fee Schedule to Transition Certain Development Impact Fees from
Per-Unit to Per-Square Foot Fees

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

- A. On September 28, 2021, the Governor of the State of California signed Assembly Bill 602, effective January 1, 2022, amending the Mitigation Fee Act (California Government Code Section 66000 et seq.). AB 602 set forth a number of standards and practices for a local government conducting a nexus study to support a development impact fee.
- B. One of the requirements of AB 602 is that a study adopted after July 1, 2022 must either calculate the proposed fee proportionately to the square footage of the proposed units or make specified findings explaining why square footage is not an appropriate metric.
- C. The City of Palo Alto currently imposes Park, Community Center, and Library development impact fees on a per-dwelling unit basis.
- D. Program 3.1 (Fees Waivers and Adjustments) of the City of Palo Alto 2023-2031 Housing Element calls for development impact fees for residential development to be converted from a per-dwelling unit to a per-square foot standard.
- E. The City Council has determined that square footage is an appropriate metric for calculating Park, Community Center, and Library development impact fees imposed on residential development and desires to amend the Fiscal Year 2025 Municipal Fee Schedule accordingly.

SECTION 2. The Council of the City of Palo Alto amends the Fiscal Year 2023 Municipal Fee Schedule by adopting the new fee for on-demand transit as set forth in Exhibit “A” and incorporated here by reference.

SECTION 3. The Council finds that this ordinance is not a “project” under CEQA because it has no potential for resulting in either a direct or reasonably foreseeable indirect change in the environment.

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SECTION 4. This ordinance shall be effective upon adoption as an amendment to the City's Fiscal Year 2025 budget.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning and
Development Services

Attachment A

**Planning and Development Services
Impact and In-Lieu Fees**

Development Impact Fees - Residential		
	Single Family	Multi-Family
Community Center Impact Fee <i>Note: ADUs under 750 sf exempt.</i>	\$1.45 per sq. ft.	\$3.44 per sq. ft.
Library Impact Fee <i>Note: ADUs under 750 sf exempt.</i>	\$0.87 per sq. ft.	\$2.05 per sq. ft.
Park Impact Fee <i>Note: ADUs under 750 sf exempt.</i>	\$18.78 per sq. ft.	\$44.50 per sq. ft.