

**Annual Impact Fee Report  
For the City of South San Francisco  
For Fiscal Year 2019-20**

This report contains information on the City of South San Francisco's development impact fees for the Fiscal Year 2019-20. The annual reporting requirements are in Government Code section 66000 et seq. Please note that this annual report is not a budget document but rather meets reporting requirements. The report does not intend to represent a full picture of currently planned projects. It only reports project information, revenues, and expenditures for the Fiscal Year 2019-20.

Government Code Section 66006 requires agencies to outline the status of development impact fees. Government Code Section 66001 requires local agencies to submit five-year financial reports. The annual report is available to the public within 180 days after the last day of the fiscal year. The report is presented to the public agency (the City Council) at least 15 days after it is made available to the public.

This report summarizes each of the development impact fee programs. Requirements under Government Code Section 66006 are:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. An identification of each public improvement. The expenditures on each project. The total percentage of the cost of the public improvement is funded with development impact fees.
6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
7. The estimated date when projects will begin if enough revenues are available to construct the project.
8. The number of refunds made to property owners.

This report also summarizes five-year reporting information for the Oyster Point Interchange Impact Fee program as required under Government Code Section 66001:

1. The purpose of the fee expenditure.
2. The reasonable relationship between the fee and the purpose used.

3. All sources and amounts of funding anticipated to complete financing in incomplete improvements.
4. The approximate dates on which the funding referred to in subparagraph (3) above are deposited into the appropriate account or fund.

This report also contains information on the City of South San Francisco's sewer capacity charges. Government Code Section 66013 requires agencies to submit annual reports on the status of sewer capacity charges. The public must have access to the report within 180 days after the last day of each fiscal year. This report summarizes the following information for the sewer capacity charges:

1. A description of the charges deposited in the fund.
2. The beginning and ending balance of the fund and the interest earned from investment in the fund.
3. The amount collected in that fiscal year.
4. An identification of all the following:
  - a. Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
  - b. Each public improvement on which charges were expended that was completed during that fiscal year.
  - c. Each public improvement that is anticipated to be undertaken in the following fiscal year.
5. A description of each interfund transfer or loan from the capital facilities fund, the date the loan will be repaid, and the rate of interest. In the case of an interfund transfer, the report identifies the public improvements on which the money is or will be expended.

More detailed information on the various fee programs is available. Nexus studies, master plans, capital improvement programs, and budgets are all made public on the City's website.

The City does not earmark impact fees for any specific project as revenues come in. Nexus studies outline capital improvement projects. Nexus studies examples may include future sewer infrastructure, transportation infrastructure, and other capital facilities. This report is accurate as of the time of publication. Any proposed plans are subject to change based on City Council action.

# TABLE OF CONTENTS

## Citywide Impact Fee Program

Bicycle and Pedestrian Impact Fee Fund (Fund 822)	
Overview and Required Findings .....	5
Financial Reporting.....	6
Commercial Linkage Impact Fee	
Overview and Required Findings .....	7
Financial Reporting.....	8
Childcare Impact Fee Fund (Fund 830)	
Overview and Required Findings .....	9
Financial Reporting.....	10
Park Land Acquisition Fee (Fund 805)	
Overview and Required Findings .....	11
Financial Reporting.....	12
Park Construction Fee (Fund 806)	
Overview and Required Findings .....	13
Financial Reporting.....	14
Public Safety Impact Fee Fund (Fund 821)	
Overview and Required Findings .....	15
Financial Reporting.....	16

## Plan Area Impact Fee Programs

Oyster Point Interchange Impact Fee Fund (Fund 840)	
Overview and Required Findings .....	17
Financial Reporting.....	19
Sewer Impact Fee Fund (Fund 810)	
Overview and Required Findings .....	20
Financial Reporting.....	21
Traffic Impact Fee Fund (Fund 820)	
Overview and Required Findings .....	22
Financial Reporting.....	23

Other Reportable Citywide Charges

Sewer Capacity Charge Fund (Fund 730)	
Overview and Required Findings .....	24
Financial Reporting.....	25
Fee Schedules.....	26

## **Bicycle and Pedestrian Impact Fee Program**

The City Council adopted this nexus study for the citywide impact fee program in 2017. The study identified the need to support the Bicycle Master Plan adopted by the City in February 2011 by Resolution 23-2011. The General Plan establishes that maintaining bicycle and pedestrian infrastructure requires funding sources. The Bicycle Master Plan recommends the completion of the City's existing network of bicycle paths, lanes, and routes.

### Annual Reporting Information:

1. The purpose of the Bicycle and Pedestrian Impact Fee Program is to establish funding for completion of the City's existing network of bicycle paths. Additional daily trips due to development projects place more demands on bicycle and pedestrian infrastructures in the city.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the Bicycle and Pedestrian Impact Fee.
3. Refer to page 6 of this report for the beginning and ending balance of the account for the Bicycle and Pedestrian Impact Fee.
4. See page 6 of this report for Bicycle and Pedestrian Impact Fees collected, and interest earned.
5. There have been no projects completed during the Fiscal Year 2019-20 using the Bicycle and Pedestrian Impact Fee funding.
6. The approximate date for funding and execution of projects will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There were no potential refunds to property owners.

Bicycle and Pedestrian Impact Fee Program (Fund 822)

This citywide development impact fee program funds bicycle and pedestrian improvements. Development projects generate additional daily trips that place more demands on bicycle and pedestrian infrastructures in the city.

<b>Beginning balance, July 1, 2019</b>		<b>\$51,273</b>	
Additions			
Bicycle and pedestrian impact fees collected	\$12,438		
Interest earned	<u>2,200</u>		
Total additions		14,638	
Disbursements			<u>% Fee Funded</u>
Total disbursements		0	
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$65,912</u></b>	
Planned projects for Fiscal Year 2020/21			<u>% Fee Funded</u>
There are no planned projects for Fiscal Year 2020/21.		0	
<b>Remaining balance after planned projects</b>		<b><u>\$65,912</u></b>	

## **Commercial Linkage Fee Program**

The nexus study for this citywide impact fee program was adopted by the City Council in 2018 by Resolution 123-2018. The study justified the need to provide sufficient funding for affordable housing, and established a nexus between the need for affordable housing and the impacts of commercial development within the City. The impact fee program supports the City of South San Francisco's adopted 2015-2023 Housing Element, which includes the goal of promoting the provision of housing by both the private and public sectors for all income groups in the community.

### Annual Reporting Information:

1. The purpose of the Commercial Linkage Impact Fee program is to provide funding for affordable housing for employees who work in the City as a result of new commercial development.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the Commercial Linkage Impact Fee.
3. Refer to page 8 of this report for the beginning and ending balance of the account for the Commercial Linkage Impact Fee.
4. See page 8 of this report for the amount of Commercial Linkage Impact Fees that have been collected and interest earned.
5. There have been no projects completed during the Fiscal Year 2019-20 using the Commercial Linkage Impact Fee funding.
6. The approximate date for funding and execution of projects will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There was an interfund transfer to reconcile the distinction between the affordable housing in-lieu fund (205) and the newly established commercial linkage fund (823).
8. There were no potential refunds to property owners.

Commercial Linkage Impact Fee Program (Fund 823)

The Commercial Linkage Fee (CLF) Ordinance (No. 1560-2018) was adopted by the City Council on August 22, 2018, establishing a fee on certain commercial development to generate local funding for affordable housing.

<b>Beginning balance, July 1, 2019</b>		<b>\$0</b>	
Additions			
Commercial linkage impact fees collected	\$96,233		
Interest earned	174,029		
Transfers in from Fund 205 (Affordable Housing In-Lieu)	<u>4,687,200</u>		
Total additions		\$4,957,462	
Disbursements			
Total disbursements		0	<u>% Fee Funded</u>
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$4,957,462</u></b>	
Planned projects for Fiscal Year 2020/21			
Predevelopment Loan to Bridge Housing for 158 BMR Units at the PUC Site	<u>2,000,000</u>		<u>% Fee Funded</u>
			100%
Total planned projects		(2,000,000)	
<b>Remaining balance after planned projects</b>		<b><u>\$2,957,462</u></b>	



## **Childcare Impact Fee Program**

The City Council adopted the nexus study for this citywide impact fee program in 2001. The study identified the need for new and expanded child care facilities in the City. Updates since 2001 to this fee program have included a periodic inflation change. The fee program includes a 5% administrative fee. The estimated cost of the new and expanded facilities included in the nexus study totaled \$43.9 million. The nexus study identified new development's share of the cost as 24.6% of the total new and expanded facilities cost. Development impact fee revenue was estimated at \$11.3 million, which includes administrative costs of 5% of total fee revenue. Existing development's share of the cost is \$33.1 million (75.4% of new facilities) which must be funded with other funding sources. Other funding sources may include the City's General Fund, grants, developer contributions, and Community Development Block Grants.

### Annual Reporting Information:

1. The purpose of the Childcare Impact Fee Program is to provide new development's share of funding for new and expanded childcare facilities required at build-out of the City.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the Childcare Impact Fee.
3. Refer to page 10 of this report for the beginning and ending balance of the account for the Childcare Impact Fee.
4. See page 10 of this report for the amount of the Childcare Impact Fees that have been collected, and interest earned.
5. There was one project worked on during Fiscal Year 2019-20 using the Childcare Impact Fee funding.
6. The approximate date for funding and constructing future facilities will be determined, at the discretion of the City Council, when adequate additional funds for facility construction have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Childcare Impact Fee (Fund 830)

This citywide development impact fee program funds new development's fair share of new and expanded childcare facilities to serve the City.

<b>Beginning balance, July 1, 2019</b>		<b>\$5,536,728</b>	
Additions			
Childcare impact fees collected	\$455,544		
Interest earned	<u>209,914</u>		
Total additions		665,458	
Disbursements			
City administration	2,745		<u>% Fee Funded</u> 100%
Projects			
Appropriate funds to Childcare operating expense for Relocation and Installation of Portable classroom at Ponderosa School	<u>14,232</u>		100%
Total disbursements		(16,977)	
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$6,185,209</u></b>	
Planned projects for Fiscal Year 2020/21			
New preschool facility design and construction (pf2101)	<u>5,500,000</u>		<u>% Fee Funded</u> 100%
Total planned projects		(5,500,000)	
<b>Remaining balance after planned projects</b>		<b><u>\$685,209</u></b>	

## **Park Land Acquisition Fee**

The City Council adopted the nexus study for this impact fee program in 2017. Ordinance 1520-2016 amended the Municipal Code to include Chapter 8.67, adopting the parkland acquisition fee and park construction fee to generate funding for parks in South San Francisco. The General Plan, the Parks + Recreation Master Plan, and the East of 101 Area Plan each lay out specific park requirements. The current need is three acres of park land per one thousand future residents and one half of an acre per one thousand new employees is the current need. This fee differs from the City's Quimby Act fee in Section 19.24.040 et seq of the Municipal Code. The Quimby Act allows for the imposition of land dedication requirements and in-lieu fees for residential subdivisions. The Act does not apply to other types of residential development projects or commercial development projects.

The Park Land Acquisition Fee is applied to residential and non-residential development projects to support the demands for parks and recreation spaces generated by new residents of residential development projects and new employees of non-residential development projects. The nexus study calculated the fee for park land acquisition based on the number of residents generated by each new type of residential unit and the number of employees per 1,000 square feet in non-residential development projects. The City adopted the Park Land Acquisition Fee under the authority of the Mitigation Fee Act.

### Annual Reporting Information:

1. The purpose of the Park Land Acquisition Fee fund is to provide new development's share of funding for acquiring new parks and recreation spaces at a rate of 3 acres per 1,000 new residents in multifamily development projects and 0.5 acres per 1,000 new employees in commercial development projects.
2. Refer to page 26 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 12 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 12 of this report for the amount of fees collected and interest earned.
5. There have been no projects completed during Fiscal Year 2019-20 using the Park Land Acquisition fee funding.
6. The approximate date for funding and acquiring park land will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Park Land Acquisition Fee (Fund 805)

This citywide development impact fee program funds new development's fair share for acquiring new park and recreation spaces.

<b>Beginning balance, July 1, 2019</b>		<b>\$365,934</b>	
Additions			
Park land acquisition fees collected	\$478,826		
Interest earned	<u>23,972</u>		
Total additions		502,798	
Disbursements			<u>% Fee Funded</u>
Total disbursements		0	
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$868,732</u></b>	
Planned projects for Fiscal Year 2020/21			<u>% Fee Funded</u>
Transit Village Park feasibility study (pk2101)	<u>60,000</u>		100%
Total planned projects		(60,000)	
<b>Remaining balance after planned projects</b>		<b><u>\$808,732</u></b>	

## **Park Construction Fee**

The nexus study for this impact fee program was adopted by the City Council in 2017. Ordinance 1520-2016 amended the Municipal Code to include Chapter 8.67 adopting the parkland acquisition fee and park construction fee. The purpose of the Park Construction Fee is to provide funding for the construction of park facilities and improvements. The General Plan, the Parks & Recreation Master Plan, and the East of 101 Area Plan call for 3 acres of parkland and facilities per 1,000 new residents and ½ an acre of parkland and facilities per 1,000 new employees. The City incurs the costs of administering the fee program and preparing analyses and reports related to it.

### Annual Reporting Information:

1. The purpose of the Park Construction Fee fund is to provide new development's share of funding developing new parks and recreation spaces at a rate of 3 acres per 1,000 new residents in multifamily development projects and 0.5 acres per 1,000 new employees in commercial development projects.
2. Refer to page 27 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 14 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 14 of this report for the number of fees collected and interest earned.
5. During Fiscal Year 2019-20, there were no funds used from the Park Construction Fee fund. There is one project planned for Fiscal Year 2020-21.
6. The approximate date for further funding and developing park land and recreation facilities will be determined, at the discretion of the City Council, when adequate additional funds have accumulated.
7. There was one interfund transfer. There was a misclassification of \$1,000,000 of in-lieu fees deposited into fund 806, which staff reclassified into the correct account (209). The balance sheet will show \$1,000,000 of revenues (meant for fund 209) and \$1,000,000 of expenditures (transferred to fund 209). This is the reclassification of those funds into the correct account.
8. There are no potential refunds to property owners.

Park Construction Fee (Fund 806)

This citywide development impact fee program funds new development's fair share for developing new park and recreation spaces.

<b>Beginning balance, July 1, 2019</b>		<b>\$2,116,515</b>	
Additions			
Park construction fees collected	\$1,021,992		
Interest earned	<u>136,559</u>		
Total additions		1,158,551	
Disbursements			<u>% Fee Funded</u>
Misclassification of funds transfer to fund 209	<u>1,000,000</u>		
Total disbursements		(1,000,000)	
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$2,275,065</u></b>	
Planned projects for Fiscal Year 2020/21			<u>% Fee Funded</u>
Sellick Park Renovation Project (pk1803)	<u>100,000</u>		100%
Total planned projects		(100,000)	
<b>Remaining balance after planned projects</b>		<b><u>\$2,175,065</u></b>	

## **Public Safety Impact Fee Program**

The City Council adopted the nexus study for this citywide impact fee program in 2012. The study identified the need for new and expanded public safety capital facility and equipment to support new development projects. This fee program also includes an annual inflation adjustment. The fee program includes a 2% administrative fee. The estimated cost of the new and expanded public safety equipment and facilities included in the nexus study totaled \$40.4 million. The nexus study identified new development's share of the cost at \$10.4 million (25.6% of the total new and expanded equipment and facilities cost). Existing development's share of the cost is \$30.0 million (74.4% of new equipment and facilities) which must be funded with other funding sources such as the City's General Fund, grants, or developer contributions.

### Annual Reporting Information:

1. The Public Safety Impact Fee is collected to provide new development's share of funding for new and expanded public safety capital facility and equipment required at build out of the City.
2. Refer to page 27 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 16 of this report for the beginning and ending balance for the account of this fee.
4. Refer to page 16 of this report for the amount of fees collected and interest earned.
5. One project utilized the Public Safety Impact Fee fund in FY 2019-20. Refer to page 16 of this report for identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
6. The approximate date for further funding and constructing facilities and procuring future equipment identified in the nexus study will be determined when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds to property owners.

Public Safety Impact Fee (Fund 821)

This citywide development impact fee program funds new development's fair share of new and expanded capital facility and equipment to serve the City.

<b>Beginning balance, July 1, 2019</b>		<b>\$1,301,230</b>	
Additions			
Public Safety impact fees collected – Fire	\$302,113		
Public Safety impact fees collected - Police	127,835		
Interest earned	<u>49,471</u>		
Total additions		479,419	
Disbursements			
Fire Station 64 dorm and bathroom remodel (pf1805)	<u>360,571</u>		<u>% Fee Funded</u>
			27.65%
Total disbursements		(360,571)	
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$1,420,078</u></b>	
Planned projects for Fiscal Year 2020/21			
Civic Campus Phase I (Police Station)	1,000,000		<u>% Fee Funded</u>
Routine Handgun Replacement Project	67,000		1.79%
Police Operations & 911 Dispatch Center (pf2003)	<u>57,615</u>		100%
Total planned projects		(1,124,615)	
<b>Remaining balance after planned projects</b>		<b><u>\$295,463</u></b>	



## **Oyster Point Interchange Impact Fee Program**

The City Council adopted this plan area fee program on May 23, 1984, using a February 1983 Feasibility Study prepared by Nolte and Associates in conjunction with Resolution No. 71-84 which created the “Oyster Point Contribution Formula.” The 1983 Feasibility Study identified the need for the Oyster Point Interchange project, which was, at that time, referred to as the grade separation project.

Updates to the fee program since 1984 include the following:

1. An ongoing inflation adjustment.
2. June 26, 1996, fee program changes via Resolution No. 102-96 included adjustments for:
  - a. the inflationary index that reduced the fee by approximately 22%,
  - b. the project description which increased the scope of the project to include the Terrabay hook ramps and the southbound off-ramp flyover, and the use of more current trip generation rates.
3. October 9, 1996 fee program change via Resolution No. 152-96 that added additional land uses with their associated trip generation rates.

The Feasibility Study identified new development’s share of the grade separation project cost at 64.8% and existing development’s share of the cost at 35.2%. The grade separation was completed and funded in 1995 and is not part of this annual report. The increased scope portion of the project, added in 1996, was identified as being 100% the responsibility of new development. Of this additional scope, the flyover, estimated to cost \$6.4 million, was completed in 2005, and the hook ramps, estimated to cost \$15 million, were completed in October 2006. Additional work relating to property transfers and gaining final Caltrans project acceptance is ongoing.

### Required 5-Year Findings for Unexpended Funds/Annual Reporting Requirements

1. The purpose of the Oyster Point Interchange Impact Fee Program is to provide new development’s share of funding for this project required at build-out of the plan area.
2. Refer to page 19 of this report for the beginning and ending balance of the account for this fee.
3. Refer to page 19 of this report for fees collected and interest earned.
4. The reasonable relationship between the Oyster Point interchange impact fee and the purpose for which it is charged is demonstrated in the 1983 Feasibility Study by Nolte and Associates, and in the fee program updates in Resolution No. 102-96 and Resolution No. 152-96. As of June 30, 2020, there continues to be a need for Oyster Point Interchange Impact fees due to further developments in that area of South San Francisco.

5. The sources and amounts of funding anticipated for Oyster Point Interchange projects can be found in the updates adopted via Resolution No. 102-96 and Resolution No. 152-96. Additional working relating to property transfers and gaining final Caltrans project acceptance is ongoing.
6. Buildout in the Oyster Point Interchange area is ongoing due to further developments in South San Francisco. The City's buildout is assumed to occur over a 20-year period, which is consistent with the General Plan.
7. There are currently no planned projects for Oyster Point Interchange impact fees.
8. The fund has one loan from the former Redevelopment Agency. Please refer to page 19 of this report. The amount owed as of June 30, 2020, is approximately \$3.6 million. Since the dissolution of the Redevelopment Agency in 2012, the interest rate charged by the Successor Agency is 0%. The loan is repaid as new impact fee revenue is received. Given that the amount of future impact fee revenue is unknown, the repayment date is unknown. There were no other interfund transfers or loans.
9. There are no potential refunds of Oyster Point Interchange Impact Fees to property owners.
10. Refer to page 28 of this report for the fee schedule outlining the amount of the Oyster Point Interchange Impact Fee.

Oyster Point Interchange Impact Fee (Fund 840)

This plan area development impact fee program funds new development's fair share of the Oyster Point Interchange project.

<b>Beginning balance, July 1, 2019</b>		<b>\$72,256</b>	
Additions			
Fees collected	\$1,195,993		
Interest earned	<u>20,384</u>		
Total additions		1,216,377	
Disbursements			
Repayment of RDA Loan	<u>1,210,000</u>		<u>% Fee Funded</u>
Total disbursements		(1,210,000)	100%
<b>Remaining balance as of June 30, 2020</b>		<b><u>\$78,634</u></b>	
Planned Projects for Fiscal Year 2020/21			
There are no planned projects for Fiscal Year 2020/21.	0		<u>% Fee Funded</u>
<b>Remaining Balance After Planned Projects</b>		<b><u>\$78,634</u></b>	
Loans to Oyster Point Interchange Fee Fund from Successor Agency to RDA			
Balance, July 1, 2019	4,845,152		<u>Due Date and Interest Rate</u>
Less payment during fiscal year	<u>1,210,000</u>		None & 0%
Balance, June 30, 2020		(3,635,152)	
<b>Fees available (future fees required) for current and completed projects</b>		<b><u>\$(3,556,518)</u></b>	

## **Sewer Impact Fee Program**

The 2002 nexus study for this fee was adopted by the City Council in 2002. The study identified the need for new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 in the City of South San Francisco. This fee program also includes an annual inflation adjustment. The estimated cost of the 20 new and expanded sewer projects included in the study totaled \$21.4 million. The study identified new development's share of the cost of the required facilities at \$15.5 million (72.4% of the total new and expanded facilities cost) while existing development's share of the cost (existing deficiency) is \$5.9 million (27.6% of new facilities). New development's share of the cost, \$15.5 million, was increased to include some master planning costs (\$425,000) and some CEQA reviewing costs (\$600,000) for a total cost to new development of \$16,425,000. Of that amount, \$12,429,000 was to be sewer impact fee funded and \$4,066,000 was to be funded directly by developer contributions. Of the twenty total projects listed in the nexus study, eleven projects are either fully or partially funded with the sewer impact fee funds, four are existing development's responsibility, four are to be funded by developer contributions, and one is to be funded with a combination of developer contributions and revenues from existing development. Existing development's share will be funded with the sewer charges appearing on property tax bills as a direct levy.

### Annual Reporting Information

1. The purpose of the Sewer Impact Fee Program is to provide new development's share of funding for new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 at build-out of the plan area.
2. Refer to page 28 of this report for the fee schedule outlining the amount of the fee.
3. Refer to page 21 of this report for the beginning and ending balance of the account for this fee.
4. Refer to page 21 of this report for the amount of fees collected, and interest earned.
5. There was one project that was partially funded in FY 2019-20 using the Sewer Impact Fee program funding, refer to page 21 of this report for an identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
6. The approximate date for funding and constructing additional future facilities and infrastructure will be determined when adequate additional funds have accumulated.
7. There were no interfund transfers or loans.
8. There are no potential refunds of Sewer Impact Fees to property owners.

Sewer Impact Fee (Fund 810)

This plan area development impact fee program funds new development's fair share of new and rehabilitated sewer collection and treatment facilities to serve the area located east of US 101 in the City.

<b>Beginning balance, July 1, 2019</b>	<b>\$4,436,134</b>	
Additions		
Fees collected	\$1,317,358	
Interest earned	174,089	
Net Fee Credit Permits	<u>0</u>	
Total additions	1,491,447	
Disbursements		
City administration	2,745	<u>% Fee Funded</u> 100%
Pump Station #2 Upgrade (ss1702)	<u>516,996</u>	42.30%
Total Disbursements	(519,741)	
<b>Remaining balance as of June 30, 2020</b>	<b><u>\$5,407,840</u></b>	
Planned Projects for Fiscal Year 2020/21		
Pump Station #14 upgrade (ss1902)	<u>4,000,000</u>	<u>% Fee Funded</u> 100%
Total planned projects	(4,000,000)	
<b>Remaining Balance After Planned Projects</b>	<b><u>\$1,407,840</u></b>	

## **Traffic Impact Fee Program**

The 2001 nexus study for this plan area fee was adopted by the City Council in 2002. The study identified the need for new and expanded roadway and intersection improvements to serve the area located east of US 101 in the City of South San Francisco. The study was updated on May 6, 2005, and on July 19, 2007. This fee program includes an annual inflation adjustment and a 2.5% administrative fee. The estimated cost of the new and expanded facilities included in the 2007 study totaled \$38.5 million (\$32.4 million in net cost after accounting for fees already received). There are 26 road improvements listed in the 2007 study and two studies for a total of 28 projects. The study determined that new development would be responsible for 100% of the cost of the 28 projects.

### Annual Reporting Information

1. The purpose of the Traffic Impact Fee Program is to provide new development's share of funding for new and expanded roadway and intersection improvements to serve the area located east of US 101 at build-out of the plan area.
2. See page 28 of this report for the fee schedule outlining the amount of the fee.
3. See page 23 of this report for beginning and ending balance of the account for this fee.
4. See page 23 of this report for the amount of fees collected and interest earned.
9. There were eight projects that were either partially or wholly funded in FY 2019-20. Refer to page 23 of this report for an identification of public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
5. The remaining nexus study projects will be programmed in future years' CIP budgets at the discretion of the City Council.
6. There were no interfund transfers or loans.
7. There are no potential refunds of Traffic Impact Fees to property owners.

## Traffic Impact Fee (Fund 820)

This plan area development impact fee program funds new development's fair share of new and expanded roadway and intersection improvements east of US 101 to serve the City of South San Francisco.

<b>Beginning balance, July 1, 2019</b>	<b>\$20,593,457</b>	
Additions		
Fees collected	\$4,244,426	
Interest earned	<u>814,074</u>	
Total additions		\$5,058,500
Disbursements		
		<u>% Fee Funded</u>
City administration	2,745	100%
N. Access Rd. Bike + Ped Improvements (st1806)	75,973	17.18%
Caltrain Station to E. Grand Bike Gap Closure (st2003)	1,267	28.96%
South Airport Blvd. Improvements (st2004)	5,305	100%
Traffic Impact Fees Study (tr1013)	46,437	100%
E. Grand, Gateway & Forbes Intersection (tr1602)	10,840	100%
E. 101 Traffic Model Update (tr1702)	2,466	100%
Adaptive Traffic Control System (tr1901)	488,826	100%
E.101 Traffic Signal IDEA Grant (tr1902)	<u>2,354</u>	23.98%
Total disbursements		(636,211)
<b>Remaining Balance as of June 30, 2020</b>	<b><u>\$25,015,746</u></b>	
Planned Projects for Fiscal Year 2020/21		
		<u>% Fee Funded</u>
South Airport Bridge Replacement (st1301)	1,500,000	100%
Grand Ave. & Airport Blvd. Intersection Improvements (st1801)	1,525,000	50%
N. Access Rd. Bike & Ped Improvements (st1806)	(60,000)	17.18%
Caltrain to E. Grand Bike Gap Closure (st2003)	1,100,000	28.96%
S. Airport/Belle Aire Improvements (st2004)	368,000	100%
Oyster Point and E. Grand Ave. Corridor Improvements (tr1602)	620,000	100%
Adaptive Traffic Control System (tr1901)	600,000	100%
E. Traffic Signal IDEA Grant (tr1902)	198,000	100%
Hillside and Lincoln Traffic Improvements (tr1906)	1,500,000	95.23%
Utah and Harbor Intersection Improvements (tr2101)	250,000	100%
DNA Way at E. Grand Ave. and Allerton Ave. at E. Grand Ave. Signalized Intersection (tr2102)	<u>3,500,000</u>	100%
Total planned projects		(11,101,000)
<b>Remaining balance after planned projects</b>	<b><u>\$13,914,746</u></b>	

## **Sewer Capacity Charge Program**

The original analysis was adopted by the City Council in 2000 and annual updates included a preset adjustment to the charges based on borrowing costs. The most current Sewer Capacity Charge Analysis by Bartle Wells & Associates is dated August 26, 2009 and was adopted by the City Council in April of 2010 to be effective in Fiscal Year 2010-11. This analysis identifies the need for sewer collection and treatment capacity in the City of South San Francisco. There are two components to the Sewer Capacity Charge: the capital assets valuation charge and the capital improvements charge. The capital assets charge accounts for the existing value of the sewer collection and treatment system which is calculated using the depreciated replacement cost of the system's assets. The capital assets charge (also called a "buy-in" fee) assigns a value to the benefit that new development receives from the availability of sewer capacity (which existing development has maintained over the years through the sewer rates). The total depreciated replacement value is \$161.6 million, of which 37.2 percent is new development's fair-share, or \$60.1 million. The second component is the charge for future improvements to the system identified in the City's Capital Improvement Program. The total cost of these future improvements is \$84.6 million, the fair-share allocation to new development is 37.2 percent of that amount, or \$29.8 million. The total fair-share is \$90 million. These funds may be used for capital improvements to maintain capacity in the system.

### Annual Reporting Information:

1. Refer to page 25 of this report for the beginning and ending balance of the account for the sewer capacity fund, the amount of charges collected, and the interest earned from investment of moneys in the fund.
2. There were two projects that were worked on in FY 2019-20 using the sewer capacity charge program. Refer to page 25 of this report for an identification of the public improvement on which charges were expended, the amount of the expenditures on each improvement.
3. Refer to page 25 of this report for an identification of public improvements anticipated to be undertaken in the next fiscal year.
4. The sewer capacity charges do not exceed the estimated reasonable costs of providing the facilities for which the fee is charged (see Cal. Gov. Code § 66013, subd. (a)).
5. The sewer capacity charge's accounting and reporting requirements are being met, i.e., the revenues are kept in a separate fund and the City provides annual reports on the use of the funds collected (see Cal. Gov. Code §§ 66013, subds. (c) and (d)).
6. There were not any interfund transfers or loans.



Sewer Capacity Charges (Fund 730)

This fee program funds the cost associated with providing collection and treatment capacity to new development, both through the existing infrastructure provided, and through future capital projects not funded by other sources.

<b>Beginning balance, July 1, 2019</b>		<b>\$12,323,558</b>	
Additions			
Fees collected	\$2,035,408		
Interest earned	<u>261,987</u>		
Total additions		2,297,395	
Disbursements			<u>% Fee Funded</u>
City administration	2,745		100%
Pump Station #2 upgrades (ss1702)	705,217		12.9%
WQCP Wet Weather & Digester Improvements (ss1301)	<u>5,763,243</u>		57.70%
Total disbursements		(6,471,205)	
<b>Remaining Balance as of June 30, 2020</b>		<b><u>\$8,149,748</u></b>	
Planned Projects for Fiscal Year 2020/21			<u>% Fee Funded</u>
Pump Station #2 Upgrade (ss1702)	<u>5,645,283</u>		42.30%
Total planned projects		(5,645,283)	
<b>Remaining balance after planned projects</b>		<b><u>\$2,504,465</u></b>	

Bicycle and Pedestrian Impact Fee for Fiscal Year 2019-20

Land Use	Cost per Unit or 1,000 Square Feet (SQFT)
Residential	
Single-Family	\$243 per unit
Multi-Family	\$170 per unit
Mobile Home	\$127 per unit
Commercial/Industrial	
Commercial / Retail	\$.36 per SQFT
Hotel / Visitor Services	\$.24 / visitor SF
Office / R&D	\$.09 per SQFT
Industrial	\$.12 per SQFT

Commercial Linkage Impact Fee Rates for Fiscal Year 2019-20

Gross Square Feet Commercial Floor Area Minus Existing Floor Area × Current Fee Amount for Applicable Land use Category where the Land Use Fee is:

\$5.20 per sf for Hotel

\$2.60 per sf for restaurant and retail

\$15.60 per sf for medical and R&D

Childcare Impact Fee Rates for Fiscal Year 2019-20

Land Use	per Unit or per Gross Sq. Ft. (GSF)
Residential	
Low Density	\$1,979 per unit
Medium Density	\$1,858 per unit
High Density	\$1,851 per unit
Other Residential	\$1.28 per GSF
Commercial/Industrial	
Commercial / Retail	\$0.68 per GSF
Hotel / Visitor Services	\$0.18 per GSF
Office / R&D	\$0.57 per GSF
Other Non-Residential	\$0.54 per GSF

Park Land Acquisition Fee for Fiscal Year 2019-20

Land Use	per Unit or 1,000 Square Feet (SQFT)
Residential	
Single-Family	\$2,976 per unit
Duplex to Four-plex	\$2,571 per unit
5 to 19	\$2,183 per unit
20 to 49	\$1,759 per unit

50+	\$1,535 per unit
Mobile Home	\$2,286 per unit
Commercial/Industrial	
Commercial / Retail	\$0 per 1,000 SQFT
Hotel / Visitor Services	\$0 per 1,000 SQFT
Office / R&D	\$0 per 1,000 SQFT
Industrial	\$0 per 1,000 SQFT

Park Construction Fee for Fiscal Year 2019-20

Land Use	per Unit or 1,000 Square Feet (SQFT)
Residential	
Single-Family	\$26,148 per unit
Duplex to Four-plex	\$22,586 per unit
5 to 19	\$19,175 per unit
20 to 49	\$15,462 per unit
50+	\$13,491 per unit
Mobile Home	\$20,085 per unit
Commercial/Industrial	
Commercial / Retail	\$1,257 per 1,000 SQFT
Hotel / Visitor Services	\$1,196 per 1,000 SQFT
Office / R&D	\$1,116 per 1,000 SQFT
Industrial	\$528 per 1,000 SQFT

Public Safety Impact Fee Rates for Fiscal Year 2019-20

Land Use	per Unit or per Square Foot (SF)
Residential	
Low Density	\$1,285 per unit
Medium Density	\$810 per unit
High Density	\$563 per unit
Commercial/Industrial	
Commercial / Retail	\$0.44 per SF
Hotel / Visitor	\$0.42 per SF
Office / R&D	\$0.44 per SF
Industrial	\$0.18 per SF

Oyster Point Interchange Impact Fee Rates for Fiscal Year 2019-20

The impact fee is calculated by multiplying the number of vehicle trips by \$154 and by the percentage increase in the Construction Cost Index (CCI) as published in the Engineering News-Record (ENR) from the date of adoption, when the CCI was 6,552.16, to the current effective CCI.

Vehicle Trips are based on average daily traffic (ADT). The rates shown below are based on 1,000 gross square feet of land use.

The ENR CCI published in April is used to calculate monthly increases. The CCI for April 2018 and 2019 were 12,014.72 and 12,322.23, respectively, resulting in a percentage increase of 2.56%.

Land Use	ADT Trip Rate per 1,000 GSF
General Industrial	5.46
Manufacturing	3.99
Warehousing	4.50
Hotel	10.50
General Office Building	12.30
Research & Development (R&D)	5.30
Restaurant (Dinner House/High Turn-over)	56.30 / 164.40
General Commercial	48.00

OPI Impact Fee: = (Development Area, SF /1000 SF) X (\$ 154.00) X (Monthly ENR-CCI) / (6552.16)

#### Sewer Impact Fee Rates for Fiscal Year 2019-20

The generation rate for all land use is 400 gallons per day per 1,000 square feet of building area.

New Sewer Impact Fee = (\$4.92/Gallon) X (1.0256) = (\$5.05/Gallon)

#### Traffic Impact Fee Rates for Fiscal Year 2019-20

Area of Building x Land Use Fee where the Land Use Fee is:

R&D/office = \$6.21 per building sq. ft.

Hotel = \$1,443.26 per room

Commercial/retail = \$25.71 per building sq. ft.

#### Sewer Capacity Charge for Fiscal Year 2019-20

The fee is updated each calendar year. The fee is currently \$ 5,010.97 per EDU. An EDU, or Equivalent Dwelling Unit, is the amount and strength of sewage equivalent to that discharged by a single-family residence.  $EDU = (0.00347 \times Q) + (0.362 \times BOD) + (0.589 \times TSS)$ . Q = gallons per day of sewage to be discharged; BOD = pounds per day of biochemical oxygen demand to be discharged; TSS = pounds per day of total suspended solids to be discharged.