

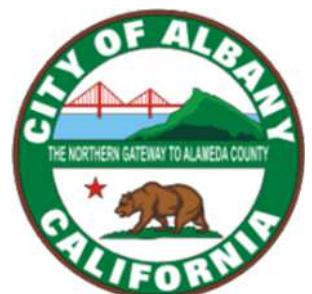
CITY OF ALBANY

Annual Development Impact Fee Report

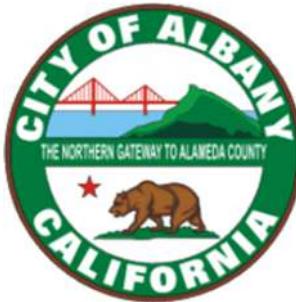
Fiscal Year Ended June 30, 2025

December 03, 2025

Prepared by:
NBS
for the
CITY OF ALBANY



City of Albany



City Officials

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1. DEVELOPMENT IMPACT FEE REPORT

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act requires annual reporting on each impact fee fund, as well as a separate five-year reporting process. This report meets the requirements described in 1.1 Annual Report, below. A combined Annual and Five-Year Report will next be provided in 2029.

1.1 Annual Report Requirements

Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund; (*report section 2*)
2. The amount of the fee; (*report section 2 and attachment*)
3. The beginning and ending balance of the account or fund; (*report section 3*)
4. The amount of the fees collected, and interest earned; (*report section 3*)
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees; (*report section 4*)
6. Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement; An identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report. For a project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction. (*report section 4*)
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; (*report section 5*)
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f). (*report section 6*)

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Section 66013(d) has similar requirements for utility capacity charges in that, within 180 days after the close of each fiscal year, the local agency must make available to the public the following information:

1. A description of the charges deposited in the fund; (*report section 2*)
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund; (*report section 3*)
3. The amount of charges collected in that fiscal year; (*report section 3*)
4. An identification of:
 - a. Each public improvement on which charges were expended and the amount of 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; (*report section 4*)
 - b. Each public improvement on which charges were expended that was completed during that fiscal year; (*see report section 4*)
 - c. Each public improvement that is anticipated to be undertaken in the following fiscal year; (*report section 4*)
5. A description of each interfund transfer or loan made from the capital facilities fund, including the public improvement on which the transferred or loaned charges are or will be expended and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the fund will receive on the loan. (*see report section 5*)

1.2 Five-Year Report

Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money, otherwise those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

2. CURRENT IMPACT FEES

2.1 Types of Impact Fees and Impact Fee Funds

The fees documented in the body of this Annual Development Impact Fee Report (Report) include the following fees listed below. The revenue and expenditures for each type of fee are tracked by the City in separate funds.

Table 1. Impact Fees and Impact Fee Funds

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
2401	Capital Facilities	Section 20.56 establishes the City's Capital Facilities Fee. In order to implement the goals and objectives of the Albany General Plan and provide consistently high quality service to residents of the City of Albany, improvements to existing public facilities and new public facilities must be constructed. The City Council has determined that new development increases demand on public facilities and that a capital facilities impact fee is necessary in order for new development to pay a share of the construction costs of these improvements.
2402	Parkland In-Lieu	Section 22-8.4 of the Albany Municipal Code established the provision for collection of parkland in-lieu fees on residential subdivisions. Park-in-lieu fees are governed by the Quimby Act (CA State GC 66477), not the Mitigation Fee Act, and are not subject to the same standards of reporting as Albany's other impact fees. Though Parkland In-Lieu fees are not governed by the Mitigation Fee Act, the city has decided to report on these fees in a similar manner to impact fees for transparency purposes. These fees are collected and spent on additional parks and recreation facilities to mitigate the impacts of new development in the City. City's current Master Fee Schedule lists a Parkland Dedication Fee of \$21.71 per required square foot dedication.
2403	Storm Drain	Storm Drain Fees, addressed in Section 15-4.9 of the Albany Municipal Code, are one-time charges to new development connecting to the City of Albany's storm sewer system. These fees are collected to partially fund major storm drain improvements throughout the City attributable to the impacts of new development.
2404	Sewer Connection	Sewer Connection Fees, addressed in Section 15-1.6 of the Albany Municipal Code, are one-time charges to new development first connecting to the City of Albany's sewer system. These fees are collected to partially fund major improvements, including those addressed in the City's Sewer Compliance Plan.

2.2 Current Impact Fees

Development impact fees (DIFs) in the City of Albany are one-time charges levied on new development in Albany to fund various infrastructure, facilities and parks. Tables 2 on the following page provides the list of impact fees charged by the City in Fiscal Year 2025.

Table 2. Impact Fees Schedule Fiscal Year 2025

Fee Name	Description	FY 2025 Fee Amount
Capital Facilities Impact Fee	Residential additions and conversions (per sq. ft.)	\$0.65
	Industrial or other non-residential development (per sq. ft.)	\$0.65
	New Residential Unit:	
	New ADU less than 750 sq ft in size	Exempt by State Law
	600 square feet or less	\$375.00
	601 square feet to 1,000 square feet	\$840.00
	1,001 square feet or over	\$1,365.00
Parkland In-Lieu Fees		Per Albany Municipal Code Section 22-8.4 (g) When a fee is required to be paid in lieu of parkland dedication, the amount of the fee shall be based upon the estimated fair market value of the land being subdivided and the estimated fair market value of the land which would otherwise be required to be dedicated according to paragraph (d).
Storm Drain Impact Fee		\$0.10 per square foot
Sewer Connection Fee	New Construction/New Service	\$1,340.32
	Per New Plumbing Fixture (existing service)	\$215.61
	Commercial & Industrial Grease Trap (per gallon per minute)	\$8.29

3. FINANCIAL SUMMARY REPORT

The following financial summary provides an annual statement of revenue, and changes in fund balance for each impact fee fund, for the Fiscal Year End June 30, 2025. Figures shown in the table below are unaudited as of the date of this report.

Table 3. Financial Summary Fiscal Year 2025

Fund No.	2401 Capital Facilities	2402 Parkland In-Lieu	2403 Storm Drain	2404 Sewer
Description				
REVENUES				
Fees	8,994	-	382	41,881
Interest	18,362	16,834	-	-
Transfers In ²	-	-	151,811	-
Total Revenues	27,356	16,834	152,193	41,881
Fund Balance, Beginning of the Year¹	366,566	341,312	-	-
Fund Balance, End of the Year¹	393,922	358,146	152,193	41,881

¹ Beginning & Ending Fund Balance per financial reports provided by the City's Finance Department.

² Transfer in from Storm Drain fund (1601) to establish beginning fund balance.

4. PUBLIC IMPROVEMENTS

This section of the Annual Report identifies each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees. There were no reported expenditures in the City's Financial Statement for Public Improvements for FY 24/25.

Government Code Section 66006 (b)(1)(F)(i) also requires Identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement. The City has not determined that sufficient funds have been collected as of June 30, 2025, to complete financing of any incomplete public improvements.

Government Section 66013(d) requirements for water and wastewater capacity charges are to identify each public improvement that is anticipated to be undertaken in the following fiscal year. The City has not identified any Water or Wastewater improvements scheduled for capacity fee funding in Fiscal Year 2025-26.

5. INTERFUND LOANS

The Mitigation Fee Act requires a description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended. There were no new or existing interfund transfers or loans made from or between impact fee fund accounts in Fiscal Year 2025.

6. REFUNDS

The refunding requirements for the Mitigation Fee Act are summarized as follows:

Refunds under the Mitigation Fee Act If the City determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Government Code Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

As discussed in Section 4 of this report, determinations regarding sufficient funds collected to complete incomplete improvements are provided by the City's annual Capital Improvement Plan. The City has not made a determination that sufficient funds have been collected to complete financing of any other incomplete public improvements. No refunds of impact fee monies were made or required.

Disclaimer: In preparing this report and any analysis and findings included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions and events that occurred or may occur in the future. This information and assumptions, including the City's budgets, financial reports, capital project data, and other information were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary due to unanticipated events and circumstances