

ATTACHMENT A
CITY COUNCIL POLICY ON THE IMPLEMENTATION OF
PUBLIC FACILITY FEES AND INCLUSIONARY HOUSING IN-LIEU FEE

DEFINITIONS.

For purposes of this Policy on the Implementation of Public Facility Fees and Inclusionary Housing In-Lieu Fee (Policy), the following definitions shall apply:

Active Project. A Project meeting both of the following requirements:

1. A complete application made prior to the Effective Date of the new or increased fees; and
2. A maximum of six months elapsing between subsequent complete submittal dates.

Effective Date. The date when new fees shall be in force as set by City Council or law.

Grace Period. The specified period of time granted to an Active Project to be subject to the fees in place prior to the Effective Date, and after the expiration of which Grace Period the newly adopted fees shall apply.

Inactive Project. A Project not meeting all requirements to qualify as an Active Project, such as allowing more than six months to elapse between successive submittals or failing to timely submit an application or submittal that is found to be complete and responsive by the City.

Project. Any activity that would trigger the obligation to pay Public Facility Fees (PFF) and/or the Inclusionary Housing In-Lieu Fee.

IMPLEMENTATION OF NEWLY ADOPTED AND/OR INCREASED FEES.

All Projects are subject to the obligation to pay newly-adopted fees pursuant to Resolutions 2024-XXXX and 2024-XXXX for Public Facility Fees and Inclusionary Housing In-Lieu Fee, respectively, unless the Project qualifies for an exemption by meeting all of the following criteria:

1. The project is an Active Project; and
2. The Project remains, without lapse, an Active Project for the duration of the applicable Grace Period; and
3. The Project building permits are issued prior to the expiration of the applicable Grace Period.

A project meeting all of the criteria listed above shall be granted a Grace Period of two years during which the Project will remain subject to the fees in place prior to the Effective Date. Such Grace Period shall apply to all fees for the project; it cannot be selectively applied to a single fee category.

The Grace Period may be administratively extended up to a maximum possible period of three years from the Effective Date via an administrative extension in accordance with the criteria below.

GRACE PERIOD.

The Grace Period shall commence upon the Effective Date. Subject to the following described opportunities for extension, once expired, the Grace Period cannot be reinstated.

The Grace Period shall terminate upon the following, whichever comes first:

1. The Project losing its Active Project status and becoming instead an Inactive Project for any period of time.
2. Two years after the Effective Date, unless administratively extended by the City Manager.
3. Upon the conclusion of any applicable administrative extension as may be granted by the City Manager.

ADMINISTRATIVE EXTENSION TO TWO-YEAR GRACE PERIOD.

The City Manager may grant up to two 6-month administrative extensions to the two-year Grace Period subject to the Active Project meeting all of the following three criteria:

1. The Active Project has demonstrated to the City Manager's satisfaction that it cannot:
 - a. Obtain 3rd party regulatory permits within the Grace Period after timely application and diligent ongoing activity in pursuit of those permits (within 6 months of any approval or complete submittal to the City); or,
 - b. Reasonably achieve timely issuance of building permits due to unforeseen circumstances that are entirely outside the control of the applicant and/or its officers, directors, shareholders, employees, agents, representatives, successors, and/or assigns, such as acts of God, which have directly hindered actions necessary for and/or associated with development, and are not risks normally assumed by a Project. For purposes of this policy, failure to timely order equipment and/or supplies, internal disputes, project financing issues, and labor disputes do not constitute unforeseen circumstances.
2. The administrative extension was requested in writing no more than six months prior to, and before the expiration of, the current Grace Period.
3. All other requirements of City Active Project status have been continuously maintained.

Upon the expiration of the Grace Period, the Project shall be subject to the obligation to pay the newly adopted and/or increased fees pursuant to Resolutions 2024-XXXX and 2024-XXXX for Public Facility Fees and Inclusionary Housing In-Lieu Fee, respectively.

INTERPRETATION.

Where vagueness exists within this policy, the City Manager shall have the authority to interpret and apply this policy. Generally, interpretation shall be in favor of the City's interests.