

Thank you for doing business with the City of Fremont. Our goal is to facilitate your understanding of our processes and requirements so that you have a successful development experience. This fact sheet is designed to provide you with an overview of the development impact and affordable housing fee program, including a listing of the fees. If you have questions, please ask City staff.

- ***Development Impact Fees:*** All development impact fees listed (on page 3) became effective on July 6, 2015, and were established in accordance with FMC Chapter 18.290, *Development Impact Fees*.
- ***Affordable Housing Fees:*** Affordable housing fees listed (on page 7) became effective on June 6, 2015, and were established in accordance with Fremont Municipal Code (FMC) Chapter 18.155, *Affordable Housing*.

What types of projects trigger development impact and affordable housing fees?

- *New residential construction* triggers payment of all five development impact fees, as well as affordable housing fees
- *New non-residential construction*, including increases in existing floor area, triggers payment of capital facilities, fire facilities, and traffic impact fees.
- *Any non-residential tenant improvement* project that changes the land use category of the existing building to a more intensive use also triggers payment of additional capital facilities, fire facilities, and traffic impact fees.

Definitions applicable to the *Development Impact Fees* begin on page 4. Definitions applicable to the *Affordable Housing Fee* begin on page 8.

Why are there development impact and affordable housing fees?

- New development increases the demand for health and safety services provided by the City, affects the quality of the community's infrastructure, increases the need for public facilities (e.g., roadways, fire stations, and parks), and increases the demand for affordable housing. These fees fund new development's share of improvement to public facilities to maintain the quality of the community. These fees include:
 - *Capital Facilities* (general government buildings, land, and equipment)
 - *Fire Facilities* (fire stations and equipment)
 - *Traffic* (intersections, street improvements, and traffic signals)
 - *Parkland* (acquisition of parkland)
 - *Park Facilities* (park development)
 - *Affordable Housing* (lower-income housing development)

Fremont uses a range of funding sources to pay for public facilities and affordable housing. These fees are only one source of funding and represent the share of the cost of the improvements generated by new development.

How are fees determined?

- To calculate fees, staff will:
 - Determine the land use category of your project based upon the information you provide and review of your plans
 - Determine which fee categories apply to your project
 - Multiply the fee rate for each applicable fee by the square footage of the project for industrial and commercial projects, and by the number of bedrooms and square footage for residential projects, and
 - Determine if there are any credits that would lower the fee total.

When will I know how much I have to pay? When are fees due?

- Staff can provide you with estimates of your fees at any time during the review process. The closer the project is to building permit issuance, the more accurately fees can be calculated. Final development impact and affordable housing fees are calculated, and payment is due, at the time of building permit issuance.

Is there any way to delay payment of development impact and affordable fees?

- Yes. The *Impact Fee Deferral Program* allows owners to defer payment of fees, including affordable housing fees, until final inspection, certificate of occupancy, or for a period of not more than 18 months from the date of building permit issuance, whichever comes first. A deferral agreement must be executed with the City and recorded on the title of the property before the building permit is issued. The fee amount to be paid is that in effect at the time of building permit issuance. Additional information about the *Impact Fee Deferral Program* is available on the City's website at: <http://www.fremont.gov/DevelopmentServices>

Can I apply for a waiver or an adjustment to my fees?

- Yes. If you believe that your project has unique attributes that warrant a fee waiver or adjustment, you can apply. You should discuss your issues with staff early in the development review process and be as specific as possible about the basis for your request. If you then want to apply for a waiver or an adjustment, the procedure is provided in FMC§18.290.170 through §18.290.240.

Can the decision be appealed?

- Yes. The decision of the Community Development Director regarding an adjustment or waiver in an impact fee can be appealed to a hearing officer, as provided in FMC§18.290.200 through §18.190.220.

SUMMARY OF DEVELOPMENT IMPACT & AFFORDABLE HOUSING FEES

Development Impact Fees—Effective July 6, 2015 (Resolution 2015-21)

<i>Land Use Category (2015)</i>	<i>Capital Facilities</i>	<i>Fire Facilities</i>	<i>Traffic</i>	<i>Parkland</i>	<i>Park Facilities</i>
0 bedrooms (studios)	\$988	\$143	\$2,012	\$4,342	\$4,878
1 bedroom	\$1,483	\$214	\$2,012	\$6,514	\$7,316
2 bedrooms	\$2,076	\$300	\$2,247	\$9,119	\$10,243
3 bedrooms	\$2,569	\$371	\$2,247	\$11,289	\$12,682
4 bedrooms	\$3,163	\$457	\$3,421	\$13,894	\$15,608
Additional per bedroom rate when more than 4 bedrooms	\$593	\$86	<i>See Note 4</i>	\$2,605	\$2,926
Office (KSF)	\$915	\$308	\$4,997	---	---
Retail/Service (KSF)	\$545	\$183	\$6,842	---	---
Warehouse (KSF)	\$392	\$132	\$1,510	---	---
Light Industrial (KSF)	\$306	\$103	\$3,622	---	---
Manufacturing (KSF)	\$557	\$187	\$2,515	---	---
Research & Development (KSF)	\$707	\$238	\$3,588	---	---
Business Park (KSF)	<i>See Note 5</i>	<i>See Note 5</i>	\$4,226	---	---
Convalescent Home/ Nursing Home (KSF)	\$306	\$103	\$3,387	---	---
Assisted Living/Congregate Care Facility (KSF)	\$306	\$103	\$671		
Hospital (KSF)	\$306	\$103	\$3,854	---	---
Religious Facility (KSF)	\$789	\$265	\$3,153	---	---
Schools, all (K-12) (KSF)	\$789	\$265	\$7,110	---	---
School, Vocation/Trade/ Collegian (KSF)	\$789	\$265	\$8,854	---	---
Hotel/Motel (Room)	\$174	\$59	\$2,046	---	---
Other Use Not Listed	Determined based on similar use				

Notes:

1. Definitions application to land use categories from the Comprehensive Development Impact Fee Update Background Technical Report shall be used in applying the fees above and are attached for convenience.
 2. Residential uses pay all five fees listed above.
 3. Non-residential uses pay three fees, being: Capital Facilities, Fire Facilities, and Traffic fees.
 4. Under the Traffic fee, residential units with more than four bedrooms pay the fee applicable to a 4-bedroom unit.
 5. For uses paying the Traffic fee as a *Business Park*, the most applicable Capital Facilities and Fire Facilities fees would also apply (e.g., office, manufacturing)
- “---“ = No applicable fee
“KSF” = thousand square feet

Definitions Applicable to Development Impact Fees—Effective July 6, 2015

Residential Use Definitions

- *Bedroom:* A room in a dwelling unit that may be used for sleeping accommodation including such spaces that may be labeled as bedroom, master bedroom, den, library, office, study or the like, when such space conforms to the definition of a “Sleeping Unit” in accordance with the requirements for a sleeping accommodation as provided in the building code.
- *Dwelling:* A building or structure, or portion thereof, designed for residential occupancy with facilities for cooking, sleeping, and bathing; provided, however, “dwelling” shall not mean any convalescent/nursing home, hospital, hotel/motel, or congregate care facility.
- *Dwelling Unit:* One or more rooms in a dwelling designed for occupancy by one person, or one group of people, with a common entry and a common cooking facility.
- *Residential Use:* Residential use is a place of residence wherein housing is the primary land use. Types of residential uses include single-family, multi-family, mobile home/trailer, and secondary unit. For the purposes of the development impact fees, “bedroom,” as defined herein, shall be the residential use characteristic used to determine the appropriate fees required by each residential type.

Non-residential Use Definitions

- *Assisted Living/Congregate Care Facility:* Facilities that combine private living quarters with centralized dining services, shared living spaces, and access to social and recreational activities. Some of these facilities may also offer transportation services, personal care services, rehabilitative services, spiritual programs, and other support services.
- *Business Park:* A group of flex-type one or two story buildings served by a common roadway system. Tenant spaces are flexible and lend to a variety of uses that may include office, retail and wholesale stores, restaurants, recreational areas, warehousing, manufacturing, light industrial, or scientific research functions. The average mix is 20 to 30% office/commercial and 70 to 80% warehousing/industrial.
- *Floor Area:* The gross floor area of a building for a proposed use, as described in the application for a development project. Floor area is determined by calculating the total combined area of all floors within the exterior faces of the walls of a proposed structure/use, including mezzanines. Floor area specifically includes the area of an addition where the area of the floor is increased. Floor area specifically excludes areas devoted to parking, atriums, interior corridors serving multiple units, enclosed malls (other than rental spaces) and similar uses, and exterior walkways.
- *Government Office:* An office facility where people employed in public/governmental service work. Some government office facilities may provide services to the general public and/or facilities for use by the public such as banquet and meeting rooms.
- *Hospital/Convalescent/Nursing Home:* Any institution where medical or surgical care and overnight, inpatient accommodations are provided for a wide variety of conditions. Nursing homes and similar facilities that provide a combination of residential care with nursing and/or personal

care as required by the residents are included in this category. Medical clinics (facilities that provide diagnoses and outpatient care only) are included in the “office” category.

- *Hotel/Motel:* Places of lodging that provide sleeping accommodations, including any associated cocktail lounges, meeting and banquet rooms, or convention facilities including all suite hotels and business hotels.
- *Light Industrial:* Uses characterized by a mix of manufacturing (small items), service, and warehouse facilities in the same building with a wide variation in the proportion of each type of use. Examples of light industrial uses include materials testing laboratories, assembly of data processing equipment, contractor offices, cabinetry work, machine shops, management services, photocopying services, software publishing/production, engineering/architectural services, and electronic/computer component production.
- *Manufacturing:* Facilities that fabricate, process, assemble, or blend organic or inorganic materials and/or substances into new, usually large, products. The materials used in the manufacturing process may include products of agriculture, forestry, fishing, mining, and quarrying as well as products of other manufacturing establishments. The new product may be “finished” in the sense that it is ready for use for consumption or it may be “semi-finished” to become a component for further manufacturing. Manufactured products are customarily directed to the wholesale market, interplant transfer, or industrial users, rather than for direct sale to the consumer. Manufacturing includes large machining operations, use of metal products, operations that have a combination of manufacturing, warehouse, and assembly in a space primarily occupied by very large machinery or other large fabrication and storage that may serve a variety of industries.
- *Non-Residential Use:* Any use which is not otherwise defined herein as a “Residential Use.” Non-Residential Use shall specifically include: Office; Retail/Service; Hotel/Motel, Warehouse; Light Industrial; Research & Development; Business Park; Manufacturing, K-12 School; Vocational, Trade, Collegian School; Public/Institutional; Hospital, Convalescent, Nursing Home; and Congregate Care/Assisted Living Facility.
- *Office:* Uses for which the floor area is primarily devoted to office and meeting spaces. Examples of office uses are: Professional services (legal, engineering, accounting), investment broker, real estate office, advertising agency, social services, insurance, bank, or savings and loan institutions, medical clinics and offices, and regional and corporate managing offices.
- *Public/Institutional:* The public/institutional use category includes non-commercial uses such as schools, social, or religious institutions, and public institutions. Under the Traffic Impact Fee, a number of public/institutional uses are defined more specifically than then this more general definition that is applied to the Capital Facilities and Fire Facilities Impact Fees, including religious facilities, schools, and hospitals/convalescent.
- *Religious Facility:* An establishment of religious organizations operated for worship, religious training or study, government or administration of an organized religion, or for promotion of religious activities, as specifically defined in Fremont Municipal Code (FMC) Chapter 18.25.
- *Research & Development:* Facilities or group of facilities devoted almost exclusively to research and development (R&D) activities in physical, engineering, and/or life sciences engaged in

conducting original investigations undertaken on a systematic basis to gain new knowledge and/or the application of research findings or other scientific knowledge for the creation of new or significantly improved products or processes. The range of specific types of businesses contained in this land use category varies significantly, but each typically contains offices and light fabrication areas for these R&D activities.

- *Retail/Service:* Uses for which the floor area is primarily devoted to retail sale of goods or services (or the adjacent storage of goods for retail sale) to the general public or to small businesses, and which generates regular traffic during weekday p.m. peak hours. Examples of retail/service uses are: automobile dealerships, automobile care and body repair centers, movie theaters, specialty retail centers containing a variety of retail shops specializing in quality apparel, hard goods, and services such as travel agencies, dance studios, tutoring services, florists, and restaurants, gas stations, convenience markets, fast food, and indoor recreation (e.g., swimming, tennis/racket ball courts, billiards/arcades, dance halls, bowling, amusement parks), and the like.
- *School, K-12 (all):* Private, non-profit, and public establishments primarily engaged in furnishing academic courses and associated course work that comprise a basic preparatory education for kindergarten through 12th grades. Tutoring services are included in the “retail/service” use category.
- *School, Vocational/Trade/Collegian:* Training centers for specific skills or classes, such as computer software programs, where classes usually last two to three days, including career-oriented higher education programs in business and technology that often lead to certificates in programs such as Business Administration, Computer Technology, Electronics Engineering, and Nursing.
- *Warehouse:* A facility with no more than 20 percent of the gross floor area devoted to office uses and the balance of the floor area devoted to the storage of goods and materials or other uses with employee densities similar to the storage of goods and materials. Warehouses are used on a permanent basis for the receipt, storage, and redistribution of goods generally handled in containers, such as boxes, barrels, and/or drums, using equipment, such as forklifts, pallets, and racks.

Affordable Housing Fees—Effective June 6, 2015 (Resolution 2015-09)

1. Projects deemed complete on or after June 6, 2015

For-sale housing fee	Building Permit Issued July 2016- June 2017	Building Permit Issued Beyond June 2017
Attached units, ¹	\$22.75 per SF ²	\$27.00 per SF ²
Detached units, ¹	\$21.75 per SF ²	\$26.00 per SF ²

2. Projects deemed complete before June 6, 2015

For-sale housing fee³	Building Permit Issued July 2016- June 2017	Building Permit Issued Beyond June 2017
Single-Family Homes on Lots 6,000 SF or greater	\$23.02 per SF	Rate Indexed ⁵
All other Market-Rate, For-Sale Units	\$19.95 per SF	Rate Indexed ⁵

3. Rental Projects (all)

Rental housing fee⁴	Building Permit Issued July 2016- June 2017	Building Permit Issued Beyond June 2017
Without subdivision map; units >700 gross square feet	\$17.50 per SF	\$17.50 per SF
Without subdivision map; units ≤700 gross square feet	\$8.75 per SF	\$8.75 per SF
With subdivision map; all units	\$22.75 per SF	\$27.00 per SF

Notes:

1. Fee per habitable square foot of market-rate housing in for-sale residential projects to mitigate the cost of construction for lower income units, as required by FMC Section 18.155.030(a). “Lower Income” includes extremely low-, very low-, and low-income units.
2. If a project applicant chooses to provide on-site moderate income housing, the permitted fee will be lower, as permitted by FMC Section 18.155.080(f).
3. Fee per habitable square foot of market-rate housing in for-sale residential projects in lieu of affordable units on-site, as permitted by FMC Section 18.155.080(f).
4. Fee per habitable square of rental housing to mitigate the project’s impact on the need for affordable housing where the rental project is not providing affordable rental housing by agreement with the City pursuant to FMC Section 18.155.085.
5. Based upon Engineering News Record McGraw-Hill Construction Weekly Building Cost Index for San Francisco.

Definitions Applicable to Affordable Housing Fees—Effective June 6, 2015

FMC Section 18.155.020 Definitions.

- (a) “Affordable ownership cost” means a sales price resulting in projected average monthly housing payments, during the first calendar year of a household’s occupancy, including interest, principal, mortgage insurance, property taxes, homeowners’ insurance, homeowners’ association dues, if any, and a reasonable allowance for utilities, property maintenance, and repairs, not exceeding the following:
- (1) Moderate-income households: 110 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12.
 - (2) Low-income households: 60 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12.
 - (3) Very low-income households: 50 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12. The city may determine sales prices of affordable units by any reasonable method so long as average monthly housing payments of eligible households do not exceed those permitted by this subsection (a).
- (b) “Affordable rent” means monthly housing expenses, including all fees for housing services and a reasonable allowance for utilities, not exceeding the following:
- (1) Extremely low-income households: 30 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12.
 - (2) Very low-income households: 50 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12.
 - (3) Low-income households: 60 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12.
 - (4) Moderate-income households: 110 percent of the area median income, adjusted for assumed household size based on unit size, multiplied by 30 percent and divided by 12, but in no event greater than market rent.
- (c) “Affordable units” means living units which are required under this chapter to be rented at affordable rents or available at an affordable ownership cost to eligible households.
- (d) “Area median income” means median income for Alameda County, adjusted for household size, as published pursuant to California Code of Regulations, Title 25, Section 6932 (or its successor provision).
- (e) “Assumed household size” means one person in a studio apartment, two persons in a one-bedroom unit, three persons in a two-bedroom unit, and one additional person for each additional bedroom thereafter, unless a federal standard applicable to the development requires the use of a different assumed household size, in which case the federal standard shall apply.

- (f) “Construction cost index” means the Engineering News Record McGraw-Hill Construction Weekly Building Cost Index for San Francisco. If that index ceases to exist, the community development director shall substitute another construction cost index which in his or her judgment is as nearly equivalent to the original index as possible.
- (g) “Eligible household” means a household whose household income does not exceed the maximum specified for a very low-, low-, or moderate-income household defined in subsection (j) of this section, as applicable for a given affordable unit. (h) “First approval” means the first of the following approvals to occur with respect to a residential project: planned district approval, subdivision approval, conditional use permit, design review permit approval, other discretionary land use approval, or building permit.
- (i) “For-sale project” means a residential project, or portion thereof, that includes the creation of one or more residential living units that may be sold individually, including a condominium, stock cooperative, community apartment, or attached or detached single-family home. A for-sale project also includes a residential condominium conversion project as defined in Section 18.190.060, and the creation of residential living units that may be sold individually, but are initially rented rather than sold.
- (j) “Household income” means the combined adjusted gross income for all adult persons living in a living unit as calculated for the purpose of the Section 8 Program under the United States Housing Act of 1937, as amended, or its successor provision.
- (1) “Extremely low-income household” means a household whose income does not exceed the extremely low-income limits pursuant to the published standard.
 - (2) “Very low-income household” means a household whose income does not exceed the very low income limits pursuant to the published standard.
 - (3) “Low-income household” means a household whose income does not exceed the low-income limits pursuant to the published standard.
 - (4) “Moderate-income household” means a household whose income does not exceed the moderate income limits pursuant to the published standard.
- (k) “Housing unit, attached” shall mean all forms of attached housing units (e.g., townhomes, stacked flats, condominiums and the like). For purposes of this chapter “attached” shall mean units that share at least 75 percent of the linear length of one building wall.
- (l) “Housing unit, detached” shall mean all forms of detached, individual housing units (e.g., single family homes, detached townhomes and similar products). For purpose of this chapter “detached” shall mean units that share less than 75 percent of the linear length of one building wall.
- (m) “Living unit” means one or more rooms designed, occupied, or intended for occupancy as separate living quarters, with cooking, sleeping, and bathroom facilities.
- (n) “Market-rate units” means new living units in residential projects which are not affordable units under subsection (c) of this section. (o) “Planning area” means a geographic boundary identified within the city’s general plan.

- (p) “Published standard” means the standard for a specified income level for Alameda County, as published pursuant to California Code of Regulations, Title 25, Section 6932 (or its successor provision) and adjusted for household size.
- (q) “Rental project” means a residential project, or portion thereof, that creates living units that cannot be sold individually, except that construction of any secondary dwelling unit as defined in Section 18.190.480 shall not be considered a rental project.
- (r) “Residential project” means any project containing two or more net new living units or residential lots, or living units and residential lots which total two or more net new units and/or lots in combination, built pursuant to or contained in an application for a planned district, subdivision map, conditional use permit, design review permit approval, other discretionary city land use approval, or building permit. Contemporaneous construction of two or more living units on a lot, or on contiguous lots for which there is evidence of common ownership or control, even though not covered by the same city land use approval, shall also be considered a residential project. Construction shall be considered contemporaneous for all units which do not have completed final inspections for occupancy and which have outstanding, at any one time, any one or more of the following: planned district, subdivision map, conditional use permit, design review permit approval, or other discretionary city land use approvals, or building permits, or applications for such an approval or permits. A residential condominium conversion project as defined in Section 18.190.060 is considered a residential project and is subject to this chapter. The provisions of this section shall be interpreted broadly to effect the purposes of this chapter and to prevent evasion of its terms.