



TITLE

Annual Impact Fee Inflation Adjustment

RECOMMENDATION

Adopt a Resolution approving the 2026 annual Inflation-adjustment to the Traffic Impact Fee, Water Capacity Fee, Wastewater Capacity Fee, Parks and Recreation Fee, Civic Facilities Fee, General Plan Update Fee, and Affordable Housing Nexus Fee.

CONTACT

Brent Cooper, AICP, Community Development Director

BACKGROUND & ANALYSIS

The city of American Canyon collects Impact Fees prior to issuing a building permit to fund infrastructure required to serve new development. The City's impact fees include:

- Traffic Impact Fee
- Water and Wastewater Capacity Fees
- Parks and Recreation Fee
- Civic Facilities Fee
- General Plan Update Fee
- Affordable Housing Nexus Fee

Over time, inflation reduces the purchasing power of impact fees. To maintain their effectiveness, each fee is subject to annual adjustments based on their designated inflation cost index, as authorized by the ordinance implementing each fee.

Impact Fee	Inflation Index
Traffic Impact Fee	Engineering News Record 20 - City Construction Cost Index
Water Capacity Fee	Engineering News Record - City Construction Cost Index for San Francisco
Wastewater Capacity Fee	Engineering News Record 20 - City Construction Cost Index
Parks and Recreation Fee	Engineering News Record 20 - City Construction Cost Index
Civic Facilities Fee	Engineering News Record 20 - City Construction Cost Index
General Plan Update Fee	Engineering News Record 20 - City Construction Cost Index
Affordable Housing Nexus Fee	California Consumer Price Index

The most recent impact fee adjustment occurred on November 19, 2024 (Resolution 2024-79). To sustain buying power over time, each impact fee is adjusted for inflation each year as a housekeeping matter. Each cost index and the benchmark month inflation rate is included as Attachment 2. The proposed Impact Fees are included as Attachment 3.

Citywide Impact Fees

Traffic Impact Fee

The Traffic Impact Fee (TIF) funds transportation improvements identified in the Circulation Element pursuant to ACMC 15.12.050.

Water and Wastewater Capacity Fees

Water and Wastewater capacity fees are collected to construct and improve water, recycled water, and wastewater facilities needed to support new development. These fees are authorized under American Canyon Municipal Code (ACMC) 13.06.090 (Water) and ACMC 14.06.060 (Wastewater). In accordance with State Law, Accessory Dwelling Units (ADUs) are exempt from both Water and Wastewater capacity fees.

Parks & Recreation, Civic Facility, and General Plan Update Fee

These fees are collected to support the development of new parks, recreation facilities, civic buildings, and to fund general plan update funds required to accommodate growth, as outlined in ACMC 15.08.050.

- The Parks & Recreation impact fee applies only to new residential development.
- The Civic Facility and General Plan Update Fees apply to all new development, regardless of type.

Affordable Housing Nexus Fee (ACMC 19.28)

This fee is collected to help fund development of housing that is affordable to lower income residents and is a key implementation policy of the City's General Plan Housing Element. ADUs and affordable housing are exempt from the Affordable Housing Nexus fee.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

The Recommended Action will have no direct impact on the General Fund because the proposed adjustments were contemplated in the Fiscal Year 2025-2026 Budget.

ENVIRONMENTAL REVIEW

The proposed impact fee inflation adjustment is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(2) because the activity will not result in a direct or

reasonably foreseeable indirect physical change in the environment; and Section 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential for resulting in physical change to the environment, directly or indirectly. In addition, the impact fee inflation adjustment is not a project under CEQA Guidelines Section 15061(b)(3) because it has no potential for causing a significant effect on the environment. Moreover, the inflation adjustment is exempt from environmental review under CEQA Guidelines Section 15378(b)(4) because it is a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

COMMUNICATION

Level 0: No Further Public Communication Needed

ATTACHMENTS:

1. [Resolution - Fee Update 2026](#)
2. [2026 Impact Fee Inflation Factors](#)
3. [Existing and Proposed Impact Fees](#)