

## **TOWN OF WINDSOR AGENDA REPORT**

**Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date:** July 19, 2023

**To:** Mayor and Town Council  
**From:** Jeneen Peterson, Administrative Services Director  
**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. The study was conducted in view of rising costs for providing Town services. Council approved the study in August 2008 and the Town implemented updated miscellaneous discretionary fees at that time. Fees have been added or adjusted in 2009, 2010, 2011, 2015, 2019, 2020, 2021 and most recently July 2022.

#### 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.

On February 16, 2021, the Board of Directors of the Sonoma County Fire District adopted Resolution 2021-04, confirming administrative corrections to the Sonoma County Fire District Fire Impact Fees. Town Council reviewed and approved the adopted fees on September 1, 2021.

### **Discussion:**

User fees for the following miscellaneous discretionary services are proposed to be added, deleted and/or modified from the following sections of the Master Fee Schedule:

#### I. Administration

Tobacco Retail License Service Fee. On March 7, 2018, the Town Council adopted Ordinance No. 2018-323, establishing a comprehensive Tobacco Retailers License (TRL) program and licensing process that enhances the Town's ability to respond to tobacco product sales to minors at the local level. The ordinance became effective as of April 6, 2018, and enforceable on July 30, 2018.

The TRL fee is a direct passthrough of third-party expenses included in the Memorandum of Understanding for Tobacco Retail License fees between the County of Sonoma and the Town of Windsor. The annual license fee was initially set at \$350 per retailer. The Town proposes increasing this fee to \$505 per year.

#### II. Police

The Towed Vehicle Release (Impound) fee currently stands at \$240 per vehicle and is a passthrough fee established by the Sonoma County Board of Supervisors (BOS). The BOS recently approved an increase, as such the Town will increase its master fee schedule to reflect the new \$272 charge.

#### III. Planning

The Planning section is being amended to add one (1) new fee of \$459 for Community Meetings. These requests typically take two hours of staff time, which is the basis for the fee amount.

#### IV. Engineering

The Engineering section requests an increase to the Certificate of Compliance from \$137 to \$624 due to the extensive staff time and resources that are utilized when called upon to identify legal parcels or interpret surveys. The Engineering section also requests re-titling the "Administrative" fee associated with review of SB9 lot split applications to "Engineering Services" and updating the current fee of \$313 to \$624 per request. Both above fees represent four hours of staff time.

Furthermore, 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 2023-24 are based on the following inflationary factors and presented as Attachments to the agenda report.

Fiscal Year 2023-24				
Discretionary Fees	Adjustment Factor	Applicable Fee	% Increase	Median Home Price
Master Fee Schedule	CPI - All Urban Consumers for San Francisco - Oakland - San Jose by US Dept of Labor for April	All	4.20	
Inclusionary Housing In-Lieu Fees	Average Median Home Price (3 Years)	All	4.80	\$772,376
Development Impact Fees	Engineering News-Record Construction Cost Index (20-City Average)	Fire Impact Fee	5.00%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	New Open Space Development	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	New Trails Impact Fee	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	Park Development	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	Police Impact Fee	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	Public Facility Impact Fee	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	Recreation Impact Fee	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for April	Traffic Impact Fee	2.57%	
	Engineering News-Record Construction Cost Index (20-City Average) for June	Drainage Impact Fee	1.78%	
	Engineering News-Record Construction Cost Index (20-City Average) for June	Wastewater Capacity Fee	1.78%	
	Engineering News-Record Construction Cost Index (20-City Average) for June	Water Capacity Fee	1.78%	
	CPI - All Urban Consumers for San Francisco - Oakland - San Jose by US Dept of Labor for April	Facilities Component	4.20%	

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 of 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 services. For some miscellaneous discretionary services, such as land use application fees, the Town only recovers of 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 recommended action does not constitute a “project” within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and requires no environmental review.

**Attachment(s):**

[1. Resolution](#)

[Exhibit A - Proposed Summary of Master Fee Schedule Changes FY2023-24](#)

[2. FY2023-24 Master Fee Schedule](#)

[3. FY2023-24 Inclusionary Housing In Lieu](#)

[4. FY2023-24 Development Impact Fees](#)

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**Recommended by:**

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