



Public Works Department

**MEMORANDUM**

**Date:** June 10, 2024

**To:** Jeff Tschudi, Finance Director

**From:** Danielle Bonham, Public Works Director DS  
DB

**Re:** **Notice of Modified Impact Fees and Capacity Fees - Effective July 1, 2024**

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I hereby determine that, effective July 1, 2024, the Impact Fees and Capacity Fees initially established by the City Council on January 5, 2021 (the “2021 Fees,” as documented in Resolution No. 21-1, attached), are modified to the amounts set forth on Exhibit “A,” attached hereto and incorporated herein by reference. These modified fee amounts (the “Updated Fees”) reflect increases in construction costs, as documented in this memorandum.

These modified fee amounts include: (a) Library Impact Fee; (b) Parkland Improvement Impact Fee; (c) Transportation Impact Mitigation Fee; (d) Water Capacity Fee; and (e) Wastewater Capacity Fee. There is no modification to the 2021 Fees for the Parkland Dedication Quimby In-Lieu Fee. These modified fee amounts are calculated based on the change in the Engineering News Record (“ENR”) construction cost index for the San Francisco area between 2022 and 2023, resulting in a **9.4% increase** in as shown in the calculations set forth on Exhibit “B,” attached hereto and incorporated herein by reference. These Updated Fees are approved by the Public Works Director pursuant to the following sections of the Benicia Municipal Code (“BMC”):

- Library Impact Fee: BMC 5.37.060(B)
- Parkland Improvement Impact Fee: BMC 5.39.060(B)
- Transportation Impact Fee: BMC 5.38.060(B)
- Water Capacity Fee: BMC 13.12.050(E)
- Wastewater Capacity Fee: BMC 13.52.040(E)

**Attachments:**

1. Resolution No. 21-1 (Setting Impact Fee and Quimby Fee Levels January 5, 2021)
2. Exhibit A (Determination of Update to Impact Fees and Capacity Fees Effective July 1, 2024)
3. Exhibit B (Calculation)

## RESOLUTION NO. 21- 1

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA SETTING UPDATED CHARGES FOR THE LIBRARY IMPACT FEE, (BENICIA MUNICIPAL CODE CHAPTER 5.37); TRANSPORTATION IMPACT MITIGATION FEE (BENICIA MUNICIPAL CODE CHAPTER 5.38); PARKLAND IMPROVEMENT IMPACT FEE (BENICIA MUNICIPAL CODE CHAPTER 5.39); WATER CAPACITY FEE (BENICIA MUNICIPAL CODE SECTION 13.12.050); SEWER CAPACITY FEE (BENICIA MUNICIPAL CODE SECTION 13.52.040); AND QUIMBY ACT PARKLAND DEDICATION REQUIREMENTS AND IN LIEU FEES IMPOSED ON NEW DEVELOPMENT IN THE CITY OF BENICIA (BENICIA MUNICIPAL CODE SECTION 16.32.040)**

**WHEREAS**, the Benicia Municipal Code (“BMC”) imposes upon new development the requirement to pay a Library Impact Fee (BMC Ch. 5.37), a Transportation Impact Mitigation Fee (BMC Ch. 5.38), a Parkland Improvement Impact Fee (BMC Ch. 5.39), a Water Capacity Fee (BMC § 13.12.050), and a Sewer Capacity Fee (BMC § 13.52.040) (together, “Mitigation Fees”); and

**WHEREAS**, the BMC also imposes a parkland dedication or in-lieu fee requirement pursuant to Government Code section 66477 (“the Quimby Act”) to help defray the impact of development on neighborhood and community parklands (“Quimby Fee”); and

**WHEREAS**, BMC Chapter 5.37.040 empowers the City Council to establish the amount of the Library Impact Fee by resolution in accordance with a nexus study that demonstrates the reasonable relationship between the fee’s use and the type of development project on which the fee will be imposed and that demonstrates the reasonable relationship between the need for Library Facilities and the type of development projects on which the fees will be imposed; and

**WHEREAS**, BMC Chapter 5.38.040 empowers the City Council to establish the amount of the Transportation Impact Mitigation Fee by resolution in accordance with a nexus study that demonstrates the reasonable relationship between the fee’s use and the type of development project on which the fee will be imposed and that demonstrates the reasonable relationship between the need for transportation improvements and facilities and the type of development projects on which the fees will be imposed; and

**WHEREAS**, BMC Chapter 5.39.040 empowers the City Council to establish the amount of the Parkland Improvement Impact Fee by resolution in accordance with a nexus study that demonstrates the reasonable relationship between the fee’s use and the type of development project on which the fee will be imposed and that demonstrates the reasonable relationship between the need for Park Facilities and the type of development projects on which the fee will be imposed; and

**WHEREAS**, BMC Section 13.12.050(C) empowers the City Council to establish the amount of the Water Capacity Fee by resolution in accordance with a nexus study that

demonstrates that the fees do not exceed the estimated reasonable cost of providing the service for which the fees are imposed; and

**WHEREAS**, BMC Section 13.52.040(C) empowers the City Council to establish the amount of Sewer Capacity Fee by resolution in accordance with a nexus study that demonstrates that the fees do not exceed the estimated reasonable cost of providing the service for which the fees are imposed; and

**WHEREAS**, the City has conducted the required nexus studies for each of the updated Mitigation Fees demonstrating the reasonable relationship between the need for each fee and the type of development on which each fee will be imposed and has determined amounts for each fee based on the reasonable relationship between each fee and the type of development project on which the fee will be imposed; and

**WHEREAS**, the nexus studies supporting the increases to the Mitigation Fees are set forth in the City of Benicia Water and Wastewater Capacity Charge Update Report, dated November 2020, by Bartle Wells Associates and the Nexus Study for Update of City of Benicia Development Impact Fees, dated November 2020, by Economic & Planning Systems, Inc., in coordination with GHD (collectively referred to as “Nexus Studies”); and

**WHEREAS**, the Nexus Studies substantiate the need for the updates to the Mitigation Fees; and

**WHEREAS**, the Nexus Studies were presented to Council along with this resolution and are hereby adopted by Council; and

**WHEREAS**, the City Council determined that the Nexus Studies comply with California Government Code section 66000 et seq.; and

**WHEREAS**, the City has conducted a study calculating and establishing the Quimby Fee parkland dedication and in lieu fee requirements in accordance with the Quimby Act, contained in the Nexus Study for Update of City of Benicia Development Impact Fees, dated November 2020, by Economic & Planning Systems, Inc., which was presented to the Council along with this resolution, and is hereby adopted by Council; and

**WHEREAS**, the City desires to rescind and repeal all prior resolutions setting charges, fees, or dedication requirements for the Mitigation Fees and the Quimby Fee, and replace them with the updated fees, attached hereto as Exhibit 1, which are in accordance with the calculations and recommendations contained in the Nexus Studies; and

**WHEREAS**, the City’s Housing Element of the General Plan, adopted in 2015, acknowledges that it is in the City’s interest to ensure adequate housing is available for all levels of the workforce, including those who are below the City’s median household income. It lists many goals aimed at facilitating development of affordable housing, including “fast-tracking” review of projects that include affordable housing (Policy 1.02), affordable housing education programs to implement the Housing element (Policy 1.03); and continuing to provide incentives

for affordable housing (Policy 1.05). The City's Inclusionary Housing Ordinance also sets forth the City's commitment to enhancing the public welfare and assuring that further housing development contributes to the attainment of the housing goals of the City by increasing the production of affordable housing units; and

**WHEREAS**, to support and encourage the development of new affordable housing units, as defined by BMC section 17.70.030, in the City and to help implement the aforementioned Housing Element Policies, the City desires to provide a reduction of up to 50% of the Mitigation Fees for affordable housing units in residential development projects. The percentage of reduction will be equal to the percentage of affordable units provided in the residential development project, but the reduction will be capped at 50%; and

**WHEREAS**, pursuant to Government Code sections 66013, 66016, 66018, and 6062a and the Benicia Municipal Code, the City must adopt the updated Mitigation Fees only after notice and public hearing; and

**WHEREAS**, pursuant to Government Code section 6062a, a notice of a public hearing on the proposed fee schedule was published on December 4, 2020 and December 9, 2020 in the *Benicia Herald*, a newspaper of general circulation; and

**WHEREAS**, pursuant to Government Code sections 66013 and 66016, notice of the time and place of the meeting, including a general explanation of the matters to be considered and a statement that required data is available was mailed at least 14 days prior to the meeting to those members of the public who filed a written request with the City; and

**WHEREAS**, at least ten (10) days prior to the public hearing referenced above, the City made available for public inspection information required under government Code section 66000, *et. seq.*; and

**WHEREAS**, on December 15, 2020, the City Council held a noticed public hearing to consider the City's proposed updated Mitigation Fees at which time all interested persons were given an opportunity to comment.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby rescinds and repeals all prior resolutions setting rates for the Mitigation Fees and the Quimby Fee, and replaces them with the fees as shown in **Attachment 1**, incorporated by this reference.

**Section 1.** **Exemption.** The Transportation Impact Mitigation Fee, Library Impact Fee, and Parkland Improvement Impact Fee shall not apply to accessory dwelling units of less than 750 square feet.

**Section 2.** **Effective Date.** In accordance with Government Code section 66017, this Resolution shall be in full force and effect 60 days after its adoption, and shall be published or posted as required by law.

**Section 3.**     **Validity.** The above recitations are true and correct, are material to the adoption of this Resolution, and are incorporated herein by reference.

**Section 4.**     **Environmental review.** The City Council finds that this Resolution is not subject to the California Environmental Quality Act (“CEQA”). This action is not a project within the meaning of the CEQA Guidelines Section 15378 and 15061(b)(3) as it has no potential for physical effects on the environment because it involves an adoption of certain fees and/or charges imposed by the City, does not commit the City to any specific project, and said fees and/or charges are applicable to future development projects and/or activities, each of which future projects and/or activities will be fully evaluated in full compliance with CEQA when sufficient physical details regarding said projects and/or activities are available to permit meaningful CEQA review (see CEQA Guidelines, Section 15004(b)(1)). Pursuant to CEQA Guidelines section 15378(b)(4), the creation of government funding mechanisms which do not involve any commitment to any specific project which may cause significant effect on the environment, is not defined as a “project” under CEQA. Therefore, approval of the fees and/or charges is not a “project” for purposes of CEQA, pursuant to CEQA Guidelines, Section 15378(b)(4); and, even if considered a “project” under CEQA, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that approval of the fees and/or charges may have a significant effect on the environment.

**Section 5.**     **Severability.** Should any section, subsection, paragraph, sentence, clause, or phrase of this Resolution be declared unconstitutional or invalid for any reason, such declaration shall not affect the validity of the remaining portions of this Resolution.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

**Section 6.** The City Clerk shall certify the adoption of this Resolution and shall cause a certified Resolution to be filed in the Office of the City Clerk.

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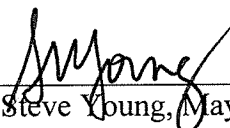
On motion of Council Member **Largaespada**, seconded by Council Member **Strawbridge**, the above Resolution was adopted by the City Council of the City of Benicia at a regular meeting of said Council held on the 5<sup>th</sup> day of January, 2021 by the following vote:

Ayes: **Council Members Campbell, Largaespada, Macenski, Strawbridge, and Mayor Young**

Noes: **None**

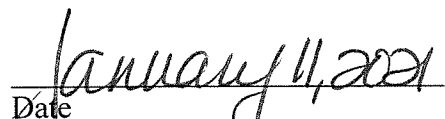
Absent: **None**

Abstain: **None**

  
\_\_\_\_\_  
Steve Young, Mayor

Attest:

  
\_\_\_\_\_  
Lisa Wolfe, City Clerk

  
\_\_\_\_\_  
Date

**EXHIBIT 1  
LIBRARY, PARKLAND IMPROVEMENT, AND TRANSPORTATION IMPACT FEE  
AND QUIMBY FEE LEVELS**

Land Use	Fee Program			
	Library Impact Fee	Parkland Dedication Quimby In-Lieu Fee	Parkland Improvement Impact Fee (80% Cost Recovery)	Transportation Impact Mitigation Fee
<b>Residential</b>				
	<i>Fee Amount per Unit</i>			
Single Family Unit	\$348	\$10,770	\$8,034	\$5,763
Multifamily Unit	\$270	\$8,359	\$6,235	\$3,227
Accessory Dwelling Unit (≥ 750 sq.ft.) [1]	<i>varies in proportion to size of primary residence</i>	n/a	<i>varies in proportion to size of primary residence</i>	<i>varies in proportion to size of primary residence</i>
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>	n/a	<i>varies by percentage of affordable housing units created</i>	<i>varies by percentage of affordable housing units created</i>
<b>Nonresidential</b>				
	<i>Fee Amount per 1,000 Building Square Feet</i>			
Retail/Commercial	n/a	n/a	n/a	\$7,492
Service/Commercial	n/a	n/a	n/a	\$15,618
Institutional/Assembly	n/a	n/a	n/a	\$1,095
Office	n/a	n/a	n/a	\$5,360
Lodging ( <i>fees are per room</i> )	n/a	n/a	n/a	\$2,017
Industrial	n/a	n/a	n/a	\$7,261
Warehouse/Distribution	n/a	n/a	n/a	\$2,190
Nonresidential Agricultural Accessory Structures	n/a	n/a	n/a	\$2,075

[1] Senate Bill 13 (effective 1/1/2020 - 12/31/2024) precludes jurisdictions from charging impact fees on ADUs under 750 square feet. Gov. Code 65852.2(f)(3)(A) requires that fees charged to ADUs 750 square feet or larger pay fees in proportion to the size of the primary residence. For example, if a proposed ADU is 800 square feet, and the primary residence is 2,400 square feet, impact fees will be 1/3 of the single family fee ( $800 / 2,400 = 33.3\%$ ).

[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.

## WATER CAPACITY FEE LEVELS

Land Use	Water Capacity Fees (Cost Recovery 75%)
<b>Residential</b>	<i>Fee Amount per Unit</i>
Single Family Unit	\$12,354
Multifamily Unit	\$8,423
Accessory Dwelling Unit [1]	\$4.41
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>
<b>Nonresidential</b>	<i>Fee Amount per Meter Size</i>
Up to 3/4-inch	\$12,354
1-inch	\$20,591
1-1/2-inch	\$41,181
2-inch	\$65,890
3-inch	\$123,544
4-inch	\$205,907
6-inch	\$411,814
8-inch	\$658,903
<p>[1] ADUs are currently charged a fixed capacity fee. However, pursuant to SB 13 (effective 1/1/2020-12/31/2024), the updated water capacity fee structure charges a per square foot fee for all ADUs.</p>	
<p>[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.</p>	



## WASTEWATER CAPACITY FEE LEVELS

Land Use	Wastewater Capacity Fees (75% Cost Recovery)		
<b>Residential</b>	<i>Fee Amount Per Unit</i>		
Single Family Unit	\$14,257		
Multifamily Unit	\$ 13,160		
Accessory Dwelling Unit [1]	\$ 5.09		
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>		
<b>Nonresidential</b>	<i>Fee Amount per Meter Size and Strength Classification</i>		
<i>Meter Size</i>	<i>Class A</i>	<i>Class B</i>	<i>Class C</i>
Up to 3/4-inch	\$18,167	\$19,869	\$22,792
1-inch	\$30,244	\$33,077	\$37,944
1-1/2-inch	\$60,591	\$66,268	\$76,017
2-inch	\$96,925	\$106,006	\$121,601
3-inch	\$181,669	\$198,690	\$227,921
4-inch	\$302,748	\$331,113	\$379,826
6-inch	\$605,598	\$662,339	\$759,781
8-inch	\$968,937	\$1,059,719	\$1,215,624
<p>[1] ADUs are currently charged a fixed capacity fee. However, pursuant to SB 13 (effective 1/1/2020-12/31/2024), the updated wastewater capacity fee structure charges a per square foot fee for all ADUs.</p>			
<p>[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.</p>			

**EXHIBIT A**  
**LIBRARY, PARKLAND IMPROVEMENT, AND TRANSPORTATION IMPACT FEE**  
**AND QUIMBY FEE LEVELS – 9.4% INCREASE TO ALL (EXCEPT PARKLAND**  
**DEDICATION QUIMBY IN-LIEU FEE) EFFECTIVE JULY 1, 2024**

Land Use	Fee Program			
	Library Impact Fee	Parkland Dedication Quimby In-Lieu Fee	Parkland Improvement Impact Fee (80% Cost Recovery)	Transportation Impact Mitigation Fee
<b>Residential</b>	<i>Fee Amount per Unit</i>			
Single Family Unit	\$381	\$10,770	\$8,789	\$6,305
Multifamily Unit	\$295	\$8,359	\$6,821	\$3,530
Accessory Dwelling Unit (≥ 750 sq.ft.) [1]	<i>varies in proportion to size of primary residence</i>	n/a	<i>varies in proportion to size of primary residence</i>	<i>varies in proportion to size of primary residence</i>
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>	n/a	<i>varies by percentage of affordable housing units created</i>	<i>varies by percentage of affordable housing units created</i>
<b>Nonresidential</b>	<i>Fee Amount per 1,000 Building Square Feet</i>			
Retail/Commercial	n/a	n/a	n/a	\$8,196
Service/Commercial	n/a	n/a	n/a	\$17,086
Institutional/Assembly	n/a	n/a	n/a	\$1,198
Office	n/a	n/a	n/a	\$5,864
Lodging ( <i>fees are per room</i> )	n/a	n/a	n/a	\$2,207
Industrial	n/a	n/a	n/a	\$7,944
Warehouse/Distribution	n/a	n/a	n/a	\$2,396
Nonresidential Agricultural Accessory Structures	n/a	n/a	n/a	\$2,270
<p>[1] Senate Bill 13 (effective 1/1/2020 - 12/31/2024) precludes jurisdictions from charging impact fees on ADUs under 750 square feet. Gov. Code 65852.2(f)(3)(A) requires that fees charged to ADUs 750 square feet or larger pay fees in proportion to the size of the primary residence. For example, if a proposed ADU is 800 square feet, and the primary residence is 2,400 square feet, impact fees will be 1/3 of the single family fee (<math>800 / 2,400 = 33.3\%</math>).</p>				
<p>[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.</p>				

**WATER CAPACITY FEE LEVELS**

Land Use	Water Capacity Fees (Cost Recovery 75%)
<b>Residential</b>	<i>Fee Amount per Unit</i>
Single Family Unit	\$13,515
Multifamily Unit	\$9,215
Accessory Dwelling Unit [1]	\$4.82
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>
<b>Nonresidential</b>	<i>Fee Amount per Meter Size</i>
Up to 3/4-inch	\$13,515
1-inch	\$22,527
1-1/2-inch	\$45,052
2-inch	\$72,084
3-inch	\$135,157
4-inch	\$225,262
6-inch	\$450,525
8-inch	\$720,840
<p>[1] ADUs are currently charged a fixed capacity fee. However, pursuant to SB 13 (effective 1/1/2020-12/31/2024), the updated water capacity fee structure charges a per square foot fee for all ADUs.</p>	
<p>[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.</p>	

**WASTEWATER CAPACITY FEE LEVELS**

Land Use	Wastewater Capacity Fees (75% Cost Recovery)		
<b>Residential</b>	<i>Fee Amount Per Unit</i>		
Single Family Unit	\$15,597		
Multifamily Unit	\$14,397		
Accessory Dwelling Unit [1]	\$5.57		
Affordable Housing Unit [2]	<i>varies by percentage of affordable housing units created</i>		
<b>Nonresidential</b>	<i>Fee Amount per Meter Size and Strength Classification</i>		
<i>Meter Size</i>	<i>Class A</i>	<i>Class B</i>	<i>Class C</i>
Up to 3/4-inch	\$19,875	\$21,737	\$24,934
1-inch	\$33,087	\$36,186	\$41,511
1-1/2-inch	\$66,287	\$72,497	\$83,163
2-inch	\$106,036	\$115,971	\$133,031
3-inch	\$198,746	\$217,367	\$249,346
4-inch	\$331,206	\$362,238	\$415,530
6-inch	\$662,524	\$724,599	\$831,200
8-inch	\$1,060,017	\$1,159,333	\$1,329,893
[1] ADUs are currently charged a fixed capacity fee. However, pursuant to SB 13 (effective 1/1/2020-12/31/2024), the updated wastewater capacity fee structure charges a per square foot fee for all ADUs.			
[2] Each affordable housing unit constructed as part of a multi-family residential development project shall pay a reduced fee that is equal to the percentage of affordable housing units created by the project, rounded up to the nearest whole percent, and capped at 50%. For example, if a 20-unit multi-family housing development included 9 affordable housing units (45%), then the impact fees charged for the affordable housing units in the multi-family development project would be reduced by 45%.			

## Exhibit B - Calculation

1. The table below was obtained from the State of California, Department of General Services website on June 10, 2024. The webpage is:

<https://www.dgs.ca.gov/RES/RESD/Resources/Page-Content/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI#:~:text=The%20California%20Construction%20Cost%20Index,the%20second%20issue%20each%20month.>

2. The annual % number at the bottom of the table was used. The annual change from 2022 to 2023 was 9.4%. Therefore, the City’s impact and capacity fees shall be increased 9.4% effective July 1, 2024. (Every June the fees can be updated as of July 1<sup>st</sup> of each year, using the “Annual %” change.)

**California Construction Cost Index 2021-2025**

<b>Month</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>January</b>		9680	9246	8151	7090
<b>February</b>		9692	9166	8293	7102
<b>March</b>		9660	9118	8736	7130
<b>April</b>		9688	9026	8903	7150
<b>May</b>		9655	9621	9001	7712
<b>June</b>			9508	8925	7746
<b>July</b>			9526	9110	7892
<b>August</b>			9560	8729	8122
<b>September</b>			9592	8604	7900
<b>October</b>			9654	8712	8080
<b>November</b>			9682	8765	8141
<b>December</b>			9654	8823	8072
<b>Annual % *</b>			9.4%	9.3%	13.4%

\*Annual Percentage is calculated from December to December.