



# **AB1600 Annual Report and Five-Year Report for Development Impact Fees City of Novato**



*For the Fiscal Year Ending June 30, 2023  
Five-Year Report for Fiscal Years 2018-2019 through 2022-2023*

Prepared by:



**Harris & Associates.**

101 Progress, Suite 250 | Irvine, CA | 92618

## Table of Contents

|   |    |
|---|----|
| Executive Summary .....   | 1  |
| Section 1 – Requirements of the Mitigation Fee Act (AB1600).....            | 3  |
| Section 2 – Annual Report .....   | 5  |
| Fund 151: Streets & Intersections Fee.....                                  | 5  |
| Fund 152: Recreational & Cultural Facilities Fee .....                      | 10 |
| Fund 153: Civic Facilities Fee.....   | 15 |
| Fund 154: Transit Facilities Fee .....                                      | 20 |
| Fund 155: Corporation Yard Fee.....   | 25 |
| Fund 156: General Government Systems Fee .....                              | 28 |
| Fund 157: Open Space Fee .....  | 33 |
| Fund 158: Drainage Fee .....  | 36 |
| Development Impact Fee Summary for FY 22-23.....                            | 41 |
| Section 3 – Fiscal Years 2018-2019 through 2022-2023 Five Year Report ..... | 42 |

## Executive Summary

Development Impact Fees (DIFs) are fees imposed by a local government on new or proposed development projects to ensure public services and infrastructure will be sufficient to serve those new development projects. California state law requires local agencies, on an annual basis, to prepare a report on the status of their Development Impact Fee (DIF) program in accordance with California Assembly Bill 1600 (AB1600). This report will serve as the City of Novato's AB1600 report for the fiscal year starting July 1, 2022, and ending June 30, 2023 (FY 22-23).

Impact fees were first adopted in the City in 1997 with Resolution No. 89-97 establishing the Civic Facilities, General Governmental Systems, Open Space, Recreational & Cultural Facilities, and Drainage fees, and Resolution 90-97 establishing the Streets & Intersections, Transit Facilities, and Corporation Yard fees. The fees were established in the original *City of Novato Development Impact Fees for Public Facilities* report prepared by Willdan dated April 11, 1997 and were based on the City's 1996 General Plan, Target 2000 Ten Year Facilities Plan dated January 22, 1992, a memorandum from Dan Weakley, Senior Management Analyst to Willdan dated October 25, 1996, a staff memo on General Plan Implementation Measures, and a memo from Larry Dito, Community Services Director to Willdan dated January 9, 1997.

The fees were updated in 1999 with the adoption of Resolution No. 133-99 to incorporate land use changes associated with the adoption of the Downtown Novato Specific Plan on July 14, 1998 (amended on August 24, 1999) and the Downtown Specific Plan Parking Study.

The fees were most recently updated in 2002 in the *City of Novato Development Impact Fees for Public Facilities 2002 Update* report prepared by Willdan and the *Report Development Impact Fee Traffic Analysis Update for the City of Novato* prepared by Whitlock & Weinberger Transportation, Inc. These updates incorporated updated land use information, facilities costs, and traffic impact analyses. The City plans to conduct a new Development Impact Fee Nexus Study to update the fees and to comply with recent legislative changes to the Fee Mitigation Act.



---

The City currently collects the eight (8) Development Impact Fees listed in the table below.

| <b>Fee</b>                             | <b>Fund Number</b> |
|--|--------------------|
| Streets & Intersections Fee            | 151                |
| Recreational & Cultural Facilities Fee | 152                |
| Civic Facilities Fee                   | 153                |
| Transit Facilities Fee                 | 154                |
| Corporation Yard Fee                   | 155                |
| General Government Systems Fee         | 156                |
| Open Space Fee                         | 157                |
| Drainage Fee                           | 158                |

The Streets & Intersections Fee, Transit Facilities Fee, and Corporation Yard Fees are escalated annually using the Engineering News Record San Francisco Building Cost Index (ENR San Francisco BCI). The Recreational & Cultural Facilities Fee, Civic Facilities Fee, General Government Systems Fee, Open Space Fee, and Drainage Fee are escalated annually using the Engineering News Record San Francisco Construction Cost Index (ENR San Francisco CCI).

---

## Section 1 – Requirements of the Mitigation Fee Act (AB1600)

Assembly Bill 1600 (AB1600), commonly known as the Mitigation Fee Act, was enacted by the State of California in 1987 and created Section 66000 et. seq. of the Government Code. AB1600 requires the City to report fee information annually and every fifth year. Within 180 days after the last day of each fiscal year, the City must make available the following information from the prior fiscal year:

1. Brief description of the type of fee in the account or fund
2. Amount of the fee
3. Beginning and ending balance in the account or fund
4. Amount of fees collected and the interest earned during the previous year
5. Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete
7. Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each loan will be repaid and the rate of interest the account will receive on the loan
8. Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects

On October 11, 2023, California Governor Gavin Newsom signed into law AB516 which amended certain portions of the Mitigation Fee Act related to the annual and five-year reporting requirements. Under AB516, Requirements 6 and 8 have been expanded to include:

- 6a. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted
- 6b. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable
- 8a. For any refunds made, the number of persons or entities identified to receive those refunds

---

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

1. Identification of the purpose to which the fees are to be put
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
3. Identification of all sources and amounts of funding anticipated to complete financing for incomplete improvements identified as part of the City's annual report
4. Identification of the approximate dates on which the funding referred to in Requirement 3 is expected to be deposited into the appropriate account or fund

The City must make this information available for public review and must present it at the next regularly scheduled public meeting no less than fifteen (15) days after this information is made available to the public. This report is intended to satisfy the annual reporting requirements for FY 22-23 and the five-year reporting requirements for FY 18-19 through FY 22-23. According to the City's FY 15-16 report, that report contains the City's most recent five year findings.

## Section 2 – Annual Report

The following section provides information necessary to meet the legal requirements for each impact fee fund. This includes a brief description of the fee, the amount of the fee, the beginning and ending balances, fee revenues collected, interest earned, and the expenditures on each project including the percentage that was funded with fees. It also includes a table summary of whether sufficient funds have been identified to complete future projects and the approximate date by which the construction of the public improvement will commence if sufficient funds have been identified. Any transfers or loans are also identified as well as any refunds from the account.

### Fund 151: Streets & Intersections Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Streets & Intersections Fee funds municipal public facilities necessary to reduce the traffic impacts caused by development in the City of Novato. These facilities include construction and improvements of streets and intersections to offer a safe and efficient network to travel throughout the City.



**Requirement 2.** Amount of the fee.

The Streets & Intersections Fees for FY 22-23 are summarized in Table 1 below. The fee is escalated annually using the ENR San Francisco BCI.

**Table 1: Streets & Intersections Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$11,290.20               |
| Multi Family ( <i>per DU</i> )                      | \$5,202.66                |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$2,601.33                |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$17,377.74               |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$9,741.97                |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$14,256.97               |
| Hotel ( <i>per Room</i> )                           | \$5,202.66                |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

**Table 2** summarizes the beginning and ending fund balances for the Streets & Intersections Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 2 summarizes the fees collected and the interest earned for the Streets & Intersections Fee during FY 22-23.

**Table 2: Streets & Intersections Fee Fund Summary**

**Fund 151 - Streets & Intersections Fee**

|  |                        |
|--|------------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$12,161,924.65</b> |
| <b>Revenues</b>                                  |                        |
| Fees Collected                                   | \$682,328.26           |
| Interest Earned                                  | \$126,035.26           |
| <b>Total Revenues</b>                            | <b>\$808,363.52</b>    |
| <b>Expenses</b>                                  |                        |
| Project Expenses                                 | \$44,583.64            |
| <b>Total Expenses</b>                            | <b>\$44,583.64</b>     |
| <b>Transfers In</b>                              | <b>\$0.00</b>          |
| <b>Transfers Out</b>                             | <b>\$0.00</b>          |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$12,925,704.53</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 3 summarizes the expenditures this past year on Streets & Intersections Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 3 summarizes the planned future expenditures for the Streets & Intersections Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including streets and intersections. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific street and intersection improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

As of FY 22-23, the Streets and Intersections Fee has accumulated sufficient fund balance to fully fund the projects currently identified in the City's CIP. While construction has not yet commenced on some of these projects, they remain active and necessary to address cumulative transportation impacts associated with new development. The timing of project delivery reflects standard capital planning considerations, including project prioritization, coordination with other infrastructure improvements, design development, environmental review, and alignment with anticipated development activity. The City continues to maintain these projects as planned uses of the fee revenue and intends to advance them as they become ready for implementation. Accumulation of funds is therefore consistent with the Mitigation Fee Act and does not indicate a change in project need or nexus.

**Table 3: Streets & Intersections Fee Projects**

| Project No.                   | Project Name   | Project Budget          | Fund Budget            | Expenditures to Date <sup>1</sup> | FY22-23             |                        | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|--|-------------------------|------------------------|-----------------------------------|---------------------|------------------------|-----------------|---------------------------------|---|---|
|                               |  |                         |                        |                                   | Actual Expenditures | Future Expenditures    |                 |                                 |   |   |
| 01-004                        | Novato Blvd Improvements Diablo - Grant & Rule 20A UUD | \$ 15,164,764.00        | \$ 3,432,382.00        | \$ 237,657.98                     | \$ 44,583.64        | \$ 3,150,140.38        | 22.6%           | In Progress                     | n/a   | n/a   |
| 11-020                        | San Marin/Simmons Signalization or Roundabout          | \$ 850,000.00           | \$ 850,000.00          | \$ 16,327.88                      | \$ -                | \$ 833,672.12          | 100.0%          | In Progress                     | n/a   | n/a   |
| 12-004                        | Rule 20A UUD #16 (Novato Blvd - Diablo to Terrace)     | \$ 601,183.00           | \$ 117,500.00          | \$ -                              | \$ -                | \$ 117,500.00          | 19.5%           | FY 26-27                        | n/a   | n/a   |
| 16-011                        | North Redwood Blvd Corridor Study                      | \$ 350,000.00           | \$ 200,000.00          | \$ 591.85                         | \$ -                | \$ 199,408.15          | 57.1%           | In Progress                     | n/a   | n/a   |
| 99-007                        | Redwood & San Marin Improvements (AGP-5 & NP-1)        | \$ 626,604.00           | \$ 26,000.00           | \$ 1,643.75                       | \$ -                | \$ 24,356.25           | 4.1%            | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |  | <b>\$ 17,592,551.00</b> | <b>\$ 4,625,882.00</b> | <b>\$ 256,221.46</b>              | <b>\$ 44,583.64</b> | <b>\$ 4,325,076.90</b> |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |  | <b>\$ 17,592,551.00</b> | <b>\$ 4,625,882.00</b> | <b>\$ 256,221.46</b>              | <b>\$ 44,583.64</b> | <b>\$ 4,325,076.90</b> |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

**Fund 152: Recreational & Cultural Facilities Fee**

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Recreational & Cultural Facilities Fee funds public facilities necessary to reduce impacts caused by developments in the City of Novato. These facilities include the construction and improvements to recreation and cultural facilities throughout the City to benefit residents, including the preservation of historical facilities, construction of public art, museums, and recreation facilities.



**Requirement 2.** Amount of the fee.

The Recreational & Cultural Facilities Fees for FY 22-23 are summarized in Table 4 below. The Recreational & Cultural Facilities Fee is not charged on non-residential land uses. The fee is escalated annually using the ENR San Francisco CCI.

**Table 4: Recreational & Cultural Facilities Fee**

| <b>Land Use</b>                  | <b>Fee as of<br/>July 1, 2022</b> |
|----------------------------------|-----------------------------------|
| <b>Residential (per DU)</b>      |                                   |
| Single Family (per DU)           | \$9,449.87                        |
| Multi Family (per DU)            | \$9,450.46                        |
| Accessory Dwelling Unit (per DU) | \$4,725.23                        |
| <b>Non-Residential</b>           |                                   |
| All Non-Residential              | Exempt                            |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 5 summarizes the beginning and ending fund balances for the Recreational & Cultural Facilities Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 5 summarizes the fees collected and the interest earned for the Recreational & Cultural Facilities Fee during FY 22-23.

**Table 5: Recreational & Cultural Facilities Fee Fund Summary**

| <b>Fund 152 - Recreational &amp; Cultural Facilities Fee</b> |                       |
|--|-----------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b>             | <b>\$3,032,954.40</b> |
| <b>Revenues</b>  |                       |
| Fees Collected   | \$86,939.81           |
| Interest Earned  | \$30,405.47           |
| <b>Total Revenues</b>  | <b>\$117,345.28</b>   |
| <b>Expenses</b>  |                       |
| Project Expenses   | \$33,000.00           |
| <b>Total Expenses</b>  | <b>\$33,000.00</b>    |
| <b>Transfers In</b>  | <b>\$0.00</b>         |
| <b>Transfers Out</b>   | <b>\$0.00</b>         |
| <b>Ending Balance as of June 30, 2023</b>                    | <b>\$3,117,299.68</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 6 summarizes the expenditures this past year on Recreational & Cultural Facilities Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 6 summarizes the planned future expenditures for the Recreational & Cultural Facilities Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including recreation and cultural facilities. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific recreation and cultural facilities improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 6: Recreational & Cultural Facilities Fee Projects**

| Project No.                   | Project Name                                  | Project Budget         | Fund Budget            | Expenditures to Date <sup>1</sup> | FY22-23             |                     | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|---|------------------------|------------------------|-----------------------------------|---------------------|---------------------|-----------------|---------------------------------|---|---|
|                               |   |                        |                        |                                   | Actual Expenditures | Future Expenditures |                 |                                 |   |   |
| 01-005                        | Hill Recreation Area Master Plan <sup>2</sup> | \$ 7,832,881.00        | \$ 1,637,072.00        | \$ 1,607,532.72                   | \$ -                | \$ 29,539.28        | 20.9%           | In Progress                     | n/a   | n/a   |
| 17-003                        | Parks Accessibility Enhancements 2016-2023    | \$ 280,000.00          | \$ 50,000.00           | \$ 679.80                         | \$ -                | \$ 49,320.20        | 17.9%           | In Progress                     | n/a   | n/a   |
| 22-004                        | Pioneer Park Play Area Upgrades               | \$ 293,000.00          | \$ 33,000.00           | \$ -                              | \$ 33,000.00        | \$ -                | 11.3%           | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |   | <b>\$ 8,405,881.00</b> | <b>\$ 1,720,072.00</b> | <b>\$ 1,608,212.52</b>            | <b>\$ 33,000.00</b> | <b>\$ 78,859.48</b> |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |   | <b>\$ 8,405,881.00</b> | <b>\$ 1,720,072.00</b> | <b>\$ 1,608,212.52</b>            | <b>\$ 33,000.00</b> | <b>\$ 78,859.48</b> |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

2) This multi-phase project has included a site study, conceptual design, and phased construction of park facility improvements at the 12-acre Hill Recreation Area. Completed and planned improvements include additional parking for the park and onsite Margaret Todd Senior Center, bocce ball courts, synthetic turf sports fields, additional pickleball courts, and a half-mile wellness walking path.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

---

## Fund 153: Civic Facilities Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Civic Facilities Fee is collected to fund civic facilities for the use and benefit of residents. These facilities may include construction of expansions or improvements to the City Hall or community house.

**Requirement 2.** Amount of the fee.

The Civic Facilities Fees for FY 22-23 are summarized in Table 7 below. The fee is escalated annually using the ENR San Francisco CCI.

**Table 7: Civic Facilities Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$1,694.02                |
| Multi Family ( <i>per DU</i> )                      | \$1,694.58                |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$847.29                  |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$564.87                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$564.87                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$1,107.13                |
| Hotel ( <i>per Room</i> )                           | \$683.86                  |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 8 summarizes the beginning and ending fund balances for the Civic Facilities Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 8 summarizes the fees collected and the interest earned for the Civic Facilities Fee during FY 22-23.

**Table 8: Civic Facilities Fee Fund Summary**

| <b>Fund 153 - Civic Facilities Fee</b>           |                     |
|--|---------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$924,103.29</b> |
| <b>Revenues</b>                                  |                     |
| Fees Collected                                   | \$56,874.06         |
| Interest Earned                                  | \$9,661.37          |
| <b>Total Revenues</b>                            | <b>\$66,535.43</b>  |
| <b>Expenses</b>                                  |                     |
| Project Expenses                                 | \$0.00              |
| <b>Total Expenses</b>                            | <b>\$0.00</b>       |
| <b>Transfers In</b>                              | <b>\$0.00</b>       |
| <b>Transfers Out</b>                             | <b>\$0.00</b>       |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$990,638.72</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 9 summarizes the expenditures this past year on Civic Facilities Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 9 summarizes the planned future expenditures for the Civic Facilities Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including civic facilities. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific civic facilities improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 9: Civic Facilities Fee Projects**

| Project No.                   | Project Name   | Project Budget | Fund Budget  | Expenditures to Date <sup>1</sup> | FY22-23             |                     | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|--|----------------|--------------|-----------------------------------|---------------------|---------------------|-----------------|---------------------------------|---|---|
|                               |  |                |              |                                   | Actual Expenditures | Future Expenditures |                 |                                 |   |   |
| 14-002                        | Downtown SMART Station Phase III                         | \$ 600,000.00  | \$ 27,000.00 | \$ 12,925.98                      | \$ -                | \$ 14,074.02        | 4.5%            | In Progress                     | n/a   | n/a   |
| 20-004                        | City Administrative Office Backup Generator <sup>2</sup> | \$ 369,000.00  | \$ 50,000.00 | \$ 11,004.17                      | \$ -                | \$ 38,995.83        | 13.6%           | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |  | \$ 969,000.00  | \$ 77,000.00 | \$ 23,930.15                      | \$ -                | \$ 53,069.85        |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |  | \$ 969,000.00  | \$ 77,000.00 | \$ 23,930.15                      | \$ -                | \$ 53,069.85        |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

2) An additional backup generator will be required as equipment for City administrative offices as staff and facility needs increase with new development.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

## Fund 154: Transit Facilities Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Transit Facilities Fee is collected to fund the construction and improvements of transit and bicycle facilities in the City.



**Requirement 2.** Amount of the fee.

The Transit Facilities Fees for FY 22-23 are summarized in Table 10 below. The fee is escalated annually using the ENR San Francisco BCI.

**Table 10: Transit Facilities Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$387.74                  |
| Multi Family ( <i>per DU</i> )                      | \$179.69                  |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$89.84                   |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$597.14                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$283.71                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$495.82                  |
| Hotel ( <i>per Room</i> )                           | \$179.69                  |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 11 summarizes the beginning and ending fund balances for the Transit Facilities Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 11 summarizes the fees collected and the interest earned for the Transit Facilities Fee during FY 22-23.

**Table 11: Transit Facilities Fee Fund Summary**

**Fund 154 - Transit Facilities Fee**

|  |                     |
|--|---------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$113,248.01</b> |
| <b>Revenues</b>                                  |                     |
| Fees Collected                                   | \$21,530.58         |
| Interest Earned                                  | \$1,297.25          |
| <b>Total Revenues</b>                            | <b>\$22,827.83</b>  |
| <b>Expenses</b>                                  |                     |
| Project Expenses                                 | \$3,094.41          |
| <b>Total Expenses</b>                            | <b>\$3,094.41</b>   |
| <b>Transfers In</b>                              | <b>\$0.00</b>       |
| <b>Transfers Out</b>                             | <b>\$0.00</b>       |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$132,981.43</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 12 summarizes the expenditures this past year on Transit Facilities Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 12 summarizes the planned future expenditures for the Transit Facilities Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including transit and bicycle facilities. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific transit and bicycle infrastructure improvements necessary to accommodate new development and maintain the City’s established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 12: Transit Facilities Fee Projects**

| Project No.                   | Project Name                                  | Project Budget  | Fund Budget  | Expenditures to Date <sup>1</sup> | FY22-23             |                     | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|---|-----------------|--------------|-----------------------------------|---------------------|---------------------|-----------------|---------------------------------|---|---|
|                               |   |                 |              |                                   | Actual Expenditures | Future Expenditures |                 |                                 |   |   |
| 09-003                        | Grant Ave. Bridge Rehabilitation <sup>2</sup> | \$ 4,881,410.00 | \$ 64,908.00 | \$ 17,122.84                      | \$ 3,094.41         | \$ 44,690.75        | 1.3%            | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |   | \$ 4,881,410.00 | \$ 64,908.00 | \$ 17,122.84                      | \$ 3,094.41         | \$ 44,690.75        |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |   | \$ 4,881,410.00 | \$ 64,908.00 | \$ 17,122.84                      | \$ 3,094.41         | \$ 44,690.75        |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

2) This project includes construction improvements for the widening of the Grant Avenue Bridge and structural stability of the banks and channels of Novato Creek to improve the safety of the bridge for pedestrians, cyclists, and motorists.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

---

## Fund 155: Corporation Yard Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Corporation Yard Fee funds construction and improvements to the City’s corporation yard, which houses valuable and necessary equipment for maintaining the City’s transportation infrastructure.

**Requirement 2.** Amount of the fee.

The Corporation Yard Fees for FY 22-23 are summarized in Table 13 below. The fee is escalated annually using the ENR San Francisco BCI.

**Table 13: Corporation Yard Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$243.18                  |
| Multi Family ( <i>per DU</i> )                      | \$112.14                  |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$56.07                   |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$368.83                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$176.99                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$309.38                  |
| Hotel ( <i>per Room</i> )                           | \$112.14                  |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 14 summarizes the beginning and ending fund balances for the Corporation Yard Fee for FY 22-23. The Corporation Yard Fee fund currently reflects a negative fund balance resulting from prior Corporation Yard capital improvement expenditures that exceeded available revenues at the time incurred. The City is continuing to collect fee revenue and is evaluating additional financial mechanisms, as needed, to repay the fund balance.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 14 summarizes the fees collected and the interest earned for the Corporation Yard Fee during FY 22-23.

**Table 14: Corporation Yard Fee Fund Summary**

**Fund 155 - Corporation Yard Fee**

|  |                       |
|--|-----------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>(\$466,355.47)</b> |
| <b>Revenues</b>                                  |                       |
| Fees Collected                                   | \$13,407.66           |
| Interest Earned                                  | (\$4,458.68)          |
| <b>Total Revenues</b>                            | <b>\$8,948.98</b>     |
| <b>Expenses</b>                                  |                       |
| Project Expenses                                 | \$0.00                |
| <b>Total Expenses</b>                            | <b>\$0.00</b>         |
| <b>Transfers In</b>                              | <b>\$0.00</b>         |
| <b>Transfers Out<sup>1</sup></b>                 | <b>\$0.00</b>         |
| <b>Ending Balance as of June 30, 2023</b>        | <b>(\$457,406.49)</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

There were no expenditures this past year on Corporation Yard Fee projects.

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

The City does not currently have any planned Corporation Yard projects. The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including the corporation yard. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030

and adopt a corresponding CIP as part of that process that identifies the specific corporation yard improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

---

## Fund 156: General Government Systems Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The General Government Systems Fee is used to fund technology and computer improvements to City operations to support efficient and effective management of City administration and operations. These technological improvements may include Geographical Information Systems (GIS) software, mainframe computer equipment, telephone systems equipment, records management software, public safety communications equipment, local area network, and wide area network (LAN/WAN) equipment. This fee is also used to fund the implementation of the General Plan.

**Requirement 2.** Amount of the fee.

The General Government Systems Fees for FY 22-23 are summarized in Table 15 below. The fee is escalated annually using the ENR San Francisco CCI.

**Table 15: General Government Systems Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$735.07                  |
| Multi Family ( <i>per DU</i> )                      | \$735.07                  |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$367.54                  |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$245.52                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$245.52                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$245.52                  |
| Hotel ( <i>per Room</i> )                           | \$367.54                  |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 16 summarizes the beginning and ending fund balances for the General Government Systems Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 16 summarizes the fees collected and the interest earned for the General Government Systems Fee during FY 22-23.

**Table 16: General Government Systems Fee Fund Summary**

| <b>Fund 156 - General Government Systems Fee</b> |                     |
|--|---------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$227,649.79</b> |
| <b>Revenues</b>                                  |                     |
| Fees Collected                                   | \$26,394.59         |
| Interest Earned                                  | \$2,502.74          |
| <b>Total Revenues</b>                            | <b>\$28,897.33</b>  |
| <b>Expenses</b>                                  |                     |
| Project Expenses                                 | \$0.00              |
| <b>Total Expenses</b>                            | <b>\$0.00</b>       |
| <b>Transfers In</b>                              | <b>\$0.00</b>       |
| <b>Transfers Out</b>                             | <b>\$0.00</b>       |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$256,547.12</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 17 summarizes the expenditures this past year on General Government Systems Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 17 summarizes the planned future expenditures for the General Government Systems Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including general government systems. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific general government system improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 17: General Government Systems Fee Projects**

| Project No.                   | Project Name                           | Project Budget  | Fund Budget   | Expenditures to Date <sup>1</sup> | FY22-23             |                     | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|--|-----------------|---------------|-----------------------------------|---------------------|---------------------|-----------------|---------------------------------|---|---|
|                               |  |                 |               |                                   | Actual Expenditures | Future Expenditures |                 |                                 |   |   |
| 11-012                        | Technology Planning and Efficiencies   | \$ 3,444,100.00 | \$ 195,200.00 | \$ -                              | \$ -                | \$ 195,200.00       | 5.7%            | In Progress                     | n/a   | n/a   |
| 22-007                        | CDD, PRCS, & CPRA Software Procurement | \$ 850,000.00   | \$ 100,000.00 | \$ 7,147.64                       | \$ -                | \$ 92,852.36        | 11.8%           | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |  | \$ 4,294,100.00 | \$ 295,200.00 | \$ 7,147.64                       | \$ -                | \$ 288,052.36       |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |  | \$ 4,294,100.00 | \$ 295,200.00 | \$ 7,147.64                       | \$ -                | \$ 288,052.36       |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

## Fund 157: Open Space Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Open Space Fee is collected to fund improvements and preservation of open space in the City to promote community engagement and active recreation.



**Requirement 2.** Amount of the fee.

The Open Space Fees for FY 22-23 are summarized in Table 18 below. The fee is escalated annually using the ENR San Francisco CCI.

**Table 18: Open Space Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$2,044.03                |
| Multi Family ( <i>per DU</i> )                      | \$2,044.03                |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$1,022.02                |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$680.84                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$680.84                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$680.84                  |
| Hotel ( <i>per Room</i> )                           | \$1,021.27                |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 19 summarizes the beginning and ending fund balances for the Open Space Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 19 summarizes the fees collected and the interest earned for the Open Space Fee during FY 22-23.

**Table 19: Open Space Fee Fund Summary**

**Fund 157 - Open Space Fee**

|  |                     |
|--|---------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$758,018.24</b> |
| <b>Revenues</b>                                  |                     |
| Fees Collected                                   | \$73,294.11         |
| Interest Earned                                  | \$8,188.89          |
| <b>Total Revenues</b>                            | <b>\$81,483.00</b>  |
| <b>Expenses</b>                                  |                     |
| Project Expenses                                 | \$0.00              |
| <b>Total Expenses</b>                            | <b>\$0.00</b>       |
| <b>Transfers In</b>                              | <b>\$0.00</b>       |
| <b>Transfers Out</b>                             | <b>\$0.00</b>       |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$839,501.24</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

There were no expenditures this past year on Open Space Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

The City does not currently have any planned Open Space projects. The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including open space. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific open space improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.

---

## Fund 158: Drainage Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Drainage fee is used to fund improvements to drainage facilities, to provide flood control protection to residents, businesses, and properties in the City.

**Requirement 2.** Amount of the fee.

The Drainage Fees for FY 22-23 are summarized in Table 20 below. The fee is escalated annually using the ENR San Francisco CCI.

**Table 20: Drainage Fee**

| Land Use  | Fee as of<br>July 1, 2022 |
|---|---------------------------|
| <b>Residential</b>                                  |                           |
| Single Family ( <i>per DU</i> )                     | \$4,023.30                |
| Multi Family ( <i>per DU</i> )                      | \$1,161.35                |
| Accessory Dwelling Unit ( <i>per DU</i> )           | \$580.68                  |
| <b>Non-Residential</b>                              |                           |
| Commercial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$512.14                  |
| Industrial ( <i>per 1,000 SF Gross Floor Area</i> ) | \$512.14                  |
| Office ( <i>per 1,000 SF Gross Floor Area</i> )     | \$512.14                  |
| Hotel ( <i>per Room</i> )                           | \$694.40                  |

Note: Impact fees are only charged on Accessory Dwelling Units larger than 750 square feet, in compliance with Assembly Bill 881.

**Requirement 3.** Beginning and ending balance in the account or fund.

Table 21 summarizes the beginning and ending fund balances for the Drainage Fee for FY 22-23.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

Table 21 summarizes the fees collected and the interest earned for the Drainage Fee during FY 22-23.

**Table 21: Drainage Fee Fund Summary**

| <b>Fund 158 - Drainage Fee</b>                   |                       |
|--|-----------------------|
| <b>Beginning Fund Balance as of July 1, 2022</b> | <b>\$1,165,721.34</b> |
| <b>Revenues</b>                                  |                       |
| Fees Collected                                   | \$53,111.04           |
| Interest Earned                                  | \$12,002.70           |
| <b>Total Revenues</b>                            | <b>\$65,113.74</b>    |
| <b>Expenses</b>                                  |                       |
| Project Expenses                                 | \$7,392.89            |
| <b>Total Expenses</b>                            | <b>\$7,392.89</b>     |
| <b>Transfers In</b>                              | <b>\$0.00</b>         |
| <b>Transfers Out</b>                             | <b>\$0.00</b>         |
| <b>Ending Balance as of June 30, 2023</b>        | <b>\$1,223,442.19</b> |

*Source: City of Novato Financial Documents*

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

Table 22 summarizes the expenditures this past year on Drainage Fee projects.

---

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

Table 22 summarizes the planned future expenditures for the Drainage Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category, including storm drainage. In compliance with AB602, the City will also update the Development Impact Fee Nexus Study prior to 2030 and adopt a corresponding CIP as part of that process that identifies the specific storm drain system improvements necessary to accommodate new development and maintain the City's established level of service. This study will be funded using impact fee revenue. The City is developing the planned budget and timing of the nexus study.

Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 22: Drainage Fee Projects**

| Project No.                   | Project Name  | Project Budget         | Fund Budget          | Expenditures to Date <sup>1</sup> | FY22-23             |                      | % Funded by Fee | Approx. Construction Start Date | Approx. Construction Start Date (Revised for FY22-23) | Reason for Revised Start Date (if applicable) |
|-------------------------------|---|------------------------|----------------------|-----------------------------------|---------------------|----------------------|-----------------|---------------------------------|---|---|
|                               |   |                        |                      |                                   | Actual Expenditures | Future Expenditures  |                 |                                 |   |   |
| 97-001                        | Olive Avenue Improvements Phase III (Redwood to Railroad) | \$ 2,112,292.00        | \$ 102,502.00        | \$ 37,196.03                      | \$ 7,392.89         | \$ 57,913.08         | 14.6%           | In Progress                     | n/a   | n/a   |
| 98-008                        | Storm Drain Master Plan                                   | \$ 398,000.00          | \$ 68,800.00         | \$ -                              | \$ -                | \$ 68,800.00         | 20.1%           | In Progress                     | n/a   | n/a   |
| 00-015                        | Railroad Ditch Improvements                               | \$ 358,534.00          | \$ 89,594.00         | \$ 9,142.65                       | \$ -                | \$ 80,451.35         | 20.2%           | In Progress                     | n/a   | n/a   |
| 15-014                        | Storm Drain Improvements Group I                          | \$ 1,002,108.00        | \$ 176,982.00        | \$ 932.80                         | \$ -                | \$ 176,049.20        | 20.2%           | In Progress                     | n/a   | n/a   |
| <b>TOTAL PROJECT EXPENSES</b> |   | <b>\$ 3,870,934.00</b> | <b>\$ 437,878.00</b> | <b>\$ 47,271.48</b>               | <b>\$ 7,392.89</b>  | <b>\$ 383,213.63</b> |                 |                                 |   |   |
| <b>GRAND TOTAL</b>            |   | <b>\$ 3,870,934.00</b> | <b>\$ 437,878.00</b> | <b>\$ 47,271.48</b>               | <b>\$ 7,392.89</b>  | <b>\$ 383,213.63</b> |                 |                                 |   |   |

1) Expenditures to Date reflect the expenditures from FY 18-19 to the current fiscal year. Expenditure data was not available for prior to FY 18-19.

**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 22-23.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 22-23.



## Development Impact Fee Summary for FY 22-23

| Description               | Streets & Intersections | Recreational & Cultural Facilities | Civic Facilities    | Transit Facilities  | Corporation Yard      | General Government Systems | Open Space          | Drainage              |
|---------------------------|-------------------------|------------------------------------|---------------------|---------------------|-----------------------|----------------------------|---------------------|-----------------------|
| Fund No.                  | 151                     | 152                                | 153                 | 154                 | 155                   | 156                        | 157                 | 158                   |
| <b>Starting Balance</b>   |                         |                                    |                     |                     |                       |                            |                     |                       |
| As of July 1, 2022        | \$12,161,924.65         | \$3,032,954.40                     | \$924,103.29        | \$113,248.01        | (\$466,355.47)        | \$227,649.79               | \$758,018.24        | \$1,165,721.34        |
| <b>REVENUES</b>           |                         |                                    |                     |                     |                       |                            |                     |                       |
| Fees Collected            | \$682,328.26            | \$86,939.81                        | \$56,874.06         | \$21,530.58         | \$13,407.66           | \$26,394.59                | \$73,294.11         | \$53,111.04           |
| Interest Earned           | \$126,035.26            | \$30,405.47                        | \$9,661.37          | \$1,297.25          | (\$4,458.68)          | \$2,502.74                 | \$8,188.89          | \$12,002.70           |
| <b>Total Revenues</b>     | <b>\$808,363.52</b>     | <b>\$117,345.28</b>                | <b>\$66,535.43</b>  | <b>\$22,827.83</b>  | <b>\$8,948.98</b>     | <b>\$28,897.33</b>         | <b>\$81,483.00</b>  | <b>\$65,113.74</b>    |
| <b>EXPENSES</b>           |                         |                                    |                     |                     |                       |                            |                     |                       |
| Project Expenditures      | \$44,583.64             | \$33,000.00                        | \$0.00              | \$3,094.41          | \$0.00                | \$0.00                     | \$0.00              | \$7,392.89            |
| <b>Total Expenditures</b> | <b>\$44,583.64</b>      | <b>\$33,000.00</b>                 | <b>\$0.00</b>       | <b>\$3,094.41</b>   | <b>\$0.00</b>         | <b>\$0.00</b>              | <b>\$0.00</b>       | <b>\$7,392.89</b>     |
| Transfers In              | \$0.00                  | \$0.00                             | \$0.00              | \$0.00              | \$0.00                | \$0.00                     | \$0.00              | \$0.00                |
| Transfers Out             | \$0.00                  | \$0.00                             | \$0.00              | \$0.00              | \$0.00                | \$0.00                     | \$0.00              | \$0.00                |
| <b>Ending Balance</b>     |                         |                                    |                     |                     |                       |                            |                     |                       |
| As of June 30, 2023       | <b>\$12,925,704.53</b>  | <b>\$3,117,299.68</b>              | <b>\$990,638.72</b> | <b>\$132,981.43</b> | <b>(\$457,406.49)</b> | <b>\$256,547.12</b>        | <b>\$839,501.24</b> | <b>\$1,223,442.19</b> |

*Note: Small variances may appear due to rounding.*

---

### Section 3 – Fiscal Years 2018-2019 through 2022-2023 Five Year Report

In accordance with Government Code Section 66001, this section addresses the five-year requirements with respect to any remaining funds in the DIF accounts, regardless of whether those funds are committed or uncommitted for FY 18-19 through FY 22-23. The following section provides information necessary to meet the legal requirement for the Five-Year report for the DIF funds.

**Requirement 1.** Identification of the purpose to which the fees are to be put.

The purpose of the DIFs imposed and collected on new development within the City during 18-19 through FY 22-23 was to fund public facilities that are needed to serve the new development within the City as identified in the City’s adopted *City of Novato Development Impact Fees for Public Facilities 2002 Update* report prepared by Willdan and the *Report Development Impact Fee Traffic Analysis Update for the City of Novato* prepared by Whitlock & Weinberger Transportation, Inc. The purpose of each fee is identified within Section 2 of the Annual AB1600 Report. Future projects are identified in each of the individual Fund subsections.

**Requirement 2.** Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a proportional relationship between the impact fees charged on new development based upon the need for additional public facilities to serve the additional residents and employees that will be generated by the new development. The City does not have the capacity in its existing public facilities to accommodate these new residents and employees. By charging the fee based on the additional demand created by each land use, the fees directly correlate to the demand created by each new development.

Impact fees were first adopted in the City in 1997 with Resolution No. 89-97 establishing the Civic Facilities, General Governmental Systems, Open Space, Recreational & Cultural Facilities, and Drainage fees, and Resolution 90-97 establishing the Streets & Intersections, Transit Facilities, and Corporation Yard fees. The fees were established in the original City of Novato Development Impact Fees for Public Facilities report prepared by Willdan dated April 11, 1997 and were based on the City’s 1996 General Plan, Target 2000 Ten Year Facilities Plan dated January 22, 1992, a memorandum from Dan Weakley, Senior Management Analyst to Willdan dated October 25, 1996, a staff memo on General Plan

---

Implementation Measures, and a memo from Larry Dito, Community Services Director to Willdan dated January 9, 1997.

The fees were updated in 1999 with the adoption of Resolution No. 133-99 to incorporate land use changes associated with the adoption of the Downtown Novato Specific Plan on July 14, 1998 (amended on August 24, 1999) and the Downtown Specific Plan Parking Study.

The fees were most recently updated in 2002 in the City of Novato Development Impact Fees for Public Facilities 2002 Update report prepared by Willdan and the Report Development Impact Fee Traffic Analysis Update for the City of Novato prepared by Whitlock & Weinberger Transportation, Inc.

Each fee had to undergo rigorous nexus requirements that: identify the purpose of the fee; identify the use to which the fee is to be put; determine how there is a reasonable relationship between the fees use and the type of development project on which the fee is imposed; determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed; and determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

**Requirement 3.** Identification of all sources and amounts of funding anticipated to complete financing in incomplete improvements identified as part of the City’s annual report.

**Table 23** summarizes the fund balance for each fund as of June 30, 2023, the balances that have been held for longer than five years, as well as the costs of the pending facility projects currently identified by the City. Projects that are funded partially by Development Impact Fees will also be funded using grants, the City’s General Fund, and other City funds. Since improvements are triggered based on the timing and location of development, improvements will be programmed as deemed necessary by the City and their CIP prioritization process.

The Transit Fee and General Government Systems fee satisfy the five-year test by having sufficient planned future improvement projects with costs that exceed funds held for more than five years. The City is in the process of preparing an updated CIP that will identify additional planned projects for each Development Impact Fee category. Consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent

amendments under AB516, the City will continue to evaluate its facility and improvements needs through future CIP updates. Any new or expanded facilities identified will be incorporated into future updates to the Nexus Study and corresponding fee program, ensuring continued compliance with statutory requirements and equitable cost allocation.

**Table 23: DIF Fund Balances and Future Project Costs**

| <b>Fund No.</b> | <b>Fund Name</b>                   | <b>Fund Balance<br/>(as of 6/30/23)</b> | <b>Five Year Holdings<br/>Balance</b> | <b>Future Improvement<br/>Project Costs</b> |
|-----------------|------------------------------------|---|---------------------------------------|---|
| 151             | Streets & Intersections            | \$ 12,925,704.53                        | \$ 8,269,727.82                       | \$ 4,325,076.90                             |
| 152             | Recreational & Cultural Facilities | \$ 3,117,299.68                         | \$ 844,250.56                         | \$ 78,859.48                                |
| 153             | Civic Facilities                   | \$ 990,638.72                           | \$ 388,805.09                         | \$ 53,069.85                                |
| 154             | Transit Facilities                 | \$ 132,981.43                           | \$ -                                  | \$ 44,690.75                                |
| 155             | Corporation Yard                   | \$ (457,406.49)                         | \$ -                                  | \$ -  |
| 156             | General Government Systems         | \$ 256,547.12                           | \$ -                                  | \$ 288,052.36                               |
| 157             | Open Space                         | \$ 839,501.24                           | \$ 113,387.69                         | \$ -  |
| 158             | Drainage                           | \$ 1,223,442.19                         | \$ 652,117.41                         | \$ 383,213.63                               |
| <b>TOTAL</b>    |                                    | <b>\$ 19,028,708.42</b>                 | <b>\$ 10,268,288.57</b>               | <b>\$ 5,172,962.97</b>                      |

Note: The City is in the process of updating the Capital Improvement Plan consistent with the Mitigation Fee Act (Government Code Sections 66001(d) and 66006(b)) and recent amendments under AB516.

**Requirement 4.** Identification of the approximate dates on which the funding referred to in Requirement 3 is expected to be deposited into the appropriate account or fund.

The project tables for each Fund within this report list the public improvement projects that are anticipated to be constructed using DIF funds. Anticipated construction start dates are listed based upon when the City anticipates complete funding and staff capacity for the project will be available. Due to priority shifts and the uncertainty of the timing and location of new development, anticipated construction times may vary until sufficient funds have been collected and priorities identified.