

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 1, 2020, and were established in accordance with Fremont Municipal Code (FMC) Chapter 18.290, *Development Impact Fees*.
- **Affordable Housing Fees:** Affordable housing fees are listed on page 4. Residential fees became effective on July 1, 2020, and were established in accordance with FMC Chapter 18.155, *Affordable Housing*. Non-residential fees become effective for building permits issued after January 1, 2020. These fees were established in accordance with FMC Chapter 18.156, *Affordable Housing for Non-Residential Development*.

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 residential affordable housing fees.
- *New non-residential construction*, including increases in existing floor area, triggers payment of capital facilities, fire facilities, and traffic impact fees and may trigger non-residential affordable housing 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. Additionally, a non-residential tenant improvement that changes the land use category of the existing building may also trigger payment of non-residential affordable housing fees.

Applicable *definitions* begin on page 5.

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.

Note: There are no residential affordable housing fee credits for demolition of existing homes.

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 applicants of affordable housing, one single family unit, and non-residential projects 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. The only market rate housing projects that are eligible to participate in this program are those with a vested subdivision map with a deemed completed date prior to November 1, 2019. 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. The *Impact Fee Deferral Application* is available at: <https://fremont.gov/documentcenter/view/6302>

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 1, 2020 (Resolution 2019-74)

<i>Land Use</i>	<i>Capital Facilities</i>	<i>Fire Facilities</i>	<i>Traffic</i>	<i>Parkland</i>	<i>Park Facilities</i>
0 bedrooms (studios)	\$1,120	\$162	\$2,280	\$4,921	\$5,528
1 bedroom	\$1,681	\$243	\$2,280	\$7,383	\$8,292
2 bedrooms	\$2,353	\$340	\$2,547	\$10,335	\$11,609
3 bedrooms	\$2,912	\$420	\$2,547	\$12,794	\$14,373
4 bedrooms	\$3,585	\$518	\$3,877	\$15,747	\$17,689
Per additional bedroom > 4	\$672	\$97	<i>See Note 4</i>	\$2,952	\$3,316
Office (KSF)	\$1,037	\$349	\$5,663	---	---
Retail/Service (KSF)	\$618	\$207	\$7,754	---	---
Warehouse (KSF)	\$444	\$150	\$1,711	---	---
Light Industrial (KSF)	\$347	\$117	\$4,105	---	---
Manufacturing (KSF)	\$631	\$212	\$2,850	---	---
Research & Development (KSF)	\$801	\$270	\$4,066	---	---
Business Park (KSF)	<i>See Note 5</i>	<i>See Note 5</i>	\$4,790	---	---
Convalescent Home/ Nursing Home (KSF)	\$347	\$117	\$3,839	---	---
Assisted Living / Congregate Care Facility (KSF)	\$347	\$117	\$760		
Hospital (KSF)	\$347	\$117	\$4,368	---	---
Religious Facility (KSF)	\$894	\$300	\$3,573	---	---
Schools, all (K-12) (KSF)	\$894	\$300	\$8,058	---	---
School, Vocation/Trade/ Collegian (KSF)	\$894	\$300	\$10,035	---	---
Hotel/Motel (Room)	\$197	\$67	\$2,319	---	---
Other Use Not Listed	Determined based on similar use				

Notes:

“---“ = No applicable fee

“KSF” = thousand square feet

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).



SUMMARY OF DEVELOPMENT IMPACT & AFFORDABLE HOUSING FEES

Affordable Housing Fees: Residential Effective July 1, 2020 (Resolution 2015-09)
Non-Residential Effective January 1, 2020 (Resolution 2017-42)

Residential Projects:

<i>For-Sale Housing in projects deemed complete on or after June 6, 2015</i>	<i>Fee per SF^{1,2}</i>
• Attached units	\$27.00
• Detached units	\$26.00
<i>For-Sale Housing in projects deemed complete before June 6, 2015</i>	<i>Fee per SF^{3,4}</i>
• Single-Family Homes on lots \geq 6,000 SF	\$25.87
• All other Market-Rate, For-Sale Units	\$22.41
<i>Rental Housing Projects</i>	<i>Fee per SF⁵</i>
• Without subdivision map; units >700 SF	\$17.50
• Without subdivision map; units \leq 700 SF	\$8.75
• With subdivision map; all units	\$27.00

Non-Residential Projects:

<i>Land Use</i>	<i>Fee per SF^{6,7}</i>	
	<i>Jan. 1, 2020</i>	<i>Each Jan. 1 thereafter</i>
Light Industrial, Manufacturing, ⁷ and Warehouse	\$4.00	Rate Indexed ⁴
Hotel, Office, ⁷ R&D, and Retail/Service	\$8.00	Rate Indexed ⁴

Notes:

“SF” = Square Feet

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 Fremont Municipal Code 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 units, the affordable housing fee will be reduced by \$8.50 per habitable square foot, pursuant to Resolution 2015-09.
3. Fee per habitable square foot of market-rate housing in for-sale residential projects in lieu of construction of moderate-income units on-site, as permitted by Fremont Municipal Code Section 18.155.080(f).
4. Fees adjusted annually on January 1 of each year for non-residential affordable housing fees and July 1 of each year for residential affordable housing fees to reflect annual changes in construction costs as measured by the Engineering News Record McGraw-Hill Construction Weekly Building Cost Index for San Francisco but in no case higher than justified by the applicable Nexus Study.
5. Fee per habitable square foot 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 Fremont Municipal Code Section 18.155.080(h).
6. Non-residential affordable housing fees will be collected on a per gross square foot basis exclusive of:
 - (a) Parking garages, trash enclosures, equipment yards, external covered walkways, and atriums. Stairwells, elevator shafts, storage areas and similar spaces, however, shall count.
 - (b) Additions to existing nonresidential buildings where the addition represents less than 1,000 square feet.
 - (c) Supportive services within the non-residential portion of a mixed-use project that are linked to a supportive housing project.
 - (d) Development for public use on property owned by and serving federal, state, or local government, including hospital, park, school, and utility district purposes.
 - (e) *Class A Office Space⁷* within the Warm Springs Community Plan area only and *Headquarter Office⁷* citywide shall be exempt from payment of this fee through January 1, 2020.
 - (f) *Advanced Manufacturing Space⁷* shall only pay for the first 100,000 gross square feet of space within the building.
7. See definitions for special subtypes: “Advanced Manufacturing,” “Class A Office,” and “Headquarter Offices.”

Definitions Applicable to Affordable Housing and Development Impact Fees

Residential Use Definitions

“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 the *affordable ownership cost*.

“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.

“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.

“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).

“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.

“Bedroom” means 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.

“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.

“Dwelling” means 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” means 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.

“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.

“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.

“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.

“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.

“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.

“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.

“Living unit” means one or more rooms designed, occupied, or intended for occupancy as separate living quarters, with cooking, sleeping, and bathroom facilities.

“Market-rate units” means new living units in *residential projects* that do not meet the definition of “affordable units.”

“Planning area” means a geographic boundary identified within the city’s general plan.

“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.

“Rental project” means a residential project, or portion thereof, that creates living units that cannot be sold individually, except that construction of any accessory dwelling unit as defined in FMC Section 18.190.005 shall not be considered a rental project.

“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 the Affordable Housing Ordinance. The provisions of this section shall be interpreted broadly to affect the purposes of this chapter and to prevent evasion of its terms.

“Residential Use” means 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” means 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” means 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” means 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” means 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” means 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” means 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” means 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” means 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.

“Advanced manufacturing space” (for purposes of the Non-Residential Affordable Housing Fee only) shall mean a whole or hybrid space that incorporates or supports:

- 1) The use of innovative technology/high precision equipment to improve products or processes; or
- 2) New business or management methodologies in fields such as “*high technology products and processes*” or “*flexible manufacturing*.” As used herein:
 - A) “**High technology products and processes**” means advanced, new, and innovative products and processes.
 - B) “**Flexible manufacturing**” means a manufacturing process capable of furnishing a diverse mix of products in small or large volumes with both the efficiency of mass production and the flexibility of custom manufacturing in order to respond quickly to customer demand.

The Community Development Director shall have discretion to determine whether a use constitutes advanced or traditional manufacturing, and in resolving any ambiguities shall give consideration to the definitions and examples of advanced manufacturing provided in the April 2016 report of the Subcommittee for Advanced Manufacturing of the National Science and Technology Counsel, entitled *Advanced Manufacturing: A Snapshot of Priorities Areas Across the Federal Government*, available for reference at: <https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Blog/NSTC%20SAM%20technology%20areas%20snapshot.pdf>

Examples locally include: Seagate, Tesla, Thermo-Fisher, Western Digital, among many others.

“Non-Residential Use” means 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” means 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.

Office Subtypes (for purposes of the Non-Residential Affordable Housing Fee only):

“Class A Office Space,” means office space that, in the discretion of the Community Development Director or designee substantially meets all of the following criteria:

- 1) Is designed to attract and to meet the needs of well-known business tenants;
- 2) Includes distinguished architectural features or exceptional design elements;
- 3) Is characterized by above average quality standard finishes;
- 4) Is well located relative to the needs of major tenant sectors in the marketplace;
- 5) Is served by state of the art building systems (e.g., mechanical, HVAC, elevator and utility);
- 6) Has building services that are characterized by above-average maintenance and upkeep; and Offers ample, easily available, and convenient designated parking and/or access to rail transit sufficient to meet the needs of tenants and visitors during typical business hours.

Examples locally include: Office buildings at Civic Center Drive/Walnut Avenue.

“Headquarters Office” shall mean an office facility and any adjoining facilities that serve as the primary office of a multi-state, regional (e.g. West Coast), or national company.

Examples locally include: Delta, Lam Research.

“Public/Institutional” 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 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” means 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” means facilities or a 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” includes 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)” means 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” means 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” means 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.