

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: June 17, 2026

To: Mayor and Town Council
From: Jenny Alton, Revenue Manager
Subject: Master Fee Schedule, Inclusionary Housing in-Lieu Fee, and Development Impact Fees

Recommendation to Council:

Adopt a resolution adopting amendments to the Master Fee Schedule and updating the Inclusionary Housing in-Lieu Fee, and Development Impact Fees

Strategic Plan Element:

The recommended action supports the goal of Fiscal Health. Goal Statement: Ensure the economic health and long-term financial viability of the Town.

Background:

Master Fee Schedule

The Master Fee Schedule establishes fees for miscellaneous discretionary services provided by the Town. Miscellaneous discretionary services are defined as those public services that Town customers personally choose to use and that may be withheld from customers for non-payment of a fee. Miscellaneous discretionary services are distinguished from community-supported public services, which are paid for by general Town tax revenues, or from water and water reclamation services, which are paid for by enterprise utility rates. According to California law, the Town may recover up to 100 percent of the estimated reasonable cost of providing miscellaneous discretionary services through the imposition of fees. If non-enterprise fees recover less than 100 percent of full cost, miscellaneous discretionary services are in effect subsidized by general Town tax revenues. User fees and regulatory charges for water utility services for the disconnection of water service for nonpayment and restoring of water service are included in the miscellaneous discretionary services fee category.

In November 2007, the Town Council approved the hiring of NBS Local Government Solutions to conduct a comprehensive Town-wide miscellaneous fee study, recognizing the need for a structured and data-driven approach to managing the costs of providing municipal services. The study, driven by rising service costs, culminated in Council's approval in August 2008 and the implementation of a formal fee schedule that established a foundational framework for setting and adjusting miscellaneous discretionary fees. Since its inception, this framework has guided periodic fee updates—in 2009, 2010, 2011, 2015, 2019, 2020, 2021, 2022, 2023, 2024 and most recently, July 2025—ensuring that the Town's cost-recovery practices remain consistent, equitable, and responsive to evolving service demands.

Inclusionary Housing In-Lieu Fees

The Inclusionary Housing Ordinance requires that all new Residential Developments of ten (10) or more parcels or dwelling units intended and designed for permanent occupancy, including but not limited to single-family dwellings, multi-family residential projects either provide housing affordable to very-low, low- and moderate-income households within the development, or pay an in-lieu housing fee

to the Town. Section 27.23.130 of the Inclusionary Housing Ordinance establishes the In-Lieu Fee Schedule. The In-Lieu Fee Schedule is subject to annual adjustments each July.

Development Impact Fees

The Town's Development Impact fees (Impact Fees) consist of eleven (11) fees established to finance public infrastructure to mitigate the impacts caused by new development. The Impact Fees include Water Capacity, Wastewater Capacity (Water Reclamation), Park Development Impact, Recreation Development Impact, Open Space Development Impact, Trail Impact, Public Facilities Impact, Police Impact, Fire Impact, Storm Drainage Impact, and Traffic Impact. The Town conducted studies in 2017, 2019, and 2020 to review and update the fees. All adopted Impact Fees are subject to annual adjustments each July.

Discussion:

The proposed resolution provides for an annual inflationary adjustment on July 1 of each year to the Town-authorized services listed above and is in line with how the Town adjusts the existing rates in the Master Fee Schedule, Inclusionary Housing In-Lieu Fees, and Development Impact Fees. The annual increase for discretionary user fees and regulatory fees for fiscal year 2026-2027 are based on the following inflationary factors and presented as Attachments to the agenda report.

The proposed fees and modifications are summarized in Exhibit A to the attached resolution for Council consideration.

Fiscal Impact:

The Town has a general policy of recovering costs reasonably borne by providing miscellaneous discretionary services of a voluntary and limited nature, such that general tax revenues are not diverted from service of a broad nature and thereby utilized to subsidize such miscellaneous discretionary service. For some miscellaneous discretionary services, such as land use application fees, the Town only recovers a portion of the full cost of processing the application. The increases provided in the Master Fee Schedule, the In-Lieu Fee Schedule and the Development Impact Fee Schedule are intended to continue to maintain a reasonable recovery of costs to the Town of providing discretionary services, affordable housing, and development services.

Environmental Review:

The adoption of the user fees set forth in Exhibit A is not a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to 14 California Code of Regulations ("CEQA Guidelines") section 15378(b)(4) (the creation of government funding mechanisms or other government fiscal activities which do not involve any specific commitment to any specific project which may result in a potentially significant impact on the environment); and/or CEQA Guidelines section 15273 (exemption for rates, tolls, fares and charges within an existing service area); and/or CEQA Guidelines section 15061 (b)(3) ("common sense" general exception where there is no possibility the activity in question may have a significant effect on the environment).

Attachment(s):

- [1. Resolution FY2026-2027](#)
- [Exhibit A - Proposed Amendment of Master Fee Schedule Changes FY2026-27](#)
- [2. Master Fee Schedule FY 2026-2027](#)
- [3. Development Impact Fee FY 2026-27](#)

Prepared by:

Reviewed by:

Jenny Alton
Revenue Manager

Nick Walker
Administrative Services Director

Approved by:
Jon Davis
Town Manager