CITY OF NEWARK
CITY COUNCIL

City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org

AGENDA

Thursday, December 12, 2024
7:00 P.M.

A. ROLL CALL

B. PRESENTATIONS

C. PUBLIC COMMENT

The public is invited to address the City Council on any item not listed on the agenda. Public Comments are generally limited to 5 minutes per speaker. Please note that State law prohibits the Council from acting on non-agenda items.

D. CONSENT CALENDAR

Consent Calendar items are considered to be routine and may be approved by one motion. There will be no separate discussion on these items unless there is a request by a Council Member, a staff member, or a member of the public to remove an item for separate discussion and action.

1. Approval of Audited Demands

2. Approval of November 14, 2024, minutes

3. Motion approving the 2025 Local Appointments List and distribution

4. Adopt a Resolution authorizing the City to accept and the City Manager to enter the Memorandum of Understanding with the California Department of Justice for the Tobacco Fund Grant and apprvoing a budget adjustment

5. Adopt a Resolution to Accept the Development Impact Fee Annual and Five-Year Report for the Period Ending June 30, 2024, and approve findings for each development impact fee that the City of Newark imposes on development projects

6. Adopt resolutions establishing the City Council meeting calendar for 2025 and authorizing the City Manager to take administrative actions during the August Recess

E. PUBLIC HEARINGS

F. OTHER BUSINESS

G. CITY MANAGER UPDATES

H. CITY COUNCIL MATTERS

City Council Members report on attendance at intergovernmental agency meetings, conferences, and seminars since the last meeting. City Council Members may also announce upcoming events and coordinate attendance; report on local events attended since the last meeting; and make brief comments on issues of concern.

1. Motion appointing Vice Mayor and adoption of resolution authorizing the execution of financial documents

2. Adopt a resolution confirming the Mayor's appointments to various agencies, boards, commissions, and committees

I. CLOSED SESSION

J. ADJOURNMENT

MEETING INFORMATION

Members of the public may attend the meeting in person, watch online, or watch on Cable Channel 26. The ability to observe online or Cable Channel 26 is predicated on those technologies being available and functioning without technical difficulties. Should those platforms not be available, or become non-functioning, or should the City Council otherwise encounter technical difficulties that make those platforms unavailable, the City Council will proceed with business in person unless otherwise prohibited by law.

How to view the meeting remotely:
Livestream online at YouTube: https://www.youtube.com/@cityofnewark3077/streams
Copy/paste the YouTube URL into your browser if the link does not automatically open.

Cable Channel 26 - if the meeting does not broadcast live, please contact your service provider and request the City of Newark channel lineup.

Zoom will no longer be available for public participation unless required by Assembly Bill 2449. Should a Council Member or the Mayor attend the meeting via Zoom pursuant to Assembly Bill 2449, then the Webinar ID No. 828 1280 5756 will be activated. The Mayor will make an announcement at the beginning of the meeting that the City will be allowing public comment via Zoom. Raise your virtual hand to notify the City Clerk that you would like to speak during the item that you wish to speak on.

How to submit written Public Comment:
Send an email to City Clerk by 3:00 p.m. the day of the meeting. Please identify the agenda item number in the subject line of your email. Emails will be compiled into one file and will be distributed to the City Council before the meeting.

No question shall be asked of a council member, city staff, or an audience member except through the Mayor. No person shall interrupt the meeting. Any person who refuses to carry out instructions given by the Mayor for the

purpose of maintaining order may be guilty of an infraction and may result in removal from the meeting.

Council Meeting Access/Materials:
The agenda packet is available for review at Agendas and Minutes. The packet is typically posted to the City website the Friday before the meeting, but no later than 72 hours before the meeting.

Pursuant to Government Code 54957.5, supplemental materials distributed less than 72 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and will be posted at https://www.newark.org/departments/city-manager-s-office/agendas-minutes and will concurrently be made available for public inspection during regular business hours at the David W. Smith City Hall, 37101 Newark Boulevard, Newark CA. Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection. For those persons who require special accommodations, please contact the City Clerk at least two days prior to the meeting at City Clerk or 510-578-4266.

Mission Statement
It is our mission to serve and partner with our community to continually enhance the quality of life of everyone in Newark.

Executive Team Members

David J. Benoun City Manager	**Lenka Hovorka** Assistant City Manager
Kristopher J. Kokotaylo City Attorney	**Steven Turner** Community Development Director
Jonathan Arguello Police Chief	**Edwin Miranda** CIO/Information Technology Director
Howard Young Public Works Director	**Nicholas Cuevas** Recreation and Community Services Director
Krysten Lee Finance Director	**Ryan Nishimoto** ACFD Deputy Chief

STAFF REPORT

Item D. 1.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Krysten Lee, Finance Director
SUBJECT	Approval of Audited Demands

Attachments

Audited Demands 10.31.24
Audited Demands 11.07.24-1
Audited Demands 11.07.24-2
Audited Demands 11.14.24

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE

Batch Date: 10/31/2024

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	10/31/2024	12513	Accounts Payable	ABACUS PRODUCTS INC		543.74
	Invoice		Date	Description	Check Sort Code	Amount
	B77416		09/16/2024	EVIDENCE SUPPLIES		543.74
Check	10/31/2024	12514	Accounts Payable	ACCESS		417.00
	Invoice		Date	Description	Check Sort Code	Amount
	11066984		07/31/2024	SHREDDING SVCS JULY 2024		139.00
	11168068		09/30/2024	SHREDDING SVCS SEPT 2024		139.00
	11119594		08/31/2024	SHREDDING SVCS AUGUST 2024		139.00
Check	10/31/2024	12515	Accounts Payable	PRINTS CHARLES REPROGRAPHICS		1,001.07
	Invoice		Date	Description	Check Sort Code	Amount
	116981		08/27/2024	NO PARKING SIGNS		1,001.07
Check	10/31/2024	12516	Accounts Payable	AIRGAS USA, LLC		102.41
	Invoice		Date	Description	Check Sort Code	Amount
	5511446591		09/30/2024	RENT CYN 09/30/24		102.41
Check	10/31/2024	12517	Accounts Payable	ALAMEDA COUNTY SHERIFF'S OFFICE		3,240.00
	Invoice		Date	Description	Check Sort Code	Amount
	290131-0824-8473		08/09/2024	EVOC BASIC SKILLS-JACKMAN,ARROYO,HERRERA,HERBERT- 07/16-08/06/24		1,296.00
	290131-0924-8550		09/24/2024	EVOC BASIC SKILLS-TODD,TORES,DAMEWOOD,MAPES,TAYLOR,MUSANTRY 9/24		1,944.00
Check	10/31/2024	12518	Accounts Payable	AMERICAN NATIONAL RED CROSS		239.40
	Invoice		Date	Description	Check Sort Code	Amount
	22729253		10/09/2024	FIRST AID/CPR TRAINING 9/29/24		239.40
Check	10/31/2024	12519	Accounts Payable	BAILEY FENCE COMPANY INC		3,411.00
	Invoice		Date	Description	Check Sort Code	Amount
	86648		10/07/2024	CEDAR/THORNTON GUARDRAIL AND POST REPLACEMENT 10/7/24		3,411.00
Check	10/31/2024	12520	Accounts Payable	BAY CENTRAL PRINTING		3,568.25
	Invoice		Date	Description	Check Sort Code	Amount
	200285		10/02/2024	SECOND 9 X 12 MEASURE LL MAILER RESIDENTIAL ONLY		3,396.49
	200446		10/22/2024	B/C FOR POLICE BLANK		85.88
	200455		10/22/2024	B/C D WILLIAMS		85.88

Check	10/31/2024	12521	Accounts Payable	CALIFORNIA DEPARTMENT OF CONSERVATION	3,861.39

Invoice	Date	Description	Check Sort Code	Amount
0701-093024	10/08/2024	STRONG MOTION FEES - JUL TO SEP 2024		3,861.39

Check	10/31/2024	12522	Accounts Payable	CENTRAL TOWING & TRANSPORT LLC	353.60

Invoice	Date	Description	Check Sort Code	Amount
9484922-1	09/05/2024	TOWING SERVICES-N94		93.60
MJ343537-1	09/05/2024	TOWING SERVICES - ANTIQUE FIRE TRUCK		130.00
9501757-1	09/09/2024	TOWING SERVICES - 2021 FORD EXPORER		65.00
9512607-1	09/25/2024	TOWING SERVICES - 2017 FORD EXPLORER		65.00

Check	10/31/2024	12523	Accounts Payable	CINDY K. HULL & ASSOCIATES - FORENSIC CONSULTING	550.00

Invoice	Date	Description	Check Sort Code	Amount
157	10/26/2024	LATENT PRINT ANALYSIS OCTOBER 2024		550.00

Check	10/31/2024	12524	Accounts Payable	CINTAS CORP	1,454.00

Invoice	Date	Description	Check Sort Code	Amount
1905193940	10/11/2024	CITY POLO		1,454.00

Check	10/31/2024	12525	Accounts Payable	PETTY CASH CUSTODIAN - JOHNA COULTHARD	304.81

Invoice	Date	Description	Check Sort Code	Amount
112623-062124	09/17/2024	PETTY CASH REPLENISHMENT 11/26/23-06/21/24		304.81

Check	10/31/2024	12526	Accounts Payable	CITY OF UNION CITY	27,195.01

Invoice	Date	Description	Check Sort Code	Amount
20250029	09/01/2024	50% ESC SALARY FOR SEPTEMBER 2024		6,640.85
20250030	10/01/2024	50% ESC SALARY FOR OCTOBER 2024		6,963.43
20250028	08/01/2024	50% ESC SALARY FOR AUGUST 2024		6,640.85
20250027	07/01/2024	50% ESC SALARY FOR JULY 2024		6,949.88

Check	10/31/2024	12527	Accounts Payable	CPS HR CONSULTING	962.50

Invoice	Date	Description	Check Sort Code	Amount
TR-INV005061	10/10/2024	HUMAN RESOURCES TECHNICIAN TEST 10/07/24		962.50

Check	10/31/2024	12528	Accounts Payable	ALAMEDA COUNTY ASSESSOR'S OFFICE	12.00

Invoice	Date	Description	Check Sort Code	Amount
1673	10/22/2024	ASSESSOR MAP UPDATES - 10/24		12.00

Check	10/31/2024	12529	Accounts Payable	ALAMEDA COUNTY INFORMATION TECHNOLOGY DEPARTMENT	5,173.56

Invoice	Date	Description	Check Sort Code	Amount
112-2408036	09/12/2024	AWS ACCESS FEE AUGUST 2024		3,937.50
163753	10/28/2024	SUBS-MOBILE-REPAIR 081524		270.00
163670	10/28/2024	SUBS-MOBILE-REPAIR 073124		696.06
163664	10/28/2024	SUBS-MOBILE-REPAIR 073024		270.00

Check	10/31/2024	12530	Accounts Payable	COUNTY OF SAN BERNARDINO	421.00

Invoice	Date	Description	Check Sort Code	Amount
24-113-071AOT	08/27/2024	TRAFFIC COLLISION INVESTIGATION-PIQUETTE 9/12-9/22/24		421.00

Check	10/31/2024	12531 Accounts Payable	CSW I ST2		36,143.75
	Invoice	Date	Description	Check Sort Code	Amount
	2408163	08/31/2024	DESIGN SERVICES FOR OLD TOWN STREETSCAPE IMPROVEMENTS 07/24		36,143.75
Check	10/31/2024	12532 Accounts Payable	CUMMING MANAGEMENT GROUP, INC.		34,744.00
	Invoice	Date	Description	Check Sort Code	Amount
	152333	07/31/2024	NEWARK RESOURCE CENTER PROFESSIONAL SERVICES FROM JULY 1-31, 24		17,072.00
	154331	08/31/2024	NEWARK RESOURCE CENTER PROFESIONAL SERVICES FROM AUG 1-31, 2024		17,672.00
Check	10/31/2024	12533 Accounts Payable	DAILY JOURNAL CORPORATION		157.50
	Invoice	Date	Description	Check Sort Code	Amount
	B3858835	10/08/2024	PUBLISH ORDINANCE 551 10/08/24		157.50
Check	10/31/2024	12534 Accounts Payable	DALE HARDWARE		1,115.07
	Invoice	Date	Description	Check Sort Code	Amount
	OCT'24	10/25/2024	DALE SUPPLIES		1,115.07
Check	10/31/2024	12535 Accounts Payable	EQUIFAX INFORMATION SVCS LLC		52.11
	Invoice	Date	Description	Check Sort Code	Amount
	2062524727	10/07/2024	CREDIT BUREAU REPORT FEES - 10/7/24		52.11
Check	10/31/2024	12536 Accounts Payable	EWING IRRIGATION PRODUCTS INC.		3,315.12
	Invoice	Date	Description	Check Sort Code	Amount
	23689601	10/08/2024	PARKS-50LB KING TALL FESCUE		3,030.58
	23757266	10/14/2024	CHRISTY LID-POINT OF SALE		284.54
Check	10/31/2024	12537 Accounts Payable	FEDEX		57.54
	Invoice	Date	Description	Check Sort Code	Amount
	8-612-81001	09/06/2024	PACKAGE DELIVERY 08/30/2024		20.52
	8-647-49747	10/11/2024	PACKAGE DELIVERY 10/02/24		37.02
Check	10/31/2024	12538 Accounts Payable	FEHR & PEERS		28,049.97
	Invoice	Date	Description	Check Sort Code	Amount
	178260	08/16/2024	TASK ORDER NO. 12 - FIRE TRUCK TURN ANALYSIS 06/29-07/26/24		2,315.25
	179589	10/18/2024	TASK ORDER #10 - ACTIVE TRANSPORTATION PLAN 09/24		7,069.13
	179168	09/20/2024	TASK ORDER #10 - ACTIVE TRANSPORTATION PLAN 08/24		8,603.95
	177994	08/14/2024	TASK ORDER #10 - ACTIVE TRANSPORTATION PLAN 07/24		10,061.64
Check	10/31/2024	12539 Accounts Payable	FREMONT CDJR		1,351.60
	Invoice	Date	Description	Check Sort Code	Amount
	2284	10/24/2024	FLEET SUPPLIES-PAD KIT, ROTOR, BRAKE		1,189.46
	2235	10/21/2024	FLEET BOTTLE, CAP RADIATOR		162.14
Check	10/31/2024	12540 Accounts Payable	FREMONT FORD		3,634.15
	Invoice	Date	Description	Check Sort Code	Amount
	228390	10/10/2024	FLEET TUBE ASY AND BRAKE		281.01
	228260	10/08/2024	FLEET MOTOR AND FAN ASY		321.67
	228545	10/18/2024	FLEET CONVERTERS AND GASKET		2,591.47
	440663	10/04/2024	FLEET SERVICE-VEH 1703 9/15/24		220.00

	441188	10/17/2024	FLEET SERVICE-VEH1702 10/10/24			220.00
Check	10/31/2024	12541 Accounts Payable	FRONTIER BUILDING PRODUCTS PACIFIC, INC			679.00
	Invoice	Date	Description		Check Sort Code	Amount
	10-9-1055702	10/09/2024	FIRE STATION 29 BROKEN SPRING 10/9/24			679.00
Check	10/31/2024	12542 Accounts Payable	GHD INC.			3,033.88
	Invoice	Date	Description		Check Sort Code	Amount
	380-0054820	07/30/2024	TASK ORDER NO. 4 - NEWARK QUIET ZONES 07/24			1,495.38
	380-0054816	07/30/2024	TASK ORDER NO. 5 - MOWRY AVE AT CHERRY STREET 07/24			475.86
	380-0057450	09/17/2024	TASK ORDER NO. 4 - NEWARK QUIET ZONES 08/24			1,062.64
Check	10/31/2024	12543 Accounts Payable	GRAINGER			233.30
	Invoice	Date	Description		Check Sort Code	Amount
	9274305383	10/08/2024	BIRCH PARTITION			233.30
Check	10/31/2024	12544 Accounts Payable	JG TREES			1,260.00
	Invoice	Date	Description		Check Sort Code	Amount
	2037	09/20/2024	PUMKINS FOR FLOATING PUMKIN EVENT			1,260.00
Check	10/31/2024	12545 Accounts Payable	HOME DEPOT CREDIT SERVICES			1,543.88
	Invoice	Date	Description		Check Sort Code	Amount
	OCT'24	10/13/2024	HDCC SUPPLIES OCTOBER 2024			1,543.88
Check	10/31/2024	12546 Accounts Payable	ICC PENINSULA CHAPTER			2,000.00
	Invoice	Date	Description		Check Sort Code	Amount
	TICKET 101-102	10/02/2024	CHAPTER 11A & 11B TRAINING (MAY 2024)			2,000.00
Check	10/31/2024	12547 Accounts Payable	BRITAIN JACKMAN			1,467.87
	Invoice	Date	Description		Check Sort Code	Amount
	0909-092224EXP	10/21/2024	DRE SCHOOL			1,467.87
Check	10/31/2024	12548 Accounts Payable	CARMELISA LOPEZ			92.99
	Invoice	Date	Description		Check Sort Code	Amount
	092824-100124EXP	10/28/2024	2024 CA APA CONFERENCE - MEAL & TRAVEL EXPENSES			92.99
Check	10/31/2024	12549 Accounts Payable	LPC SERVICES, INC.			3,093.00
	Invoice	Date	Description		Check Sort Code	Amount
	77254	10/11/2024	PEST SERVICES - PD #104419 210/11/24			181.00
	77114	10/11/2024	PEST SERVICES - SILLIMAN #102710 10/11/24			1,020.00
	77255	10/11/2024	PEST SERVICES - LIBRARY #116524 10/11/24			175.00
	77113	10/11/2024	PEST-FIRE STATION #1 102707 10/11/24			275.00
	76990	10/11/2024	PEST-SERVICE CENTER #102702 10/11/24			185.00
	77112	10/11/2024	PEST-FIRE STATION #3 102701 10/11/24			240.00
	77122	10/11/2024	PEST-VIOLA BLYTHE #102704 10/11/24			260.00
	77253	10/11/2024	PEST-CITY HALL #102699 10/11/24			175.00
	77217	10/11/2024	PEST-CITY HALL #102699 10/11/24			267.00
	77151	10/11/2024	PEST-COMMUNITY CENTER #102700 10/11/24			95.00
	77150	10/11/2024	PEST-FIRE STATION #2 #102709 10/11/24			220.00
Check	10/31/2024	12550 Accounts Payable	MIKE YORKS INVESTIGATIONS			1,425.00

	Invoice	Date	Description	Check Sort Code	Amount
	2024-28	10/23/2024	BACKGROUND INVESTIGATIONS 08/28-10/23/24		975.00
	2024-26	10/10/2024	BACKGROUND INVESTIGATIONS 07/17-09/24/24		450.00
Check	10/31/2024	12551 Accounts Payable	MNS ENGINEERS INC		23,803.34
	Invoice	Date	Description	Check Sort Code	Amount
	87665	10/14/2024	ON-CALL PUBLIC WORKS CONSTRUCTION INSPECTION SERVICES 09/24		21,282.08
	87666	10/14/2024	ON-CALL PUBLIC WORKS CONSTRUCTION INSPECTION SERVICES 09/24		2,521.26
Check	10/31/2024	12552 Accounts Payable	BIG O TIRES #175		685.19
	Invoice	Date	Description	Check Sort Code	Amount
	005175-163444	10/09/2024	TIRE SERVICE 10/09/24		685.19
Check	10/31/2024	12553 Accounts Payable	NICHOLS CONSULTING ENGINEERS, CHTD		7,352.52
	Invoice	Date	Description	Check Sort Code	Amount
	123085504	07/29/2024	TO. 4 - CONCRETE AND PED. SAFETY HSIP ENG. SVCS. 07/24		7,352.52
Check	10/31/2024	12554 Accounts Payable	OTIS ELEVATOR COMPANY		675.00
	Invoice	Date	Description	Check Sort Code	Amount
	SK19273001	07/10/2024	ELEVATOR SERVICE 7/8/24		675.00
Check	10/31/2024	12555 Accounts Payable	PAKPOUR CONSULTING GROUP, INC.		55,163.59
	Invoice	Date	Description	Check Sort Code	Amount
	4560	09/06/2024	PRJ MANAGEMENT SVCS - CENTRAL AVE OVERPASS PRJ 08/01-08/31/24		25,352.78
	4534	08/07/2024	PRJ MANAGEMENT SVCS - CENTRAL AVE OVERPASS PRJ 07/01-07/31/24		29,810.81
Check	10/31/2024	12556 Accounts Payable	PLAN JPA		1,017.13
	Invoice	Date	Description	Check Sort Code	Amount
	PLAN-0169	10/11/2024	GENERAL LIABILITY CLAIMS FY24/25 - SEPTEMBER 2024 CLAIMS		1,017.13
Check	10/31/2024	12557 Accounts Payable	PRECISION EMPRISE LLC		11,697.12
	Invoice	Date	Description	Check Sort Code	Amount
	55259	10/24/2024	SIDEWALK OFFSET REPAIR 09/16/24-10/03/24		11,697.12
Check	10/31/2024	12558 Accounts Payable	PUBLIC SAFETY FAMILY COUNSELING GROUP, INC.		26,250.00
	Invoice	Date	Description	Check Sort Code	Amount
	P2425-105	06/07/2024	PSYCHOLOGICAL SERVICES ANNUAL CONTRACT FY 24/25		26,250.00
Check	10/31/2024	12559 Accounts Payable	TOTAL INDUSTRIES		4,153.50
	Invoice	Date	Description	Check Sort Code	Amount
	CL9093	10/03/2024	FLEET BRUSH, CART & TIRE		4,153.50
Check	10/31/2024	12560 Accounts Payable	SFPUC		4,034.45
	Invoice	Date	Description	Check Sort Code	Amount
	67697	10/22/2024	SFPUC RENT WATER AC#3642 11/01/24		1,008.98
	67722	10/22/2024	SFPUC RENT WATER AC#2866 11/01/24		3,025.47
Check	10/31/2024	12561 Accounts Payable	SHUTE, MIHALY & WEINBERGER LLP		4,715.53
	Invoice	Date	Description	Check Sort Code	Amount
	287646	08/21/2024	LEGAL SERVICES - CENTRAL AVENUE OVERPASS 07/24		4,715.53

Check	10/31/2024	12562 Accounts Payable	BLAIR SLAVAZZA		89.84
	Invoice	Date	Description	Check Sort Code	Amount
	0801-080524EXP	08/20/2024	FUEL PURCHASE 8/1-8/5/24		89.84
Check	10/31/2024	12563 Accounts Payable	SNG & ASSOCIATES, INC.		27,187.50
	Invoice	Date	Description	Check Sort Code	Amount
	2024-0819	09/30/2024	ON CALL CIVIL ENGINEERING PLAN REVIEW SERVICES 08/24		27,187.50
Check	10/31/2024	12564 Accounts Payable	STOP STICK, LTD		302.16
	Invoice	Date	Description	Check Sort Code	Amount
	0035310-IN	09/30/2024	PIRANHA-PATROL		302.16
Check	10/31/2024	12565 Accounts Payable	SUN RIDGE SYSTEMS INC		74,045.00
	Invoice	Date	Description	Check Sort Code	Amount
	8253	08/29/2024	CAD MAINTENANCE AGREEMENT FY 24/25 CONTRACT #13013		74,045.00
Check	10/31/2024	12566 Accounts Payable	CLASSIC GRAPHICS		4,500.81
	Invoice	Date	Description	Check Sort Code	Amount
	49968	08/19/2024	INTERCEPTOR LOGO SERVICE 8/19/24		1,500.27
	50007	08/26/2024	FLEET INTERCEPTOR LOGO INSTALL 8/26/24		1,500.27
	50012	08/27/2024	FLEET INTERCEPTOR LOGO INSTALL 8/27/24		1,500.27
Check	10/31/2024	12567 Accounts Payable	THE ED JONES CO INC		485.97
	Invoice	Date	Description	Check Sort Code	Amount
	56957	08/15/2024	514 BADGE - PSC		282.69
	56956	08/15/2024	514 BADGE-SILVA		203.28
Check	10/31/2024	12568 Accounts Payable	TIREHUB, LLC		818.26
	Invoice	Date	Description	Check Sort Code	Amount
	43929761	08/19/2024	TIRES-GY WRL STEADFAST		740.13
	45185969	10/18/2024	TIRES - OT STR BW		78.13
Check	10/31/2024	12569 Accounts Payable	TURBO DATA SYSTEMS, INC		1,414.00
	Invoice	Date	Description	Check Sort Code	Amount
	43514	07/31/2024	E-CITATION JULY 2024		702.00
	43753	08/31/2024	E-CITATION AUGUST 2024		712.00
Check	10/31/2024	12570 Accounts Payable	VERDE DESIGN INC		15,758.04
	Invoice	Date	Description	Check Sort Code	Amount
	10-2319400	09/12/2024	CITYWIDE PARK SIGNAGE & DOCUMENTATION 07/26-08/25/24		785.00
	9-2319400	08/22/2024	CITYWIDE PARK SIGNAGE & DOCUMENTATION 06/26-07/25/24		7,720.54
	1-2319401	08/22/2024	CITYWIDE PARK SIGNAGE & DOCUMENTATION 07/01-07/25/24		2,200.00
	11-2319400	10/18/2024	NEWARK PARK SIGNAGE & DOCUMENTATION TASK ORDER # 2 09/24		3,620.00
	4-2313700	10/11/2024	MACGREGOR PARK 9/24		1,432.50
Check	10/31/2024	12571 Accounts Payable	VIRTUAL PROJECT MANAGER LLC		15,000.00
	Invoice	Date	Description	Check Sort Code	Amount
	12-4183	08/29/2024	WEB-BASED PROJECT MANAGEMENT SYSTEM 09/01-08/31/25		15,000.00
Check	10/31/2024	12572 Accounts Payable	VSS INTERNATIONAL, INC.		247,911.71
	Invoice	Date	Description	Check Sort Code	Amount

	20020101		09/30/2024	24-072 CA NEWARK 2024 STREET SLURRY SEAL PROGRAM PROJECT 1345			247,911.71
Check	10/31/2024	12573	Accounts Payable	MATTHEW WARREN			1,702.07
	Invoice		Date	Description		Check Sort Code	Amount
	0922-092724EXP		10/28/2024	CAHN REIMBURSEMENT			1,702.07
Check	10/31/2024	12574	Accounts Payable	WESTERN STAR NURSERIES LLC			1,194.89
	Invoice		Date	Description		Check Sort Code	Amount
	191054		10/24/2024	TREES-POS			1,194.89
Check	10/31/2024	12575	Accounts Payable	ZUMAR INDUSTRIES			1,299.30
	Invoice		Date	Description		Check Sort Code	Amount
	48982		09/05/2024	SIGN REPLACEMENTS			1,299.30
EFT	10/31/2024	1266	Accounts Payable	REDWOOD PUBLIC LAW, LLP	121000358 / 325192270245		29,500.78
	Invoice		Date	Description		Check Sort Code	Amount
	12113		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			4,238.00
	12115		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			3,351.50
	12116		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			428.00
	12117		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			11,149.70
	12118		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			2,181.50
	12119		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			102.00
	12121		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			2,756.00
	12122		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			3,774.00
	12123		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			1,025.50
	12125		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			170.00
	12401		10/03/2024	LEGAL SERVICES THROUGH SEPTEMBER 30, 2024			324.58
EFT	10/31/2024	1267	Accounts Payable	SUMMIT UNIFORMS, LLC	121000358 / 325183513607		415.97
	Invoice		Date	Description		Check Sort Code	Amount
	16716		08/22/2024	UNIFORM AND ACCESSORIES-ACTING LT HOMAYOUN			415.97
AP ZBA ACCOUNTS PAYABLE Totals:				Transactions: 65			$737,434.14

Checks:	63	$707,517.39
EFTs:	2	$29,916.75

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE

Batch Date: 11/07/2024

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	11/07/2024	12576	Miscellaneous Billing Refund	FRANCISCO HARO , TEODORO		500.00
Check	11/07/2024	12577	Miscellaneous Billing Refund	ARIAS , MARIA		500.00
Check	11/07/2024	12578	Miscellaneous Billing Refund	PACHECO , AMY		500.00
Check	11/07/2024	12579	Miscellaneous Billing Refund	SARGENT , FRANK P		1,000.00
AP ZBA ACCOUNTS PAYABLE Totals:				Transactions: 4		$2,500.00

Checks:	4	$2,500.00

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE

Batch Date: 11/07/2024

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	11/07/2024	12580	Accounts Payable	TREASURER OF ALAMEDA COUNTY		3,451.00
	Invoice		Date	Description	Check Sort Code	Amount
	SEP 24		10/08/2024	CRIME LAB FEES SEP 2024		3,451.00
Check	11/07/2024	12581	Accounts Payable	ALL CITY MANAGEMENT SERVICES, INC.		25,577.92
	Invoice		Date	Description	Check Sort Code	Amount
	95983		10/02/2024	SCHOOL CROSSING GUARD SVCS 09/15-09/28/24		8,876.15
	95215		09/04/2024	SCHOOL CROSSING GUARD SVCS 08/18-08/31/24		8,769.65
	96293		10/16/2024	SCHOOL CROSSING GUARD SVCS 09/29-10/12/24		7,932.12
Check	11/07/2024	12582	Accounts Payable	AIS TRUST ACCOUNT NEWPORT		16,871.00
	Invoice		Date	Description	Check Sort Code	Amount
	2872981		11/01/2024	SPECIAL EVENT LIABILITY - NEWARK DAYS 1/1/24-1/1/25		16,871.00
Check	11/07/2024	12583	Accounts Payable	ASSOCIATED RIGHT OF WAY SERVICES, INC.		4,906.25
	Invoice		Date	Description	Check Sort Code	Amount
	000000022755		10/04/2024	NEGOTIATION/ACQ SVCS-24062-APN537-850-8 SANCTUARY WEST 9/24		4,906.25
Check	11/07/2024	12584	Accounts Payable	AXON ENTERPRISE, INC		66,109.11
	Invoice		Date	Description	Check Sort Code	Amount
	INUS278125		09/04/2024	IN-CAR CAMERAS FOR PATROL VEHICLES FY24/25		66,109.11
Check	11/07/2024	12585	Accounts Payable	COMMUNITY PLANNING COLLABORATIVE		65,490.59
	Invoice		Date	Description	Check Sort Code	Amount
	1766		10/11/2024	ON CALL SVCS/INCLUSIONARY HSNG/TENANT PROTECTIONS - 9/24		25,228.09
	1726		08/18/2024	ON CALL SVCS/INCLUSIONARY HSNG/TENANT PROTECTIONS - 7/24		15,859.25
	1744		09/13/2024	ON CALL SVCS/INCLUSIONARY HSNG/TENANT PROTECTIONS - 8/24		24,403.25
Check	11/07/2024	12586	Accounts Payable	CAL-WEST LIGHTING & SIGNAL MAINTENANCE		4,327.74
	Invoice		Date	Description	Check Sort Code	Amount
	240736		07/31/2024	FY24-25 STREET LIGHT MAINTENANCE 07/24		4,327.74
Check	11/07/2024	12587	Accounts Payable	STATE DISBURSEMENT UNIT		1.38
	Invoice		Date	Description	Check Sort Code	Amount
	PPE 10.26.24		10/30/2024	GARNISH - CASE 200000002128365 - 10/13/24-10/26/24		1.38
Check	11/07/2024	12588	Accounts Payable	CENTRAL VETERINARY HOSPITAL		1,357.55

	Invoice	Date	Description	Check Sort Code	Amount
	519546	10/07/2024	VET SVCS 10/07/24		1,357.55
Check	11/07/2024	12589 Accounts Payable	APRO LLC		135.00
	Invoice	Date	Description	Check Sort Code	Amount
	090124-093024	09/30/2024	CAR WASH 09/01-09/30/24		135.00
Check	11/07/2024	12590 Accounts Payable	PETTY CASH CUSTODIAN - JOHNA COULTHARD		278.21
	Invoice	Date	Description	Check Sort Code	Amount
	070424-080824	09/17/2024	PETTY CASH REPLENISHMENT 07/04-08/08/24		278.21
Check	11/07/2024	12591 Accounts Payable	ALAMEDA COUNTY INFORMATION TECHNOLOGY DEPARTMENT		3,693.50
	Invoice	Date	Description	Check Sort Code	Amount
	112-2409036	10/10/2024	AWS ACCESS FEE SEPTEMBER 2024		3,693.50
Check	11/07/2024	12592 Accounts Payable	CROSSROADS SOFTWARE INC		79,800.00
	Invoice	Date	Description	Check Sort Code	Amount
	7804	09/25/2024	E-CITATION SYSTEM, REPORT WRITING & CHP UPLOAD SYSTEM FY25		79,800.00
Check	11/07/2024	12593 Accounts Payable	EQUIFAX INFORMATION SVCS LLC		52.64
	Invoice	Date	Description	Check Sort Code	Amount
	2061646026	08/07/2024	CREDIT BUREAU REPORT FEES - 8/7/24		52.64
Check	11/07/2024	12594 Accounts Payable	FRANK BONETTI PLUMBING INC		940.00
	Invoice	Date	Description	Check Sort Code	Amount
	49919	10/15/2024	SVC REMOVAL/CAPPING THE CNG STATIONS 9/26/24		940.00
Check	11/07/2024	12595 Accounts Payable	KARL FREDSTROM		119.11
	Invoice	Date	Description	Check Sort Code	Amount
	102624EXP	10/28/2024	EXPENSE REIMBURSEMENT DIA DE LOS MUERTOS EVENT 10/26/24		119.11
Check	11/07/2024	12596 Accounts Payable	FRONTIER BUILDING PRODUCTS PACIFIC, INC		404.00
	Invoice	Date	Description	Check Sort Code	Amount
	10-14-1057513	10/14/2024	FIRE STATION 29 SPRING BLOCK REPAIR 10/14/24		404.00
Check	11/07/2024	12597 Accounts Payable	GACHINA LANDSCAPE MANAGEMENT, INC.		1,342.72
	Invoice	Date	Description	Check Sort Code	Amount
	E 223355	10/30/2024	PARKS IRRIGATION MAINLINE REPAIR-THORNTON 10/30/24		1,342.72
Check	11/07/2024	12598 Accounts Payable	GIGANTIC IDEA STUDIO, INC.		2,801.25
	Invoice	Date	Description	Check Sort Code	Amount
	INV-4319	10/17/2024	RECYCLING & WASTE REDUCTION OUTREACH - 08/24 - 09/24		2,801.25
Check	11/07/2024	12599 Accounts Payable	GRACIE GLOBAL LLC		3,000.00
	Invoice	Date	Description	Check Sort Code	Amount
	1216-122024JH	10/31/2024	GRACIE SURVIVAL TACTICS COURSE - HUNTER 12/16-12/20/24		1,500.00
	1216-122024JQ	10/31/2024	GRACIE SURVIVAL TACTICS COURSE - QUINONEZ 12/16-12/20/24		1,500.00
Check	11/07/2024	12600 Accounts Payable	MICHELLE GRIESE		440.79

	Invoice	Date	Description	Check Sort Code	Amount
	1006-1011EXP	10/31/2024	COMMAND COLLEGE, SESSION 6		440.79
Check	11/07/2024	12601 Accounts Payable	GYM DOCTORS		325.23
	Invoice	Date	Description	Check Sort Code	Amount
	00160204	10/17/2024	FITNESS CENTER MAINTENANCE 10/16/24		225.00
	00160212	10/17/2024	FITNESS GYM EQUIPMENT REPAIR PARTS		100.23
Check	11/07/2024	12602 Accounts Payable	HDL SOFTWARE, LLC		3,400.80
	Invoice	Date	Description	Check Sort Code	Amount
	SIN043748	10/17/2024	UUT SUPPORT & INDUSTRY MONITORING - OCT 2024		2,080.00
	SIN043900	09/30/2024	UUT RETURNS PROCESSED - SEPT 2024		1,320.80
Check	11/07/2024	12603 Accounts Payable	HIROSHI ICHIMURA		4,468.80
	Invoice	Date	Description	Check Sort Code	Amount
	0907-102624	10/28/2024	KENDO CLASSES 09/07-10/26/24		4,468.80
Check	11/07/2024	12604 Accounts Payable	I PIZZA		2,070.00
	Invoice	Date	Description	Check Sort Code	Amount
	0907-092924	10/11/2024	PIZZA FOR BIRTHDAY PARTIES 09/07 - 09/29/24		2,070.00
Check	11/07/2024	12605 Accounts Payable	ICMA MEMBERSHIP RENEWALS		2,400.00
	Invoice	Date	Description	Check Sort Code	Amount
	RENEWAL25A	10/28/2024	MEMBERSHIP DUES FOR DAVID BENOUN 1/1-12/31/25		1,200.00
	RENEWAL25B	10/28/2024	MEMBERSHIP DUES FOR LENKA HOVORKA 1/1-12/31/25		1,200.00
Check	11/07/2024	12606 Accounts Payable	JOCELYN E. ROLAND		150.00
	Invoice	Date	Description	Check Sort Code	Amount
	23295	09/27/2024	PRE-EMPLOYMENT PSYCHOLOGICAL SCREENING -09/27/24		150.00
Check	11/07/2024	12607 Accounts Payable	J4 SYSTEMS		190.00
	Invoice	Date	Description	Check Sort Code	Amount
	20276	10/17/2024	INTUNE SETUP - JESSE DAVILA 10/15/24		190.00
Check	11/07/2024	12608 Accounts Payable	L.N. CURTIS & SONS		293.99
	Invoice	Date	Description	Check Sort Code	Amount
	INV874972	10/10/2024	BLACK PATROL READY BAG		165.38
	INV872871	10/04/2024	MAFF GEAR-CERVANTES		128.61
Check	11/07/2024	12609 Accounts Payable	LOOMIS		321.66
	Invoice	Date	Description	Check Sort Code	Amount
	13606318	10/31/2024	ARMORED CAR SERVICE - 10/24		321.66
Check	11/07/2024	12610 Accounts Payable	MIKE YORKS INVESTIGATIONS		1,575.00
	Invoice	Date	Description	Check Sort Code	Amount
	2024-22	10/10/2024	BACKGROUND INVESTIGATIONS 08/02-08/21/24		450.00
	2024-36	10/29/2024	BACKGROUND INVESTIGATIONS 10/21-10/29/24		1,125.00
Check	11/07/2024	12611 Accounts Payable	EDWIN MIRANDA		364.22
	Invoice	Date	Description	Check Sort Code	Amount
	081224EXP	08/12/2024	GASBOY REPLACEMENT TERMINAL REIMBURSEMENT 08/12/24		364.22

Check	11/07/2024	12612	Accounts Payable	MISTERSOFTEENORCAL		506.85
	Invoice		Date	Description	Check Sort Code	Amount
	4492		07/18/2024	SOFT SERVE ICE CREAM TRUCK FOR CAMP NEWARK 7/24/24		506.85
Check	11/07/2024	12613	Accounts Payable	PACIFIC GAS & ELECTRIC		82.42
	Invoice		Date	Description	Check Sort Code	Amount
	7460-101424		10/14/2024	ANNUAL ELECTRICITY FOR STREET/TRAFFIC LIGHTS 08/24-09/24/24		82.42
Check	11/07/2024	12614	Accounts Payable	PROFORCE LAW ENFORCEMENT		802.11
	Invoice		Date	Description	Check Sort Code	Amount
	558859		10/07/2024	TASER SUPPLIES		802.11
Check	11/07/2024	12615	Accounts Payable	MICHAEL H ROUSH, ATTORNEY AT LAW		4,200.00
	Invoice		Date	Description	Check Sort Code	Amount
	110424		11/04/2024	HEARING OFFICER SERVICES - 10/02-10/30/24		4,200.00
Check	11/07/2024	12616	Accounts Payable	LINCOLN AQUATICS		842.47
	Invoice		Date	Description	Check Sort Code	Amount
	SL049824		09/28/2024	POOL CHEMICALS		842.47
Check	11/07/2024	12617	Accounts Payable	SITEONE LANDSCAPE SUPPLY, LLC		1,098.45
	Invoice		Date	Description	Check Sort Code	Amount
	146891409-001		10/08/2024	PARKS TOP SOIL		366.15
	147203139-001		10/16/2024	PARKS TOP SOIL		732.30
Check	11/07/2024	12618	Accounts Payable	ST. FRANCIS ELECTRIC, LLC.		23,875.00
	Invoice		Date	Description	Check Sort Code	Amount
	24054501		08/09/2024	TRAFFIC SIGNAL & STREET LIGHT MAINTENANCE - 07/31/24		9,000.00
	24054502		08/30/2024	TRAFFIC SIGNAL & STREET LIGHT MAINTENANCE - 08/30/24		8,500.00
	24054503		09/30/2024	TRAFFIC SIGNAL & STREET LIGHT MAINTENANCE - 09/30/24		6,375.00
Check	11/07/2024	12619	Accounts Payable	STAPLES		1,770.91
	Invoice		Date	Description	Check Sort Code	Amount
	7002594058		10/15/2024	OFFICE SUPPLIES 10/02-10/10/24 (APS #25-24)		1,770.91
Check	11/07/2024	12620	Accounts Payable	THE LEW EDWARDS GROUP		13,000.00
	Invoice		Date	Description	Check Sort Code	Amount
	24-08.09		10/31/2024	PROFESSIONAL SERVICES RENDERED SEPTEMBER AND OCTOBER 2024		13,000.00
Check	11/07/2024	12621	Accounts Payable	THE TACTICAL ADVANTAGE POLICE SUPPLY		10,007.07
	Invoice		Date	Description	Check Sort Code	Amount
	7932		05/31/2024	BULLETPROOF VESTS-STEVENSON, LARA,MUSANTRY,MAPES,OROZCO		6,354.80
	7847		03/15/2024	BULLETPROOF VESTS-FRENTESCU		1,110.35
	7999		06/29/2024	BULLETPROOF VESTS-KIM & DALE		2,541.92
Check	11/07/2024	12622	Accounts Payable	TURBO DATA SYSTEMS, INC		700.00
	Invoice		Date	Description	Check Sort Code	Amount
	43985		09/30/2024	E-CITATION SEPTEMBER 2024		700.00
Check	11/07/2024	12623	Accounts Payable	WASHINGTON HOSPITAL		75.00

	Invoice		Date	Description		Check Sort Code	Amount
	0924-NPD-LB		10/01/2024	LAB TESTS SEPTEMBER 2024			75.00
Check	11/07/2024	12624	Accounts Payable	WEST COAST ARBORISTS INC			8,799.00
	Invoice		Date	Description		Check Sort Code	Amount
	218009		07/31/2024	PARK TREE MAINTENANCE 07/16/24-07/31/24			1,560.00
	218561		08/15/2024	PARK TREE MAINTENANCE 08/01/24-08/15/24			189.00
	219200		08/31/2024	PARK TREE MAINTENANCE 08/16/24-08/31/24			6,555.00
	219859		09/15/2024	PARK TREE MAINTENANCE 09/01/24-09/15/24			495.00
Check	11/07/2024	12625	Accounts Payable	ORION SECURITY			3,745.38
	Invoice		Date	Description		Check Sort Code	Amount
	128141		08/31/2024	UNARMED, UNIFORMED SECURITY GUARD 8/26/24-8/29/24			1,155.20
	128770		10/19/2024	UNARMED, UNIFORMED SECURITY GUARD 10/14/24-10/18/24			1,444.00
	128825		10/26/2024	UNARMED, UNIFORMED SECURITY GUARD 10/21/24-10/24/24			1,146.18
Check	11/07/2024	12626	Accounts Payable	ZI-TECH PROFESSIONAL SERVICES			1,375.00
	Invoice		Date	Description		Check Sort Code	Amount
	202510		10/01/2024	INDIVIDUAL COACHING - MATTHEW FARRELL 09/24			937.50
	202514		11/01/2024	INDIVIDUAL COACHING - MATTHEW FARRELL 10/24			437.50
Check	11/07/2024	12627	Accounts Payable	DOG WASTE DEPOT			280.86
	Invoice		Date	Description		Check Sort Code	Amount
	733923		10/18/2024	DOG COMPOSTABLE PICK UP ROLL			280.86
EFT	11/07/2024	1278	Accounts Payable	SPECTRUM SMALL BUSINESS SERVICES, LLC	325084426 / 5348560846		1,210.00
	Invoice		Date	Description		Check Sort Code	Amount
	10312024-GENERAL		11/02/2024	SM BUS SUPPORT - EMERG PREP PLANN - SVCS THRU 10/24			1,210.00
EFT	11/07/2024	1279	Accounts Payable	METROPOLITAN PLANNING GROUP	121042882 / 2016189470		2,972.50
	Invoice		Date	Description		Check Sort Code	Amount
	2004724		10/11/2024	TASK ORD#5 - ON CALL SVCS - SVCS THRU 9/30/24			2,972.50
EFT	11/07/2024	1280	Accounts Payable	REDWOOD PUBLIC LAW, LLP	121000358 / 325192270245		13,445.00
	Invoice		Date	Description		Check Sort Code	Amount
	11639		08/05/2024	LEGAL SERVICES - LEPAKSHI PROJECT - SVCS THRU 7/31/24			787.10
	11902		09/03/2024	LEGAL SERVICES - LEPAKSHI PROJECT - SVCS THRU 8/31/24			2,722.90
	12111		10/03/2024	LEGAL SVCS/SANCTUARY WEST/ACQ. OF PROPERTY - SVCS THRU 9/30/24			9,935.00
EFT	11/07/2024	1281	Accounts Payable	SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.	121000248 / 4942808510		5,918.96
	Invoice		Date	Description		Check Sort Code	Amount
	SF-8510-01582891		11/01/2024	WORKERS COMPENSATION CLAIMS -10/03/24-10/31/24			5,918.96

AP ZBA ACCOUNTS PAYABLE Totals:		Transactions: 52	$391,366.44
Checks:	48	$367,819.98	
EFTs:	4	$23,546.46	

LIVE Newark CA LIVE

Payment Batch Register

Bank Account: AP - ZBA ACCOUNTS PAYABLE

Batch Date: 11/14/2024

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: AP - ZBA ACCOUNTS PAYABLE						
Check	11/14/2024	12628	Accounts Payable	ABBE & ASSOCIATES LLC		13,795.33
	Invoice		Date	Description	Check Sort Code	Amount
	N-26		10/07/2024	RECYCLING/ORGANICS CONSULTANT (THROUGH 09/30/24)		13,795.33
Check	11/14/2024	12629	Accounts Payable	ALAMEDA COUNTY FIRE DEPARTMENT		38,538.27
	Invoice		Date	Description	Check Sort Code	Amount
	2024-25-147		10/31/2024	FIRE TRUCK REPAIR 252 AND 242N - 10/31/24		38,538.27
Check	11/14/2024	12630	Accounts Payable	ALLIED AUTO STORES INC		1,444.37
	Invoice		Date	Description	Check Sort Code	Amount
	OCT' 24		10/31/2024	ALLIED-FLEET SUPPLIES 10/03-10/28/24		1,444.37
Check	11/14/2024	12631	Accounts Payable	AMERICAN NATIONAL RED CROSS		218.40
	Invoice		Date	Description	Check Sort Code	Amount
	22733310		10/23/2024	SHALLOW WATER LIFEGUARDING CERTIFICATION 10/12/24		218.40
Check	11/14/2024	12632	Accounts Payable	ASCENT ENVIRONMENTAL, INC.		10,800.00
	Invoice		Date	Description	Check Sort Code	Amount
	20230149.01-4		07/11/2024	CLIMATE ACTION PLAN DEVELOPMENT 06/24		10,800.00
Check	11/14/2024	12633	Accounts Payable	AT&T		305.67
	Invoice		Date	Description	Check Sort Code	Amount
	2300-11012024		11/01/2024	CAPTION LISTING - 11/01-11/30/2024		101.89
	2300-10012024		10/01/2024	CAPTION LISTING - 10/01-10/31/2024		101.89
	2300-09012024		09/01/2024	CAPTION LISTING - 09/01-09/30/2024		101.89
Check	11/14/2024	12634	Accounts Payable	BATTERY SYSTEMS INC		1,244.86
	Invoice		Date	Description	Check Sort Code	Amount
	5084597		10/23/2024	BATTERIES		604.40
	5079627		10/23/2024	BATTERIES		640.46
Check	11/14/2024	12635	Accounts Payable	BAY CENTRAL PRINTING		3,482.37
	Invoice		Date	Description	Check Sort Code	Amount
	200417		10/17/2024	9 X 12 MEASURE LL MAILER RESIDENTIAL ONLY		3,396.49
	198907		08/05/2024	GENERIC CITY OF NEWARK PD BLANKS		85.88
Check	11/14/2024	12636	Accounts Payable	BAY ISLAND OFFICIALS ASSOCIATION		1,800.00
	Invoice		Date	Description	Check Sort Code	Amount

	OCTOBER312024	10/31/2024	OFFICIATING FOR BASKETBALL GAMES FOR OCTOBER '24		1,800.00
Check	11/14/2024	12637 Accounts Payable	BOUND TREE MEDICAL, LLC		119.61
	Invoice	Date	Description	Check Sort Code	Amount
	85543906	10/31/2024	CURAPLEX BLANKET		119.61
Check	11/14/2024	12638 Accounts Payable	BURTON'S FIRE INC		1,189.43
	Invoice	Date	Description	Check Sort Code	Amount
	W 82262	10/23/2024	RADIO REPAIR		1,189.43
Check	11/14/2024	12639 Accounts Payable	CALIFORNIA DIESEL & POWER		3,257.61
	Invoice	Date	Description	Check Sort Code	Amount
	01-105973	10/31/2024	FS 28 GENERATOR SERVICE 10/23/24		3,257.61
Check	11/14/2024	12640 Accounts Payable	CHINESE JOURNAL LLC		2,210.00
	Invoice	Date	Description	Check Sort Code	Amount
	1913	10/22/2024	SERVICES RENDERED FOR 11/05/24 PRESIDENTIAL GENERAL ELECTION		2,210.00
Check	11/14/2024	12641 Accounts Payable	COMCAST		788.21
	Invoice	Date	Description	Check Sort Code	Amount
	8821-112824	10/24/2024	TELEVISION & PUBLIC WIFI ACCESS 10/29-11/28/24		788.21
Check	11/14/2024	12642 Accounts Payable	CSMFO		150.00
	Invoice	Date	Description	Check Sort Code	Amount
	300016144	11/12/2024	FY25 MEMBERSHIP DUES MANAGEMENT - M. VILLANUEVA		150.00
Check	11/14/2024	12643 Accounts Payable	ERIKA DEGUZMAN-QUINTERO		454.93
	Invoice	Date	Description	Check Sort Code	Amount
	1007-101824EXP	11/06/2024	MILEAGE REIMBURSEMENT 10/07-10/18/24		454.93
Check	11/14/2024	12644 Accounts Payable	DUKE DE LEON		1,365.00
	Invoice	Date	Description	Check Sort Code	Amount
	4188	09/30/2024	BROADCAST AND STREAM CC MTGS SEPTEMBER 2024		560.00
	4189	11/04/2024	BROADCAST AND STREAM CC AND LOWV MTGS OCTOBER 2024		805.00
Check	11/14/2024	12645 Accounts Payable	EWING IRRIGATION PRODUCTS INC.		121.16
	Invoice	Date	Description	Check Sort Code	Amount
	23917059	10/26/2024	TREE STRAPS - POS		121.16
Check	11/14/2024	12646 Accounts Payable	FEDEX		19.00
	Invoice	Date	Description	Check Sort Code	Amount
	8-669-41784	11/06/2024	PACKAGE DELIVERY 10/24/24		19.00
Check	11/14/2024	12647 Accounts Payable	FRONTIER BUILDING PRODUCTS PACIFIC, INC		1,229.00
	Invoice	Date	Description	Check Sort Code	Amount
	10-21-1057355	10/21/2024	FS 29 SPRING REPLACEMENT 10/21/24		1,229.00
Check	11/14/2024	12648 Accounts Payable	GRAINGER		21.61
	Invoice	Date	Description	Check Sort Code	Amount
	9291824127	10/23/2024	SPORTSFIELD SCKTFLTHDSCRW		21.61
Check	11/14/2024	12649 Accounts Payable	GYM DOCTORS		1,053.27

	Invoice	Date	Description	Check Sort Code	Amount
	00160381	10/22/2024	NEW PARTS FOR GYM EQUIPMENT		1,053.27
Check	11/14/2024	12650 Accounts Payable	CATHREENE INGHAM-WATTERS		522.17
	Invoice	Date	Description	Check Sort Code	Amount
	EXPREIMB-10/24	11/12/2024	TOWN & COUNTRY RESORT- CALPERS EDUCATIONAL FORUM 10/27-10/30/24		522.17
Check	11/14/2024	12651 Accounts Payable	SPECTRUM CANINE		900.00
	Invoice	Date	Description	Check Sort Code	Amount
	0006231	11/06/2024	K9 TRAINING OCTOBER 2024		900.00
Check	11/14/2024	12652 Accounts Payable	NAPA AUTO PARTS		1,720.80
	Invoice	Date	Description	Check Sort Code	Amount
	OCT' 24	10/31/2024	NAPA-FLEET SUPPLIES OCTOBER 2024		1,720.80
Check	11/14/2024	12653 Accounts Payable	FIDES LOZANO		230.14
	Invoice	Date	Description	Check Sort Code	Amount
	041924-042124EXP	11/13/2024	HOTEL AND UBER REIMBURSEMENT FOR CONFERENCE 04/19-04/21/24		230.14
Check	11/14/2024	12654 Accounts Payable	MADONNA LUISTRO		183.60
	Invoice	Date	Description	Check Sort Code	Amount
	042124EXP	11/13/2024	HOTEL REIMBURSEMENT FOR CONFERENCE 04/21/24		183.60
Check	11/14/2024	12655 Accounts Payable	AT&T		3,904.78
	Invoice	Date	Description	Check Sort Code	Amount
	000022392486	10/01/2024	BAN 9391083983 - 09/01-09/30/24		1,605.22
	000022386680	10/01/2024	BAN 9391056598 - 09/01-09/30/24		2,299.56
Check	11/14/2024	12656 Accounts Payable	PHILIPPINE NEWS		275.00
	Invoice	Date	Description	Check Sort Code	Amount
	0000016170	10/31/2024	NOTICE OF CANDIDATES PUBLISHED 09/26/24		275.00
Check	11/14/2024	12657 Accounts Payable	PHOENIX GROUP INFORMATION SYSTEMS		381.05
	Invoice	Date	Description	Check Sort Code	Amount
	092024101	10/23/2024	PARKING CITATION PROGRAM SEPTEMBER 2024		381.05
Check	11/14/2024	12658 Accounts Payable	ZACHARY RADCLIFFE		70.00
	Invoice	Date	Description	Check Sort Code	Amount
	EXPREIMB-10/24	11/12/2024	LIVE SCAN-FINGERPRINTING 10/07/24		70.00
Check	11/14/2024	12659 Accounts Payable	RINGCENTRAL INC.		967.55
	Invoice	Date	Description	Check Sort Code	Amount
	CD_000914548	09/19/2024	UNIFIED TELEPHONE SYSTEM - 06/28-08/19/24		967.55
Check	11/14/2024	12660 Accounts Payable	TMT ENTERPRISES INC		3,679.68
	Invoice	Date	Description	Check Sort Code	Amount
	21621	10/14/2024	MCGREGOR COMPOST		3,679.68
Check	11/14/2024	12661 Accounts Payable	VERDE DESIGN INC		3,040.00
	Invoice	Date	Description	Check Sort Code	Amount

	2-2313700	10/04/2023	CRICKET FIELD FEASIBILITY STUDY 08/26-09/25/23			3,040.00
Check	11/14/2024	12662 Accounts Payable	VERIZON WIRELESS			28,577.24
	Invoice	Date	Description		Check Sort Code	Amount
	9974147823	09/18/2024	WIRELESS SERVICE 08/19-09/18/24			15,756.57
	9976580826	10/18/2024	WIRELESS SERVICE 09/19-10/18/24			12,820.67
Check	11/14/2024	12663 Accounts Payable	ORION SECURITY			2,599.20
	Invoice	Date	Description		Check Sort Code	Amount
	129061	11/02/2024	UNARMED, UNIFORMED SECURITY GUARD 10/28/24-11/01/24			1,444.00
	129137	11/09/2024	UNARMED, UNIFORMED SECURITY GUARD 11/04/24-11/07/24			1,155.20
EFT	11/14/2024	1282 Accounts Payable	GOV CONNECTION (ACH)	211070175 / 1310873272		8,832.18
	Invoice	Date	Description		Check Sort Code	Amount
	75764565	10/04/2024	UPS REPLACEMENTS			8,322.73
	75758017	10/03/2024	UPS REPLACEMENTS			509.45
EFT	11/14/2024	1283 Accounts Payable	KBA DOCUMENT SOLUTIONS, LLC. (ACH)	026009674 / 351510		2,642.87
	Invoice	Date	Description		Check Sort Code	Amount
	55Y1490522	10/23/2024	COPIER LEASE YEAR 3 OF 5 - OVERAGES 09/21-10/20/24			2,642.87
EFT	11/14/2024	1284 Accounts Payable	QUADIENT FINANCE USA, INC.	011900254 / 385015844484		1,067.58
	Invoice	Date	Description		Check Sort Code	Amount
	4857 - OCT '24	10/16/2024	POSTAGE - OCT '24			1,067.58
EFT	11/14/2024	1285 Accounts Payable	STANTEC CONSULTING SERVICES INC (ACH)	111000012 / 3752096026		1,464.00
	Invoice	Date	Description		Check Sort Code	Amount
	2300640	10/24/2024	EIR CONSULTING FOR MOWRY VILLAGE PRJCT - PER. ENDING 9/20/24			1,464.00
EFT	11/14/2024	1286 Accounts Payable	SUMMIT UNIFORMS, LLC	121000358 / 325183513607		416.72
	Invoice	Date	Description		Check Sort Code	Amount
	16156	10/24/2024	UNIFORM-E.QUINTERO			416.72

AP ZBA ACCOUNTS PAYABLE Totals:	Transactions: 41	$145,082.66

Checks:	36	$130,659.31
EFTs:	5	$14,423.35

STAFF REPORT

Item D. 2.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Sheila Harrington, City Clerk
SUBJECT	Approval of November 14, 2024, minutes

Attachments

MInutes

CITY OF NEWARK
CITY COUNCIL
City Administration Building, City Council Chambers

37101 Newark Boulevard, Newark, CA 94560 | (510) 578-4266 | E-mail: city.clerk@newark.org

Minutes

Thursday, November 14, 2024
7:00 P.M.

A. ROLL CALL

Mayor Hannon called the meeting to order at 7:00 p.m. Vice Mayor Freitas, Council Members Collazo, Jorgens, and Apodaca were present.

B. PRESENTATIONS

1. Introduction of employee(s)

Mayor Hannon introduced: Police Officers: Cydney Leath, Rodrigo Diaz-Perez, Evrett Shaffer, Recreation Coordinators: Danielle Cranon-Jones, Zachary Radcliffe, Landscape and Parks I Juan Ayala, and General Laborers: Adrian Leon, Jose Alvarez.

C. PUBLIC COMMENT

No one requested to speak.

D. CONSENT CALENDAR

Council Member Apodaca moved, Council Member Collazo seconded, to approve Consent Calendar items D.1 to D.12, that the resolutions be numbered consecutively, and that reading of the titles suffice for adoption. The motion passed, 5 AYES.

1. Approval of Audited Demands

2. Approval of October 24, 2024, minutes

3. Adopt a resolution approving and authorizing the City Manager to execute the purchase order with LC Action Police Supply for the purchase of patrol rifles and accessories in the amount not to exceed $73,000.00 and approving a budget amendment
Resolution No. 11699

4. Adopt a resolution approving and authorizing the acceptance of the 2024-2025 Selective Traffic Enforcement Program (STEP) federal grant through the State of California Office of Traffic Safety (OTS) and to amend the 2024-2026 Biennial Budget
Resolution No. 11700

5. Adopt a resolution authorizing the City Manager to execute a Purchase Order with GovConnection, Inc. for replacement computers in an amount not-to exceed $200,000 and amend the 2024-2026 Biennial Budget and Capital Improvement Plan for Fiscal Year 2025
Resolution No. 11701

6. Adopt a resolution approving the First Amendment to the Contractual Services Agreement (CSA) with Government Technology Group, LLC (GTG) to continue assistance with broadband initiatives
Resolution No. 11702

7. Adopt a resolution to approve the Third Amendment to the Contractual Services Agreement with ClientFirst Technology Consulting Group, LLC for technology consulting services and authorize a budget amendment to the 2024-2026 Biennial Budget and Capital Improvement Plan
Resolution No. 11703

8. Adopt a resolution authorizing an increase to the solid waste collection, recycling, and organics services maximum rates for Calendar Year 2025
Resolution No. 11704

9. Adopt a resolution approving purchase of a replacement front line fire engine (pumper) from Golden State Fire Apparatus, Inc. and authorize the City

Manager to enter into a five-year Master Lease-Purchase Agreement with PNC Bank, National Association
Resolution No. 11705

10. Adopt a resolution approving an amendment to the Contractual Services Agreement with SNG & Associates, Inc. for Engineering Division Support Services
Resolution No. 11706

11. Adopt a resolution accepting work with G. Bortolotto & Company, Inc. for FY 2023 Asphalt Concrete Street Overlay Program, Project 1300
Resolution No. 11707

12. Adopt a resolution amending the compensation plan for certain positions in the exempt service employee group to amend the Temporary Classifications Schedule of Hourly Rate Ranges in conformance with California Code of Regulations, Title 2, Section 570.5
Resolution No. 11708

E. PUBLIC HEARINGS

1. Public Hearing and adopt a resolution amending the Master Fee Schedule (MFS) for Fiscal Year 2025 to reflect updated fees
Resolution No. 11709

Finance Director Lee gave the report recommending approval.

Mayor Hannon opened the public hearing at 7:28 p.m.

No one requested to speak.

Mayor Hannon closed the public hearing at 7:29 p.m.

Moved by Vice Mayor Freitas, seconded by Council Member Apodaca to adopt the resolution. The motion passed, 5 AYES.

F. OTHER BUSINESS

1. Adopt resolutions for: 1) adopting the conceptual plan and project priority listings for Lakeshore Park as part of the Citywide Parks Master Plan; 2) adopting the conceptual plan and project priority listings for Jerry Raber Ash Street Park as part of the Citywide Parks Master Plan; 3) adopting the conceptual plan and project priority listings for Cedar Linear Park as part of the Citywide Parks Master Plan; and 4) adopting the conceptual plan and project priority listings for remaining parks as part of the Citywide Parks Master Plan and approving the non-park specific updates to the Citywide Parks Master Plan
Resolution No.s 11710 -11713

Strategic Initiatives Manager Gonzalez provided a general overview of the Citywide Parks Master Plan. She stated Lakeshore Park (Apodaca), Jerry Raber Ash Street Park (Freitas), and Cedar Linear Park (Hannon) would be considered separately to allow for conflict of interest recusals. Before the meeting, staff used a random means of selection (coin flip) to determine the parks order on the agenda and to select a conflicted council member to participate in the Lakeshore Park item to ensure a minimum quorum as such participation was legally required for the item to proceed. Mayor Hannon was selected to participate. Presentation on file with City Clerk.

Adopting the conceptual plan and project priority listings for Lakeshore Park as part of the Citywide Parks Master Plan

Vice Mayor Freitas announced his recusal for Jerry Raber Ash Street Park due to leasehold real property and business interest.

Council Member Apodaca announced her recusal for Lakeshore Park due to real property residence interest within 500 feet of park.

City Manager Benoun announced his recusal for Lakeshore Park due to real property residence interest within 500 feet of park.

Council Member Apodaca, Vice Mayor Freitas, and City Manager Benoun exited the City Council Chambers.

Strategic Initiatives Manager Gonzalez gave the presentation. Presentation on file with City Clerk.

No one from the public requested to speak.

Moved by Council Member Jorgens, seconded by Mayor Hannon, to adopt Resolution No. 11710. The motion passed, 3 AYES, 2 RECUSED.

Council Member Apodaca and City Manager Benoun returned to the City Council Chambers.

Adopting the conceptual plan and project priority listings for Jerry Raber Ash Street Park as part of the Citywide Parks Master Plan

Mayor Hannon announced his recusal for Cedar Linear Park due to due to real property residence interest within 500 feet of park and exited the Council Chambers.

Vice Mayor Freitas remained recused due to leasehold conflict of interest.

Vice Mayor Collazo chaired this item.

Strategic Initiatives Manager Gonzalez gave the presentation. Presentation on file with City Clerk.

No one from the public requested to speak.

Moved by Council Member Jorgens, seconded by Council Member Apodaca, to adopt Resolution No. 11711. The motion passed, 3 AYES, 2 RECUSED.

Vice Mayor Freitas returned to the City Council Chambers.

Adopting the conceptual plan and project priority listings for Cedar Linear Park as part of the Citywide Parks Master Plan

Mayor Hannon remained recused due to a real property conflict of interest.

Vice Mayor Freitas chaired the meeting.

Strategic Initiatives Manager Gonzalez gave the presentation. Presentation on file with City Clerk.

No one requested to speak.

Moved by Council Member Jorgens, seconded by Council Member Collazo, to adopt Resolution No. 11712. The motion passed, 4 AYES, 1 RECUSED.

Mayor Hannon returned to the City Council Chambers.

Adopting the conceptual plan and project priority listings for remaining parks as part of the Citywide Parks Master Plan and approving the non-park specific updates to the Citywide Parks Master Plan

Strategic Initiatives Manager Gonzalez gave the presentation. Presentation on file with City Clerk.

No one requested to speak.

Council Member Apodaca stated that Mirabeau Park path has an incline towards the street. She stated that the path may need to be modified.

Mayor Hannon requested that staff research naming rights for parks to generate funding for park improvements.

Moved by Vice Mayor Freitas, seconded by Council Member Collazo, to adopt Resolution No. 11713. The motion passed, 5 AYES.

2. Resolution approving an amendment to the Employment Agreement with City Manager David J. Benoun to serve as City Manager, approving an amendment to the Compensation and Benefit Plan for the Management, Supervisory and Professional Employee Group, approving an amendment to the City's salary schedule in conformance with California Code of Regulations, Title 2, Section 570.5, and approving an amendment to the 2024 -2026 Biennial Budget and Capital Improvement Plan
Resolution No. 11714

City Attorney Kokotaylo gave the staff report stating that the proposed action would result in a 5% salary increase retroactive to October 1, 2024 for the City Manager.

No one requested to speak.

Moved by Mayor Hannon, seconded by Council Member Collazo, to adopt the resolution. The motion passed, 5 AYES.

G. CITY MANAGER UPDATES

City Manager Benoun announced: December 6, 2024, Annual Tree Lighting Event at the Civic Center and December 13, 2024, Ugly Holiday Sweater Family Fun Run at Lakeshore Park.

H. CITY COUNCIL MATTERS

Council Member Apodaca noted that this was her first meeting without a closed session.

Council Member Collazo stated that she was leaving her space heater in the Council Chambers to Council Member Jorgens. Shop Newark.

Council Member Jorgens thanked the residents who voted in the recent election.

Vice Mayor Freitas thanked City Clerk Harrington and Audio-Visual Consultant Duke DeLeon for their service. Vice Mayor Freitas congratulated the local candidates who were elected and the local ballot measures that passed.

Council Member Collazo wished Information Technology Technician II Montez a happy birthday.

Mayor Hannon also congratulated all the candidates and the successful ballot measures. He stated that the City Council will reorganize at the December 12, 2024, meeting and invited everyone to attend.

I. CLOSED SESSION

J. ADJOURNMENT

Mayor Hannon adjourned the meeting at 8:17 p.m.

STAFF REPORT

Item D. 3.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Sheila Harrington, City Clerk
SUBJECT	Motion approving the 2025 Local Appointments List and distribution

Section 54970 et. seq. of the Government Code is commonly known as the Maddy Act or Local Appointments List. Section 54972 requires that on or before December 31 of each year, each legislative body in the state shall cause to be prepared and posted a Local Appointments List of all regular and ongoing boards, commissions, and committees, which are appointed by the legislative body of the local agency. The Local Appointments List is to be made available to the public and must contain the following information:

- A list of all appointive terms, which will expire during the calendar year, with the names of the incumbent appointee, the date of the appointment, and the date the term expires.
- A list of all boards, commissions, and committees whose members serve at the pleasure of the legislative body and the necessary qualifications for each position.

Legislation also requires the City to post a copy of the list on its website or designate the public library within its jurisdiction to receive a copy of the list.

The Community Development Advisory Committee is not on 2025 Local Appointments List because they do not have a term expiring. Members of the Measure GG Tax Oversight Committee, Planning Commission, and Senior Advisory Committee are appointed by the City Council and are on the Local Appointments List. Those terms that expire in 2025 are:

Measure GG Tax Oversight Committee
Jim Lola, term expires April 2025, appointed April 2018
Roy Patrick Pereira, term expires April 2025, appointed April 2018

Planning Commission
John Becker, term expires December 2025, appointed July 2019

Senior Advisory Committee
Kathleen Lemos, term expires April 2025, appointed May 2015
Glen Wickizer, term expires April 2025, appointed May 2015

Eileen McDonald, term expires April 2025, appointed April 2017
Linda Mapes, term expires April 2025, appointed September 2023
Shirley R. Ferrante, term expires April 2025, appointed September 2023

Staff recommends that the City Council, by motion: (1) approve the 2025 Local Appointments List, (2) designate the Alan L. Nagy Public Library as the library to receive a copy of the list, and (3) direct staff to post the Local Appointments List to the City website.

Attachments

Local Appointment List 2025

of Newark

City Clerk's Office
37101 Newark Boulevard
Newark, CA 94560

CITY OF NEWARK 2025 LOCAL APPOINTMENT LIST*

Appointive Terms Expiring in 2025

Measure GG Tax Oversight Committee
Jim Lola, term expires April 2025, appointed April 2018
Roy Patrick Pereira, term expires April 2025, appointed April 2018

Planning Commission
John Becker, term expires December 2025, appointed July 2019

Senior Advisory Committee
Kathleen Lemos, term expires April 2025, appointed May 2015
Glen Wickizer, term expires April 2025, appointed May 2015
Eileen McDonald, term expires April 2025, appointed April 2017
Linda Mapes, term expires April 2025, appointed September 2023
Shirley R. Ferrante, term expires April 2025, appointed September 2023

Qualifications for appointment to City commissions, committees, and boards: Appointees to the Planning Commission, Senior Citizen Standing Advisory Committee, Community Development Advisory Committee, and the Measure GG Tax Oversight Committee must be at least 18 years old and reside in the City of Newark. Appointees to the Senior Citizen Standing Advisory Committee must be at least 55 years of age at the time of appointment.

**Approved by the Newark City Council 12/12/2024 pursuant to Section 54972 of the California Government Code, the Maddy Act.*

STAFF REPORT
Item D. 4.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Oscar Carrillo, Community Preservation Manager
SUBJECT	Adopt a Resolution authorizing the City to accept and the City Manager to enter the Memorandum of Understanding with the California Department of Justice for the Tobacco Fund Grant and apprvoing a budget adjustment

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing the City to accept and the City Manager to enter the Memorandum of Understanding with the California Department of Justice (DOJ) for the Tobacco Fund Grant. The City was awarded grant funds up to $176,802 through fiscal year 2027. The City will use the DOJ grant to implement and enforce the Tobacco Retail License program, including enforcement of sales of illegal tobacco products, including flavored products, and provide outreach and education to tobacco retailers on tobacco laws and ordinances.

BACKGROUND

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) funding helps promote a healthier California by reducing illegal retail sales and marketing of cigarettes and tobacco products to minors. The Tobacco Grant Program, administered by the Office of the Attorney General, makes these annual funds available to local law enforcement agencies throughout California. Any local public agency within the State of California with the authority to enforce tobacco-related state laws or local ordinances related to retail tobacco sales and marketing is eligible to apply. An estimated $28.5 million in grant funding was available this year to support local enforcement efforts to reduce illegal retail sales and marketing of tobacco products to minors and youth. The Tobacco Grant Program is a reimbursement grant; the DOJ will reimburse the grant-awarded public agencies in arrears for approved expenditures upon receipt of invoices, quarterly progress reports, and other required enforcement data.

In 2024, the City of Newark applied for funding from the DOJ to help implement and enforce the Tobacco Retail License ordinance. In October 2024, the City Council approved amending the Newark Municipal Code (NMC) to add Section 5.42 to the NMC and implement a Tobacco Retail License program. In October 2024, the DOJ approved the City's application and awarded grant funds up to $176,802.00 through

fiscal year 2027.

DISCUSSION/ANALYSIS

The $176,802.00 grant funds award will reimburse the City for work to target retailers for illegal sales and marketing of tobacco products, as well as retailer and officer educational activities on tobacco laws and ordinances as described in the attached Summary of Award. The total grant amount provides annual funding over the next three fiscal years, ending with fiscal year 2027. Attached is the Tobacco Grant Budget Detail that describes the funds available in each budget category, which are described as follows:

- Personal Services include staff and benefits costs;
- Operating Expenses and Equipment include external costs, such as our contracted City Attorney services and
- Administrative Costs, which include invoices to tobacco retailers and mailing materials.

As part of the grant application, city staff estimated the annual costs associated with the budget categories over the next three fiscal years. The estimate is provided in the table below. The total requested grant amount was $176,802.00, representing the total grant award.

Budget Category	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**Total Request**
Personal Services	$43,294	$43,294	$43,294	$129,882
Operating Expenses and Equipment	$14,180	$13,880	$13,880	$41,940
Administrative Costs	$2,240	$1,370	$1,370	$4,980
TOTAL PROJECT COSTS	$59,714	$58,544	$58,544	$176,802

This is a reimbursement grant, meaning that the city will submit the required expense information on an annual basis to obtain the reimbursement. The DOJ provided the attached Memorandum of Understanding, which outlines the conditions for disbursing grant funds for reimbursement of approved expenditures. City staff reviewed the memorandum and, if approved by the City Council, is prepared to implement the Tobacco Retail License ordinance to ensure tobacco retailers comply with all applicable State and local tobacco regulations.

FISCAL IMPACT

If approved, the City will accept the reimbursement grant from the California Department of Justice through the Tobacco Grant Program, funded by Proposition 56. The grant will cover up to $176,802 in eligible reimbursable expenses over the next three fiscal years. The estimated annual cost of administering the Tobacco Retail License program is approximately $59,000, which is expected to be fully reimbursed by the grant.

To proceed, a budget adjustment is required to add the grant funds and appropriate related expenditures into the City's 2024-2026 Biennial Budget and Capital Improvement Plan.
The adjustment will include:

- An increase in grant revenue totaling $176,802 over three years.
- Corresponding increases in expenditure categories, including salaries, professional services, supplies, and administrative costs.
- Cost Reimbursement

This is a reimbursement-based grant, with the Department of Justice (DOJ) reimbursing the City in arrears for actual expenditures incurred during the project. Reimbursement is contingent upon submission of required documentation, such as invoices and quarterly progress reports, and approval by the DOJ. These processes are outlined in the Tobacco Grant Program Regulations and the Grantee Handbook.

Terms

- Grant Duration: November 1, 2024 – June 30, 2028.
- Reimbursement Deadline: Reimbursements must be requested by June 30, 2028. Any requests received after July 15, 2028, will not be considered by the DOJ.

This grant aligns with the City's goals by supporting compliance with tobacco laws, reducing illegal sales, and educating retailers. Approval of the grant and associated budget adjustments will enable the City to effectively implement this initiative.

ENVIRONMENTAL/PLANNING COMMISSION REVIEW

Adoption of a resolution accepting the DOJ Tobacco Grant is not considered to be a "Project" under the provisions of the California Environmental Quality Act.

REVIEW AND APPROVAL

Prepared by - Oscar Carrillo, Community Preservation Manager
Reviewed by - Steven Turner, Community Development Director
Reviewed by - Krysten Lee, Finance Director
Reviewed by - Kristopher J. Kokotaylo, City Attorney
Approved by - David J. Benoun, City Manager

Attachments

Resolution_1165_TRL_Grant

Summary of Award

Budget Detail

Memorandum of Understanding

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE ACCEPTANCE OF A GRANT FROM THE CALIFORNIA DEPARTMENT OF JUSTICE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING FOR THE TOBACCO FUND GRANT, AND APPROVING A BUDGET ADJUSTMENT

WHEREAS, the City applied for grant funding made available through the California Department of Justice (DOJ), funded by Proposition 56, to support local tobacco retailer enforcement and education, including enforcement of flavored tobacco bans; and

WHEREAS, in October 2024, the DOJ awarded the City of Newark a $176,802 reimbursement grant to cover eligible expenditures, including salaries, professional services, supplies, and administrative costs; and

WHEREAS, in October 2024, the Newark City Council approved amending the Newark Municipal Code to add Section 5.42 Tobacco Retailers, and implement a Tobacco Retail License program; and

WHEREAS, the City of Newark will use the DOJ grant to implement and enforce the Tobacco Retail License program, including enforcement of sales of illegal tobacco products, including flavored products, and provide outreach and education to tobacco retailers on tobacco laws and ordinances.

WHEREAS, the grant is reimbursement-based, requiring the City to incur eligible expenses and submit the necessary documentation, including invoices and quarterly reports, for approval and reimbursement by the DOJ; and

WHEREAS, the grant's terms specify a duration from November 1, 2024, through June 30, 2028, with a reimbursement deadline of July 15, 2028; and

WHEREAS, a budget adjustment is necessary to incorporate the grant funds and appropriate related expenditures into the City's 2024-2026 Biennial Budget and Capital Improvement Plan; and

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby approves and authorizes the City Manager to accept the Tobacco Grant Program award of $176,802 from the California Department of Justice and to execute the Memorandum of Understanding with the California Department of Justice for the Tobacco Grant Program, including any amendments necessary to carry out the purpose of the grant.

BE IT FURTHER RESOLVED that the City Council of the City of Newark approves an amendment to the 2024-2026 Biennial Budget and Capital Improvement Plan as follows:

492	50	53	530	4792	STATE GRANTS/REIMBURSEMENTS	59,800
492	50	53	530	9999	TRANSFER OUT	59,800
120	50	53	530	4999	TRANSFER IN	59,800
120	50	53	530	5110	SALARIES (FT/RPT)	45,600
120	50	53	530	6120	SPECIAL DEPARTMENT SUPPLIES	300
120	50	53	530	6220	CONSULTANT/PROFESSIONAL SERVICES	13,900

Tobacco Grant Program
GRANT SERVICES BRANCH – LOCAL ASSISTANCE
DIVISION OF OPERATIONS

TOBACCO GRANT SUMMARY OF AWARD

DOJ-PROP56-2024-25-1-047

NEWARK COMMUNITY PRESERVATION DEPARTMENT

This Summary of Award document will be used by the Tobacco Grant Program when determining whether an activity or expense claimed was approved for funding and is reimbursable. Activities other than those presented here may not be reimbursable. A Grant Modification may be necessary for material deviations. Please consult with your Grant Program Officer *before* engaging in any activity beyond this scope.

By signing the Memorandum of Understanding, your agency agrees to the commitments outlined below and this document becomes part of the Grant Agreement.

AWARD SUMMARY

Award Amount: $176,802

Requested Amount: $176,802

Removed from Award: N/A

Reduced Line Items: N/A

Other Changes or Stipulations: N/A

IMPORTANT PROVISIONS FOR ALL GRANTEES

I. Enforcement Activities

a. Authorized - If enforcement activities were proposed, **only** activities that target retailers for illegal sales/marketing of tobacco products were approved. It is expected that the flavor ban will be enforced within one or more enforcement activities.

b. Unauthorized - Community or school patrols, or other enforcement actions related to tobacco use and possession, are **not** permitted.

II. Educational Activities

a. Authorized – Retailer and/or officer educational activities on tobacco laws and ordinances, if included, are authorized as noted below.

b. Unauthorized – School or community education efforts, including media campaigns, are **not** permitted as part of this award. All educational efforts should be directed to retailers and/or officers.

III. Removed Personnel or Other Items

a. If specific personnel or other items were removed and not funded, they cannot be reinstated during the grant term.

IV. Reduced Line Items

a. If a specific line item was reduced, the intention was to not fully fund it or the activities it represents.

V. Mileage/Fuel

a. Budgets that include mileage or fuel were amended to include both together in one line item for flexibility and the type of backup documentation available. Mileage is limited to the state rate in effect at the time of travel.

VI. Equipment

a. All equipment items must be purchased during the first year of the grant as noted on the Budget Detail. Their awarding is intended to support project goals and be used to support grant activities throughout the grant term.

Please reference the Tobacco Grant Program Grantee Handbook for more information regarding allowable costs.

GOALS AND ACTIVITIES

Retail Inspections

- Per year, **38** retailers will be inspected.
- Additional details regarding these inspections:
    - Anticipate at least annual, possibly twice-a-year inspections.

Minor Decoy Operations

N/A

Shoulder Tap Operations

N/A

Undercover Buys

N/A

Retailer Education

- Per year, **38** retailers will receive educational materials.
- Per year, **38** retailers will receive on-site education.
- Additional details regarding these retailer education activities:
    - Provide brochures explaining all regulations during on-site outreach. Mailers will include relevant legislation overviews and a webinar to help answer any initial questions about licensing.

Enforcement Officer Education

- Per year, **3** enforcement officers will receive education about tobacco laws and ordinances.
- Additional details regarding these officer education activities:

- Any and all available and DOJ-approved tobacco education.

Prosecution

N/A

Task Force

Existing Task Force. Grantee will conduct the following activities related to this task force:

- Virtual quarterly meetings with county retail enforcement officials and partners to share best practices and collaboration opportunities for enforcing tobacco retail laws.

Other Activities

N/A

PARTNERING AGENCIES

Based upon the proposal submitted and any subsequent modifications approved by DOJ, the following agencies are expected to partner with and support the activities and fulfillment of goals referenced above:

N/A

Please notify your Grant Program Officer of any proposed changes to partnering agencies, particularly if they are included within your budget.

TOBACCO GRANT BUDGET DETAIL
Newark Community Preservation Department

24/25 AWARD BUDGET
DOJ-PROP56-2024-25-1-047

Costs Per Fiscal Year (July 1 - June 30)

A. Personal Services

Salaries

Classification/Positions	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
Manager (Community Preservation)		$ 11,430	$ 11,430	$ 11,430	$ -	**$ 34,290**
Specialists (Community Preservation)		$ 10,864	$ 10,864	$ 10,864	$ -	**$ 32,592**
Director (Community Development)		$ 4,962	$ 4,962	$ 4,962	$ -	**$ 14,886**
Deputy Director (Community Development)		$ 1,751	$ 1,751	$ 1,751	$ -	**$ 5,253**
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
	SUBTOTAL	**$ 29,007**	**$ 29,007**	**$ 29,007**	**$ -**	**$ 87,021**

Overtime

Classification/Positions	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
	SUBTOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Benefits

Classification/Positions	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
Benefits for all positions listed above		$ 14,287	$ 14,287	$ 14,287	$ -	**$ 42,861**
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
	SUBTOTAL	**$ 14,287**	**$ 14,287**	**$ 14,287**	**$ -**	**$ 42,861**
	TOTAL PERSONAL SERVICES	**$ 43,294**	**$ 43,294**	**$ 43,294**	**$ -**	**$ 129,882**

TOBACCO GRANT BUDGET DETAIL
Newark Community Preservation Department

B. Operating Expenses and Equipment

Equipment (Tangible items with a PER-UNIT cost of $5,000 or more)

Description	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
	SUBTOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Other Expenses

Description	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
City Attorney (contracted position)	Contract must be provided to DOJ	$ 13,880	$ 13,880	$ 13,880	$ -	**$ 41,640**
Retailer Educational Materials	May require pre-approval	$ 300	$ -	$ -	$ -	**$ 300**
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
	SUBTOTAL	**$ 14,180**	**$ 13,880**	**$ 13,880**	**$ -**	**$ 41,940**

Travel Expenses/Registration Fees*

Description and Destination	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTALS
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -

*For approved tobacco related training and travel only. Travel cannot exceed current state rates.

SUBTOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL OPERATING EXPENSES AND EQUIPMENT	**$ 14,180**	**$ 13,880**	**$ 13,880**	**$ -**	**$ 41,940**

C. Administrative Costs*

Description	Computation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTAL
Admin		$ 2,240	$ 1,370	$ 1,370	$ -	**$ 4,980**
TOTAL		**$ 2,240**	**$ 1,370**	**$ 1,370**	**$ -**	**$ 4,980**

***Administrative costs must not exceed 5% of the total budget.**

TOBACCO GRANT BUDGET DETAIL
Newark Community Preservation Department

SUMMARY

Budget Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total Request
A. Personal Services	$ 43,294	$ 43,294	$ 43,294	$ -	**$ 129,882**
B. Operating Expenses and Equipment	$ 14,180	$ 13,880	$ 13,880	$ -	**$ 41,940**
C. Administrative Costs	$ 2,240	$ 1,370	$ 1,370	$ -	**$ 4,980**
TOTAL PROJECT COSTS	**$ 59,714**	**$ 58,544**	**$ 58,544**	**$ -**	**$ 176,802**

Tobacco Grant Program
Grant Services Branch – Local Assistance
Division of Operations

Newark Community Preservation Department **DOJ-PROP56-2024-25-1-047**

MEMORANDUM OF UNDERSTANDING

PURPOSE

This Memorandum of Understanding ("MOU") is entered into by the Department of Justice ("DOJ") and the Newark Community Preservation Department ("Grantee"), for the purpose of disbursing grant funds to Grantee for reimbursement of expenditures in compliance with the California Code of Regulations and the Fiscal Year 2024-25 Grantee Handbook.

Commencing January 1, 2023, the California Code of Regulations, Title 11, Division 1, Chapter 5: Department of Justice Tobacco Grant Program ("TGP Regulations") shall govern the policies and procedures of the Tobacco Grant Program.

The TGP Regulations, Request for Proposals, Grantee Handbook (dated April 2024), and Summary of Award document are hereby incorporated by reference into this MOU. Grantee will expend funds for the purposes identified in the approved Summary of Award document. Reimbursements are to be funded under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016, approved by the voters as Proposition 56.

COST REIMBURSEMENT

DOJ agrees to reimburse Grantee in arrears, for Grantee's actual expenditures in performing the project or scope of work included in the approved Summary of Award document. Reimbursements for line items in the approved Budget Detail will be made upon receipt of invoices from Grantee and approval of the invoices by DOJ, in accordance with the reimbursement procedures set forth in the TGP Regulations and Grantee Handbook.

BUDGET CONTINGENCY CLAUSE

It is mutually agreed, if the Budget Act of the current fiscal year and/or any subsequent years covered under the MOU does not appropriate sufficient funds, the MOU shall be of no further force and effect. In the event this situation occurs, DOJ shall have no liability to reimburse/pay any funds to Grantee, or to furnish any other considerations under this MOU. As well, Grantee shall not be obligated to continue performing the provisions of this MOU, for which the Grantee would have been reimbursed.

If funding for any fiscal year is reduced or deleted in the Budget Act for purposes of this MOU, DOJ shall have the option to either cancel this MOU with no liability occurring to DOJ or offer an addendum to the Grantee to reflect the reduced amount.

PROJECT BREACH-TERMINATION

Failure of a Grantee to comply with this MOU or the TGP Regulations shall be treated by DOJ as a breach of contract. If an act of noncompliance occurs, DOJ may take actions described within the TGP Regulations, including termination. DOJ may terminate this MOU and be relieved of any obligation to disburse grant funds to Grantee should Grantee fail to perform the scope of work at the time and in the manner provided in this MOU.

MISCELLANEOUS PROVISIONS

Addendum – No addendum or variation of the terms of this MOU is valid unless made in writing and signed by the duly authorized representatives of the parties.

Assignment – This MOU is not assignable by Grantee in whole or in part.

Indemnification – Grantee agrees to indemnify and hold harmless DOJ, its officers, agents and employees from all claims, liabilities, or losses in connection with the performance of this MOU.

Certifications – Grantee certifies that it does not receive funding from a manufacturer, distributor, or advertiser of Cigarettes or Tobacco Products. Grantee further certifies that grant funds will not supplant existing state or local funds dedicated for the same purpose.

TERMS

Grant Duration: **11/1/2024 – 6/30/2028**

Award Amount				
Category of Expenditure	**Budget FY 2024-2025**	**Budget FY 2025-2026**	**Budget FY 2026-2027**	**Budget FY 2027-2028**
Personal Services	$43,294	$43,294	$43,294	$
Operating Expenses and Equipment	$14,180	$13,880	$13,880	$
Administrative Costs (Not to Exceed 5%)	$2,240	$1,370	$1,370	$
TOTAL AWARD AMOUNT	**$176,802**			

The time limit for reimbursements against this award ends 6/30/2028. Requests for reimbursement received after 7/15/2028 cannot be considered by DOJ.

GRANTEE CONTACT INFORMATION

[NAME, TITLE]
Newark Community Preservation Department
[MAILING ADDRESS]
[PHONE NUMBER]
[EMAIL ADDRESS]

AUTHORIZATION

DOJ and Grantee, by their duly authorized officials, have executed this MOU on the respective dates indicated below. This MOU and any future addendums shall be e-mailed to TobaccoGrants@doj.ca.gov, care of the Division of Operations, Local Assistance Unit, Tobacco Grant Program, and will become fully executed upon completion of signatures from all parties.

_____ _____

NAME: Date
Title:
Agency:

_____ _____

NAME: Date
Title:
Agency:

_____ _____

NAME: Date
Title:
Agency:

_____ _____

JENNIFER IVERY JOHNSON, Grant Manager Date
Division of Operations
California Department of Justice

_____ _____

NICOLE LEARNED, Administrative Manager Date
Division of Operations
California Department of Justice

_____ _____

CHRIS RYAN, Chief Date
Division of Operations
California Department of Justice

STAFF REPORT
Item D. 5.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Krysten Lee, Finance Director
SUBJECT	Adopt a Resolution to Accept the Development Impact Fee Annual and Five-Year Report for the Period Ending June 30, 2024, and approve findings for each development impact fee that the City of Newark imposes on development projects

SUMMARY AND RECOMMENDATION

Assembly Bill (AB) 1600, codified as California Government Code Sections 66000–66008 (the Mitigation Fee Act), governs the imposition and use of development impact fees (DIFs) by local agencies in California. These fees, charged to fund public infrastructure or services necessitated by new developments, are subject to annual and five-year review requirements under the Mitigation Fee Act.

The Annual and Five-Year Development Impact Fee Report, prepared for the period ending June 30, 2024, covers fiscal years 2018 through 2024. Staff recommends the City Council accept the report and adopt a resolution making findings for each impact fee imposed by the City of Newark as required by the Mitigation Fee Act.

BACKGROUND

In California, Assembly Bill (AB) 1600, codified as California Government Code Sections 66000–66008 (the Mitigation Fee Act), establishes legal and procedural requirements for local agencies to charge development impact fees (DIFs) to offset the impact of new developments on public infrastructure and services. Effective since January 1, 1989, the Mitigation Fee Act mandates that DIFs be used promptly and for their designated purposes.

To ensure compliance, the Act requires local agencies to produce annual reports and make findings every five years for each DIF. The annual report, which must be reviewed by the City Council within 180 days of the fiscal year-end, includes essential information about Newark's development impact fee program, such as:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. The expenditures on each project. The total percentage of the cost of the public

improvement is funded with development impact fees.
6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
7. A description of each inter-fund transfer or loan from the account or fund, specifying the public improvement for which the fees will be used. For inter-fund loans, this includes the repayment date and applicable interest rate.
8. The number of refunds made to property owners.

In addition to the annual reporting requirements, the Mitigation Fee Act mandates that local agencies conduct a comprehensive analysis and make findings every five years after the first deposit into each DIF account. For each development impact fee, these findings must address:

1. The purpose of the fee expenditure.
2. The reasonable relationship between the fee and its intended purpose.
3. All anticipated sources and amounts of funding needed to complete financing for any incomplete public improvements.
4. The approximate dates when this additional funding is expected to be deposited into the appropriate account or fund.

The current City Council resolution consolidates these five-year findings for all Development Impact Fees (DIFs) into a single, unified annual report. This consolidated format, which will be applied to future DIF reports, enhances both compliance efficiency and public transparency. Previously, DIFs were reported in separate schedules, but as new fees are introduced, this unified approach reduces complexity and improves accessibility.

The attached report provides detailed information on DIF activities from Fiscal Year 2018 through Fiscal Year 2024.

DISCUSSION/ANALYSIS

Under AB1600, Government Code Section 66006(b), each Development Impact Fee (DIF) account or fund established under the Mitigation Fee Act must submit an annual report within 180 days after the fiscal year's end.

This report is required to include:

1. A brief description of the fee program.
    - Found in the discussion section for each fee.
2. The amount of the fee.
    - Found in the discussion section for each fee.
3. Beginning and ending balances of the fee program.
    - Annual balances are found in the Summary of Fund Revenue & Expenditures for each DIF.
4. Amount of fees collected, interest earned, and transfers/loans.
    - Annual balances are found on the Summary of Fund Revenue & Expenditures for each DIF. An identification of each public improvement.
5. The expenditures on each project. The total percentage of the cost of the public improvements is funded by development impact fees.

- Project detail, when available, is found in the Summary of Expenditures for each DIF. The percentage of the cost that was funded with fees is 100% unless otherwise stated.

6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of public improvement.
    - This information is provided in the Nexus reports in the Appendices.
7. A description of each inter-fund transfer or loan from the account or fund, specifying the public improvement for which the fees will be used. For inter-fund loans, this includes the repayment date and applicable interest rate.
    - No loans covered by new revenues
8. The number of refunds made to property owners.
    - This section does not apply.

This report, prepared in accordance with Government Code Section 66006(b)(1), provides an overview of each fee account, summarizing the beginning and ending balances, fees collected, interest earned, and expenditures for FY 2024.

Beginning and Ending Balances of Funds (Sec. 66006(b)(1)(C))
The table below shows the beginning and ending balances for each fee account. Ending balances were calculated by adding the collected fees and interest to each account and subtracting expenditures. Detailed information on fees collected, interest earned, and expenditures for each account is provided in subsequent sections of this report.

Balances	Public Safety Facilities	Community Service Facilities	Transportation Facilities	Housing Impact	Park Impact
Beginning Balance (7/1/23)	$948,791	$722,461	$12,600,624	$44,592,886	$5,806,206
Ending Balance (6/30/24)	$1,592,256	$1,094,984	$12,903,399	$46,126,701	$7,735,609

Fees Collected and Interest Earned (Sec. 66006(b)(1)(D))
The table below shows the total fees collected and interest earned for each account in FY 2024.

Balances	Public Safety Facilities	Community Service Facilities	Transportation Facilities	Housing Impact	Park Impact
Fees Collected	$585,322	$369,272	$1,120,792	$140,043	$1,785,051
Interest Earned	$58,143	$41,011	$526,679	$1,439,403	$290,417

Expenditures (Sec. 66006(b)(1)(E))
This section identifies each public improvement funded by DIFs, including the total amount expended and the percentage of the project cost covered by these fees.

Improvement	Fee Used	Amount of Fees Expended	Percent of Cost Funded By Fees to Date
Service Center Gate (1362)	Community Service	$37,760	100%
Central Avenue Overpass (CIP1014)	Transportation	$321,915	100%
Arterial Bicycle Lanes (CIP1254)	Transportation	$1,022,780	100%
On-Call Planning Services - Housing Element	Housing	$42,611	100%
Homeless Management Information System - City's Match	Housing	$3,020	100%
Park Master Plan	Park	$76,200	100%
MacGregor Fields Cricket Pitch (CIP1338)	Park	$2,958	100%
Sportsfield Park Synthetic Turf Fields Additional Fencing (CIP1337)	Park	$28,776	100%
Citywide Parks Signage Program – Phase 1 (CIP1272)	Park	$38,134	100%

The city also collects other fees, such as the Community Development Maintenance fee and the Art In Public Places fee from developers at the building permit stage. These fees are not legally classified as DIFs and are therefore excluded from this Development Impact Fee Report. However, these fees are summarized below for transparency.

Balances	Community Development Maintenance Fee	Art In Public Places Fee
Beginning Balance	$4,202,645	$1,943,167
Fees Collected/Investment Earnings	$984,531	$109,694
Expenditures	$919,703	$97,870
Ending Balance	$4,267,472	$1,954,992

Five-Year Findings (Gov. Code Section 66001(d))
In compliance with Government Code Section 66001(d), this report also includes five-year findings for FY 2018 through FY 2024 for any unexpended funds. These findings address:

1. The purpose of the fee expenditure.
2. The reasonable relationship between the fee and the purpose used.
3. All sources and amounts of funding anticipated to complete financing in incomplete improvements.
4. The approximate dates on which the funding referred to in subparagraph (3) above are deposited into the appropriate account or fund.

These findings are included in the attached DIF report for City Council review.

FISCAL IMPACT

There is no fiscal impact related to the review and approval of this resolution and the accompanying reports.

REVIEW AND APPROVAL

Prepared by - Krysten Lee, Finance Director
Reviewed by - Kristopher J. Kokotaylo, City Attorney
Approved by - David J. Benoun, City Manager

Attachments

Resolution Annual and 5 Year Findings

Exhibit #1 FY 2024 Annual and 5-Year DIF Report

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK, CALIFORNIA, ACCEPTING THE DEVELOPMENT IMPACT FEE ANNUAL AND FIVE-YEAR REPORT FOR THE PERIOD ENDING JUNE 30, 2024, AND MAKING FINDINGS AS REQUIRED BY THE MITIGATION FEE ACT

WHEREAS, the Mitigation Fee Act, Government Code Section 66000 et seq., authorizes the City of Newark ("City") to impose, collect, and expend mitigation fees to offset the impacts of development within the City; and

WHEREAS, pursuant to its authority under the Mitigation Fee Act (Government Code §§ 66000 et seq.) the City Council established, adopted, and imposed a Public Safety Impact Fee, Community Service Impact Fee, Transportation Impact Fee, Residential and Non-Residential Housing Impact Fee and Park Impact Fee (collectively, the "Fees"); and

WHEREAS, the City has deposited all Fees in separate non-commingled funds ("Funds") established for such a purpose; and

WHEREAS, pursuant to California Government Code Section 66006(b), the City is required to prepare an annual report providing the following information about each Fee:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. The expenditures on each project. The total percentage of the cost of the public improvement is funded with development impact fees.
6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
7. A description of each inter-fund transfer or loan from the account or fund, specifying the public improvement for which the fees will be used. For inter-fund loans, this includes the repayment date and applicable interest rate.
8. The number of refunds made to property owners.

WHEREAS, the City has made available to the public within one hundred eighty (180) days following the last day of the fiscal year the annual accounting information ("Annual Report") required by the Mitigation Fee Act related to each of the Fees; and

WHEREAS, the Mitigation Fee Act further requires that the City of Newark conduct a comprehensive review every five years, with findings for each DIF account that remains unexpended, addressing:

1. The purpose of the fee expenditure.
2. The reasonable relationship between each fee and its intended purpose.
3. All anticipated sources and amounts of funding to complete financing for any incomplete improvements.

4. The approximate dates on which funding is expected to be deposited into the appropriate account or fund.

WHEREAS, the Development Impact Fee Annual and Five-Year Report for the period ending June 30, 2024, has been prepared by staff in compliance with the Mitigation Fee Act, covering fiscal years 2018 through 2024. This consolidated report includes the annual and five-year findings required by Government Code Sections 66006(b) and 66001(d), has been made publicly available at least fifteen days before this meeting, and is attached as Exhibit No. 1; and

WHEREAS, the City Council must adopt a Resolution making certain findings in the event that any Development Impact Fees remain unexpended for more than five years and thus this Resolution serves to meet that requirement; and

WHEREAS, notice of the meeting at which this Resolution was considered by the City Council was provided to those on record with the City Clerk requesting such notice.

NOW, THEREFORE, BE IT RESOLVED that the above recitals are true and correct and incorporated herein.

BE IT FURTHER RESOLVED that the City Council of the City of Newark hereby finds and determines as follows:

1. In accordance with Government Code Section 66006(b), the City Council has reviewed and approves the Annual and Five-Year Development Impact Fee Report for the period ending June 30, 2024, which is attached to this Resolution as Exhibit 1, and are also placed on file with the City Clerk.

2. The City Council makes the findings required Government Code Section 66001(d), as set forth in the Annual and Five-Year Development Impact Fee Report for the period ending June 30, 2024, which is attached to this Resolution as Exhibit 1, and are also placed on file with the City Clerk.

3. Pursuant to these findings, and at this time, there shall not be a refund of any unexpended Fees.

BE IT FURTHER RESOLVED that the City Council of the City of Newark hereby determines that the reports comply with the requirements of AB 1600.

Exhibit #1

City Of Newark

Development Impact Fee Annual and Five-Year Report as of June 30, 2024

Publication Date: November 14, 2024

Overview and Legal Requirements for Development Impact Fee Reporting

The following is a definition of development impact fees (DIFs) written for the League of California Cities - City Attorney Department:

"A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project (Gov. Code § 66000(b).) The legal requirements for enactment of development impact fee program are set forth in Government Code §§ 66000 66025 (the 'Mitigation Fee Act'), the bulk of which were adopted as 1987's AB 1600 and thus are commonly referred to as 'AB 1600 requirements.' A development impact fee is not a tax or special assessment; by its definition, a fee is voluntary and must be reasonably related to the cost of the service provided by the local agency. If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing the public service, then the fee may be declared a special tax and must then be subject to a two-thirds voter approval. (Cal. Const., Art. XIII A, § 4.)"[1]

Government Code Sections 66000 through 66008 are found in Appendix A of the Initial Report.

For each account or fund established under the Mitigation Fee Act, the following information is required to be reported annually within 180 days after the end of the fiscal year: (The following is a paraphrase of GC § 66006(b)(1) with actions taken.)

1. A brief description of the fee program.
    - Found in the discussion section for each fee.

2. The amount of the fee.
    - Found in the discussion section for each fee.

3. Beginning and ending balances of the fee program.
    - Annual balances found on the Summary of Fund Revenue & Expenditures for each DIF.

4. Amount of fees collected, interest earned, and transfers/loans.
    - Annual balances found on the Summary of Fund Revenue & Expenditures for each DIF. An identification of each public improvement.

5. The expenditures on each project. The total percentage of the cost of the public improvement is funded with development impact fees.
    - Project detail, when available, is found in the Summary of Expenditures for each DIF. The percentage of the cost that was funded with fees is 100% unless otherwise stated.

[1] A *Short Overview of Development Impact Fees,* Brown, Peter N. & Lyons, Graham, League of California Cities, 2003

6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
    - This information is provided in the Nexus reports in the Appendices.

7. A description of each inter-fund transfer or loan from the account or fund, specifying the public improvement for which the fees will be used. For inter-fund loans, this includes the repayment date and applicable interest rate.
    - No loans covered by new revenues

8. The number of refunds made to property owners.
    - This section does not apply

This report provides a five-year summary of the City of Newark's development impact fee programs, in compliance with Government Code Section 66001. Every five years after the initial deposit into the fund, additional findings are required. This report includes those findings for Fiscal Years 2018–2024. Staff is undertaking a new Development Impact Fee Study for 2025, which will address the following requirements:

1. The purpose of the fee expenditure.

2. The reasonable relationship between the fee and the purpose used.

3. All sources and amounts of funding anticipated to complete financing in incomplete improvements.

4. The approximate dates on which the funding referred to in subparagraph (3) above are deposited into the appropriate account or fund.

The supporting documents for this report have been added to the appendices at the end of the report. The appendices contain the following documents:

- Appendix A: Resolution No. 11,664
- Appendix B: Resolution No. 8051
- Appendix C: *Public Safety and Community Service Facilities Development*
- *Impact Fee Nexus Study*
- Appendix D: Resolution No. 10,633
- Appendix E: Resolution No. 10,634
- Appendix F: *City of Newark Transportation Impact Fee Nexus Study*
- Appendix G: Resolution No. 10,635
- Appendix H: Resolution No. 8802
- Appendix I: *Newark Affordable Housing Fee Study*
- Appendix J: Resolution No. 10,184
- Appendix K: *Residential Nexus Analysis, Newark, California*
- Appendix L: Resolution No. 10,132
- Appendix M: Resolution No. 10505
- Appendix N: *Park and Recreation Facility Development Impact Fee Study*

More detailed information on the various development impact fee programs is available. Master plans, the City's Biennial Budget and Capital Improvement Plan are all made public on the City's website.

The City does not earmark impact fees for any specific project as revenues come in. This report is accurate as of the time of publication. Any proposed plans are subject to change based on City Council action.

Summary of Findings

The following summarizes the findings of this Report:

1. FINDING #1 - Given the length of time between the last DIF updates, the City Council should consider a general update to all the Nexus Reports and DIFs.

   Response: Staff is conducting a comprehensive Development Impact Fee (DIF) Study for 2025, which will update all Nexus Reports and DIFs to reflect current costs, align with growth projections, and comply with legal requirements. The study will assess existing fees, ensure equitable allocation across development types, and integrate recent legislation to maintain compliance with the Mitigation Fee Act.

2. FINDING #2 - Revenue and Cost Specialists (RCS), the City's Development Impact Fee study consultant, recommends establishing a separate Park Development Impact Fee (DIF) specifically for fees that meet Quimby Act requirements. Quimby Act fees should be maintained in a distinct fund, separate from revenue generated under the Mitigation Fee Act, as Quimby Act funds uniquely allow for the rehabilitation of existing parks.

   Response: The FY 2025 Development Impact Fee update and new Nexus studies will address this finding by developing a distinct Park Development Impact Fee that meets Quimby Act requirements and establishes a separate fund specifically for these fees. The study will carefully delineate between fees collected under the Quimby Act, which permits funding for park rehabilitation, and those collected under the Mitigation Fee Act, which focuses on new infrastructure for development impacts. This approach will ensure compliance with both legislative frameworks and allow for strategic use of Quimby Act funds toward the rehabilitation and improvement of existing parks, enhancing recreational amenities for the community.

3. FINDING #3 - Based on this Five-Year Report, it is clear that the DIFs have been committed or spent within the five-year period required by law.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

Overall Summary Schedule of Revenues & Expenditures

The schedule on the following page shows all of the DIFs.

Detail for Individual DIFs

The detail for each fee follows the Summary Schedule in sequence by fund number:

Fund 620 - Public Safety Impact Fee Fund 6
Fund 621 - Community Service Impact Fee Fund 12
Fund 622 - Transportation Impact Fee Fund 18
Fund 401 - Non-Residential Housing Impact Fee Fund..... 24
Fund 403 - Affordable Housing Impact Fee Fund 30
Fund 623 - Residential & Non-Residential Housing Impact Fee Fund..... 36
Fund 624 - Park Impact Fee Fund..... 42
Appendices 48

CITY OF NEWARK
SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES
BY
DEVELOPMENT IMPACT FUND
FROM FY 2018 THROUGH 2024

Funds	PRIOR BALANCE	REVENUES				EXPENDITURES			AVAILABLE BALANCE
		DIF	OTHER DIF/ NON-DIF REV.	INT/TSFR IN	TOTAL	OUTLAY	TSFR OUT	TOTAL	
NON-RESIDENTIAL HOUSING FUND (401) [a]	537,170.29	-	-	39,194.48	39,194.48	6,852.00	-	6,852.00	569,512.77
RESIDENTIAL INCLUSIONARY HOUSING FUND (403) [b]	9,276,857.41	11,506,281.47	-	710,219.31	12,216,500.78	-	-	-	21,493,358.19
Housing Impact Fee Funds Before FY 2021	**$ 9,814,027.70**	**$ 11,506,281.47**	**$ -**	**$ 749,413.79**	**$ 12,255,695.26**	**$ 6,852.00**	**$ -**	**$ 6,852.00**	**$ 22,062,870.96**
PUBLIC SAFETY FUND (620)	1,251,448.28	4,901,209.00	-	271,443.43	5,172,652.43	4,831,844.69	-	4,831,844.69	1,592,256.02
COMMUNITY SERVICE FUND (621)	2,601,237.05	3,869,319.68	-	362,615.29	4,231,934.97	5,738,188.02	-	5,738,188.02	1,094,984.00
TRAFFIC FUND (622)	3,628,723.60	9,383,722.05	-	1,252,537.63	10,636,259.68	1,361,584.14	-	1,361,584.14	12,903,399.14
RESIDENTIAL & NON-RESIDENTIAL HOUSING FUND (623) [c]	22,062,870.96	20,364,771.69	-	3,844,551.70	24,209,323.39	145,493.42	-	145,493.42	46,126,700.93
PARK IMPACT FEES FUND (624)	5,725,974.07	8,007,974.81	-	776,301.12	8,784,275.93	6,774,641.11	-	6,774,641.11	7,735,608.89
SUMMARY	**$ 35,270,253.96**	**$ 46,526,997.23**	**$ -**	**$ 6,507,449.17**	**$ 53,034,446.40**	**$ 18,851,751.38**	**$ -**	**$ 18,851,751.38**	**$ 69,452,948.98**

a. In 2021, the Non-Residential and Inclusionary Housing Impact Fees were consolidated into Fund 623, with the Non-Residential Fee fund balance transferred accordingly.
b. In 2021, the Non-Residential and Inclusionary Housing Impact Fees were consolidated into Fund 623, with the Inclusionary Housing Impact Fee fund balance transferred accordingly.
c. In FY 2021, City consolidated its two Housing Impact Fee Funds, Non-Residential (Fund 401) and Affordable Housing (Fund 403), into Fund 623.

PUBLIC SAFETY FACILITIES FUND (620)

Overview

The City established a Public Safety Impact Fee with Resolution No. 8051 (Appendix B), which was adopted on July 27, 2000. The adopted fees were effective on September 26, 2000. The fees were based on the *Newark Impact Fee Study* report, dated July 2000.

The enabling Resolution stated, "…The purpose of the Capital Facilities Fee is to provide adequate capital facilities improvements to serve new development in the City." (Res. No. 8051, Sec. 3).

In 2017, the City adopted Resolution No. 10,633 (Appendix D), updating the Public Safety Impact Fees to reflect the change in cost between 2000 and 2017. Resolution 10,633 was adopted on May 25, 2017, and the fees became effective 60 days later. Inclusion of the Keyser Marston Associates, *Public Safety and Community Service Facilities Development Impact Fee Nexus Study* (Appendix C) in Resolution 10,633 identifies the Public Safety development-related projects. It also acts as a mechanism to *commit* the revenues generated by the DIF to these projects.

The 2017 Keyser Marston Associates Nexus Study indicated that the total for Public Safety development-related projects would cost $42,808,380 in FY 2017 dollars.

Beginning in 2018 and ending in 2024, the City has collected, with interest, $5,172,652, or about 12% of the $42.8 million cited in the Keyer Marston Associates Nexus Study.

Since the inception of the Development Impact Fee (DIF), the City has periodically adjusted the fee using the Engineering News-Record to account for inflation and increasing City costs. In fiscal year 2025, the fee decreased slightly by 1% based on the Engineering News-Record. Each time the DIF was updated, the City established the revised fee through a resolution. Resolution No. 11,664 (Appendix A), adopted on June 27, 2024, is the most recent resolution by the City Council, setting the DIF at its current rate.

Schedule of Public Safety DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8051	Resolution No. 10,633	Resolution No. 11,555	Resolution No. 11,664 Current
Single-family residential	$1,515.00	$3,451.00	$4,298.00	$4,250.72
Multi-family residential	$1,737.00	$2,071.00	$4,298.00	$4,250.72
Townhome	N/A	$3,.451.00	$2,578.59	$2,550.23
Office/Commercial (per sq. ft.)	$1.70	$0.60	$0.75	$0.74
Manufacturing/Research & Industrial (per sq. ft.)	$0.25	$0.25	$0.32	$0.32
Warehousing/Distribution (per sq. ft.)	N/A	$0.50	$0.62	$0.61

Public Safety DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to FY 2021, the Public Safety DIF was accounted for under the Capital Projects Fund (401). After FY 2021, the Public Safety DIF was accounted for in its own fund, the Public Safety Facilities Impact Fee Fund (620). The total expenditure for Public Safety DIF projects as of June 30, 2024, was $4,831,845.

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

PUBLIC SAFETY IMPACT FEE (620) FUND

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Police Center at the Civic Center	-	-	-	-	-	4,831,844.69	-	-	4,831,844.69
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,831,844.69**	**$ -**	**$ -**	**$ 4,831,844.69**

APPLIED TO FISCAL YEAR	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
FY 2018	-	-	-	-	-	2,367,818.37	-	-	2,367,818.37
FY 2019	-	-	-	-	-	828,493.74	-	-	828,493.74
FY 2020	-	-	-	-	-	599,095.31	-	-	599,095.31
FY 2021	-	-	-	-	-	1,036,437.26	-	-	1,036,437.26
FY 2022	-	-	-	-	-	0.01	-	-	0.01
FY 2023	-	-	-	-	-	-	-	-	-
FY 2024	-	-	-	-	-	-	-	-	-
APPLIED TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,831,844.69**	**$ -**	**$ -**	**$ 4,831,844.69**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Given the length of time between the last DIF update, the City Council should consider an update to the Nexus Report and DIFs.

   Response: Staff is conducting a comprehensive Development Impact Fee (DIF) Study for 2025, which will update all Nexus Reports and DIFs to reflect current costs, align with growth projections, and comply with legal requirements. The study will assess existing fees, ensure equitable allocation across development types, and integrate recent legislation to maintain compliance with the Mitigation Fee Act.

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

PUBLIC SAFETY IMPACT FEE (620) FUND

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	1,251,448.28	1,076,948.61	-	39,421.48	1,116,370.09	2,367,818.37	-	2,367,818.37	-
2019	-	732,918.72	-	95,575.02	828,493.74	828,493.74	-	828,493.74	-
2020	-	555,019.00	-	44,076.31	599,095.31	599,095.31	-	599,095.31	-
2021	-	1,022,072.10	-	14,365.16	1,036,437.26	1,036,437.26	-	1,036,437.26	-
2022	-	630,621.88	-	3,965.42	634,587.30	0.01	-	0.01	634,587.29
2023	634,587.29	298,307.00	-	15,897.00	314,204.00	-	-	-	948,791.29
2024	948,791.29	585,321.69	-	58,143.04	643,464.73	-	-	-	1,592,256.02
SUMMARY		**$4,901,209.00**	**$ -**	**$271,443.43**	**$ 5,172,652.43**	**$4,831,844.69**	**$ -**	**$4,831,844.69**	

COMMUNITY SERVICE FACILITIES FUND (621)

Overview

The City established a Community Service Facilities Impact Fee with Resolution No. 8051, which was adopted on July 27, 2000. The adopted fees were effective on September 26, 2000. The fees were based on the *Newark Impact Fee Study* report, dated July 2000.

The enabling Resolution stated, "…The purpose of the Capital Facilities Fee is to provide adequate capital facilities improvements to serve new development in the City." (Res. No. 8051, Sec. 3).

In 2017, the City adopted Resolution No. 10,634 (Appendix E), updating the Community Service Facilities Impact Fees to reflect the change in cost between 2000 and 2017. Resolution 10,634 was adopted on May 25, 2017, and the fees became effective 60 days later. Inclusion of the Keyser Marston Associates, *Public Safety and Community Service Facilities Development Impact Fee Nexus Study* (Appendix C) in Resolution 10,634 identifies the Community Service Facilities development-related projects. It also acts as a mechanism to *commit* the revenues generated by the DIF to these projects.

The 2017 Keyser Marston Associates Nexus Study indicated that the total for Community Service Facilities development-related projects would cost $72,890,220 in FY 2017 dollars.

Beginning in 2018 and ending in 2024, the City has collected, with interest, $4,231,935, or about 6% of the $72.9 million cited in the Keyer Marston Associates Nexus Study.

Since the inception of the Development Impact Fee (DIF), the City has periodically adjusted the fee using the Engineering News-Record to account for inflation and increasing City costs. In fiscal year 2025, the fee decreased slightly by 1% based on the Engineering News-Record. Each time the DIF was updated, the City established the revised fee through a resolution. Resolution No. 11,664 (Appendix A), adopted on June 27, 2024, is the most recent resolution by the City Council, setting the DIF at its current rate.

Schedule of Community Service Facilities DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8051	Resolution No. 10,633	Resolution No. 11,555	Resolution No. 11,664 Current
Single-family residential	$1,508.00	$2,311.00	$2,877.89	$2,846.23
Multi-family residential	$1,373.00	$1,156.00	$1,439.45	$2,846.23
Townhome	N/A	$2,311.00	$2,877.89	$1,423.62
Office/Commercial (per sq. ft.)	$0.22	$0.86	$1.07	$1.06
Manufacturing/Research & Industrial (per sq. ft.)	$0.16	$0.18	$0.23	$0.23
Warehousing/Distribution (per sq. ft.)	N/A	$0.36	$0.45	$0.45

Community Service Facilities DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to 2021, the Community Service Facilities DIF was accounted for under the Capital Projects Fund (401). After 2021, the Community Service Facilities DIF was accounted for in its own fund, the Community Service Facilities Impact Fee Fund (621). The total expenditure for Community Service Facilities DIF projects as of June 30, 2024, was $5,738,188.

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

COMMUNITY SERVICE IMPACT FEE (621) FUND

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
City Admin. Building at Civic Center	-	-	-	-	-	5,700,428.02	-	-	5,700,428.02
Service Center Gate (1362)	-							37,760.00	37,760.00
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,700,428.02**	**$ -**	**$ 37,760.00**	**$ 5,738,188.02**

APPLIED TO FISCAL YEAR	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
FY 2018	-	-	-	-	-	3,481,895.09	-	-	3,481,895.09
FY 2019	-	-	-	-	-	804,431.91	-	-	804,431.91
FY 2020	-	-	-	-	-	559,958.30	-	-	559,958.30
FY 2021	-	-	-	-	-	854,142.72	-	-	854,142.72
FY 2022	-	-	-	-	-	-	-	-	-
FY 2023	-	-	-	-	-	-	-	-	-
FY 2024	-	-	-	-	-	-	-	37,760.00	37,760.00
APPLIED TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,700,428.02**	**$ -**	**$ 37,760.00**	**$ 5,738,188.02**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Given the length of time between the last DIF update, the City Council should consider an update to the Nexus Report and DIFs.

   Response: Staff is conducting a comprehensive Development Impact Fee (DIF) Study for 2025, which will update all Nexus Reports and DIFs to reflect current costs, align with growth projections, and comply with legal requirements. The study will assess existing fees, ensure equitable allocation across development types, and integrate recent legislation to maintain compliance with the Mitigation Fee Act.

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

COMMUNITY SERVICE IMPACT FEE (621) FUND

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	2,601,237.05	798,717.28	-	81,940.76	880,658.04	3,481,895.09	-	3,481,895.09	-
2019	-	663,888.10	-	140,543.81	804,431.91	804,431.91	-	804,431.91	-
2020	-	494,089.00	-	65,869.30	559,958.30	559,958.30	-	559,958.30	-
2021	-	837,195.25	-	16,947.48	854,142.73	854,142.72	-	854,142.72	0.01
2022	0.01	492,351.67	-	4,159.78	496,511.45	-	-	-	496,511.46
2023	496,511.46	213,806.00	-	12,143.19	225,949.19	-	-	-	722,460.65
2024	722,460.65	369,272.38	-	41,010.97	410,283.35	37,760.00	-	37,760.00	1,094,984.00
SUMMARY		**$ 3,869,319.68**	**$ -**	**$ 362,615.29**	**$ 4,231,934.97**	**$ 5,738,188.02**	**$ -**	**$ 5,738,188.02**	

TRANSPORTATION FUND (622)

Overview

The City established a Transportation Impact Fee with Resolution No. 8051, which was adopted on July 27, 2000. The adopted fees were effective on September 26, 2000. The fees were based on the *Newark Impact Fee Study* report, dated July 2000.

The enabling Resolution stated, "…The purpose of the Capital Facilities Fee is to provide adequate capital facilities improvements to serve new development in the City." (Res. No. 8051, Sec. 3).

In 2017, the City adopted Resolution No. 10,635 (Appendix G), updating the Transportation Impact Fees to reflect the change in cost between 2000 and 2017. Resolution 10,635 was adopted on May 25, 2017, and the fees became effective 60 days later. Inclusion of the Hexagon Transportation Consultants, *City of Newark Transportation Impact Fee Nexus Study* (Appendix F) in Resolution 10,635 identifies the Transportation development-related projects. It also acts as a mechanism to *commit* the revenues generated by the DIF to these projects.

The Hexagon Transportation Consultants Nexus Study from 2017 indicated that the total for Transportation development-related projects would cost $30,877,000 in FY 2017 dollars.

Beginning in 2018 and ending in 2024, the City has collected, with interest, $10,636,260, or about 34% of the $30.9 million cited in the Keyer Marston Associates Nexus Study.

Since the inception of the Development Impact Fee (DIF), the City has periodically adjusted the fee using the Engineering News-Record to account for inflation and increasing City costs. In fiscal year 2025, the fee decreased slightly by 1% based on the Engineering News-Record. Each time the DIF was updated, the City established the revised fee through a resolution. Resolution No. 11,664 (Appendix A), adopted on June 27, 2024, is the most recent resolution by the City Council, setting the DIF at its current rate.

Transportation DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8051	Resolution No. 10,633	Resolution No. 11,555	Resolution No. 11,664 Current
Single-family residential	$876.00	$4,974.00	$6,193.51	$6,125.38
Multi-family residential	$503.00	$3,084.00	$3,839.90	$3,184.51
Townhome	N/A	$2,586.00	$3,219.93	$3,797.66
Office/Commercial (per sq. ft.)	$1.29	$4.41	$5.49	$5.43
Manufacturing/Research & Industrial (per sq. ft.)	$0.75	$2.41	$3.00	$2.97
Warehousing/Distribution (per sq. ft.)	N/A	$4.82	$6.00	$5.93

Transportation DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to 2021, the Transportation DIF was accounted for under the Capital Projects Fund (401). After 2021, the Transportation DIF was accounted for in its own fund, the Transportation Impact Fee Fund (622). The total expenditure for Transportation DIF projects as of June 30, 2024, was $1,361,584.

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

TRANSPORTATION IMPACT FEE (622) FUND

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Central Ave Overpass (CIP 1014)	-	-	-	-	-	-	16,888.62	321,915.37	338,803.99
Arterial Bicycle Lanes (CIP1254)	-	-	-	-	-	-	-	1,022,780.15	1,022,780.15
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$16,888.62**	**$1,344,695.52**	**$1,361,584.14**

APPLIED TO FISCAL YEAR	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
FY 2018	-	-	-	-	-	-	-	-	-
FY 2019	-	-	-	-	-	-	-	-	-
FY 2020	-	-	-	-	-	-	-	-	-
FY 2021	-	-	-	-	-	-	-	-	-
FY 2022	-	-	-	-	-	-	-	-	-
FY 2023	-	-	-	-	-	-	16,888.62	-	16,888.62
FY 2024	-	-	-	-	-	-	-	1,344,695.52	1,344,695.52
APPLIED TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$16,888.62**	**$1,344,695.52**	**$1,361,584.14**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Given the length of time between the last DIF update, the City Council should consider an update to the Nexus Report and DIFs.

   Response: Staff is conducting a comprehensive Development Impact Fee (DIF) Study for 2025, which will update all Nexus Reports and DIFs to reflect current costs, align with growth projections, and comply with legal requirements. The study will assess existing fees, ensure equitable allocation across development types, and integrate recent legislation to maintain compliance with the Mitigation Fee Act.

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES

BY

TRANSPORTATION IMPACT FEE (622) FUND

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	3,628,723.60	1,951,480.28	-	114,307.30	2,065,787.58	-	-	-	5,694,511.18
2019	5,694,511.18	1,834,097.25	-	229,854.22	2,063,951.47	-	-	-	7,758,462.65
2020	7,758,462.65	1,358,973.97	-	106,911.86	1,465,885.83	-	-	-	9,224,348.48
2021	9,224,348.48	1,575,688.86	-	32,204.46	1,607,893.32	-	-	-	10,832,241.80
2022	10,832,241.80	946,060.58	-	26,309.10	972,369.68	-	-	-	11,804,611.48
2023	11,804,611.48	596,629.00	-	216,272.13	812,901.13	16,888.62	-	16,888.62	12,600,623.99
2024	12,600,623.99	1,120,792.11	-	526,678.56	1,647,470.67	1,344,695.52	-	1,344,695.52	12,903,399.14
SUMMARY		$ 9,383,722.05	$ -	$ 1,252,537.63	$ 10,636,259.68	$ 1,361,584.14	$ -	$ 1,361,584.14	

NON-RESIDENTIAL HOUSING FUND (401)

Overview

The City established a Non-Residential Housing Fee with Resolution No. 8802 (Appendix H), adopted on May 27, 2004. The adopted fees were effective 60 days later. Inclusion of the Economic Planning and System 2004 *Newark Affordable Housing Fee Study* (Appendix I) in Resolution 8802 identifies the Non-Residential Housing development- related projects. It also acts as a mechanism to *commit* the revenues generated by the DIF to these projects.

The enabling Resolution stated, "… the City of Newark hired Economic and Planning Systems to prepare an Affordable Housing Fee Study, dated April 2004, which: (1) examined the amount of subsidy needed to produce housing units affordable to moderate, low, and very low-income households; (2) found a clear nexus between the development of nonresidential land uses and the number of housing units that will be needed to accommodate for very low, low, and moderate-income households as a result of the development…" (Res. No. 8802).

Economic Planning and Systems Affordable Housing Study indicated that the total Non-Residential Housing subsidy would be $12.4 million in FY 2004 dollars.

Beginning in 2018 and ending in 2020, the City has collected, with interest, $39,194, or about 0.32% of its goal.

In 2021, the Non-Residential and Inclusionary Housing Impact Fees were consolidated into Fund 623, with the Non-Residential Fee fund balance transferred into Fund 623.

Non-Residential DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8802
Office/Commercial (per sq. ft.)	$2.65
Manufacturing/Research & Industrial (per sq. ft.)	$0.49

Non-Residential Housing DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to 2021, the Non-Residential DIF was accounted for under the Capital Projects Fund (401) project IHF. There was a total of $6,852 in expenditures from the Non-Residential Housing Fund between 2018 and 2020. After 2021, the Non-Residential Housing DIF was combined with the Inclusionary Housing DIF into Fund (623).

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

NON-RESIDENTIAL HOUSING IMPACT FEE (401) FUND

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
In-House HMIS Match	2,284.00	2,284.00	2,284.00	2,284.00	-	-	9,136.00
TOTAL	**$2,284.00**	**$2,284.00**	**$2,284.00**	**$2,284.00**	**$ -**	**$ -**	**$9,136.00**

APPLIED TO FISCAL YEAR							
FY 2018	2,284.00						2,284.00
FY 2019		2,284.00					2,284.00
FY 2020			2,284.00				2,284.00
APPLIED TOTAL	**$2,284.00**	**$2,284.00**	**$2,284.00**	**$ -**	**$ -**	**$ -**	**$6,852.00**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Given that about 0.32% of the original revenue goal has been collected over the five years this report spans and considering that the revenue generated by this DIF is only generated by non-residential development, the combining of the Affordable and Non-Residential Housing Funds seems both prudent and appropriate.

   Response: Combining the Affordable and Non-Residential Housing Funds appears to be a logical and efficient approach. This approach allows for a more flexible and unified allocation of resources, ensuring that limited revenues are maximized for impact. Given the financial constraints, merging the funds supports prudent financial stewardship and aligns with our goal of efficient resource

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES

BY

NON-RESIDENTIAL HOUSING IMPACT FEE (401) FUND

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	537,170.29	-		16,921.23	16,921.23	2,284.00		2,284.00	551,807.52
2019	551,807.52	-		22,273.25	22,273.25	2,284.00		2,284.00	571,796.77
2020	571,796.77	-			-	2,284.00		2,284.00	569,512.77
SUMMARY		**$ -**	**$ -**	**$39,194.48**	**$ 39,194.48**	**$6,852.00**	**$ -**	**$6,852.00**	

AFFORDABLE HOUSING FUND (403)

Overview

The City established the Inclusionary Housing Fee (Affordable Housing Fee) with Resolution No. 8802, adopted on May 27, 2004. The adopted fees were effective 60 days later. Inclusion of the Economic Planning and System 2004 Newark *Affordable Housing Fee Study* in Resolution 8802 identifies the Non-Residential Housing development- related projects. It also acts as a mechanism to *commit* the revenues generated by the DIF to these projects.

Resolution No.10,184 (Appendix J), adopted on April 10, 2014, revised the fee to reflect an initial charge for residential units based on the first 1,000 square feet constructed and another fee based on all square footage after the first 1,000 square feet of construction. The updated Affordable Housing nexus was demonstrated and supported by the Keyser Marston Associates 2014 *Residential Nexus Analysis, Newark, California* Report (Appendix K), included in Resolution No. 10,184.

The enabling Resolution stated, "… the City Council has considered the Residential Nexus Analysis, Newark, California" dated March 2014 and prepared by Keyser- Marston Associates, Inc. (the " Nexus Study "), which study demonstrates that, to fully mitigate the burdens created by new market-rate units in residential projects on the need for very low, low, and moderate-income housing, a housing impact fee of $23.80 to $ 35.60 per square foot of new market-rate development would be needed, or from 12 percent to 21 percent of units in each residential development would need to be affordable to very low, low, and moderate–income households…" (Res. No. 10,184)

Beginning in 2018 and ending in 2020, the City has collected, with interest, $12,216,501.

In 2021, the Non-Residential and Inclusionary Housing Impact Fees were consolidated into Fund 623, with the Non-Residential Fee fund balance transferred into Fund 623.

Affordable Housing DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8802	Resolution No. 10,184
Market Rate Unit	$6,704	N/A
First 1,000 sq. ft. floor area/unit	N/A	$20.00/sq. ft.
All sq. ft. over 1,000 sq. floor area/unit	N/A	$8.00/ sq. ft.

Affordable Housing DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to 2021, the Affordable Housing DIF was accounted for under the Affordable Housing Fund (403) project ILF. There was no expenditure from the Affordable Housing Fund between 2018 and 2020. After 2021, the Non-Residential Housing DIF was combined with the Affordable Housing DIF into Fund (623).

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

RESIDENTIAL HOUSING IMPACT FEE (403)

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
	-	-	-	-	-	-	-
TOTAL	$ -	$ -	$ -	$ -	$ -	$ -	$ -

APPLIED TO FISCAL YEAR							
PRIOR YEARS	-	-	-	-	-	-	-
FY 2018	-	-	-	-	-	-	-
FY 2019	-	-	-	-	-	-	-
FY 2020	-	-	-	-	-	-	-
FY 2021	-	-	-	-	-	-	-
APPLIED TOTAL	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Based on the relationship between the Non-Residential and Affordable Housing DIFs and considering that the revenue generated from the Affordable Housing DIF can only be generated from residential dwelling units, combining these funds appears prudent and appropriate.

   Response: Combining the Affordable and Non-Residential Housing Funds appears to be a logical and efficient approach. This approach allows for a more flexible and unified allocation of resources, ensuring that limited revenues are maximized for impact. Given the financial constraints, merging the funds supports prudent financial stewardship and aligns with our goal of efficient resource

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES

BY

RESIDENTIAL HOUSING IMPACT FEE (403)

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	9,276,857.41	2,689,363.11		109,363.53	2,798,726.64	-	-	-	12,075,584.05
2019	12,075,584.05	6,297,354.18		300,983.66	6,598,337.84	-	-	-	18,673,921.89
2020	18,673,921.89	2,519,564.18		299,872.12	2,819,436.30	-	-	-	21,493,358.19
SUMMARY		$11,506,281.47	$ -	$710,219.31	$12,216,500.78	$ -	$ -	$ -	

RESIDENTIAL AND NON-RESIDENTIAL HOUSING FUND (623)

Overview

As noted earlier in this report, before 2021, the City had two separate Housing Impact Fee Funds, the Non-Residential Housing Fund (401) and the Affordable Housing Fund (403). After 2021, these funds were combined into the Residential and Non-Residential Housing Fund (623).

The enabling Resolution stated, "… the City of Newark hired Economic and Planning Systems to prepare an Affordable Housing Fee Study, dated April 2004, which: (1) examined the amount of subsidy needed to produce housing units affordable to moderate, low, and very low-income households; (2) found a clear nexus between the development of nonresidential land uses and the number of housing units that will be needed to accommodate for very low, low, and moderate-income households as a result of the development…" (Res. No. 8802).

Beginning in 2021 and ending in 2024, after combining the balances from the Affordable Housing and Non-Residential Funds, the City has collected, with interest, $24,209,323.

Since the inception of the Development Impact Fee (DIF), the City has periodically adjusted the fee using the Engineering News-Record to account for inflation and increasing City costs. In fiscal year 2025, the fee decreased slightly by 1% based on the Engineering News-Record. Each time the DIF was updated, the City established the revised fee through a resolution. Resolution No. 11,664 (Appendix A), adopted on June 27, 2024, is the most recent resolution by the City Council, setting the DIF at its current rate.

Residential and Non-Residential DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 8802	Resolution No. 10,184	Resolution No. 11,555	Resolution No. 11,664 Current
Market Rate Unit	$6,704	N/A	N/A	N/A
Residential Unit First 1,000 sq. ft. floor area/unit	N/A	$20.00/sq. ft.	$24.95/sq. ft.	$24.68/sq. ft.
Residential Unit All sq. ft. over 1,000 sq. floor area/unit	N/A	$8.00/sq. ft.	$10.00/ sq. ft.	$9.89/sq. ft.
Office/Commercial (per sq. ft.)	$2.65	N/A	$4.48	$4.43
Manufacturing/Research & Industrial (per sq. ft.)	$0.49	N/A	$0.84	$0.83

Affordable and Non-Residential Housing DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. The total expenditure for the Affordable and Non-Residential Housing DIF projects as of June 30, 2024, was $145,493.

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES

FOR

RESIDENTIAL AND NON-RESIDENTIAL HOUSING IMPACT FEE (623) FUND

FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
On-Call Planning Services	-	-	-	-	12,020.00	15,980.00	60,459.77	42,611.40	131,071.17
In-House HMIS Match	-	-	-	-	2,284.00	2,902.00	3,020.00	3,020.00	11,226.00
Home Key Project Mailer	-	-	-	-	-	-	3,196.25	-	3,196.25
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$14,304.00**	**$18,882.00**	**$66,676.02**	**$45,631.40**	**$145,493.42**

APPLIED TO FISCAL YEAR	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
FY 2021	-	-	-	-	14,304.00	-	-	-	14,304.00
FY 2022	-	-	-	-	-	18,882.00	-	-	18,882.00
FY 2023	-	-	-	-	-	-	66,676.02	-	66,676.02
FY 2024	-	-	-	-	-	-	-	45,631.40	45,631.40
APPLIED TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$14,304.00**	**$18,882.00**	**$66,676.02**	**$45,631.40**	**$145,493.42**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Combining these funds appears prudent and appropriate Based on the relationship between the Non-Residential and Affordable Housing DIFs.

   Response: Combining the Affordable and Non-Residential Housing Funds appears to be a logical and efficient approach. This approach allows for a more flexible and unified allocation of resources, ensuring that limited revenues are maximized for impact. Given the financial constraints, merging the funds supports prudent financial stewardship and aligns with our goal of efficient resource

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK
SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES
BY
RESIDENTIAL AND NON-RESIDENTIAL HOUSING IMPACT FEE (623) FUND
FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2021	22,062,870.96	12,384,516.07	-	102,689.68	12,487,205.75	14,304.00	-	14,304.00	34,535,772.71
2022	34,535,772.71	6,278,542.06	-	93,076.55	6,371,618.61	18,882.00	-	18,882.00	40,888,509.32
2023	40,888,509.32	1,561,670.24	-	2,209,382.65	3,771,052.89	66,676.02	-	66,676.02	44,592,886.19
2024	44,592,886.19	140,043.32	-	1,439,402.82	1,579,446.14	45,631.40	-	45,631.40	46,126,700.93
SUMMARY		**$ 20,364,771.69**	**$ -**	**$ 3,844,551.70**	**$ 24,209,323.39**	**$145,493.42**	**$ -**	**$145,493.42**	

PARK FUND (624)

Overview

The City established a park Impact Fee with Resolution No. 5799. In 2013, the City adopted Resolution No. 10,132 (Appendix L) to rescind Resolution No. 5799. Resolution No. 10,132 introduced a single residential fee to the Park Impact Fees. The Nexus report used to support the fees was created by the City.

In 2016, Resolution No. 10505 (Appendix M) was adopted, and the Park Impact Fees were again updated. The 2016 Park Impact Fee update created different fees between single and multi-family residential units. It also differentiated between residential dwelling units that dedicated land to the City's parks versus those that did not.

The Park Impact Fees for Resolution No. 10505 were based on the Keyer Martson Associates *Park and Recreation Facility Development Impact Fee Study* (Appendix N), dated May 2016. The Park development-related projects can be found in this Nexus Report. The report also acts as a mechanism to *commit* the revenues generated by the DIF to these projects. It should also be noted that the Keyer Martson Associates Study is based on the Mitigation Fee Act and not the Quimby Act.

The enabling Resolution stated, "…the existing Parks Impact Fee is insufficient, outdated, and needs to be brought into conformity with current conditions in the City..." (Res. No. 10505).

The 2016 Keyer Martson Associates Park Impact Fee Study indicated that the total for Park development-related projects would cost $41,186,719 in FY 2016 dollars.

Beginning in 2018 and ending in 2024, the City has collected, with interest, $8,784,276, or about 21% of its goal.

Since the inception of the Development Impact Fee (DIF), the City has periodically adjusted the fee using the Engineering News-Record to account for inflation and increasing City costs. In fiscal year 2025, the fee decreased slightly by 1% based on the Engineering News-Record. Each time the DIF was updated, the City established the revised fee through a resolution. Resolution No. 11,664 (Appendix A), adopted on June 27, 2024, is the most recent resolution by the City Council, setting the DIF at its current rate.

Park DIF Rate History

The following schedule shows the history of this fee:

	Resolution No. 10,132	Resolution No. 10,505	Resolution No. 11,555	Resolution No. 11,664 Current
Residential Dwelling Unit	$7,462.52	N/A	N/A	N/A
Single-Family Residential w/o Land Dedication	N/A	$25,000	$31,130.44	$30,788.01
Single-Family Residential w/ Land Dedication	N/A	$7,500	$9,339.13	$9,236.40
Multi-Family Residential w/o Land Dedication	N/A	$7,500	$22,414.32	$22,167.76
Multi-Family Residential w/ Land Dedication	N/A	$5,300	$6,599.69	$6,527.09

Park DIF Expenditures

The schedule on the next page has two parts. The top part shows the projects associated with this fund. Prior to 2021, the Park DIF was accounted for under the Capital Projects Fund (104). After 2021, the Park DIF was accounted for in its own fund, the Park Impact Fee Fund (624). The total expenditure for the Park DIF projects as of June 30, 2024, was $6,774,641.

The bottom part shows the fiscal year revenues that financed the projects. This bottom part is necessary to assure compliance with the fiscal year expenditure requirements of the Mitigation Fee Act and AB-602.

CITY OF NEWARK
SUMMARY OF DEVELOPMENT IMPACT FEE ANNUAL EXPENDITURES
FOR
PARK IMPACT FEE (624) FUND
FROM FY 2018 THROUGH 2024

EXPENDITURES	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Birch Grove Community Park Project	-	64,057.59	14,952.39	-	-	-	-	-	79,009.98
Sportsfield Park All-Weather Turf Fields	-	-	2,427,196.95	3,918,287.28	-	-	-	-	6,345,484.23
Skate Park at Sportsfield Park	-	-	173,212.00	22,098.76	-	-	-	-	195,310.76
Birch Grove Community Park	-	-	-	8,770.00	-	-	-	-	8,770.00
Park Master Plan	-	-	-	-	-	-	-	76,199.64	76,199.64
Citywide Parks Signage Program – Phase 1 (CIP 1272)	-	-	-	-	-	-	-	38,133.46	38,133.46
Sportsfield Park Synthetic Turf Fields Additional Fencing (CIP 1337)	-	-	-	-	-	-	-	28,775.54	28,775.54
MacGregor Fields Cricket Pitch (CIP 1338)	-	-	-	-	-	-	-	2,957.50	2,957.50
TOTAL	**$ -**	**$64,057.59**	**$2,615,361.34**	**$3,949,156.04**	**$ -**	**$ -**	**$ -**	**$146,066.14**	**$6,774,641.11**

APPLIED TO FISCAL YEAR	PRIOR YRS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
FY 2018	-	64,057.59	-	-	-	-	-	-	64,057.59
FY 2019	-	-	2,615,361.34	-	-	-	-	-	2,615,361.34
FY 2020	-	-	-	3,949,156.04	-	-	-	-	3,949,156.04
FY 2021	-	-	-	-	-	-	-	-	-
FY 2022	-	-	-	-	-	-	-	-	-
FY 2023	-	-	-	-	-	-	-	-	-
FY 2024	-	-	-	-	-	-	-	146,066.14	146,066.14
APPLIED TOTAL	**$ -**	**$64,057.59**	**$2,615,361.34**	**$3,949,156.04**	**$ -**	**$ -**	**$ -**	**$146,066.14**	**$6,774,641.11**

Summary of Revenues and Expenditures

The schedule on the next page is divided vertically into two major sections: Revenues and Expenditures. The Revenue section shows the DIF collections by fiscal year and the interest assigned to the fee balance.

The Expenditures section shows the project costs assigned to that year's revenues. These costs are the "row" totals from the bottom section of the prior schedule. The expenditure section aims to show when a year's DIFs were spent to show compliance with the Mitigation Fee Act and AB-602.

Findings

Findings are presented in each DIF section and summarized at the beginning of this report.

1. Given the length of time between the last DIF update, the City Council should consider an update to the Nexus Report and DIFs.

   Response: The FY 2025 Development Impact Fee update and new Nexus studies will address this finding by developing a distinct Park Development Impact Fee that meets Quimby Act requirements and establishes a separate fund specifically for these fees. The study will carefully delineate between fees collected under the Quimby Act, which permits funding for park rehabilitation, and those collected under the Mitigation Fee Act, which focuses on new infrastructure for development impacts. This approach will ensure compliance with both legislative frameworks and allow for strategic use of Quimby Act funds toward the rehabilitation and improvement of existing parks, enhancing recreational amenities for the community.

2. Based on this Five-Year Report, Public Safety DIFs have been *committed* via the Nexus Report or spent within the five-year period required by the Mitigation Fee Act.

   Response: The Five-Year Report confirms that Development Impact Fees (DIFs) have been appropriately committed or spent within the legally required five-year period, demonstrating compliance with statutory timelines and responsible fund management.

CITY OF NEWARK

SUMMARY OF DEVELOPMENT IMPACT FEE REVENUES & EXPENDITURES

BY

PARK IMPACT FEE (624) FUND

FROM FY 2018 THROUGH 2024

		REVENUES				EXPENDITURES			
FISCAL YEAR	PRIOR BALANCE	DIF	OTHER DIF/ NON-DIF REV.	INT/TXFR IN	TOTAL	OUTLAY	TXFR OUT	TOTAL	AVAILABLE BALANCE
2018	5,725,974.07	382,510.00	-		382,510.00	64,057.59	-	64,057.59	6,044,426.48
2019	6,044,426.48	308,596.00	-	362,522.00	671,118.00	2,615,361.34	-	2,615,361.34	4,100,183.14
2020	4,100,183.14	596,187.00	-		596,187.00	3,949,156.04	-	3,949,156.04	747,214.10
2021	747,214.10	2,874,676.96	-	10,800.06	2,885,477.02	-	-	-	3,632,691.12
2022	3,632,691.12	1,799,853.57	-	12,573.80	1,812,427.37	-	-	-	5,445,118.49
2023	5,445,118.49	261,100.00		99,987.90	361,087.90	-	-	-	5,806,206.39
2024	5,806,206.39	1,785,051.28		290,417.36	2,075,468.64	146,066.14	-	146,066.14	7,735,608.89
SUMMARY		**$ 8,007,974.81**	**$ -**	**$ 776,301.12**	**$ 8,784,275.93**	**$ 6,774,641.11**	**$ -**	**$ 6,774,641.11**	

APPENDICES

APPENDIX A

RESOLUTION NO. 11,664

RESOLUTION NO. 11664

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AMENDING THE MASTER FEE SCHEDULE FOR FISCAL YEAR 2025

WHEREAS, the City Council of the City of Newark is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, the City Council of the City of Newark has, from time to time, established fees by resolution for services as authorized pursuant to the Newark Municipal Code, most recently on July 27, 2023 by Resolution No. 11,555; and

WHEREAS, Resolutions 10,184, 10,505, 10,633, 10,634, and 10,635 require development impact fees to be adjusted on an annual basis based on the Engineering News Record Construction Cost Index for San Francisco, California; and

WHEREAS, a public hearing has been noticed and held in accordance with Government Code Sections 6062a, 66016, 66017 and 66018.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby amend those portions of the City of Newark Master Fee Schedule as set forth in Exhibit "A," attached hereto and incorporated herein by this reference and made part hereof as though set forth at length for Fiscal Year 2025.

BE IT FURTHER RESOLVED that the amendments to the City of Newark Master Fee Schedule will not become effective until 60 days after adoption of this Resolution.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on June 27, 2024, by Vice Mayor Jorgens who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES:	Council Member Jorgens, Vice Mayor Freitas, and Mayor Hannon
NOES:	None
ABSENT:	Council Member Collazo
SECONDED:	Mayor Hannon

APPROVED:

MICHAEL K. HANNON
Mayor

ATTEST:

SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

KRISTOPHER J. KOKOTAYLO
City Attorney

EXHIBIT A

SUMMARY OF PROPOSED CHANGES

V. CONSTRUCTION ENTERPRISE FUND

- The proposed adjustments decrease the Park Impact, Capital Facilities, Community Service/Facilities, Transportation, and Housing Impact Fees by 1.1% based on the Engineering News Record Construction Cost Index per Resolutions 10,505, 10,633, 10,634, 10,635 and 10,184, respectively.

Enterprise Fund - Cost Center	Account No.	Description	Fee (in dollars)
V. CONSTRUCTION ENTERPRISE FUND			
A. DEVELOPMENT			
140.60.064.643	4995	1. Street Trees	
		a. City Planted (three year maintenance)	492/tree
624.00.000.000	4143	2. Park Impact Fee **	
		a. Projects without Land Dedicated for Parks	
		(1) Single-Family	~~31,130.44~~ 30,788.01/dwelling unit
		(2) Multi-Family Units	~~22,414.32~~ 22,167.76/dwelling unit
		b. Projects that Dedicate Land for Parks	
		(1) Single-Family	~~9,339.13~~ 9.236.40/dwelling unit
		(2) Multi-Family Units	~~6,599.69~~ 6,527.09/dwelling unit
		** Established by Resolution No. 10,132 and amended by Resolution 10,505. The above fees are effective as of August 8, 2016. Resolution 10,505 also requires the fee to be adjusted annually by the Engineering News Record Construction Cost Index, San Francisco, California.	
620.00.000.000	4144	3. Capital Facilities *	
		a. Public Safety [1]	
		(1) Single-family residential	~~4,298~~ 4,250.72/unit
		(2) Townhome	~~4,298~~ 4,250.72/unit
		(3) Multi-family residential	~~2,578.59~~ 2,550.23/unit
		(4) Office/Commercial	~~.75~~ .74/square foot
		(5) Manufacturing/Research & Development	.32/square foot
		(6) Warehousing/Distribution	~~.62~~ .61/square foot
621.00.000.000	4144	b. Community Service/Facilities [1]	
		(1) Single-family residential	~~2,877.89~~ 2,846.23/unit
		(2) Townhome	~~2,877.89~~ 2,846.23/unit
		(3) Multi-family residential	~~1,439.45~~ 1,423.62/unit
		(4) Office/Commercial	~~1.07~~ 1.06/square foot
		(5) Manufacturing/Research & Development	.23/square foot
		(6) Warehousing/Distribution	.45/square foot

Enterprise Fund - Cost Center	Account No.	Description	Fee (in dollars)
A. DEVELOPMENT, Continued			
622.00.000.000	4144	c. Transportation [1]	
		(1) Single-family residential	~~6,193.51~~ 6,125.38/unit
		(2) Townhome	~~3,219.93~~ 3,184.51/unit
		(3) Multi-family residential	~~3,839.90~~ 3,797.66/unit
		(4) Office/Commercial	~~5.49~~ 5.43/square foot
		(5) Manufacturing/Research & Development	~~3.00~~ 2.97/square foot
		(6) Warehousing/Distribution	~~6.00~~ 5.93/square foot
		* Established by Resolution No. 8051 and amended by Resolutions No. 9253, 10,633[1], 10,634[1], and 10,635[1]	
623.00.000.000	4144	4. Housing	
		a. Residential Housing Impact Fee* (revised annually)	
		(1) First 1,000 sq. ft. floor area/unit**	~~24.95~~ 24.68/square foot
		(2) All sq. ft. over 1,000 sq. floor area/unit	~~10.00~~ 9.89/square foot
		* Established by Resolution No. 10,184. Floor area for a residential development equals the sum of the horizontal floor areas of a building measured from the exterior face of exterior walls or from the center line of a wall separating two buildings, excluding garages, carports, and common areas. ** No housing impact fee is charged for the first 200 sq. ft. of floor area for additions to existing dwellings.	
		b. Non-Residential Housing Impact Fee *** (revised annually)	
		(1) Commercial	~~4.48~~ 4.43/square foot
		(2) Industrial	~~.84~~ .83/square foot
		*** Established by Resolution No. 8802. Floor area for a commercial development equals the sum of the horizontal floor areas of the a building measured from the exterior face of exterior walls or from the center line of a wall separating two buildings. Where no walls exist, the floor area is the area covered by the roof excluding two feet on each side of the structure. Outside areas used for sales or display (such as nurseries, building materials, auto sales, etc.) may be considered part of floor area when the community development director determines that the use of the outside area significantly contributes to the employee density of the building.	

APPENDIX B

RESOLUTION NO. 8051

RESOLUTION NO. 8051

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING CAPITAL FACILITIES FEES UNDER THE AUTHORITY OF NEWARK MUNICIPAL CODE CHAPTER 3.24, AND AMENDING SECTION V.A.4 OF THE MASTER FEE SCHEDULE 2000-2001

WHEREAS, the City Council of the City of Newark is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, Chapter 3.24 of the City of Newark Municipal Code authorizes the City Council to establish by resolution the amount of the Capital Facilities Fee to be imposed on new residential, industrial, and commercial development in the City; and

WHEREAS, on June 22, 2000, the City Council adopted Resolution 8011, establishing fees for services as set forth in the Master Fee Schedule 2000-2001; and

WHEREAS, on July 10, 2000, the Community Development Director held a public meeting on the proposed Capital Facilities Fee. Notice of the meeting was given to interested persons at least 14 days before the meeting and was published. At least 10 days before the meeting, the City made available to the public data indicating the amount of cost or estimated cost required to construct the facilities and the revenue sources anticipated to provide the construction cost, including general fund revenues; and

WHEREAS, on July 13, 2000, the City Council held a public hearing on this matter. Notice of the hearing was given to interested persons at least 14 days before the hearing and was published. At least 10 days before the hearing, the City made available to the public data indicating the amount of cost or estimated cost required to construct the facilities and the revenue sources anticipated to provide the construction cost, including general fund revenues. (Government Code §§66016, 66018).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1. **Amendment of Master Fee Resolution.** Section V.A. 4 of the Master Fee Schedule 2000-2201 is hereby amended by repealing Section V. A. 4 ("Capital Facilities Impact Fee") and replacing it with a new Section V.A.4 entitled "Capital Facilities Fee," as set forth hereinbelow in Section 2.

2. **Fee for development.** A person who develops property shall pay a Capital Facilities Fee, unless the particular development or portion thereof is exempt under Municipal Code Section 3.24.070. The Capital Facilities Fee for residential, commercial, and industrial development is based on the capital facility needs generated by such development and is in proportion to those needs.

The Fee imposed under Municipal Code Section 3.24.050 for new development is indicated below. The Fee is based on the analysis set forth in the Capital Facilities Fee Technical Report, entitled "Newark Impact Fee Study," dated July 2000 ("Technical Report"), a copy of which is on file in the Community Development Department. The Fee shall be reviewed annually and modified as necessary by resolution based on the Technical Report and future additions and amendments to it, to provide the capital facilities necessary to implement the Capital Facilities Program and achieve the objectives of the City of Newark's General Plan.

V.A.4 CAPITAL FACILITIES FEE

Category of Land Use and Fee	Public Safety	Community Service/Facilities	Transportation	Total CFF
Single-family residential (per unit)	$1,515.00	$1,508.00	$876.00	$3,900.00
Multi-family residential (per unit)	$1,737.00	$1,373.00	$503.00	$3,613.00
Commercial (per sq. ft.)	$1.70	$0.22	$1.29	$3.20
Industrial (per sq. ft.)	$0.25	$0.16	$0.75	$1.16

If an ambiguity arises in determining the type of development for which a Fee applies, the City shall use the category which in its judgment most nearly fits the proposed use. In making the determination, the City shall rely on the analysis in the July 2000 Technical Report and the specific uses described in the Zoning Ordinance.

3. **AB 1600 Findings (Government Code §66001)**

a. The purpose of the Capital Facilities Fee is to provide adequate capital facilities improvements to serve new development within the City.

b. The Fee will be used to finance a variety of capital facility improvements as prescribed in Section 3.24.100 (B) of the Municipal Code and as identified in the Technical Report, including public safety and transportation facilities and community service and facilities.

c. The Fee will fund that portion of capital facility improvements attributable to new commercial, industrial, and residential development responsible for paying the Fee.

d. The amount of the Fee bears a fair and reasonable relationship to each development's burden on and benefit from the City's public services and capital facilities improvements to be funded by the Fee, and is based on the following considerations:

- New commercial, industrial, and residential development will pay only for those capital facilities which serve new commercial, industrial, and residential development and are necessary to serve the public service needs which will be created by such new development.

- The cost of improvements needed to alleviate existing deficiencies in capital facilities, if any, are not included in this Fee.

- Each type of development shall contribute to the needed improvements in proportion to the use of public services and capital facilities by that type of development. For residential development, the Fee per new dwelling unit is based upon the proportion of total new public facilities' costs attributable to new residential development divided by the number of new residential units expected to be developed in the City through projected buildout. For commercial and industrial development, the Fee per new square foot is based upon the proportion of total new public facilities' costs attributable to new commercial and industrial development divided by the total new commercial and industrial square footage expected to be developed in the City.

4. **Time of payment.**

a. **Residential.** For residential development of no more than one dwelling unit, the Fee shall be paid prior to the issuance of the Certificate of Occupancy, unless the City elects to exercise the exception authorized under Government Code Section 66007(b), in which case it may become payable at an earlier date to be determined by the City. In the case of a residential development which involves construction of more than one dwelling unit, the Fee shall be paid on a lump-sum basis for the total development when the first dwelling in the development receives its Certificate of Occupancy.

b. **Industrial and Commercial.** For industrial and commercial development, the Fee shall be paid prior to issuance of the building permit.

5. **Notice.**

At the time of approval of a project or at the time of the imposition of the Capital Facilities Fee, the City shall provide to the project applicant a statement of:

a. The amount of the Fee and the public improvement that the Fee will be used to finance. (Government Code § 66006(f)); and

b. Notification that the 90-day approval period in which the applicant may protest has begun. (Government Code § 66020(d)).

6. **Findings regarding funds not spent.**

The City shall make certain findings once each fiscal year with respect to any portion of the Fee remaining unexpended or uncommitted in its account five years or more after the deposit of the Fee. (Government Code §66001[d])

7. **Judicial action.**

Any judicial action or proceeding to attack, review, set aside, void, or annul this resolution shall be brought within 120 days. (Government Code §66022).

8. **Effective date.**

The Fee established by this resolution takes effect on September 26, 2000, which is at least 60 days from the date this resolution is adopted. (Government Code §66017)

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on July 27, 2000, by Council Member Nagy who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES: Council Members Boggs, Freitas, Nagy, and Mayor Smith

NOES: None

ABSENT: Council Member Johnson

SECONDED: Council Member Boggs

APPROVED:

s/DAVID W. SMITH
Mayor

ATTEST:

s/FRANCES MILLER-ROGERS
City Clerk

APPROVED AS TO FORM:

s/GARY T. GALLIANO
City Attorney

APPENDIX C

PUBLIC SAFETY AND COMMUNITY SERVICE FACILITY DEVELOPMENT IMPACT FEE NEXUS STUDY 2017

EXHIBIT A
RESOLUTION NO. 10633

KEYSER MARSTON ASSOCIATES

PUBLIC SAFETY AND COMMUNITY SERVICE FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY

Prepared for:
City of Newark

Prepared by:
Keyser Marston Associates, Inc.

March 2017

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I. INTRODUCTION, SUMMARY OF CURRENT PROGRAM, RESULTS, AND RECOMMENDATIONS

This Public Safety and Community Service Facility nexus analysis provides the City of Newark (the City) with the necessary technical documentation to support updating its current Public Safety Facility and Community Service Facility impact fees. This nexus analysis has been prepared by Keyser Marston Associates, Inc. (KMA).

A. Summary of Current Program and City Objectives for Impact Fees

The City currently levies both a public safety capital facilities fee and a community service capital facilities fee on residential and non-residential development. The fee revenues are used to fund a portion of the cost of new capital facilities to serve people who live and/or work in Newark. The portion of costs to be funded by fees on new development reflects the share of the future service population comprised of future residents/employees. The pro rata share of facility costs attributable to existing residents and employees will not be funded by fees levied on new development. The current impact fee amounts are as follows:

Exhibit 1: Current Impact Fees

Type of New Development	Public Safety Capital Facilities Fee	Community Service Capital Facility Fee
Single-family residential	$1,989 per unit	$1,942 per unit
Multi-family residential	$2,079 per unit	$1,596 per unit
Commercial	$1.73 per square foot	$0.36 per square foot
Industrial	$0.17 per square foot	$0.31 per square foot

The planned future public safety and community service capital facilities are identified in the City's General Plan and capital improvement plan and through interviews with executive staff, and are detailed in Tables 4 and 5 of this report. Key planned improvements include a new library, city administration building, and police center at the city's current civic center, a performing or cultural arts center, and a new senior center.

B. Report Background and Legal Context

The Mitigation Fee Act (AB 1600 et seq.) permits cities to adopt impact fees on new development to fund the associated, additional costs of providing capital facilities to meet the demands generated by new residents and employees.

This Report provides the necessary technical analysis to support a schedule of fees to be established by an Impact Fee Ordinance and Resolution. The Mitigation Fee Act allows the City to adopt by Resolution a fee schedule consistent with the supporting technical analysis and findings provided in this Report. The Resolution's approach to setting the fee allows periodic

adjustments of the fee amount as may be necessary over time, without amending the enabling Ordinance.

The technical analysis in this Report estimates the public safety and community service facility fee schedules that will fund new development's "fair share" contribution to funding future public safety and community service facility capital improvements. The key requirements of the Mitigation Fee Act that determine the structure, scope, and amount of the updated fees are as follows:

- **Collected for Capital Facility and Infrastructure Improvements.** Development impact fee revenue can be collected and used to cover the cost of capital facilities and infrastructure required to serve new development and growth in the City. However, impact fee revenue cannot be used to cover the operation and maintenance costs of these or any other facilities and infrastructure.

- **Cannot Fund Existing Needs.** Impact fee revenue cannot be collected or used to cover deficiencies in existing City capital equipment and facilities. The portion of capital costs required to meet the needs of the City's existing population must be funded through other sources. Capital facility investments that increase service standards for existing and new development must be split on a "fair share" basis according to the proportion attributable to each.

- **Must be Based on a Rational Nexus.** An impact fee must be based on a reasonable nexus, or connection, between new growth and development and the need for a new facility or improvement. As such, an impact fee must be supported by specific findings that explain or demonstrate this nexus. In addition, the impact fee amount must be structured such that the revenue generated does not exceed the cost of providing the facility or improvement for which the fee is imposed.

The City can choose to charge impact fees below the maximum, supportable fee schedule. Such downward adjustments in the fee schedule, if selected, are typically based on policy considerations related to considerations of development feasibility and fee levels in peer cities.

C. Facility Standards and Cost Allocation Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. The City's General Plan identifies new public safety and community service facilities that will be needed to serve Newark residents and employees through the 2035 planning horizon of the General Plan. As noted in the General Plan, Newark's city hall was built in 1966 and many of its systems are now outdated and the space does not fully meet the needs of Newark today. To serve the existing and future population, the General Plan identifies the need for modernizing or replacing City Hall, building a new library, performing arts center, and

police facilities. Needed improvements to be partially funded by the fees on new development are listed in Tables 4 and 5.

Pursuant to the requirements of the Mitigation Fee Act, facility costs have been allocated to new development proportionate to new development's share of the City's service population upon buildout in 2035. This approach ensures that new development will bear only it's fair share of costs and will not be funding improvements to cure existing deficiencies.

D. Maximum and Recommended Fee Schedules

Exhibit 2 shows the fee schedules supported by this study and represents the maximum public safety and community service facility fees that the City could charge consistent with the Mitigation Fee Act. The calculation of the fees is presented in Section III of this report. We recommend that the City adopt fees equal to the maximum fee amounts because the total impact fee obligation does not exceed the total obligation in adjoining cities and the recommended fees are needed to mitigate the facility needs of new residents and employees. However, consideration could be given to allowing for the reduction, with City Council approval, of fees to support high-income job generation and sales tax generating uses.

The fee schedules include a 2 percent (2%) administration fee, consistent with other Mitigation Fee Act program administrative costs in many other California jurisdictions.

Exhibit 2: Maximum and Recommended Fee Schedules

Type of New Development	Maximum and Recommended Fee Amounts	
	Public Safety Facility Fee	**Community Service Facility Fee**
Residential	$2,311 per unit	$3,451 per unit
Commercial	$1.72 per square foot	$1.19 per square foot
Industrial	$0.36 per square foot	$0.50 per square foot

E. Fee Indexing

Since construction costs continue to rise, it is important that the cost be indexed to inflation. The fee should be adjusted annually by a construction cost index, such as the Engineering News Record.

II. MITIGATION FEE ACT NEXUS FINDINGS

This chapter describes the necessary "nexus" between new development in Newark and the proposed capital facilities investments, as required under the Mitigation Fee Act – Government Code Section 66000 (AB1600). The new public safety facility and community service facility development impact fees will fund new development's "fair share" of needed capital facilities as identified in the General Plan to provide an adequate level of service to Newark.

Nexus findings address: (1) the ***purpose*** of the fee and a related description of the facility for which fee revenue will be used, (2) the specific ***use*** of fee revenue, 3) the ***relationship*** between the facility and the type of development, (4) the relationship between the ***need*** for the facility and the type of development, and (5) the relationship between the amount of the fee and the ***proportionality*** of cost specifically attributable to new development. The subsections below describe the nexus findings for both the Public Safety Facility Impact Fee and the Community Service Facility Impact Fee.

A. Purpose

The fees will ensure that new development contributes its "fair share" towards funding the construction of new capital facilities that are identified in the City's General Plan.

B. Use of Fee Revenues

Public safety facility impact fee revenues will be used to fund a portion of the cost to construct the public safety capital facilities identified in Table 4. Similarly, the community service facility impact fee revenues will be used to fund a portion of the cost to construct the community service capital facilities identified in Table 5. These facilities will benefit the entire City of Newark.

C. Relationship

New residential development in the City of Newark will increase the demand for and use of public safety and community service facilities. Fee revenue will be used to help fund new development's pro rata share of the cost of new facilities that will be built to serve the entire City.

D. Need

The City's General Plan has identified new public safety and community service facilities that are needed to serve Newark through the year 2035. These new facilities are needed to serve both existing and new residents and employees. Each new residential and non-residential project will bring new residents and employees to the City and will generate incremental, new demand and use of the City's public safety and community service facilities. New revenues to

fund investments in new public safety and community service facilities are needed to fund needed capital facilities as identified in the City's General Plan.

Given that impact fees on new development will fund approximately 26% of the cost of new public safety capital facilities and 21% of new community service capital facilities, the City will need to secure funding from other sources to construct the capital facilities. It is anticipated that the balance of funds will come from the following sources:

- Local half cent sales tax;
- City General Fund surpluses;
- Regional, state and federal grants

E. Proportionality

The maximum, supportable public safety facilities and community service facility fee schedules have been derived by the following steps:

1. Establish the list of capital facilities to be funded, in part, by fees on new development. The source for this list is the City's General Plan and the City's Capital Improvement Plan.
2. Establish the current and future (year 2035) population and employment estimates for the City of Newark. Sources for these estimates are the State Department of Finance, the City's General Plan, demographic research companies, and City staff.
3. Establish estimates of the current and future number of housing units, square feet of commercial space, and square feet of industrial space in the City. Sources for these estimates are the State Department of Finance, City staff, and the trends in the employment density of new development.
4. Establish the population base to be served by each capital facility to be funded by impact fees. For example, a new administration building at city hall will serve all future residents and employees. A new senior center, however, will serve all future residents, but not employees.
5. Calculate the percentage of each future service population comprised of existing residents/employees and the percentage attributable to new residents/employees.
6. For each capital facility, multiply the cost of the facility by the percentage of demand attributable to the new service population.
7. Distribute the cost allocated to new development by land use (residential, commercial, and industrial) based on the land use composition of the applicable service population. The distribution of demand for fire facilities has been determined based on the distribution of fire/EMS protection service calls by land use.
8. Aggregate the public safety capital facility costs attributable to new development by land use.

9. Divide each land use's share of new development cost by the projected amount of new development (units, commercial square feet, or industrial square feet) to establish the public safety facility fee amount on new development.
10. Aggregate the community service capital facility costs attributable to new development by land use.
11. Divide each land use's share of new development cost by the projected amount of new development (units, commercial square feet, or industrial square feet) to establish the community service facility fee amount on new development.

With this methodology, the fee program cost estimates are directly proportional to the relative increase in new development.

III. DEMAND FOR NEW PUBLIC SAFETY FACILITIES AND SUPPORTED IMPACT FEE AMOUNTS

A. Public Safety Facility Needs to Serve Newark through 2035

City staff have identified the following list of needed public safety facility improvements based on the facility needs identified in the City's General Plan and the City's Capital Improvement Plan. These new facilities are anticipated to meet the City's needs through the year 2035. As shown in Exhibit 3, the total cost of capital facilities is estimated at $42 million, with a $23 million police center at the Civic Center accounting for 55% of the entire cost of new facilities.

Exhibit 3: New Public Safety Needs

Fire	Total Cost	Total, With 2% Admin.
Fire Admin Portion of City Administration Building	$2,557,400	$2,608,548
Community Alerting and Warning System	$75,000	$76,500
Fire Station No. 27 Energy Efficient Windows	$40,000	$40,800
Fire Station No. 27 Training Tower	$2,000,000	$2,040,000
Fire Station No. 29 Truck Exhaust System	$45,000	$45,900
Replace Fire Station No. 27	$5,300,000	$5,406,000
Replace and Expand Fire Station No. 29	$6,400,000	$6,528,000
Ladder Truck/Fire Engine to serve new population	$1,200,000	$1,224,000
Traffic Signal Preemption (Opticom)	$160,000	$163,200
Total Fire	$17,777,400	$18,132,948
Police		
Police Center at the Civic Center	$23,016,600	$23,476,932
Police Vehicles (5) to serve new population	$325,000	$331,500
Police Department Substation Facilities	$850,000	$867,000
Total Police	$24,191,600	$24,675,432
Total, Public Safety	**$41,969,000**	**$42,808,380**

B. Service Population

The proposed new facilities will serve all of Newark. Therefore, the applicable service population for public safety capital facilities is both residents and employees. As shown in Exhibit 4, the City's current population is 44,733. By 2035 the population is anticipated to reach 60,510, reflecting an increase of 15,777 people over roughly the next 19 years. Approximately 19,363 people work in Newark, with employment in commercial businesses totaling approximately 12,500 and employment in industrial businesses totaling approximately 6,860. Employment is expected to grow by 4,950 through 2035.

Exhibit 4: City of Newark Population and Employment

	2016	In progress	Additional - 2017 through 2035	2035
Population[1]	**44,733**	**2,933**	**12,844**	**60,510**
Employment[2]				
Office	1,197		850	2,047
Retail	7,762		900	8,662
50 % R&D	3,545		1,350	4,895
Total Commercial	12,504		3,100	15,604
Light Industrial	1,749		300	2,049
Heavy Industrial	1,565		200	1,765
50% R&D	3,545		1,350	4,895
Total Industrial	6,859		1,850	8,709
Total Employment	**19,363**		**4,950**	**24,313**

[1] State Department of Finance E-5 is source of estimate of current population. Estimate of population in 2035 is the Newark General Plan.

[2] ESRI is source of current employment estimates. 2035 employment estimates have been provided City staff.

In recognition that employees' demands for city services is generally limited to the time that they are at work, the impact of employees is weighted less than the impact of residents. Based on analysis underpinning the current impact fees, it is assumed that the public facility demand created by each employee is equal to 0.36 of the impact of each resident. The fractional demand per employee is calculated by multiplying the share of daily working hours relative to activity hours (.5) by the fraction of 5 working days out of 7 days per week (.71). The derived weighted average is .36.

The service population for Public Safety facilities is the sum of the resident population and.36% of the employment base. As shown in Exhibit 5, the current public safety service population is approximately 51,700 and the service population of residential units currently under construction, which will not be subject to the updated impact fee, is approximately 2,933. The service population associated with new growth through the year 2035 is estimated to total 14,626, which represents 21.1% of the total service population in the buildout year of 2035.

Exhibit 5: Public Service Population

Factor	Source	Number	Percent Allocation
Residents			
Existing	SDOF, E-5	44,733	73.9%
In progress	City staff + SDOF	2,933	4.8%
New Growth		**12,844**	**21.2%**
Buildout	General Plan	60,510	100.0%
Employment			
Existing	ESRI	19,363	79.6%
New Growth	City staff	4,950	20.4%
Buildout		24,313	100.0%
Public Service Population [1]			
Existing		51,704	74.6%
In Progress		2,933	4.2%
New Growth		**14,626**	**21.1%**
Buildout		69,263	100.0%

[1] Public service population is an allocation factor which differentiates between the impact of employees and residents. It equals resident population plus .36 of employment. Per a prior Newark General Plan, the .36 factor reflects an adjustment of one-half (8/16) to reflect the workday's share of awake hours and an adjustment of 5/7 to reflect the work-week's share of the number of days in a week.

The distribution of the additional 14,626 service population from 2017 through 2035 among the land uses is as follows:

Exhibit 6: Distribution of New Service Population by Land Use

	New Service Population from New Development	
Residential	12,844	87.8%
Commercial	1,116 (3,100 x 0.36)	7.6%
Industrial	666 (1,850 x 0.36)	4.6%
Total New Service Population	14,626	100%

C. Public Safety Facility Costs Attributable to New Service Population

The cost of new public safety facilities attributable to the demands of new development is generally estimated by applying the 21.1% factor to the facility cost schedule. However, because some of the facilities are needed solely to serve the new service population, the overall percentage of costs attributable to new development is 26.1%.[1] As shown below in Exhibit 7, it

[1] A new fire engine ($1.2 million), an expansion of Fire Station No. 29 to house the new engine, and five police cars ($325,000) are needed to serve exclusively the new service population. 100% of the cost of these facilities is allocated to new development. Please refer to Table 4 for a detailed allocation of costs.

is estimated that new residents/employees will create the demand for approximately $11.2 million of new public safety capital facilities through 2035. Demand attributable to existing residents and employees is estimated to total $31.7 million.

Exhibit 7: Public Safety Facility Costs Attributable to Demand from New Development

	Total Facility Cost with 2% Admin. Fee	Costs Allocable to New Development – 26.1%
Total Fire	$18.1 million	$5.7 million
Total Police	$24.7 million	$5.5 million
Total, Public Safety Facility Costs	**$42.8 million**	**$11.2 million**

D. Distribution of Public Safety Facility Demand by Land Use

Since impact fees are levied per unit or per square foot of new non-residential development and often vary by type of non-residential development, the service population needs to be broken down by land use. As provided in Exhibit 8, the distribution of the growth in the service population is as follows: 88% from new residents; 8% from new commercial employees; and 5% from new industrial employees. For purposes of this analysis, it has been assumed that the distribution of demand is proportionate to the distribution of the service population.

The source of demand for new fire protection facilities has been estimated based on the distribution of service calls submitted to the Newark Fire Department during calendar year 2015. The call records and the source of calls are detailed in Table 10. As summarized below, approximately 77% of calls originated from residential homes, 19% from commercial establishments, and 4% from industrial establishments.

Exhibit 8: Distribution of New Service Population for Public Safety Facilities by Land Use

	Total	Residential	Commercial	Industrial
Distribution for Police Facilities[1]				
Percentage	100%	**87.8%**	**7.6%**	**4.6%**
Distribution for Fire Facilities				
Percentage[2]	100%	**77%**	**19%**	**4%**

[1] Exhibit 7

[2] Table 10

The demand for new public safety facilities by land use is estimated by applying these demand percentages to the facility costs attributable to new development. As shown in Exhibit 9, the costs attributable to new residential development is estimated to total $9.2 million, the cost attributable to new commercial development is estimated to total $1.5 million, and the cost attributable to new industrial development is estimated to total $451,000.

Exhibit 9: Distribution of Public Safety Facility Costs by Land Use Demand

	Police Facilities	Fire Facilities	Total Public Safety Facilities
Facility Costs Attributable to New Development	**$5.5 million[1]**	**$5.7 million**	**$11.2 million**
Residential	$4.8 million (87.8%)	$4.4 million (77%)	$9.2 million (84%)
Commercial	$0.4 million (7.6%)	$1.1 million (19%)	$1.5 million (12%)
Industrial	$0.2 million (4.6%)	$0.2 million (4%)	$0.5 million (4%)

[1]Totals may not add due to rounding.

E. Supported Public Safety Facility Fee Levels

Since impact fees are levied per unit of new development, the growth of the service population must be translated into projected new residential units and new building square footage. Based on US Census data, an average household size of 3.23 has been assumed to convert population projections into projected residential units. City staff has provided estimates of existing commercial and industrial stock and the amount of new space anticipated to be built through 2035. See Exhibit 10 below.

Exhibit 10: Current and Anticipated population and commercial and industrial stock

	Growth in Service Population – 2017 through 2035	New Households; New Commercial and Industrial SF – 2017 through 2035
Residential Population	12,844	3,977
Commercial Service Population	1,116	880,000 sq. ft.
Industrial Service Population	666	1,250,000 sq. ft.

Supported fee amounts on new development to fund needed public safety facilities are determined by dividing the portion of costs attributable to the demand generated by new development by the magnitude of new development anticipated through 2035. As shown in Exhibit 11, impact fees of $2,311 per residential unit, $1.72 per square foot of new commercial development and $0.36 per square foot of new industrial development are warranted to fund the construction of public safety facilities in Newark to serve the needs generated by new development.

Exhibit 11: Supported Public Safety Facilities Impact Fees by Land Use

	Residential	Commercial	Industrial	Total
Costs Allocated to New Development	$9,187,925	$1,512,565	$451,442	$11,151,931
New Development (Units or SF)	3,977	880,000	1,250,000	
Impact Fee per Unit/SF	**$2,311**	**$1.72**	**$0.36**	

IV. DEMAND FOR NEW COMMUNITY SERVICE FACILITIES AND SUPPORTED IMPACT FEE AMOUNTS

A. Community Service Facility Needs to Serve Newark through 2035

City staff have identified the following list (Exhibit 12) of needed community service facility improvements based on the facility needs identified in the City's General Plan and the City's Capital Improvement Plan. These new facilities are anticipated to meet the City's needs through the year 2035. As shown, the total cost of capital facilities is estimated at $71.46 million. The largest planned expenditures include a $21.1 million new library at the civic center, a $17.3 million new city administration building at the civic center, a $9 million performing arts center, and a $7.5 million senior center.

Exhibit 12: Needed Community Service Facility Improvements

Community Service Facilities	Total Cost	Total, With 2.00% Admin.
City Administration Building at Civic Center	$17,262,450	$17,607,699
Equipment Shop Heavy Duty Vehicle Hoist	$60,000	$61,200
History Center (Phases 2,3,4)	$4,000,000	$4,080,000
Library at the Civic Center	$21,098,550	$21,520,521
Mowry Avenue Backup Walls	$900,000	$918,000
New Fuel Management System	$60,000	$61,200
New Senior Center	$7,500,000	$7,650,000
Newark Boulevard Backup Walls	$1,200,000	$1,224,000
Performing (or Cultural) Arts Center	$9,000,000	$9,180,000
Service Center Fuel Tank Canopy	$130,000	$132,600
Service Center Storage Facility	$400,000	$408,000
Service Center Waste Disposal Upgrades	$250,000	$255,000
Silliman Complex Restroom/Maintenance Facility	$700,000	$714,000
Thornton Avenue Streetscape	$2,200,000	$2,244,000
Electrical Vehicle Charging Stations	$200,000	$204,000
New Homeless Shelter	$1,500,000	$1,530,000
Service Center Expansion	$5,000,000	$5,100,000
Total Community Facilities	$71,461,000	$72,890,220

B. Public Service Population

The proposed new community facilities will serve all of Newark. Therefore, the applicable service population for most community service capital facilities is both residents and employees. As shown in Exhibit 13, the City's current population is 44,733. By 2035 the population is anticipated to reach 60,510, reflecting an increase of 15,777 people over roughly the next 19 years. Approximately 19,363 people work in Newark, with 12,500 employed in commercial

businesses and 6,860 employed in industrial businesses. An additional 4,950 employees are expected through 2035.

Exhibit 13: City of Newark Population and Employment

	2016	In progress	Additional – 2017 through 2035	2035
Population[1]	**44,733**	**2,933**	**12,844**	**60,510**
Employment[2]				
Office	1,197		850	2,047
Retail	7,762		900	8,662
50 % R&D	3,545		1,350	4,895
Total Commercial	12,504		3,100	15,604
Light Industrial	1,749		300	2,049
Heavy Industrial	1,565		200	1,765
50% R&D	3,545		1,350	4,895
Total Industrial	6,859		1,850	8,709
Total Employment	**19,363**		**4,950**	**24,313**

[1] State Department of Finance E-5 is source of estimate of current population. Estimate of population in 2035 is the Newark General Plan.

[2] ESRI is source of current employment estimates. 2035 employment estimates have been provided City staff.

In determining the population to be served by the new facilities, it is recognized that employees' demands for city services is generally limited to the time that they are at work. Therefore, employees are weighted less than residents. Based on that analysis that was undertaken to support the current impact fees, it is assumed that the public facility demand created by each employee is equal to 0.36 of the impact of each resident. The fractional demand per employee is calculated based on a fraction of 8 hours out of 16 activity hours per day (.5) times the fraction of 5 working days out of 7 days per week (.71). The derived weighted average is .36.

The public service population for all community service facilities except the senior center is the sum of the resident population and.36% of the employment base. As shown in Exhibit 13, the current service population is approximately 51,700 and the service population of residential units currently under construction, which will not be subject to the updated impact fee, is approximately 2,933. The service population associated with new growth through the year 2035 is estimated to total 14,626, which represents 21.1% of the total service population in the buildout year of 2035.

Given that employment does not contribute to the need for senior centers, the service population for the senior center is the residential population. As shown in Exhibit 14, it is estimated that the City's population will increase by 12,844 from 2017 through 2035 from new residential development, excluding new units currently under construction, which will be subject

to the existing fees. The additional 12,844 residents will account for 21.2% of Newark's population by 2035. Therefore, 21.2% of the cost of the senior center is estimated to be attributable to the impacts of new development.

Exhibit 14: Public Service Population

Factor	Source	Number	Percent Allocation
Residents			
Existing	SDOF, E-5	44,733	73.9%
In progress	City staff + SDOF	2,933	4.8%
New Growth		**12,844**	**21.2%**
Buildout	General Plan	60,510	100.0%
Employment			
Existing	ESRI	19,363	79.6%
New Growth	City staff	4,950	20.4%
Buildout		24,313	100.0%
Public Service Population [1]			
Existing		51,704	74.6%
In Progress		2,933	4.2%
New Growth		**14,626**	**21.1%**
Buildout		69,263	100.0%

[1] Public service population is an allocation factor which differentiates between the impact of employees and residents. It equals resident population plus .36 of employment. Per a prior Newark General Plan, the .36 factor reflects an adjustment of one-half (8/16) to reflect the workday's share of awake hours and an adjustment of 5/7 to reflect the work-week's share of the number of days in a week.

The distribution of the additional 14,626 service population from 2017 through 2035 among the land uses is presented in Exhibit 15:

Exhibit 15: Distribution of New Service Population by Land Use

	New Service Population from New Development	
All facilities, except senior center		
Residential	12,844	87.8%
Commercial	1,116 (3,100 x 0.36)	7.6%
Industrial	666 (1,850 x 0.36)	4.6%
Total New Service Population, All except Senior Center	**14,626**	**100.0%**
Senior Center	**12,844**	**100%**

C. Community Service Facility Costs Attributable to New Development

The cost of new community service facilities attributable to the demands of new development is estimated by applying the 21.1% factor to the facility cost schedule for all improvements, excluding the senior center, and applying a factor of 21.2% to the total cost of the senior center. As shown in Exhibit 16, it is estimated that new residents/employees will create the demand for approximately $15.4 million of new community service capital facilities through 2035, which accounts for approximately 21.1% of total project costs. Demand attributable to existing residents and employees is estimated to total $57.5 million.

Exhibit 16: Community Service Facility Costs Attributable to Demand from New Development

	Total Facility Cost with 2% Admin. Fee	Costs Allocable to New Development
Total Community Facilities, excluding senior center	$65.24 million	$13.78 million (21.1%)
Senior Center	$ 7.65 million	$1.62 million (21.2%)
Total, Community Service Facility Costs	**$72.89 million**	**$15.40 million (21.1%)**

D. Distribution of Community Service Facility Demand by Land Use

Since impact fees are levied per unit or per square foot of new non-residential development and often vary by type of non-residential development, the service population needs to be broken down by land use. As provided in Exhibit 17, the distribution of the growth in the service population for facilities excluding the senior center is as follows: 87.8% from new residents; 7.6% from new commercial employees; and 4.6% from new industrial employees. For the senior center, 100% of the cost is apportioned to residential development. For purposes of this analysis, it has been assumed that the distribution of demand is proportionate to the distribution of the service population.

Exhibit 17: Distribution of Demand for New Community Service Facilities by Land Use

	Total	Residential	Commercial	Industrial
Distribution for Community Facilities, Excluding the Senior Center[1]				
Percentage	100%	**87.8%**	**7.6%**	**4.6%**
Distribution for Senior Center				
Percentage	100%	**100%**	**0%**	**0%**

[1] *Exhibit 16*

The demand for new public safety facilities by land use is estimated by applying these demand percentages to the facility costs attributable to new development. As shown in Exhibit 18, the costs attributable to new residential development is estimated to total $13.72 million, the cost attributable to new commercial development is estimated to total $1.05 million, and the cost attributable to new industrial development is estimated to total $0.63 million.

Exhibit 18: Distribution of New Development's Share of Community Service Facility Costs by Land Use

	Senior Center	All other Community Service Facilities	Total Community Service Facilities
Facility Costs Attributable to New Development	**$1.62 million**	**$13.78 million**	**$15.40 million**
Residential Demand	$1.62 million (100%)	$12.10 million (87.8%)	$13.72 million (89%)
Commercial Demand	$0.00 million (0%)	$1.05 million (7.6%)	$1.05 million (7%)
Industrial Demand	$0.00 million (0%)	$0.63 million (4.6%)	$0.63 million (4%)

E. Supported Community Service Facility Fee Levels

Since impact fees are levied per unit of new development – per residential unit or per square foot of new commercial or office development, the average household size and the average employment density is needed to convert the demand of new residents/employees into the demand of new residential units and new building square footage. Based on US Census data, an average household size of 3.23 has been assumed. City staff has provided estimates of existing commercial and industrial stock and the amount of new space anticipated to be built through 2035, which are presented in Exhibit 19.

Exhibit 19: Existing commercial and industrial stock and anticipated amount of new space

	Growth in Service Population – 2017 through 2035	New Households; New Commercial and Industrial SF – 2017 through 2035
Residential Population	12,844	3,977
Commercial Service Population	1,116	880,000 sq. ft.
Industrial Service Population	666	1,250,000 sq. ft.

Supported fee amounts on new development to fund needed community service facilities are determined by dividing the portion of costs attributable to the demand generated by new development by the magnitude of new development anticipated through 2035. As shown in Exhibit 20, impact fees of $3,451 per residential unit, $1.19 per square foot of new commercial development and $0.50 per square foot of new industrial development are warranted to fund the construction of community service facilities in Newark to serve the needs generated by new development.

Exhibit 20: Supported Community Service Facilities Impact Fees by Land Use

	Residential	Commercial	Industrial	Total
Costs Allocated to New Development	$13,722,088	$1,051,188	$627,322	$15,400,598
New Development (Units or SF)	3,977	880,000	1,250,000	
Impact Fee per Unit/SF	**$3,451**	**$1.19**	**$0.50**	

V. USE OF FEE REVENUE

The City plans to use public safety facility fee revenues to construct the facilities identified in Exhibit 3. The City plans to use community service facility fee revenues to construct the facilities identified in Exhibit 12.

VI. IMPACT FEES IN NEIGHBORING CITIES, MAXIMUM SUPPORTED FEES, AND RECOMMENDED FEES

A. Public Safety and Community Service Facility Fees in Neighboring Jurisdictions

KMA surveyed the impact fees levied by the nearby cities of Union City, Fremont, and Milpitas. The impact fees levied in these cities are presented in Appendix Tables A-1, A-2 and A-3, and summarized in Exhibit 21.

As shown, the distribution of types of impact fees and the total fee amount varies considerably among the jurisdictions and by land use. Newark is the only jurisdiction with a dedicated public safety fee for police and fire department capital improvements. In comparison, Union City has a general capital facilities fee, which it levies only on residential development. Both Union City and Milpitas do not levy any material impact fees on non-residential development. Newark's total fee amount on new residential development is significantly less than the fees levied in Union City and Milpitas. Newark's residential fees are also less than the fees levied in Fremont, but the difference is not as large.

Newark's impact fees on commercial development are within the band of fees charged by Fremont but significantly more than the fees levied by Union City and Milpitas, both of which do not levy any significant charges on new commercial development. Newark's impact fees on industrial development are less than the fees levied by Fremont but more than the negligible fees levied in Union city and Milpitas.

Exhibit 21: Comparison Public Safety and Community Service Facility Impact Fees*

	Newark	Fremont	Union City	Milpitas
Public Safety Facility Fees				
Residential	$1,989 - $2,079	3BR = $371; 4BR = $457	$0	$0
Commercial	$1.73	$0.18 - $0.31	$0	$0
Industrial	$0.17	$0.10 - $0.24	$0	$0
Community Service Facility Fees				
Residential	$1,596 - $1,942	3BR = $2,569 4BR = $3,163	$8,624 - $12,231	$0
Commercial	$0.36	$0.55 - $0.92	$0	$0
Industrial	$0.31	$0.31 - $0.71	$0	$0
Total Fees				
Residential	$22,135 - $29,732	3 BR = $29,158 4 BR = $31,012	$38,138 - $42,075	$29,089 - $44,673
Commercial	$7.06	$6.22 - $7.57	< $1.00	$0
Industrial	$1.85	$2.03 - $4.53	< $1.00	$0

**excludes affordable housing fees levied on residential development and fees levied on building permit valuations or any basis other than per unit or per square foot.*

B. Maximum and Recommended Impact Fees

We recommend that the adopted fees be set at the amounts supported by this nexus study given that the proposed public safety and community service facility fee amounts and total fees in Newark (after adoption of the recommended fees) would not exceed the levies in neighboring communities.

Exhibit 22: Maximum and Recommended Fee Schedules

Type of New Development	Maximum and Recommended Fee Amounts	
	Public Safety Facility Fee	**Community Service Facility Fee**
Residential	$2,311 per unit	$3,451 per unit
Commercial	$1.72 per square foot	$1.19 per square foot
Industrial	$0.36 per square foot	$0.50 per square foot

VII. FEE PROGRAM IMPLEMENTATION AND ADMINISTRATION

The Mitigation Fee Act includes a series of reporting requirements designed to ensure that development impact fee revenues are properly accounted for, used appropriately, and that, where funds are ultimately not used, are reimbursed. In addition, jurisdictions adopting fee programs should determine their preferred approach to updating the fee schedule and whether they intend to allow for exemptions, credits, and reimbursements (under any additional circumstances). The following fee program implementation and administration parameters are our standard recommendations. The City's existing program may already include some or all of these recommendations.

A. Credits, Reimbursement, and Exemptions

Under certain and limited circumstances, as determined by the City, the Impact Fee Resolution could allow developers subject to the fee to obtain credits, reimbursements, or exemptions. In cases of redevelopment, the demolition of space should provide a fee credit. In other words, the gross fee obligation should be calculated based on the scale of the proposed new development, with a fee credit to be applied for existing square footage to be removed (or retained) using the applicable fee for the existing square footage (land uses). Existing developments that are being replaced due to a natural disaster are also exempt from the impact fees.

All other fee credits and/or reimbursements should not be allowed by right but rather should be subject to review by City staff and Council to ensure that such credits or reimbursements are warranted and appropriate.

B. Securing Supplemental Funding

The maximum, supportable development impact fee is set to cover the public safety and community service facilities investments needed to fund the demands generated by new development. As presented in this analysis, new development is estimated to generate only a portion of the demand for the planned facilities and therefore the fee levies are anticipated to provide only a fraction of the funds needed to construct the facilities. It is anticipated that the City of Newark will need to secure additional funding in order to complete the capital facilities.

C. Annual Review and Periodic Study Update

The Mitigation Fee Act/AB 1600 (at Gov. C. §§ 66001(c), 66006(b)(1)) stipulates that each local agency that requires payment of a fee make specific information available to the public annually within 180 days of the last day of the fiscal year. This information includes the following:

- A description of the type of fee in the account
- The amount of the fee
- The beginning and ending balance of the fund

- The amount of fees collected and interest earned
- Identification of the improvements constructed
- The total cost of the improvements constructed
- The fees expended to construct the improvement
- The percentage of total costs funded by the fee

Because of the dynamic nature of growth and capital equipment requirements, the City should monitor inventory activity, the need for improvements, and the adequacy of the fee revenues and other available funding. To the extent particular issues are identified, adjustments to the fee program may be required.

Table 1
City of Newark Population and Employment

	2016	In progress	Additional - 2017 through 2035	2035
Population[1]	**44,733**	**2,933**	**12,844**	**60,510**
Employment[2]				
Office	1,197		850	2,047
Retail	7,762		900	8,662
50 % R&D	3,545		1,350	4,895
Total Commercial	12,504		3,100	15,604
Light Industrial	1,749		300	2,049
Heavy Industrial	1,565		200	1,765
50% R&D	3,545		1,350	4,895
Total Industrial	6,859		1,850	8,709
Total Employment	**19,363**		**4,950**	**24,313**

[1] State Department of Finance E-5 is source of estimate of current population. Estimate of population in 2035 is the Newark General Plan.

[2] ESRI is source of current employment estimates. 2035 employment estimates have been provided City staff.

Table 2
Residential Units and Non-Residential Gross Building Area

	2016	In progress	Additional - 2017 through 2035	2035
Residential Housing Units[1]	13,470	908	3,977	18,734
Commercial SF[2]	est.			
Office	290,000		130,000	420,000
Retail	3,500,000		300,000	3,800,000
50% of R&D	1,290,000		450,000	1,740,000
Total Commercial	5,080,000		880,000	5,960,000
Industrial SF[2]				
Light Industrial	1,200,000		200,000	1,400,000
Heavy Industrial	5,100,000		600,000	5,700,000
50% R&D	1,290,000		450,000	1,740,000
Total Industrial	7,590,000		1,250,000	8,840,000
Total Commercial + Industrial SF	12,670,000		2,130,000	14,800,000

[1] *Stote Deportment of Finance E-5 is source of estimate of current housing units. Estimates of future units is based on General Plon estimates of population and SDOF overage household size of 3.31.*

[2] *Estimates of non-residential gross building area have been provided by City staff and KMA based on standard employment density factors.*

Table 3
Population Fair Share Allocation: Existing/New Development and Public Service Population

Factor	Source	Number	Percent Allocation
Residents			
Existing	SDOF, E-5	44,733	73.9%
In progress	City staff + SDOF	2,933	4.8%
New Growth		**12,844**	**21.2%**
Buildout	General Plan	60,510	100.0%
Employment			
Existing	ESRI	19,363	79.6%
New Growth	City staff	4,950	20.4%
Buildout		24,313	100.0%
Public Service Population (1)			
Existing		51,704	74.6%
In Progress		2,933	4.2%
New Growth		**14,626**	**21.1%**
Buildout		69,263	100.0%

[1] *Public service population is an allocation factor which differentiates between the impact of emloyees and residents. It equals resident populaiton plus .36 of employment. Per a prior Newark General Plan, the .36 factor reflects an adjustmet of one-half (8/16) to reflect the workday's share of awake hours and an adjustemt of 5/7 to relfect he workweeks's share of a week.*

Table 4
New Public Facilities Needs and Portion of Needs Attributable to New Development
Impact Fee Study
Newark , CA

Fire	Total Cost	2.00% Total, With Admin.	% of Need Generated by: Existing Development	% of Need Generated by: New Development	Method of Allocation	Allocation of Costs: Existing Development	Allocation of Costs: New Development
Fire Admin Portion of City Administration Building	$ 2,557,400	$2,608,548	78.9%	21.1%	1	$2,057,701	$550,847
Community Alerting and Warning System	$ 75,000	$76,500	78.9%	21.1%	1	$60,346	$16,154
Fire Station No. 27 Energy Efficient Windows	$ 40,000	$40,800	78.9%	21.1%	1	$32,184	$8,616
Fire Station No. 27 Training Tower	$ 2,000,000	$2,040,000	78.9%	21.1%	1	$1,609,214	$430,786
Fire Station No. 29 Truck Exhaust System	$ 45,000	$45,900	78.9%	21.1%	1	$36,207	$9,693
Replace Fire Station No. 27	$ 5,300,000	$5,406,000	78.9%	21.1%	1	$4,264,416	$1,141,584
Replace and Expand Fire Station No. 29[2]	$ 6,400,000	$6,528,000	65.3%	34.7%	1	$4,264,416	$2,263,584
LadderTruck/Fire Engine to serve new population	$ 1,200,000	$1,224,000	0.0%	100.0%	1	$0	$1,224,000
Traffic Signal Preemtion (Opticom)	$ 160,000	$163,200	78.9%	21.1%	1	$128,737	$34,463
Total Fire	$ 17,777,400	$ 18,132,948	68.7%	31.3%		$ 12,453,221	$ 5,679,727
Police							
Police Center at the Civic Center	$ 23,016,600	$23,476,932	78.9%	21.1%	1	$18,519,312	$4,957,620
Police Vehicles (5) to serve new population	$ 325,000	$331,500	0.0%	100.0%	1	$0	$331,500
Police Department Substation Facilities	$ 850,000	$867,000	78.9%	21.1%	1	$683,916	$183,084
Total Police	$ 24,191,600	$ 24,675,432	77.8%	22.2%		$ 19,203,228	$ 5,472,204
Total, Public Safety	$ 41,969,000	$ 42,808,380	73.9%	26.1%		$ 31,656,449	$ 11,151,931

[1] *Allocated based on service population.*

[2] *The cost to replace the station is $5.3 million. The cost of the expansion is $1.1 million.The replacement cost is distributed to existing and new development proportionate to their shore of service population. 100% of the expansion cost is allocated to new development.*

Table 5
New Community Service Facilities Needs and Portion of Needs Attributable to New Development
Impact Fee Study
Newark , CA

	Total Cost	2.00% Total, With Admin.	% of Need Generated by: Existing Development	% of Need Generated by: New Development	Method of Allocation	Allocation of Costs: Existing Development	Allocation of Costs: New Development
Community Service Facilities							
City Administration Building at Civic Center	$ 17,262,450	$17,607,699	78.9%	21.1%	1	$13,889,484	$3,718,215
Equipment Shop Heavy Duty Vehicle Hoist	$ 60,000	$61,200	78.9%	21.1%	1	$48,276	$12,924
History Center (Phases 2,3,4)	$ 4,000,000	$4,080,000	78.9%	21.1%	1	$3,218,427	$861,573
Library at the Civic Center	$ 21,098,550	$21,520,521	78.9%	21.1%	1	$16,976,036	$4,544,485
Mowry Avenue Backup Walls	$ 900,000	$918,000	78.9%	21.1%	1	$724,146	$193,854
New Fuel Management System	$ 60,000	$61,200	78.9%	21.1%	1	$48,276	$12,924
New Senior Center	$ 7,500,000	$7,650,000	78.8%	21.2%	2	$6,026,169	$1,623,831
Newark Boulevard Backup Walls	$ 1,200,000	$1,224,000	78.9%	21.1%	1	$965,528	$258,472
Performing (or Cultural) Arts Center	$ 9,000,000	$9,180,000	78.9%	21.1%	1	$7,241,461	$1,938,539
Service Center Fuel Tank Canopy	$ 130,000	$132,600	78.9%	21.1%	1	$104,599	$28,001
Service Center Storage Facility	$ 400,000	$408,000	78.9%	21.1%	1	$321,843	$86,157
Service Center Waste Disposal Upgrades	$ 250,000	$255,000	78.9%	21.1%	1	$201,152	$53,848
Silliman Complex Restroom/Maintenance Facility	$ 700,000	$714,000	78.9%	21.1%	1	$563,225	$150,775
Thornton Avenue Streetscape	$ 2,200,000	$2,244,000	78.9%	21.1%	1	$1,770,135	$473,865
Electrical Vehicle Charging Stations	$ 200,000	$204,000	78.9%	21.1%	1	$160,921	$43,079
New Homeless Shelter	$ 1,500,000	$1,530,000	78.9%	21.1%	1	$1,206,910	$323,090
Service Center Expansion	$ 5,000,000	$5,100,000	78.9%	21.1%	1	$4,023,034	$1,076,966
Total Community Facilities	$ 71,461,000	$ 72,890,220	78.9%	21.1%		$ 57,489,622	$ 15,400,598

[1] *Allocated based on service population.*
[2] *Allocated based on residential population.*

Table 6
Allocation of New Development's Share of Public Safety Facilities' Costs by Land Use
Impact Fee Study
Newark, CA

	Total Facilities Needs Attributable to New Development	Allocation Method[1]	Residential	Commercial	Industrial
Fire					
Fire Admln Portion of City Administration Building	$550,847	3	$425,029	$106,201	$19,617
Community Alerting and Warning System	$16,154	3	$12,465	$3,115	$575
Fire Station No. 27 Energy Efficient Windows	$8,616	3	$6,648	$1,661	$307
Fire Station No. 27 Training Tower	$430,786	3	$332,392	$83,054	$15,341
Fire Station No. 29 Truck Exhaust System	$9,693	3	$7,479	$1,869	$345
Replace Fire Station No. 27	$1,141,584	3	$880,838	$220,093	$40,654
Replace and Expand Fire Station No. 29	$2,263,584	3	$1,746,564	$436,409	$80,611
LadderTruck/Flre Engine	$1,224,000	3	$944,429	$235,982	$43,589
Traffic Signal Preemtion (Opticom)	$34,463	3	$26,591	$6,644	$1,227
Total Fire	$5,679,727		$4,382,434	$1,095,027	$202,266
Police					
Police Center at the Civic Center	$4,957,620	1	$4,353,602	$378,274	$225,744
Police Vehicles (5)	$331,500	1	$291,111	$25,294	$15,095
Police Department Substation Facilities	$183,084	1	$160,778	$13,970	$8,337
Total Police	$ 5,472,204		$4,805,491	$417,537	$249,176
Total, Public Safety	**$11,151,931**		**$9,187,925**	**$1,512,565**	**$451,442**

[1] *Allocation Method*

	Table Ref.	*Residential*	*Commercial*	*Industrial*
#1- Service Population		*87.8%*	*7.6%*	*4.6%*
#2 - Residential Population		*100.0%*	*0.0%*	*0.0%*
#3- Distribution of city-wide calls for fire/EMS services (Appendix A)		*77.16%*	*19.28%*	*3.56%*

Table 7
Allocation of New Development's Share of Community Service Facilities' Costs by Land Use
Impact Fee Study
Newark, CA

	Total Facilities Needs Attributable to New Development	Allocation Method[1]	Residential	Commercial	Industrial
Community Service Facilities					
City Administration Building at Civic Center	$3,718,215	1	$3,265,202	$283,705	$169,308
Equipment Shop Heavy Duty Vehicle Hoist	$12,924	1	$11,349	$986	$588
History Center (Phases 2,3,4)	$861,573	1	$756,602	$65,739	$39,232
Library at the Civic Center	$4,544,485	1	$3,990,802	$346,751	$206,932
Mowry Avenue Backup Walls	$193,854	1	$170,235	$14,791	$8,827
New Fuel Management System	$12,924	1	$11,349	$986	$588
New Senior Center	$1,623,831	2	$1,623,831	$0	$0
Newark Boulevard Backup Walls	$258,472	1	$226,981	$19,722	$11,769
Performing (or Cultural) Arts Center	$1,938,539	1	$1,702,355	$147,913	$88,271
Service Center Fuel Tank Canopy	$28,001	1	$24,590	$2,137	$1,275
Service Center Storage Facility	$86,157	1	$75,660	$6,574	$3,923
Service Center Waste Disposal Upgrades	$53,848	1	$47,288	$4,109	$2,452
Silliman Complex Restroom/Maintenance Facility	$150,775	1	$132,405	$11,504	$6,866
Thornton Avenue Streetscape	$473,865	1	$416,131	$36,157	$21,577
Electrical Vehicle Charging Stations	$43,079	1	$37,830	$3,287	$1,962
New Homeless Shelter	$323,090	1	$283,726	$24,652	$14,712
Service Center Expansion	$1,076,966	1	$945,753	$82,174	$49,039
Total Community Facilities	$15,400,598		$13,722,088	$1,051,188	$627,322
			89.1%	6.8%	4.1%

[1] *Allocation Method*

	Table Ref.	*Residential*	*Commercial*	*Industrial*	
#1- Service Population		*87.8%*	*7.6%*	*4.6%*	
#2 - Residential Population		*100.0%*	*0.0%*	*0.0%*	
Totol Community Facilities	*$15,400,598*		*$13,722,088*	*$1,051,188*	*$627,322*
senior	*$1,623,831*		*$1,623,831*	*$0*	*$0*
non-senior	*$13,776,767*		*$12,098,257*	*$1,051,188*	*$627,322*
% all			*89.1%*	*6.8%*	*4.1%*
% senior			*100%*	*0%*	*0%*
% non senior			*87.8%*	*7.6%*	*4.6%*

Prepared by Keyser Marston Associates, Inc.
\\SF-FS2\wp\16\16090\003\revised analysis 03 16 17; 3/16/2017

Table 8
Public Safety Facilities Impact Fees by Land Use

	Residential	Commercial	Industrial	Total
Costs Allocated to New Development	$9,187,925	$1,512,565	$451,442	$11,151,931
New Development (Units or SF)	3,977	880,000	1,250,000	
Impact Fee per Unit/SF	$2,311	$1.72	$0.36	
Current fee	$2,000	$1.73	$0.17	

Table 9
Community Service Facility Impact Fees by Land Use

	Residential	Commercial	Industrial	Total
Costs Allocated to New Development	$13,722,088	$1,051,188	$627,322	$15,400,598
New Development (Units or SF)	3,977	880,000	1,250,000	
Impact Fee per Unit/SF	$3,451	$1.19	$0.50	
current fee	$1,900	$0.36	$0.31	

Table 10
Distribution of Fire Protection Service Calls by Land Use
Newark, CA

Source: City of Newark

Count of Incident #	Incident Type							
Occupancy Descr	Cancelled	False Alarm	HazMat	Other Fires	Rescue, EMS	Services Call	Structure Fire	Grand Total
All Other Residential					3			3
Apartments		73	4	2	109	20	5	213
Health Care and Penal Institutions		3			77	5	1	86
Hotels and Motels		8	1		50	2	1	62
Industry, Utility, Defense, Laboratories, Manufacturing		24			11	6	4	45
Other							1	1
Other Structures (vacant buildings, building under construction, outbuildings, bridges,ect)	8	7	36	31	357	119	3	561
Others	1	2			27	2		32
Private Dewellings (1 or 2 family), including mobile homes		55	20	15	497	157	13	757
Public Assembly (Church, restaurant, clubs, ect)	1	17	2	6	102	12		140
Schools and Colleges	1	32	2		9	6	1	51
Storage in Structures (barns, vehicle storage garages, general storage, ect)		19	3	2	8	8	2	42
Stores and Offices	6	25	7	1	211	26		276
(blank)	130							130
Residential, Other	9	2			882	19		912
Boarding/Rooming House, Residential Hotels					8	1		9
Grand Total	156	267	75	57	2351	383	31	3320
								3320

Not included in land use distribution	721	22.8%
Other Residential	12	0.4%
Single Family	757	23.9%
Multifamily	1116	35.3%
Commercial	471	14.9%
Industrial	87	2.7%
Total	3164	77.2%
Total included in land use distribution	2443	
Breakdown of Fire Protection service Population by Land Use		
Residential	***1885***	***77.16%***
Commercial	***471***	***19.28%***
Industrial	***87***	***3.56%***
Total included in analysis	***2443***	***100.0%***

APPENDIX TABLE A-1
COMPARISON OF RESIDENTIAL IMPACT FEES, EXCLUDING AFFORDABLE HOUSING FEES
NEWARK AND NEIGHBORING JURISDICTIONS
CITY OF NEWARK

Impact Fees / du[1]	Newark	Dublin	Fremont	Hayward	Milpitas	Pleasanton	San Leandro	Union City
Arts Requirement	$270	See Below	None	None	None	None	None	See Below
Fire Impact Fee	None	SF: $870, MF: $544	0BR: $143 1BR: $214 2BR: $300 3BR: $371 4BR: $457 +BR: +$86/BR	None	None	None	None	See Below
Park Facilities / Parkland Dedication Fee[2]	MF: $18,000 SF: $25,000	SF/MF: $18,646	0BR: $9,220 1BR: $13,830 2BR: $19,362 3BR: $23,971 4BR: $29,502 +BR: +5,531/BR	SFD: $11,953 SFA: $11,395 MF: $9,653	*Varies by pop. density* SFD: $44,673 SFA: $35,438 MF (2-4 du): $36,131 MF (5+du): $29,089	SF: $9,709, MF: $7,969	SF: $16,079; MF: $14,054	Subdivision: *Varies by pop. density* $28,193 (avg.) Non-Subdivision: $2,466 plus $280 (0-1BR), $455 (2BR), $630 (3+BR)
Public Facility Impact Fee[3]	*Public Safety* MF: $2,079, SF: $1,989 *Comm. Service* MF: $1,596 SF: $1,942 *Transportation* MF: $460, SF: $801 *Total* MF: $4,135, SF: $4,732	SF/MF: $5,798	0BR: $988 1BR: $1,483 2BR: $2,076 3BR: $2,569 4BR: $3,163 +BR: +$593/BR	None	None	SFD: $4,730 SFA: $3,532 MF: $2,885	None	SF: $12,231, MF: $8,624
Traffic Impact Fee	Included in Public Facility Fee	None	0/1BR: $2,012 2/3BR: $2,247 4+BR: $3,421	None	None	SF:$4,707 MF: $3,294	$1,337-$2,015; senior: $667-$897[5]	
Tri-Valley Transportation Development Fee[4]	None	SF: $3,060 MF: $2,108	None	None	None	SF: $3,060 MF: $2,108	None	None
Total Fees / du	SF: $29,732 MF: $22,135	SF: $28,374 MF: $27,096	0BR: $12,363 1BR: $17,539 2BR: $23,985 3BR: $29,158 4BR: $31,012 +BR: $6,210/BR	SFD: $11,953 SFA: $11,395 MF: $9,653	Varies by pop. density SFD: $44,673 SFA: $35,438 MF (2-4 du): $36,131 MF (5+ du): $29,089	SFD: $22,206 SFA: $20,056 MF: $16,256	Non-Senior SF: $17,416-$18,094 MF: $15,391-$16,069 Senior: SF: $16,746-$16,976 MF: $14,721-$14,951	Subdivision SF: $42,075 MF: $38,138 Non-Subdivision *SF* 0-1BR: $16,628 2BR: $16,803 3BR: $16,978 *MF* 0-1BR: $12,691 2BR: $12,866 3BR: $13,041
Fees as % of BPV								
Arts Requirement	See Above	> 20 du: 0.5% BPV	None	None	None	None	None	1% BPV
General Plan Cost Recovery	.5% BPV	None	None	None	None	None	None	None
Total % of BPV	.5% BPV	0.5% BPV	None	None	None	None	None	1% BPV
Fees PSF Building (Partial)								
Fire Equipment Acquisition	None	See Above	See Above	None	None	None	None	$1.40 PSF occupiable space above 2nd story
Fees as % of Building and Plan								
General Plan Cost Recovery	See Above	None	15% of Building and Plan Check Permits	12% of Building and Plan Check Permits	None	None	None	None

Notes: This chart presents an overview and terms may be simplified. Consult code and City staff for more information.

Abbreviations: SF = Single Family; SFA = SF Attached; PSF = Per Square Foot; SFD = SF Detached; MF = Multi-Family; BPV = Building Permit Value; BR = bedroom; du = Dwelling unit

[1] Excludes on-site inclusionary requirements.
[2] For Milpitas and Union City, fee is estimated based on population densities derived from Census and DOF data. In Milpitas, developer may submit alternative population estimate. 40% of Milpitas fee may be met through the provision of private open space.
[3] Generally supports such facilities as libraries, parks and other community buildings. Newark fee includes transportation facilities.
[4] Regional fee collected on behalf of the Tri-Valley Transportation Development District.
[5] Fees vary by zone.

APPENDIX TABLE A-2
COMPARISON OF INCLUSIONARY HOUSING PROGRAMS
NEWARK AND NEIGHBORING JURISDICTIONS
CITY OF NEWARK

	Newark	Fremont	Milpitas	Union City
Minimum Project Size1				
For In-lieu/Impact Fee[1]	**FS/R:** 1 unit	**FS/R:** 2 units	**FS/R:** 5 units	n/a
For Build Requirement	no build req.	no build req.	no build req.	**FS:** 1 unit
Onsite Requirement				
Percent of Total Units[2]	n/a	Attached 3.5% plus $18.50/sf Detached 4.5% plus $17.50/sf	5.0%	15%
Income Level (% AMI)	n/a	80-110% AMI (120% w/approval)	Up to 80% AMI	10% @ 50-80% AMI; 30% @ 80-100% AMI; 60% @ 100-120% AMI
Impact / In-Lieu Fee Levels				
Fee Level	$20/sf first 1,000 SF/unit; $8/SF above 1,000 SF/unit	**FS:** *Attached* $18.50 w/ aff units; $27.00 no units *Detached* $17.50 w/ aff units; $26.00 no units **R:** $17.50 no map; $27.00 w/ map[4]	5% building permit value[5]	<7 units: $160,000 /du owed; 7+ units: $180 /sf owed
Alternatives to Onsite Provision[3]				
Fee Option - for projects over min. size	n/a	yes (Developer)	yes (Developer)	yes (City)

Note: This chart presents an overview and terms have been simplified. Consult code and City staff for more information.

Abbreviations:
R = Rental
du = Dwelling Unit
sq ft = Square Feet
AMI =Area Median Income

1. In Union City , single-unit, owner-occupied projects exempt.
2. In Dublin, 40% of the on-site requirement is covered through an impact fee.
3. All cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units. Also, all cities with on-site
4. Rental projects with a subdivision map allowing conversion to condominiums
5. In-lieu/impact fee introduced as temporary measure while City prepares formal nexus study. Fee has not yet been assessed. Average residential building permit value is reported to be $____.

Appendix Table A-3
Comparison of Non-residential Impact Fees*

Impact Fees	Newark	Fremont[1]	Milpitas	Union City[2]
Public Facilities Impact Fee	Commercial $0.36 Industrial $0.31	Capital Facilities Impact Fee: Office $0.92 Retail / Service $0.55 Warehouse $0.39 Light Industrial $0.31 Manufacturing $0.56 Research & Development $0.71 Hotel / Motel (per room) $174.00	None	None
Fire Impact Fee	(Public Safety) Commercial $1.73 Industrial $0.17	Office $0.31 Retail / Service $0.18 Warehouse $0.13 Light Industrial $0.10 Manufacturing $0.19 Research & Development $0.24 Hotel / Motel (per room) $59.00	None	See below.
Park Facilities / Parkland Dedication Fee	None	None	None	None
Traffic Impact Fee	Commercial $1.38 Industrial $0.68	Office $5.00 Retail / Service $6.84 Warehouse $1.51 Light Industrial $3.62 Research & Development $3.59 Manufacturing $2.52 Hotel / Motel (per room) $2,046.00 Business Park $4.23	No City-wide fees	Traffic Signalization Fee: Office / retail (assuming FAR of .4) $0.30 Research & Development / Industrial (assuming FAR of .5) $0.12
Affordable Housing	Commercial $3.59 Industrial $0.69	None	None	None
Total Fee	Commercial $7.06 Industrial $1.85	Office $6.22 Retail / Service $7.57 Warehouse $2.03 Light Industrial $4.03 Research & Development $4.53 Manufacturing $3.26 Hotel / Motel (per room) $2,279.00 Business Park (Office) $5.45 Business Park (Manufacturing) $4.97	No City wide fees	

Appendix Table A-3
Comparison of Non-residential Impact Fees*

Impact Fees	Newark	Fremont[1]	Milpitas	Union City[2]	
Fees as % of Permit Value					
Arts Requirement	None	No citywide fee.	None	Private-Permit valuation over $50 million: Private- Permit valuation over $250,000: Public-Permit valuation over $250,000:	Negotiated between Developer and City Must construct Public Art or pay in-lieu fee equivalent to 1% of permit valuation N/A-must construct Public Art with a value equivalent to 1% of permit valuation
General Plan Cost Recovery	None	15% of building permit fee.	None	0.1% of permit valuation.	
Other Fees					
Fire Equipment Acquisition	See above.	See above.	None	Office / Professional / Hotel Buildings Industrial Buildings	$1.40 / sq. ft. of space above the second story $.06 / sq. ft. of roof area

Sources and notes:
* Unless otherwise specified, prices are calculated per square foot of building area. The table excludes the impact fees that are related to utilities such as sewer / water connection fees and school / specific districts.
1. City of Fremont, Fee Schedule, Effective: September 1, 2016

2. City of Union City, Master Fee Schedule, Fiscal Year 2016-2017. In terms of Traffic Signalization Fees, it sets $5,241/ acre for commercial zoning and $2,620/ acre for industrial zoning.

APPENDIX D

RESOLUTION NO. 10,633

RESOLUTION NO. 10,633

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING AN IMPLEMENTING RESOLUTION FOR THE PUBLIC SAFETY FACILITIES IMPACT FEE, UNDER GOVERNMENT CODE SECTION 66001, IN ACCORDANCE WITH MUNICIPAL CODE SECTION 3.24.040 AND AMENDING THE MASTER FEE SCHEDULE TO REFLECT THESE CHANGES

WHEREAS, the City Council of the City of Newark, a general law city ("City"), is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, California Government Code Section 66000 et seq. allows local governments to impose impact fees on new development in order to recover the cost of improvements that are needed to serve that new development; and

WHEREAS, Chapter 3.24 ("Development Impact Fees") of the Newark Municipal Code authorizes the City Council to adopt implementing resolutions establishing development impact fees in order to mitigate the impacts that projects have upon the City's ability to provide public facilities;

WHEREAS, the existing fee needs to be brought into conformity with current conditions in the City; and

WHEREAS, the City desires to have an updated Public Safety Facilities Impact Fee that will ensure that all new development pays the cost to provide public safety facilities needed to support new development; and

WHEREAS, the City has retained Keyser Marston Associates to prepare the Public Safety and Community Service Facilities Development Impact Fee Nexus Study, dated March 2017, which establishes a reasonable relationship between the public safety fee and the purpose of the fee, which study is incorporated herein and attached as Exhibit A; and

WHEREAS, the City has duly noticed, advertised, scheduled, and held a Public Hearing on May 25, 2017; and

WHEREAS, on May 25, 2017 the City Council reviewed material presented in the staff report including the Public Safety and Community Service Facilities Development Impact Fee Nexus Study, concerning the purpose of the fee and the relationship between the fee and its purpose; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1) The City hereby receives and approves the Public Safety and Community Service Facilities Development Impact Fee Nexus Study ("Fee Study"), which is attached as Exhibit A to this Resolution.

2) In adopting this Resolution, the City Council is exercising its powers under Chapter 3.24 of the Newark Municipal Code, as well as pursuant to Article XI, Sections 5 and 7 of the California Constitution, Chapter 5 of Division 1 of the Government Code ("Mitigation Fee Act"), commencing with Section 66000, collectively and separately.

3) After considering the Fee Study, this Resolution, and the testimony received at a public hearing, the City Council hereby makes the following findings:

   a) In accordance with Section 66001, subdivision a, paragraph 1 of the Mitigation Fee Act, the purpose of the fees set forth in this Resolution, as specified in Exhibit A, is to provide for an expansion in public safety capital facilities in the City as new growth occurs;

   b) In accordance with Section 66001, subdivision a, paragraph 2 of the Mitigation Fee Act, the fees collected pursuant to this Resolution, as specified in Exhibit A, shall be used to acquire land and to construct improvements, such as Police and Fire stations and buildings and other public safety facilities for the City, and shall be used to fund any administrative cost associated with the public safety impact fee program;

   c) In accordance with Section 66001, subdivision a, paragraph 3 of the Mitigation Fee Act, there is a reasonable relationship between the fees use (to pay for the acquisition and construction of public safety facilities) and the type of development for which the fees are imposed in that the fees will be applied to development in the City, which will generate demands for public safety facilities;

   d) In accordance with Section 66001, subdivision a, paragraph 4 of the Mitigation Fee Act, the Fee Study demonstrates that there is a reasonable relationship between the amount of the Public Safety Facilities Impact Fee and the cost of public safety facilities attributable to the development upon which the fee is proposed. Since the need for public safety facilities is inherently population-driven, associated public safety facility costs are assessed based on average household population and employment; and

   e) In accordance with Section 66001, subdivision b of the Mitigation Fee Act, there is a reasonable relationship between the amount of the fees and cost of providing the public safety facilities attributable to the development in the City upon which the fees are imposed in that the fees have been calculated by apportioning the cost of public safety facilities acquisition and construction to the number of residents and employees attracted by each type of development.

4) The City finds pursuant to the California Environmental Quality Act ("CEQA") this action is not a "project" because the Resolution provides a mechanism for funding of public safety facilities but does not involve a commitment to any specific project for such purposes that may result in a potential significant impact on the Environment (CEQA guidelines Section 15378, Pub. Res. Code Section 21080(b)(8)(D)).

5) The cost estimates set forth in the Fee Study are reasonable estimates for acquiring and constructing public safety facilities and the fees expected to be generated by future development will not exceed the future projected cost of acquiring and constructing public safety facilities.

6) The method of allocation of the fees to particular development bears a fair relationship and is roughly proportional to each development's burden on and benefits from the public safety facilities to be funded by the fees, in that the fees are calculated based on the number of residents each particular development will attract.

7) The Fee Study is a detailed analysis of how public safety services will be affected by development in the City and the public safety facilities necessary to accommodate that development.

8) The fees are consistent with the General Plan and, pursuant to Government Code Section 65913.2, the City Council has considered the effects of the fees with respect to the City's housing needs as established in the housing element of the General Plan.

9) The fee amounts set forth in this Resolution include the fair and reasonable costs of administration of the fee programs and are within the requirements of the Mitigation Fee Act and other applicable law.

10) The fees are subject to adjustment, which approximate the fluctuation in market costs, and shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.

11) The City does hereby approve the following public safety impact fees on new residential and commercial development for public safety facilities as follows:

Residential Development

Type of Unit	Fee per Unit
Single Family Unit	$3,451
Townhome Unit	$3,451
Multiple Family Units	$2,071

Commercial Development

Type of Use	Fee per Square Foot
Office/Commercial	$.60
Manufacturing/Research and Development	$.25
Warehousing/Distribution	$.50

(These fees shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.)

12) The city council may elect to waive the payment of the impact fee if a residential or nonresidential development project provides community benefits in excess of those required by the impacts of the project, and if the city council finds that the expected benefits to the community exceed those that would be provided by the payment of the Public Safety Facility Impact *Fee.* Such community benefits may include the provision of senior housing, the generation of significant taxes, or the elimination of nuisances.

13) The Public Safety Facilities Impact Fees shall not apply to approved projects that are covered by a Development Agreement or Vesting Tentative Map unless the provisions of the document allow the application of such fees.

14) Developers shall be given a credit against this fee for the actual cost of public safety facilities included in their developments.

15) The Master Fee Schedule shall be amended to reflect the Public Safety Facility Impact fees as set forth in this Resolution.

16) Effective Date: This resolution shall be effective upon date of adoption of this Resolution. In accordance with Government Code Section 66017, the fees set by this Resolution shall be effective 60 days from the effective date of this Resolution.

17) Severability. Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fees or other provisions of this Resolution be adjusted to be invalid and unenforceable, the remaining component or provisions shall be and continue to be fully effective, and the fees shall be fully effective except as to that component which has been judged to be invalid.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on May 25, 2017, by Council Member Hannon, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES:	Council Members Hannon, Freitas, Vice Mayor Bucci and Mayor Nagy
NOES:	None
ABSENT:	Council Member Collazo
SECONDED:	Vice Mayor Bucci

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

APPENDIX E

RESOLUTION NO. 10,634

RESOLUTION NO. 10,634

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING AN IMPLEMENTING RESOLUTION FOR THE COMMUNITY SERVICE FACILITIES IMPACT FEE, UNDER GOVERNMENT CODE SECTION 66001, IN ACCORDANCE WITH MUNICIPAL CODE SECTION 3.24.040 AND AMENDING THE MASTER FEE SCHEDULE TO REFLECT THESE CHANGES

WHEREAS, the City Council of the City of Newark, a general law city ("City"), is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, California Government Code Section 66000 et seq. allows local governments to impose impact fees on new development in order to recover the cost of improvements that are needed to serve that new development; and

WHEREAS, Chapter 3.24 ("Development Impact Fees") of the Newark Municipal Code authorizes the City Council to adopt implementing resolutions establishing development impact fees in order to mitigate the impacts that projects have upon the City's ability to provide public facilities;

WHEREAS, the existing fee needs to be brought into conformity with current conditions in the City; and

WHEREAS, the City desires to have an updated Community Service Facilities Impact Fee that will ensure that all new development pays the cost to provide community service facilities needed to support new development; and

WHEREAS, the City has retained Keyser Marston Associates to prepare the Public Safety and Community Service Facilities Development Impact Fee Nexus Study, dated March 2017, which establishes a reasonable relationship between the Community Service Facility Fee and the purpose of the fee, which study is incorporated herein and attached as Exhibit A; and

WHEREAS, the City has duly noticed, advertised, scheduled, and held a Public Hearing on May 25, 2017; and

WHEREAS, on May 25, 2017 the City Council reviewed material presented in the staff report including the Public Safety and Community Service Facilities Development Impact Fee Nexus Study, concerning the purpose of the fee and the relationship between the fee and its purpose; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1) The City hereby receives and approves the Public Safety and Community Service Facilities Development Impact Fee Nexus Study ("Fee Study"), which is attached as Exhibit A to this Resolution.

2) In adopting this Resolution, the City Council is exercising its powers under Chapter 3.24 of the Newark Municipal Code, as well as pursuant to Article XI, Sections 5 and 7 of the California Constitution, Chapter 5 of Division 1 of the Government Code ("Mitigation Fee Act"), commencing with Section 66000, collectively and separately.

3) After considering the Fee Study, this Resolution, and the testimony received at a public hearing, the City Council hereby makes the following findings:

   a) In accordance with Section 66001, subdivision a, paragraph 1 of the Mitigation Fee Act, the purpose of the fees set forth in this Resolution, as specified in Exhibit A, is to provide for an expansion in community service capital facilities in the City as new growth occurs;

   b) In accordance with Section 66001, subdivision a, paragraph 2 of the Mitigation Fee Act, the fees collected pursuant to this Resolution, as specified in Exhibit A, shall be used to acquire land and to construct improvements identified in Exhibit A and shall be used to fund any administrative cost associated with the community service impact fee program;

   c) In accordance with Section 66001, subdivision a, paragraph 3 of the Mitigation Fee Act, there is a reasonable relationship between the fees use (to pay for the acquisition and construction of community service facilities) and the type of development for which the fees are imposed in that the fees will be applied to development in the City, which will generate demands for community service facilities;

   d) In accordance with Section 66001, subdivision a, paragraph 4 of the Mitigation Fee Act, the Fee Study demonstrates that there is a reasonable relationship between the amount of the Community Service Facilities Impact Fee and the cost of community service facilities attributable to the development upon which the fee is proposed. Since the need for community service facilities is inherently population-driven, associated community service facility costs are assessed based on average household population and employment; and

   e) In accordance with Section 66001, subdivision b of the Mitigation Fee Act, there is a reasonable relationship between the amount of the fees and cost of providing the community service facilities attributable to the development in the City upon which the fees are imposed in that the fees

have been calculated by apportioning the cost of community service facilities acquisition and construction to the number of residents and employees attracted by each type of development.

4) The City finds pursuant to the California Environmental Quality Act ("CEQA") this action is not a "project" because the Resolution provides a mechanism for funding of community service facilities but does not involve a commitment to any specific project for such purposes that may result in a potential significant impact on the Environment (CEQA guidelines Section 15378, Pub. Res. Code Section 21080(b)(8)(D)).

5) The cost estimates set forth in the Fee Study are reasonable estimates for acquiring and constructing community service facilities and the fees expected to be generated by future development will not exceed the future projected cost of acquiring and constructing community service facilities.

6) The method of allocation of the fees to particular development bears a fair relationship and is roughly proportional to each development's burden on and benefits from the community service facilities to be funded by the fees, in that the fees are calculated based on the number of residents each particular development will attract.

7) The Fee Study is a detailed analysis of how community services will be affected by development in the City and the community service facilities necessary to accommodate that development.

8) The fees are consistent with the General Plan and, pursuant to Government Code Section 65913.2, the City Council has considered the effects of the fees with respect to the City's housing needs as established in the housing element of the General Plan.

9) The fee amounts set forth in this Resolution include the fair and reasonable costs of administration of the fee programs and are within the requirements of the Mitigation Fee Act and other applicable law.

10) The fees are subject to adjustment, which approximate the fluctuation in market costs, and shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.

11) The City does hereby approve the following community service impact fees on new residential and commercial development for community service facilities as follows:

Residential Development

Type of Unit	Fee per Unit
Single Family Unit	$2,311
Townhome Unit	$2,311
Multiple Family Units	$1,156

Commercial Development

Type of Use	Fee per Square Foot
Office/Commercial	$.86
Manufacturing/Research and Development	$.18
Warehousing/Distribution	$.36

(These fees shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.)

12) The city council may elect to waive the payment of the impact fee if a residential or nonresidential development project provides community benefits in excess of those required by the impacts of the project, and if the city council finds that the expected benefits to the community exceed those that would be provided by the payment of the Community Service Facility Impact Fee. Such community benefits may include the provision of senior housing, the generation of significant taxes, or the elimination of nuisances.

13) The Community Service Facilities Impact Fees shall not apply to approved projects that are covered by a Development Agreement or Vesting Tentative Map unless the provisions of the document allow the application of such fees.

14) Developers shall be given a credit against this fee for the actual cost of community service facilities included in their developments.

15) The Master Fee Schedule shall be amended to reflect the Community Service Facility Impact fees as set forth in this Resolution.

16) Effective Date: This resolution shall be effective upon date of adoption of this Resolution. In accordance with Government Code Section 66017, the fees set by this Resolution shall be effective 60 days from the effective date of this Resolution.

17) Severability. Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fees or other provisions of this Resolution be adjusted to be invalid and unenforceable, the remaining component or provisions shall be and continue to be fully effective, and the fees shall be fully effective except as to that component which has been judged to be invalid.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on May 25, 2017, by Council Member Hannon, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES: Council Members Hannon, Freitas, Vice Mayor Bucci and Mayor Nagy

NOES: None

ABSENT: Council Member Collazo

SECONDED: Vice Mayor Bucci

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

APPENDIX F

TRANSPORTATION IMPACT FEE NEXUS REPORT

EXHIBIT A
RESOLUTION NO. 10,635

HEXAGON TRANSPORTATION CONSULTANTS, INC.

City of Newark

Transportation Impact Fee Nexus Study

Prepared for:
City of Newark

March 28, 2017

Hexagon Transportation Consultants, Inc.
Hexagon Office: 4 North Second Street, Suite 400
San Jose, CA 95113
Hexagon Job Number: 16AV07
Phone: 408.971.6100
Client Name: Mr. Terrence Grindall

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Areawide Circulation Plans Corridor Studies Pavement Delineation Plans Traffic Handling Plans Impact Fees Interchange Analysis Parking Transportation Planning Traffic Calming Traffic Control Plans Traffic Simulation Traffic Impact Analysis Traffic Signal Design Travel Demand Forecasting

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1. Introduction

This report presents the results of the analysis to update the Transportation Impact Fee in the City of Newark, California. The Mitigation Fee Act (Government Code Sections 66000-66025) was originally enacted through Assembly Bill 1600 in 1987 and requires that a reasonable relationship (nexus) be established between the projects or mitigations to be funded by an impact fee and the impacts caused by new development. This report serves as the nexus study required by the Mitigation Fee Act and documents the reasonable relationship between projected growth in Newark and the maximum supported Transportation Impact Fee (TIF).

The basis of this study is the 2013 City of Newark General Plan Update Draft EIR. Based on land use data in the General Plan, it is projected that there will be an additional 6,208 residential units and 2,882 jobs by the year 2035. The number of trips that this new growth would generate was estimated with standard trip generation rates for different land use categories from the Institute of Transportation Engineers' Trip Generation Manual, 9th Edition (2012). The projected number of residential units and amount of commercial square footage for each land use category is presented in Table 1. As shown in Table 1, this new development is estimated to generate 6,208 additional PM peak hour trips.

Table 1
Projected Increase in PM Peak Hour Trips by 2035

Land Use	ITE Land Use Code	PM Peak Hour Trip Rate [1,2]	New Dwelling Units or ksf	New PM Peak Hour Trips
Residential (units)				
Single Family	210	1.00	2,055	2,055
Townhomes	230	0.52	1,375	715
Apartments	220	0.62	2,703	1,676
Senior	252	0.25	75	19
Employment-Based (ksf)				
Industrial	110	0.97	149.6	145
Commercial	n/a	1.77	902.0	1,598
Total				**6,208**

n/a : not applicable
ksf = Square Feet * 1,000
[1] Trip rates, except for Commercial, are from ITE *Trip Generation Manual, 9th Edition, 2012.*
[2] Average rate for office and retail per 1,000 square feet, weighted by number of projected office and retail jobs

Appendix A presents a summary of the residential projects and the number of units that were included in the analysis. Also included is a tabulation that shows the growth in employment by different types of development. These growth numbers were included in the travel demand forecasting model that was used to forecast the future traffic volumes for the General Plan Update Draft EIR.

2. Traffic Impacts and Proposed Improvements

As described in the *City of Newark General Plan Update Draft EIR,* the new development that is projected to occur by the year 2035 would result in significant impacts to six intersections. Appropriate mitigation measures were developed as part of the *Draft EIR* for each of these impacted intersections such that the impact would be reduced to a less than significant level. Furthermore, City staff has identified additional improvements that could lead to increases in alternative mode use and reduce the number of vehicle trips, thereby also mitigating the increased congestion caused by new development. An effective multimodal transportation system will allow people to choose modes of transportation other than the single-occupant vehicle and will make bicycling, walking, and taking transit attractive, safe, cost-competitive and time-competitive choices. All of the improvements proposed to be at least partially funded with Transportation Impact Fees and the estimated cost of each improvement is presented in Table 2. Conceptual drawings of the Intersection improvements and their cost estimates are presented in Appendices B and C, respectively.

Table 2
Newark Transportation Impact Fee Improvements and Cost Estimates

General Plan EIR Intersection Improvements [1]		Cost ($)
Ardenwood & SR 84 WB Ramps [2]	Convert northbound through lane into a left turn lane	212,000
Newark Blvd & SR 84 EB Ramps	Add an eastbound right-turn lane	1,192,000
Thornton Ave & Gateway Blvd	Add a southbound through lane	3,282,000
Thornton Ave & Cherry Street	Add a westbound left-turn lane	1,103,000
Mowry Ave & Cherry Street	Add a westbound right-turn lane	1,924,000
Stevenson & Cherry Street [2]	Add a northbound through lane	364,000
Sub Total		**8,077,000**
Other Transportation Improvement Projects [3]		**Cost ($)**
Central Avenue Railroad Overcrossing		8,300,000
Dumbarton Transit Station		7,700,000
Bike / pedestrian railroad overcrossing at the Dumbarton Transit Station		2,800,000
Cherry Street Class 1 bike route		4,000,000
Sub Total		**22,800,000**
Total		**30,877,000**

[1] These cost estimates include planning-level estimates of the work involved to meet the improvements required by the EIR. The estimates do not include items outside the scope of the EIR (e.g. other improvements on Thornton Ave, such as sidewalks). The estimates also does not include ROW acquisition costs. Costs rounded to the nearest $1,000.
[2] These cost estimates reflect 50% of the total improvement costs. Since these intersections straddle the city boundary of Newark and Fremont, it is assumed that Newark's share would be 50% of the cost.
[3] These transportation improvement projects and cost estimates were provided by City Staff.

Thus, for the purpose of calculating the Transportation Impact Fee, the City's share of total improvement cost is $30,877,000.

3. Maximum Supported Transportation Impact Fee

The maximum legally supported transportation impact fee has been calculated by dividing the cost of the improvements to be funded by the TIF, by the number of additional PM peak hour trips that would be generated by new development by the year 2035. This methodology provides a clear nexus between the new development, the improvements to be funded, and the amount of the fee. The cost of the improvements to be funded with impact fees is $30,877,000. The projected number of trips generated by new development, as shown in Table 1, is 6,208 additional PM peak hour trips. The resulting maximum impact fee is $4,974 per PM peak hour trip.

This per PM peak hour trip amount can be converted to a per unit or per thousand square feet (KSF) amount by using the PM peak hour trip generation rates shown in Table 1. Table 3 presents the resulting TIF per dwelling unit for residential uses and per ksf for commercial uses, based on a TIF of $4,974 per PM peak hour trip.

Table 3
Maximum Supported Impact Fee

Land Use	ITE Category	PM Peak Hour Trip Rate [1,2]	TIF per Dwelling Unit or ksf [3]
Residential (units)			
Single Family	210	1.00	$4,974
Townhomes	230	0.52	$2,586
Apartments	220	0.62	$3,084
Senior	252	0.25	$1,243
Employment-Based (ksf)			
Industrial	110	0.97	$4,824
Commercial	n/a	1.77	$8,814

n/a : not applicable

[1] Trip rates, except for Commercial, are from ITE *Trip Generation Manual, 9th Edition, 2012.*

[2] Average Rate for Office and Retail per 1,000 square feet, weighted by employment type.

[3] TIF rates based on $4,974 per PM peak hour trip.

Since construction costs continue to rise, it is appropriate to index these impact fees to inflation. The fees should be adjusted annually by a construction cost index, such as the Engineering News Record.

4. Transportation Impact Fees in Other Cities

In order to establish a transportation impact fee of $4,974 per PM peak hour trip in the context of TIFs charged by other cities in the Bay Area, information on current TIF levels in some Bay Area cities was compiled. A recent (internet) survey focused on nearby cities of Fremont and Milpitas and cities on the Peninsula and in the South Bay. These fees are presented in Table 4. Note that the survey included only impact fees charged for transportation improvements, not for such other purposes as public safety, community facilities, housing, or parkland. Some cities specify impact fees on a "per dwelling unit" or "per thousand square feet (ksf)" basis; other cities define fees solely on a "per trip" basis.

As can be seen in Table 4, Newark's existing TIF amounts are much lower than any of the other cities included in the survey. The updated TIF amount for single-family and multi-family units would be higher than the amounts charged by most other cities included in the survey. The fee of $4,974 per single family unit would be lower than the average fee of $5,515 computed for all cities included in the survey.

The impact fees for commercial space vary greatly between the cities, from $1,280 per ksf in downtown Redwood City to $26,127 per ksf in the Transit Area District in Milpitas. The new Newark fee of $8,814 per ksf is somewhat higher compared to most other cities that were surveyed.

The impact fees for industrial space vary from $1,160 per ksf in downtown Redwood City to $14,440 per ksf in North San Jose. The new Newark fee of $4,824 per ksf is higher compared to fees charged for industrial development in most other cities that were surveyed.

Some cities have chosen to exempt certain land uses from their TIF or use lower rates for land uses that they want to encourage. For example, Mountain View charges an extremely high TIF on office and R&D land uses in the North Bayshore area, but a far lower TIF on retail uses, because they want to encourage retail projects in that area in order to reduce total Vehicle Miles Traveled (VMT) in the city. As another example, in the North San Jose area, the City of San Jose exempts all retail under 100,000 square feet from the TIF and only charges the TIF on large regional-serving retail projects over that size.

Table 4
Transportation Impact Fees in Other Cities

City or Area within City	Per PM Trip	Single Family Per d.u.	Multi-Family Per d.u.	Office Per ksf	R&D Per ksf	Industrial Per ksf	Hotel Per Room
East Bay Cities							
Newark [1]							
Current TIF		$ 801	$ 460		$ 1,380	$ 680	
Updated TIF	$ 4,974	$ 4,974	$ 3,084	$ 8,814	$ 8,814	$ 4,824	
Fremont [2]		$ 2,247	$ 2,247	$ 4,997	$ 3,588	$ 2,515	$ 2,046
Milpitas							
TAD Impact Fee [3]			$ 32,781	$ 36,600			
Fee for Transportation Improvements			$ 9,561	$ 26,127			
Peninsula/South Bay Cities							
San Jose							
North San Jose Area	$ 15,410	$ 9,677	$ 7,742			$ 14,440	$ 4,299
Evergreen-East Hills Area		$ 15,148		$ 13,170			
US 101/Oakland Ave/Mabury Rd	$ 35,767	per PM peak hour trip that would use one of the Improved interchanges					
I-280/Winchester Blvd.	$ 25,641	per PM peak hour trip that would use the proposed off-ramp improvement					
Menlo Park							
Citywide	$ 3,108	$ 3,139	$ 1,927	$ 4,630	$ 3,330	$ 2,280	$ 1,834
Supplemental Downtown	$ 379	per PM peak hour trip within El Camino Real/Downtown Specific Plan area					
Redwood City							
Non-Downtown		$ 1,617	$ 992	$ 2,380	$ 1,710	$ 1,550	$ 945
Downtown		$ 1,212	$ 744	$ 1,790	$ 1,280	$ 1,160	$ 709
San Carlos		$ 3,052	$ 1,892	$ 4,547	$ 3,266	$ 2,228	$ 1,831
San Mateo	$ 3,763	$ 3,422	$ 2,101	$ 3,135		$ 2,042	
Los Altos		$ 6,152	$ 3,777	$ 9,076			
Mountain View							
North Bayshore Area				$ 22,470	$ 22,470		$ 2,000
Sunnyvale							
South of SR 237	$ 2,197		$ 1,348	$ 3,240	$ 2,131	$ 1,610	$ 1,327
North of SR 237	$ 5,931		-	-	$ 5,746	$ 4,346	$ 4,494
Los Gatos [4]	$ 9,020	$ 8,587	$ 5,998	$ 9,949	$ 7,315	$ 6,287	$ 7,369
Half Moon Bay		$ 6,414	$ 3,499	$ 4,021	$ 4,021	$ 2,515	

Sources: TIF amounts are from each city's website.

[1] The current Newark TIF is from the City's Master Fee Schedule as of July 1, 2016.

[2] Fremont specifies TIF amounts for residential uses based on the number of bedrooms. Amount shown is for 2-3 bedroom units.

[3] Transit Area Development Impact Fee includes fees for many services and improvements. The fee for just the transportation improvements was estimated from data presented in Table 5 on Page 10 of the Transit Area Development Impact Fee Update Final Report, February 2014.

[4] Los Gatos specifies its TIF as $902 per DAILY trip. PM peak hour trip amount has been approximated as 10 times the daily amount. Amounts for specific land uses have been calculated using daily ITE trip generation rates and $902 per daily trip.

City of Newark
Transportation Impact Fee Nexus Study

Technical Appendices

Appendix A
Future Residential and Employment Growth

Residential Development Projects

Location	PM Peak Hour Trips Rate [1] 1.00 Single Family	0.52 Townhomes	0.62 Apartments	0.25 Senior	Total Units	PM Peak Hour Trips
Timber	84	80			164	126
Cedar Lane Townhomes		85			85	44
Prima	42	146	93		281	176
Baptist Church Site (Equinox)	15				15	15
Casa Bella		14			14	7
Ruschin School Site	77				77	77
Bayshores	187	360			547	374
Dumbarton TOD-SSH Towns		88			88	46
Dumbarton TOD- Senior				75	75	19
Dumbarton: Trumark	244				244	244
Dumbarton TOD Gateway West	321	268			589	460
36731 Sycamore			14		14	9
Sanctuary	385				385	385
7843 Railroad			6		6	4
6840 Rich		18			18	9
Filbert Townhomes		16			16	8
Freitas (Robsen Homes)		180			180	94
Ashland Dumbarton TOD		120			120	62
Old Town Residential			400		400	248
FMC Dumbarton TOD			180		180	112
Area 4	700				700	700
Honeywell TOD			210		210	130
Greater Newark Apartments			1,800		1,800	1,116
Totals	**2,055**	**1,375**	**2,703**	**75**	**6,208**	**4,465**
PM Peak-Hour Trips	**2,055**	**715**	**1,676**	**19**		
Under Construction	141	325	93	0	559	368
Approved	1,214	716	14	75	2,019	1,614
Pending	0	34	6	0	40	21
Long Range	700	300	2,590	0	3,590	2,462
Totals	**2,055**	**1,375**	**2,703**	**75**	**6,208**	**4,465**

[1] PM Peak hour trips by land use type calculated based ITE trip generation rates:

Single Family	ITE Code 210
Townhomes	ITE Code 230
Apartments/Condos	ITE Code 220
Senior Housing [Attached]	ITE Code 252

Commercial Development Projects

								PM Peak Hour Trip Rate per KSF [4]		
								0.97	2.78	1.49
					SF of Development [3]			PM Peak Hour Trips		
TAZ	Increase in GP Jobs [1]	Industrial	Retail	Office	Industrial	Retail	Office	Industrial	Retail	Office
931	20	20			8,000			8		
933	40	40			16,000			16		
930	97	97			38,800			38		
918	110		55	55		27,354	18,430		76	27
922	110		55	55		27,656	18,229		77	27
932	217	217			86,800			84		
934	511		57	454		28,319	151,454		79	226
935	1,778		227	1,551		113,612	516,926		316	770
Totals	**2,883**	**374**	**394**	**2,115**	**149,600**	**196,941**	**705,039**	**145**	**548**	**1,051**
						1,051,580			**1,744**	

Notes

TAZ = Traffic Analysis Zone

[1] As reported in Newark's General Plan

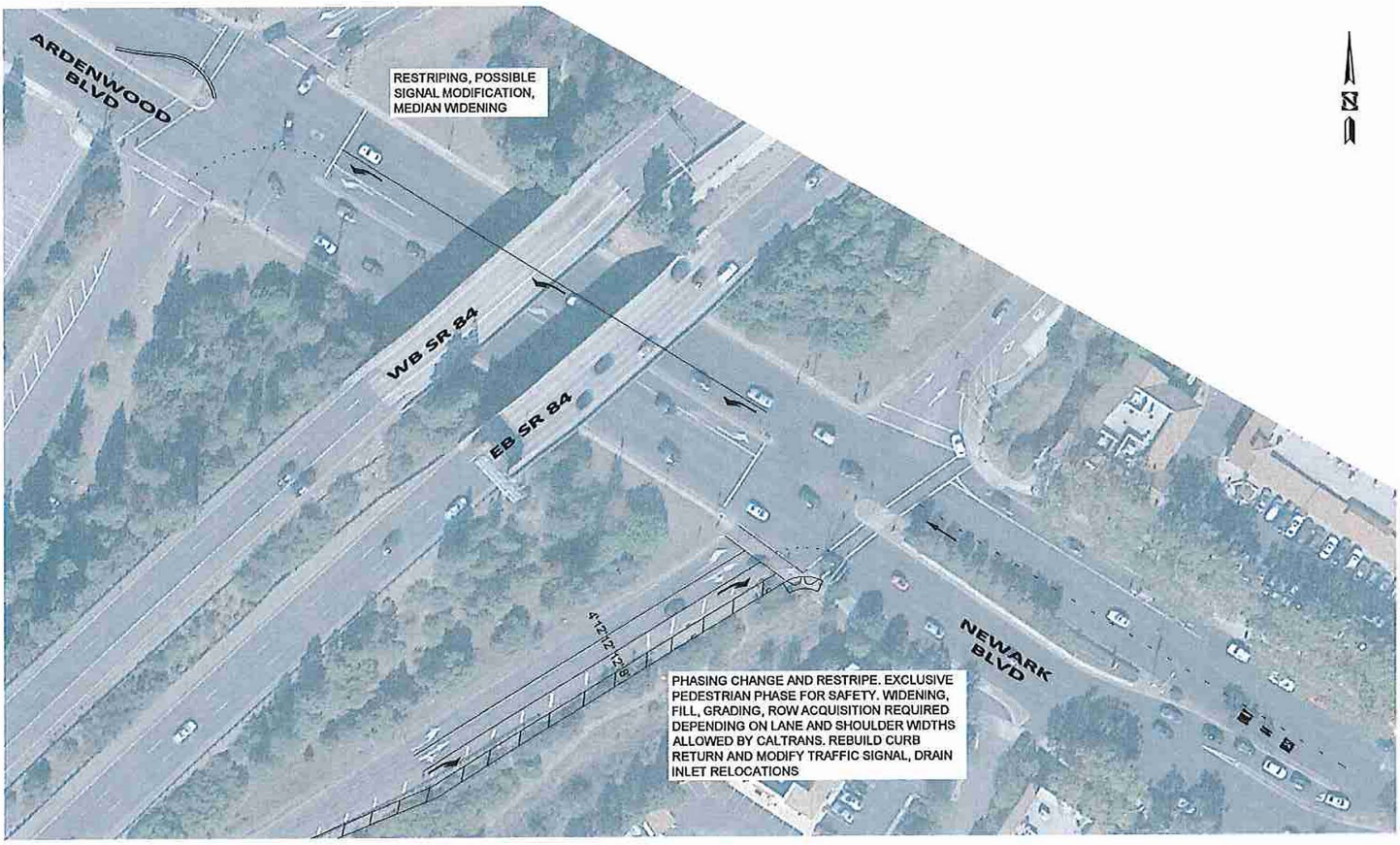
[2] Derived from commercial development descriptions from Newark's General Plan.

[3] Square Feet per of development calculated based on ITE PM peak-hour trip rates per 1,000 square feet and per employee.

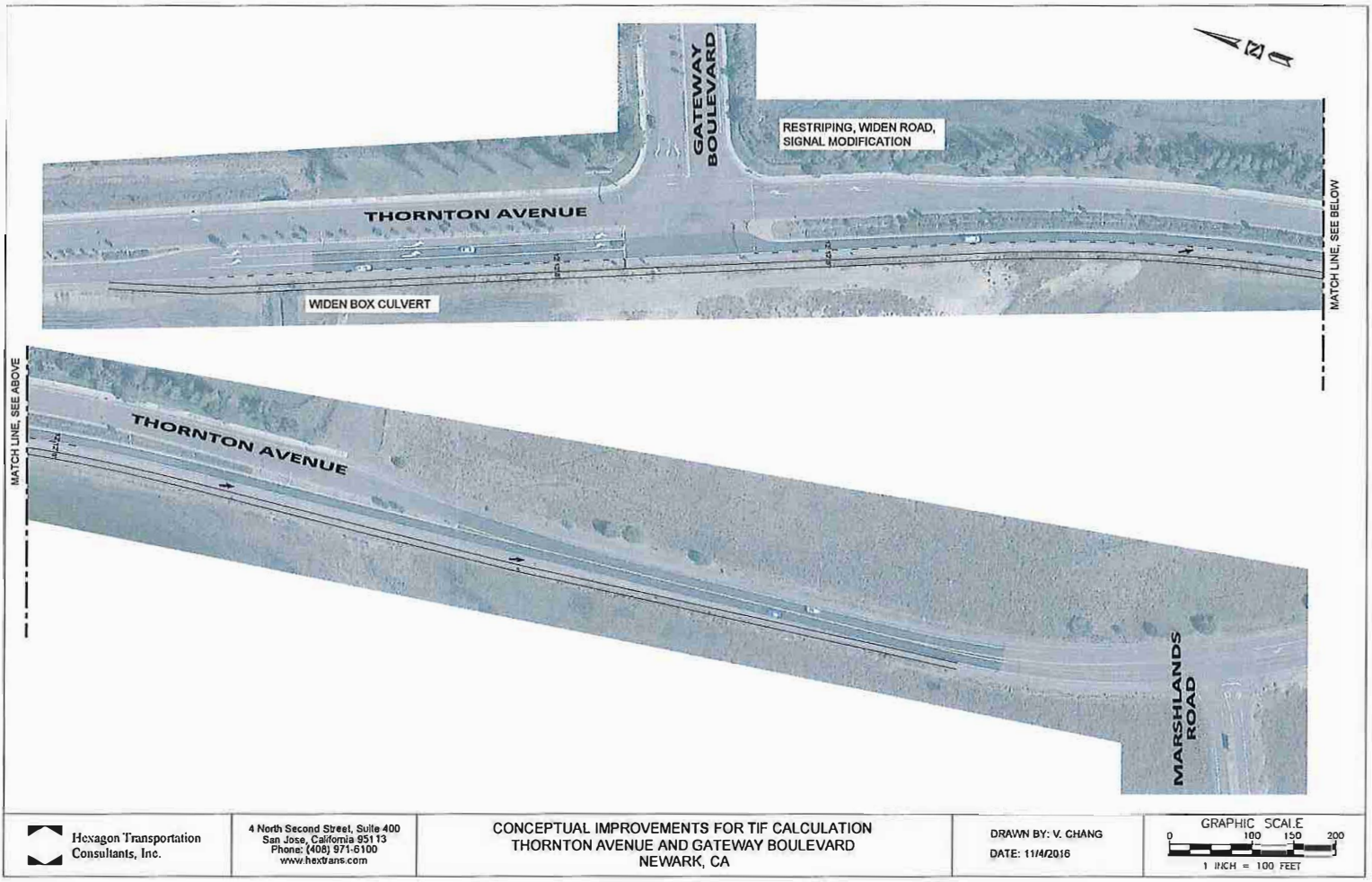
Light Industrial (Includes Manufacturing	ITE Code 110	Assume 2.50 jobs per 1,000 square feet
Retail	ITE Code 820	Assume 2.0 jobs per 1,000 square feet
Office (Includes R&D)	ITE Code 710	Assume 3.33 jobs per 1,000 square feet

[4] PM Peak hour trips by land use type calculated based ITE Trip Generation Rates. Retail rate includes a 25% pass by reduction.

Appendix B
Conceptual Drawings Intersection Improvements



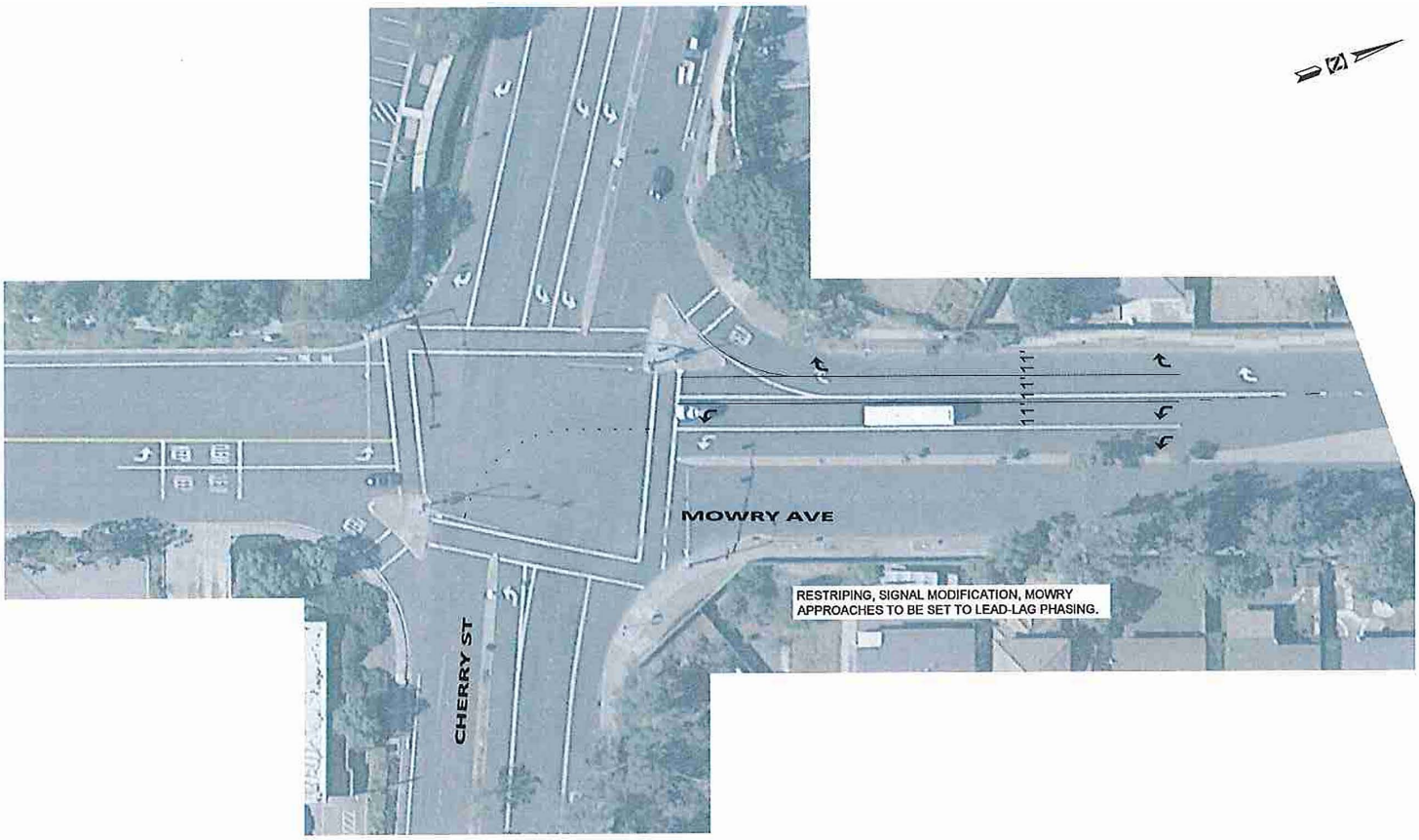
Hexagon Transportation Consultants, Inc.	4 North Second Street, Suite 400 San Jose, California 95113 Phone: (408) 971-6100 www.hextrans.com	CONCEPTUAL IMPROVEMENTS FOR TIF CALCULATION ARDENWOOD BLVD AND STATE ROUTE 84 NEWARK, CA	DRAWN BY: V. CHANG DATE: 11/4/2016	GRAPHIC SCALE 0 60 80 100 120 1 INCH = 60 FEET



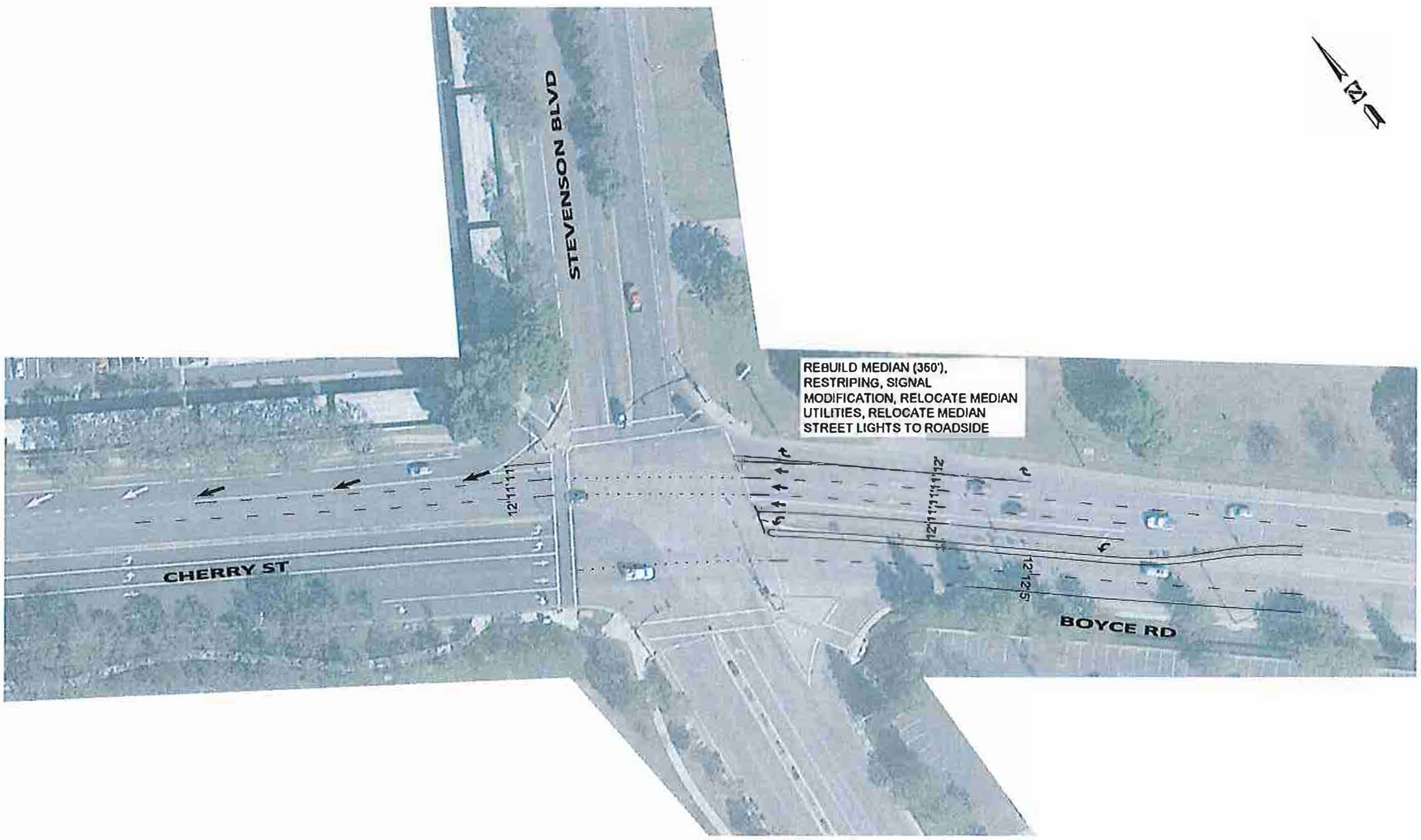
Hexagon Transportation Consultants, Inc.	4 North Second Street, Suite 400 San Jose, California 951 13 Phone: (408) 971-6100 www.hextrans.com	CONCEPTUAL IMPROVEMENTS FOR TIF CALCULATION THORNTON AVENUE AND GATEWAY BOULEVARD NEWARK, CA	DRAWN BY: V. CHANG DATE: 11/4/2016	GRAPHIC SCALE 0 100 150 200 1 INCH = 100 FEET



Hexagon Transportation Consultants, Inc.	4 North Second Street, Suite 400 San Jose, California 95113 Phone: (408) 971-6100 www.hextrans.com	CONCEPTUAL IMPROVEMENTS FOR TIF CALCULATION THORNTON AVENUE AND CHERRY STREET NEWARK, CA	DRAWN BY: V. CHANG DATE: 11/4/2016	GRAPHIC SCALE 0 60 80 100 120 1 INCH = 60 FEET



Hexagon Transportation Consultants, Inc.	4 North Second Street, Suite 400 San Jose, California 95113 Phone: (408) 971-6100 www.hextrans.com	CONCEPTUAL IMPROVEMENTS FOR TIF CALCULATION MOWRY AVENUE AND CHERRY STREET NEWARK, CA	DRAWN BY: V. CHANG DATE: 11/4/2016	GRAPHIC SCALE 0 40 60 80 1 INCH = 40 FEET



Hexagon Transportation Consultants, Inc.	4 North Second Street, Suite 400 San Jose, California 95113 Phone: (408) 971-6100 www.hextrans.com	CONCEPTUAL IMPROVEMENTS FOR TIF CALCULATION STEVENSON BOULEVARD AND CHERRY STREET NEWARK, CA	DRAWN BY: V. CHANG DATE: 11/4/2016	GRAPHIC SCALE 0 60 80 100 120 1 INCH = 60 FEET

Appendix C
Cost Estimates Intersection Improvements

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Ardenwood Bl/Newark Bl and WB SR84
DATE: 3/10/2017

Ardenwood Bl/Newark Bl and WB SR84

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Earthwork	CY		$ 95.00	$ -
Asphalt Concrete Pavement w/ aggregate base	SF	160	$ 18.00	$ 2,880.00
Install Median Island	SF	600	$ 35.00	$ 21,000.00
Import Fill Soil	CY		$ 25.00	$ -
Roadway Excavation	SF		$ 5.00	$ -
PCC Curb and Gutter	LF	80	$ 45.00	$ 3,600.00
PCC Curb Ramp	EA	1	$ 5,000.00	$ 5,000.00
PCC Sidewalk	SF		$ 30.00	$ -
Remove Asphalt Concrete Pavement	SF	200	$ 8.00	$ 1,600.00
Remove Median Island	SF		$ 10.00	$ -
Remove PCC Curb and Gutter	LF	80	$ 11.00	$ 880.00
Remove Sidewalk or Curb Ramp	SF		$ 10.00	$ -
Remove Storm Drain Inlet	EA		$ 2,000.00	$ -
Install Storm Drain Inlet	EA		$ 4,000.00	$ -
Install Metal Beam Guardrail	LF		$ 50.00	$ -
Remove Tree	EA		$ 600.00	$ -
Restriping and Signage	LS	1	$ 3,000.00	$ 3,000.00
Signal modification	EA	1	$ 200,000.00	$ 200,000.00
Subtotal				**$ 237,960.00**

Total Materials & Labor Cost	**$ 237,960.00**

Other Costs				
Mobilization	LS	1	7% of Materials	$ 16,657.20
Environmental Mitigation	LS			$ -
Stormwater Treatment	LS	1	30% of Materials	$ 71,388.00
Clearing and grubbing	LS			$ -
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 14,277.60
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 83,286.00
Subtotal				**$ 185,608.80**

Total Task Cost	**$ 423,568.80**

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Ardenwood Bl/Newark Bl and EB SR84
DATE: 3/10/2017

Ardenwood Bl/Newark Bl and EB SR84

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Earthwork	CY	800	$ 95.00	$ 76,000.00
Asphalt Concrete Pavement w/ aggregate base	SF	6,650	$ 18.00	$ 119,700.00
Install Median Island	SF		$ 35.00	$ -
Import Fill Soil	CY	800	$ 25.00	$ 20,000.00
Roadway Excavation	SF		$ 5.00	$ -
PCC Curb and Gutter	LF	220	$ 45.00	$ 9,900.00
PCC Curb Ramp	EA	2	$ 5,000.00	$ 10,000.00
PCC Sidewalk	SF	1,000	$ 30.00	$ 30,000.00
Remove Asphalt Concrete Pavement	SF	4,000	$ 8.00	$ 32,000.00
Remove Median Island	SF		$ 10.00	$ -
Remove PCC Curb and Gutter	LF	220	$ 11.00	$ 2,420.00
Remove Sidewalk or Curb Ramp	SF	900	$ 10.00	$ 9,000.00
Remove Storm Drain Inlet	EA	2	$ 2,000.00	$ 4,000.00
Install Storm Drain Inlet	EA	2	$ 4,000.00	$ 8,000.00
Install Metal Beam Guardrail	LF	300	$ 50.00	$ 15,000.00
Remove Tree	EA		$ 600.00	$ -
Restriping and Signage	LS	1	$ 12,000.00	$ 12,000.00
Signal modification	EA	1	$ 200,000.00	$ 200,000.00
ROW Acquisition			NOT INCLUDED IN ESTIMATE	
Subtotal				$ 548,020.00

Total Materials & Labor Cost	$ 548,020.00

Other Costs				
Mobilization	LS	1	7% of Materials	$ 38,361.40
Environmental Mitigation	LS	1	200000	$ 200,000.00
Stormwater Treatment	LS	1	30% of Materials	$ 164,406.00
Clearing and grubbing	LS	1	3% of Materials	$ 16,440.60
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 32,881.20
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 191,807.00
Subtotal				$ 643,896.20

Total Task Cost	$ 1,191,916.20

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Thornton Ave and Gateway Bl
DATE: 1/27/2017

Thornton Ave and Gateway Bl

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Earthwork	CY	3,000	$ 95.00	$ 285,000.00
Asphalt Concrete Pavement w/ aggregate base	SF	46,000	$ 18.00	$ 828,000.00
Install Median Island	SF		$ 35.00	$ -
Import Fill Soil	CY	3,000	$ 25.00	$ 75,000.00
Roadway Excavation	SF		$ 5.00	$ -
PCC Curb and Gutter	LF		$ 45.00	$ -
PCC Curb Ramp	EA		$ 5,000.00	$ -
PCC Sidewalk	SF		$ 30.00	$ -
Remove Asphalt Concrete Pavement	SF	21,000	$ 8.00	$ 168,000.00
Remove Median Island	SF		$ 10.00	$ -
Remove PCC Curb and Gutter	LF		$ 11.00	$ -
Remove Sidewalk or Curb Ramp	SF		$ 10.00	$ -
Remove Storm Drain Inlet	EA		$ 2,000.00	$ -
Install Storm Drain Inlet	EA		$ 4,000.00	$ -
Install Metal Beam Guardrail	LF	300	$ 50.00	$ 15,000.00
Remove Tree	EA		$ 600.00	$ -
Widen small culvert	LF	12	$ 1,000.00	$ 12,000.00
Restriping and Signage	LS	1	$ 10,000.00	$ 10,000.00
Signal modification	LS	1	$ 200,000.00	$ 200,000.00
Subtotal				**$ 1,593,000.00**

Total Materials & Labor Cost	**$ 1,593,000.00**

Other Costs				
Mobilization	LS	1	7% of Materials	$ 111,510.00
Environmental Mitigation	LS	1	25% of Materials	$ 398,250.00
Stormwater Treatment	LS	1	30% of Materials	$ 477,900.00
Clearing and grubbing	LS	1	3% of Materials	$ 47,790.00
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 95,580.00
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 557,550.00
Subtotal				**$ 1,688,580.00**

Total Task Cost	**$ 3,281,580.00**

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Thornton Ave and Cherry St
DATE: 1/27/2017

Thornton Ave and Cherry St

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Asphalt Concrete Pavement w/ aggregate base	SF	3,200	$ 18.00	$ 57,600.00
Install Median Island	SF	250	$ 35.00	$ 8,750.00
Import Fill Soil	CY		$ 25.00	$ -
Roadway Excavation	SF	1,250	$ 5.00	$ 6,250.00
PCC Curb and Gutter	LF	750	$ 45.00	$ 33,750.00
PCC Curb Ramp	EA	2	$ 5,000.00	$ 10,000.00
PCC Sidewalk	SF	4,450	$ 30.00	$ 133,500.00
Remove Asphalt Concrete Pavement	SF	1,400	$ 8.00	$ 11,200.00
Remove Median Island	SF	800	$ 10.00	$ 8,000.00
Remove PCC Curb and Gutter	LF	750	$ 11.00	$ 8,250.00
Remove Sidewalk or Curb Ramp	SF	4,450	$ 10.00	$ 44,500.00
Remove Storm Drain Inlet	EA	1	$ 2,000.00	$ 2,000.00
Install Storm Drain Inlet	EA	1	$ 4,000.00	$ 4,000.00
Remove Tree	EA	6	$ 600.00	$ 3,600.00
Restriping and Signage	LS	1	$ 10,000.00	$ 10,000.00
Signal modification	LS	1	$ 250,000.00	$ 250,000.00
Streetlight and utilities relocation	LS	1	$ 25,000.00	$ 25,000.00
ROW Acquisition			NOT INCLUDED IN ESTIMATE	
Subtotal				$ 616,400.00

Total Materials & Labor Cost	$ 616,400.00

Other Costs				
Mobilization	LS	1	7% of Materials	$ 43,148.00
Environmental Mitigation	LS		25% of Materials	$ -
Stormwater Treatment	LS	1	30% of Materials	$ 184,920.00
Clearing and grubbing	LS	1	1% of Materials	$ 6,164.00
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 36,984.00
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 215,740.00
Subtotal				$ 486,956.00

Total Task Cost	$ 1,103,356.00

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Cherry St and Mowry Ave
DATE: 1/27/2017

Cherry St and Mowry Ave

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Asphalt Concrete Pavement w/ aggregate base	SF		$ 18.00	$ -
Install Median Island	SF		$ 35.00	$ -
Import Fill Soil	CY		$ 25.00	$ -
Roadway Excavation	SF		$ 5.00	$ -
PCC Curb and Gutter	LF		$ 45.00	$ -
PCC Curb Ramp	EA		$ 5,000.00	$ -
PCC Sidewalk	SF		$ 30.00	$ -
Remove Asphalt Concrete Pavement	SF		$ 8.00	$ -
Remove Median Island	SF		$ 10.00	$ -
Remove PCC Curb and Gutter	LF		$ 11.00	$ -
Remove Sidewalk or Curb Ramp	SF		$ 10.00	$ -
Remove Storm Drain Inlet	EA		$ 2,000.00	$ -
Install Storm Drain Inlet	EA		$ 4,000.00	$ -
Remove Tree	EA		$ 600.00	$ -
Restriping and Signage	LS	1	$ 5,000.00	$ 5,000.00
Signal modification	LS	1	$ 125,000.00	$ 125,000.00
Streetlight and utilities relocation	LS		$ 25,000.00	$ -
Subtotal				**$ 130,000.00**

Total Materials & Labor Cost	**$ 130,000.00**

Other Costs				
Mobilization	LS	1	7% of Materials	$ 9,100.00
Environmental Mitigation	LS		25% of Materials	$ -
Stormwater Treatment	LS		30% of Materials	$ -
Clearing and grubbing	LS		3% of Materials	$ -
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 7,800.00
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 45,500.00
Subtotal				**$ 62,400.00**

Total Task Cost	**$ 192,400.00**

Planning-Level Improvement Cost Estimate

PROJECT: Newark TIF
LOCATION: Cherry St and Stevenson Bl
DATE: 1/27/2017

Cherry St and Stevenson Bl

Item Description	Unit	Qty.	Unit Price	Extension
Miscellaneous				
Asphalt Concrete Pavement w/ aggregate base	SF	2,200	$ 18.00	$ 39,600.00
Install Median Island	SF	1,400	$ 35.00	$ 49,000.00
Import Fill Soil	CY		$ 25.00	$ -
Roadway Excavation	SF		$ 5.00	$ -
PCC Curb and Gutter	LF	720	$ 45.00	$ 32,400.00
PCC Curb Ramp	EA		$ 5,000.00	$ -
PCC Sidewalk	SF		$ 30.00	$ -
Remove Asphalt Concrete Pavement	SF	1,400	$ 8.00	$ 11,200.00
Remove Median Island	SF	2,200	$ 10.00	$ 22,000.00
Remove PCC Curb and Gutter	LF	720	$ 11.00	$ 7,920.00
Remove Sidewalk or Curb Ramp	SF		$ 10.00	$ -
Remove Storm Drain Inlet	EA		$ 2,000.00	$ -
Install Storm Drain Inlet	EA		$ 4,000.00	$ -
Remove Tree	EA		$ 600.00	$ -
Restriping and Signage	LS	1	$ 12,000.00	$ 12,000.00
Signal modification	LS	1	$ 200,000.00	$ 200,000.00
Streetlight and utilities relocation	LS	1	$ 35,000.00	$ 35,000.00
Subtotal				**$ 409,120.00**

Total Materials & Labor Cost	**$ 409,120.00**

Other Costs				
Mobilization	LS	1	7% of Materials	$ 28,638.40
Environmental Mitigation	LS		25% of Materials	$ -
Stormwater Treatment	LS	1	30% of Materials	$ 122,736.00
Clearing and grubbing	LS		3% of Materials	$ -
Construction Staging, Traffic Control, and Construction Area Signs	LS	1	6% of Materials	$ 24,547.20
Contingency, Engineering and Administration Costs	LS	1	35% of Materials	$ 143,192.00
Subtotal				**$ 319,113.60**

Total Task Cost	**$ 728,233.60**

APPENDIX G

RESOLUTION NO. 10,635

RESOLUTION NO. 10,635

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING AN IMPLEMENTING RESOLUTION FOR THE TRANSPORTATION IMPACT FEE, UNDER GOVERNMENT CODE SECTION 66001, IN ACCORDANCE WITH MUNICIPAL CODE SECTION 3.24.040 AND AMENDING THE MASTER FEE SCHEDULE TO REFLECT THESE CHANGES

WHEREAS, the City Council of the City of Newark, a general law city ("City"), is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, California Government Code Section 66000 et seq. allows local governments to impose impact fees on new development in order to recover the cost of improvements that are needed to serve that new development; and

WHEREAS, Chapter 3.24 ("Development Impact Fees") of the Newark Municipal Code authorizes the City Council to adopt implementing resolutions establishing development impact fees in order to mitigate the impacts that projects have upon the City's ability to provide public facilities;

WHEREAS, the existing fee needs to be brought into conformity with current conditions in the City; and

WHEREAS, the City desires to have an updated Transportation Impact Fee that will ensure that all new development pays the cost to provide transportation facilities needed to support new development; and

WHEREAS, the City has retained Hexagon Transportation Consultants to complete a Transportation Impact Fee Nexus Study, dated March 28, 2017, which establishes a reasonable relationship between the Transportation Impact Fee and the purpose of the fee, which study is incorporated herein and attached as Exhibit A; and

WHEREAS, the City has duly noticed, advertised, scheduled, and held a Public Hearing on May 25, 2017; and

WHEREAS, on May 25, 2017 the City Council reviewed material presented in the staff report including the Transportation Impact Fee Nexus Study, concerning the purpose of the fee and the relationship between the fee and its purpose; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1) The City hereby receives and approves the Public Safety and Transportation Development Impact Fee Nexus Study ("Fee Study"), which is attached as Exhibit A to this Resolution.

2) In adopting this Resolution, the City Council is exercising its powers under Chapter 3.24 of the Newark Municipal Code, as well as pursuant to Article XI, Sections 5 and 7 of the California Constitution, Chapter 5 of Division 1 of the Government Code ("Mitigation Fee Act"), commencing with Section 66000, collectively and separately.

3) After considering the Fee Study, this Resolution, and the testimony received at a public hearing, the City Council hereby makes the following findings:

   a) In accordance with Section 66001, subdivision a, paragraph 1 of the Mitigation Fee Act, the purpose of the fees set forth in this Resolution, as specified in Exhibit A, is to provide for an expansion in transportation capital facilities in the City as new growth occurs;

   b) In accordance with Section 66001, subdivision a, paragraph 2 of the Mitigation Fee Act, the fees collected pursuant to this Resolution, as specified in Exhibit A, shall be used for transportation related improvements identified in Exhibit A and shall be used to fund any administrative cost associated with the transportation impact fee program;

   c) In accordance with Section 66001, subdivision a, paragraph 3 of the Mitigation Fee Act, there is a reasonable relationship between the fees use (to pay for the acquisition and construction of transportation facilities and imiprovements) and the type of development for which the fees are imposed in that the fees will be applied to residential and comercial development in the City, which will generate demands for transportation facilities;

   d) In accordance with Section 66001, subdivision a, paragraph 4 of the Mitigation Fee Act, the Fee Study demonstrates that there is a reasonable relationship between the amount of the Transportation Impact Fee and the cost of transportation improvements attributable to the development upon which the fee is proposed. Since the need for transportation facilities is inherently travel driven associated transportation facility costs are assessed based on transportation trips; and

   e) In accordance with Section 66001, subdivision b of the Mitigation Fee Act, there is a reasonable relationship between the amount of the fees and cost of providing the public safety facilities attributable to the development in the City upon which the fees are imposed in that the fees

have been calculated by apportioning the cost of transportation facilities acquisition and construction to the amount of transportation demand created by residents and employees attracted by each type of development.

4) The City finds pursuant to the California Environmental Quality Act ("CEQA") this action is not a "project" because the Resolution provides a mechanism for funding of transportation facilities but does not involve a commitment to any specific project for such purposes that may result in a potential significant impact on the Environment (CEQA guidelines Section 15378, Pub. Res. Code Section 21080(b)(8)(D)).

5) The cost estimates set forth in the Fee Study are reasonable estimates for acquiring and constructing transportation facilities and improvements and the fees expected to be generated by future development will not exceed the future projected cost of acquiring and constructing transportation facilities.

6) The method of allocation of the fees to particular development bears a fair relationship and is roughly proportional to each development's burden on and benefits from the transportation facilities to be funded by the fees, in that the fees are calculated based on the amount of transportation demand created by residents and employees attracted by each type of development.

7) The Fee Study is a detailed analysis of how transportation services will be affected by development in the City and the transportation facilities necessary to accommodate that development.

8) The fees are consistent with the General Plan and, pursuant to Government Code Section 65913.2, the City Council has considered the effects of the fees with respect to the City's housing needs as established in the housing element of the General Plan.

9) The fee amounts set forth in this Resolution include the fair and reasonable costs of administration of the fee programs and are within the requirements of the Mitigation Fee Act and other applicable law.

10) The fees are subject to adjustment, which approximate the fluctuation in market costs, and shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.

11) The City does hereby approve the following transportation impact fees on new residential and commercial development for transportation facilities as follows:

Residential Development

Type of Unit	Fee per Unit
Single Family Unit	$4,974
Townhome Unit	$2,586
Multiple Family Units	$3,084

Commercial Development

Type of Use	Fee per Square Foot
Office/Commercial	$4.41
Manufacturing/Research and Development	$2.41
Warehousing/Distribution	$4.82

(These fees shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.)

12) The city council may elect to waive the payment of the impact fee if a residential or nonresidential development project provides community benefits in excess of those required by the impacts of the project, and if the city council finds that the expected benefits to the community exceed those that would be provided by the payment of the Transportation Impact Fee. Such community benefits may include the provision of senior housing, the generation of significant taxes, or the elimination of nuisances.

13) The Transportation Impact Fees shall not apply to approved projects that are covered by a Development Agreement or Vesting Tentative Map unless the provisions of the document allow the application of such fees.

14) The Master Fee Schedule shall be amended to reflect the Transportation Impact fees as set forth in this Resolution.

15) Effective Date: This resolution shall be effective upon date of adoption of this Resolution. In accordance with Government Code Section 66017, the fees set by this Resolution shall be effective 60 days from the effective date of this Resolution.

16) Severability. Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fees or other provisions of this Resolution be adjusted to be invalid and unenforceable, the remaining component or provisions shall be and continue to be fully effective, and the fees shall be fully effective except as to that component which has been judged to be invalid.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on May 25, 2017, by Council Member Hannon, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES: Council Members Hannon, Freitas, Vice Mayor Bucci and Mayor Nagy

NOES: None

ABSENT: Council Member Collazo

SECONDED: Vice Mayor Bucci

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

APPENDIX H

RESOLUTION NO. 8802

RESOLUTION NO. 8802

RESOLUTION ESTABLISHING AN INCLUSONARY HOUSING IN-LIEU FEE SCHEDULE AND A NONRESIDENTIAL DEVELOPMENT HOUSING IMPACT FEE SCHEDULE IN ACCORDANCE WITH CHAPTER 17.18 OF THE NEWARK MUNICIPAL CODE

WHEREAS, the City Council of the City of Newark has established an inclusionary housing program which allows the payment of an in-lieu fee under certain circumstances; and

WHEREAS, the City Council has adopted a nonresidential development housing impact fee; and

WHEREAS, the City of Newark hired Economic and Planning Systems to prepare an Affordable Housing Fee Study, dated April 2004, which: (1) examined the amount of subsidy needed to produce housing units affordable to moderate, low, and very low income households; (2) found a clear nexus between the development of nonresidential land uses and the number of housing units that will be needed to accommodate for very low, low, and moderate income households as a result of the development; and (3) quantified this need; and

WHEREAS, for the nonresidential development impact fee, the City Council has determined that the fee shall be set at a rate lower than the maximum allowable because of the revenue generated by nonresidential uses, the subsidies that are provided by other sources, and the need to remain competitive with other cities.

NOW, THEREFORE, the City Council resolves as follows:

1. Amount of Fee

   a. To establish the inclusionary housing in-lieu fee at $6,704 per market rate unit, as calculated in the Affordable Housing Fee Study; and

   b. To establish the nonresidential development housing impact fee at $2.65 per square foot for new commercial development, and $0.49 per square foot for new industrial development, which are lower than the maximum allowable fee calculated in the Affordable Housing Fee Study; and

   c. To provide that these fees shall annually be revised effective July 1 of each year, commencing on July 1, 2005, by the percentage change in the Engineering News-Record's Building Cost Index, or a similar index designated by the City Manager, over the previous year.

2. Time of Payment

a. The inclusionary housing in-lieu fee shall be paid on a lump sum basis for the total development before the first Certificate of Occupancy is issued for any structure within the residential development project; and

b. The nonresidential development housing impact fee shall be paid prior to issuance of a building permit for any structure within the nonresidential development project.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on May 27, 2004, by Vice Mayor Torrico who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

YES: Council Members Freitas, Johnson, Nagy, Torrico, and Mayor Smith

NOES: None

ABSENT: None

SECONDED: Council Member Nagy

APPROVED:

s/DAVID W. SMITH
Mayor

ATTEST:

s/KATHLEEN L. SLAFTER
Deputy City Clerk

APPROVED AS TO FORM:

s/GARY J. GALLIANO
City Attorney

APPENDIX I

NEWARK AFFORDABLE HOUSING STUDY



Economic & Planning Systems

Real Estate Economics
Regional Economics
Public Finance
Land Use Policy

EXHIBIT D

FINAL REPORT

NEWARK AFFORDABLE HOUSING FEE STUDY

Prepared for:

City of Newark

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I. INTRODUCTION AND SUMMARY OF FINDINGS

This Newark Fee Study Report provides the City of Newark with the necessary technical documentation for adoption and implementation of two development fees: (1) a Nonresidential Development Housing Impact Fee to fund the development of affordable housing within the City and (2) an Inclusionary Housing In-Lieu Fee, also designed to fund affordable housing

Following this Introductory Chapter, **Chapter II** describes the methodology and provides fee calculations for both the nonresidential housing impact fee and the inclusionary housing in-lieu fee In **Chapter III**, the proposed fees, as well as other existing fees, are compared with the total fee burden in other East Bay cities.

SUMMARY OF FINDINGS

The key findings from this Draft Report are provided below with a more detailed description of the analysis provided in subsequent chapters

1 **Inclusionary Housing In-Lieu Fee.** The subsidy requirements associated with providing 337 affordable housing units, consistent with the City of Newark's proposed inclusionary housing program, corresponds to an estimated maximum in-lieu fee of $6,704 per-market rate unit developed This estimate assumes that rental projects will receive federal and state affordable housing tax credits equal to 35 percent of production costs for low- and very low- income units

2 **Nonresidential Development Housing Impact Fee.** Assuming that nonresidential development pays 100 percent of its subsidy requirement, the estimated maximum non-residential impact fees are $9.47 per square foot for new commercial development and $1 76 per square foot for new industrial development This estimate assumes that rental projects will receive federal and state affordable housing tax credits equal to 35 percent of production costs for low- and very low-income units

3. **Regional Fee Comparison.** EPS compared the total burden from all development fees for various East Bay cities These comparisons indicate that if the two development fees are adopted at the levels identified in this Report, the total residential fee in Newark will be lower than the average fees of comparable jurisdictions The total fee charged to retail development would be roughly 2 percent lower than the average fee in comparable cities. However, the proposed fee for commercial/office would be roughly 61 percent higher than the average fee in comparable jurisdictions, while the fee charged to general industrial uses would be approximately 17 percent higher than average fees in nearby cities

II. AFFORDABLE HOUSING FEE CALCULATIONS

This Chapter provides the City of Newark with estimates of the expected maximum inclusionary housing in-lieu and nonresidential development housing impact fees. The analysis assumes that the affordable housing subsidy will be generated by both residential and nonresidential development.

INCLUSIONARY HOUSING IN-LIEU FEE

The first step in calculating an inclusionary housing in-lieu fee is to determine moderate-income, low-income and very low-income households' ability to pay for housing. Ability to pay is then compared with actual housing production costs to determine the affordability gap or difference between ability to pay and production cost The affordability gap is equivalent to the subsidy necessary to develop viable affordable housing The inclusionary in-lieu fee is calculated based on the affordability gap and inclusionary housing program requirements.

ABILITY TO PAY FOR HOUSING BY INCOME CATEGORY

California's Housing and Community Development Department defines income categories in relation to the County median income, depending upon household size Based on Alameda County median income, the upper income limit for the very low-income category is $34,475 for a 3-person household and $38,300 for a 4-person household. A household is defined as low income if its income is greater than those of very low-income families, but less than or equal to $44,818 for 3-person households, or $49,790 for 4-person households. A household is defined as moderate income if its income is greater than those of low-income households, but less than or equal to $68,950 for 3-person households, or $76,600 for 4-person households The income limits for each type of household are shown in **Table 1**

In **Table 2**, the income limits for low- and very low-income households are translated into an estimate of the maximum home price that each type of household could pay. For owner-occupied homes, the estimated annual income (see **Table 1**) for each group is multiplied by the HUD guideline of maximum mortgage-to-income ratio (0.25) to arrive at the maximum affordable monthly payment Next, the owner-occupied home value is calculated, assuming an annual interest rate of 7 percent, a 20 percent down payment, and a 30-year term loan.[1] Using the assumptions outlined above, a moderate-income

[1] While many low-income families are unlikely to have a 20 percent down payment, such a policy does permit the City to allocate its affordable housing funds more efficiently than if a lower down payment is assumed This also serves as an incentive for low-income families to save for a down payment Down payment assistance programs are also available

Table 1
Total Affordable Housing Need: Income Limits by Category
Newark Fee Studies; EPS #10222

Unit Type	Assumed Percent of Median (1)	Annual Income Limit	
		3-Person Household (2)	4-Person Household (3)
Moderate Income	100%	$68,950	$76,600
Low Income	65%	$44,818	$49,790
Very Low Income	50%	$34,475	$38,300

(1) The California Department of Housing and Community Development defines Moderate Income as 80-120% of median income, Low Income as 50-80% of median income and Very Low Income as less than 50% of median income For this analysis, the midpoint of the income range is used in calculations requiring a single income limit.
(2) Based on HUD 2003, Alameda County median income for 3-person HH as $68950
(3) Based on HUD 2003, Alameda County median income for 4-person HH as $76600 .

Sources. ABAG, California Deptartment of Housing and Community Development, HUD; Economic & Planning Systems, Inc.

Table 2
Total Affordable Housing Need: Calculation of Ability to Pay for Housing by Income Category
Newark Fee Studies; [redacted] #10222

Item	AFFORDABILITY CALCULATION: 3-Person Household Monthly Payment	3-Person Household Affordable Home Value	4-Person Household Monthly Payment	4-Person Household Affordable Home Value	Notes
Moderate Income Category					
Owner-Occupied	$1,436	$269,888	$1,596	$299,832	(1) - (5)
Rental Units	$1,374	$188,123	$1,565	$214,313	(1) and (7) - (8)
Low Income Category					
Owner-Occupied	$934	$175,429	$1,037	$194,891	(1) - (5)
Rental Units	$820	$112,353	$945	$129,375	(1), (6), (7), (9)
Very Low Income Category					
Owner-Occupied	$718	$134,944	$798	$149,916	(1) - (5)
Rental Units	$587	$80,367	$683	$93,462	(1), (6), (7), (10)

(1) See Table 1 for Income Assumptions.
(2) Mortgage calculated using annual interest rate of 7 percent
(3) Mortgage calculated on 360-month loan
(4) Mortgage calculated assuming a 20 percent down payment.
(5) Assumes a mortgage-to-income ratio of 0 25
(6) Assumes a rent-to-income ratio of 0.3
(7) Assumes a capitalization rate of 8 5 percent, and management expenses (taxes, insurance and maintenance) of 3% of value
(8) Assumes monthly operating expenses of $350 for Moderate Income category, based on comparable expenses for Bay Area rental units
(9) Assumes monthly operating costs of $300 for Low Income category
(10) Assumes monthly operating costs of $275 for Very Low Income category.

Note: Due to rounding, some figures shown may differ slightly from actual calculations.

Source: Economic and Planning Systems, Inc

family can afford to pay between $270,000 (3-person household) and $300,000 (4-person household) for an owner-occupied home A low-income family can afford to pay between $175,000 (3-person household) and $195,000 (4-person household) for an owner-occupied home A very low-income household can afford to pay between $135,000 and $150,000.

For rental units, the maximum monthly payment is calculated using HUD's maximum housing expenses-to-income ratio of 0.3 and deducting estimated monthly operating costs. A capitalization rate of 8 5 percent is used to calculate the home value, based on projected net operating income (3 percent of home value to cover taxes, insurance and maintenance) Maximum affordable rental home values range from $188,000 to $214,000 for moderate-income households, $112,000 to $129,000 for low-income households and from $80,000 to $93,000 for very low-income households

HOUSING PRODUCTION COSTS

Table 3 compares the production costs of owner-occupied and rental units with the maximum home values that moderate-, low- and very low-income families are able to pay The affordability gap represents the subsidy that would be required to bridge the difference

The first column in **Table** 3 shows estimated home production prices for four types of housing units. 2- and 3-bedroom owner-occupied units, and 2- and 3-bedroom rental units As shown, the cost to build a 2-bedroom owner-occupied home is roughly $263,000 Production cost includes land cost, building costs, marketing/sales cost and developer profit or fee The $263,000 estimate is lower than actual prices in the competitive market for several reasons. First, this analysis assumes that the City of Newark will hire a not-for-profit development firm to construct its affordable housing projects Given this assumption, marketing/sales costs and profit are lower than would be experienced with private (for-profit) development. Conversations with affordable housing developers active in the California market suggest that marketing/sales cost equal to one percent of new home sale proceeds and a developer fee equal to five percent of new home sale proceeds is realistic Private developers generally require a five percent marketing/sales cost and 20 percent developer fee

Second, it is important to point out that the net production costs shown for very low- and low-income rental units account for other potential funding sources For example, it is assumed that low- and very-low income rental units will qualify for Low Income Housing Tax Credits (LIHTC) sufficient to fund 35 percent of production costs. The federal LIHTC program makes tax credits available for rental projects that set aside units for low- and very low-income households The State of California operates a similar program A limited amount of tax credits valued at 9 percent of qualified project costs are made available each year and sold to project investors. In return for project equity that typically equals between 70 and 80 percent of production costs, the investor receives the tax credits for a period of ten years. Although the "9 percent" tax credits are highly

Table 3
Total Affordable Housing Need: Calculation of Subsidy Required
Newark Fee Studies, [redacted] #10222

Unit Type	Housing Production Costs (1)			Ability to Pay (2)			Shortfall Per Unit (3)			Distribution of Affordable Units (4)			Weighted Shortfall		
	Production Costs	Tax Credits (A)	Net Costs	Moderate Income	Low Income (B)	Very Low Income	Moderate Income	Low Income (A) - (B) = (C)	Very Low Income	Moderate Income	Low Income (D)	Very Low Income	Moderate Income	Low Income	Very Low Income
Owner-Occupied															
3-Persons/2-Bed	$262,826	$0	$262,826	$269,868	$175,429	$134,944	$0	$87,397	N/A	21.3%	3.8%	N/A	$0	$3,277	N/A
4-Persons/ 3-Bed	$306,630	$0	$306,630	$299,832	$194,891	$149,916	$6,798	$111,739	N/A	21.3%	3.8%	N/A	$1,445	$4,190	N/A
Rental Units															
3-Persons/ 2-Bed	$219,022	(73,007)	$146,015	$188,123	$112,353	$80,367	$30,899	$33,662	$65,648	5.0%	10.0%	10.0%	$1,545	$3,366	$6,565
4-Persons/ 3-Bed	$262,826	(87,609)	$175,217	$188,123	$129,375	$93,462	$74,703	$45,842	$81,755	5.0%	10.0%	10.0%	$3,735	$4,584	$8,176
												Weighted Average Shortfall =	$36,882.96		

(1) Home value calculations assume production cost of $219.13/SF. Production cost includes [redacted]able cost of 1 percent of average new home sale proceeds and developer profit of 5 percent of average new home sale proceeds. Private (for-profit) developer [redacted]able cost and profit would be significantly higher. Marketing/sales cost and profit for affordable development were obtained from conversations with affordable housing developers active in the California market. Cost estimates were obtained from MEANS Square Foot Costs publications. Net costs assume that Low Income Housing Tax Credits (LIHTC) provide project equity equal to 35 percent of rental unit production costs. Additionally, developers are assumed to plan and build developments that qualify for LIHTC in all cases. Net costs are used to calculate fee. Owner-occupied units are assumed to be 1200SF for 2-bedroom homes, 1400 SF for 3-bedroom homes. Rental units are assumed to be 1000 SF for 2-bedrooms and 1200 SF for 3-bedroom units.

(2) See Table 2 for calculation of ability to pay.

(3) Very-Low Income Households are assumed to reside in rental units, so the subsidy required for owner-occupied units is not calculated.

(4) The distribution of affordable housing is based on the City of Newark's proposed inclusionary housing policy.

Note: Due to rounding, some figures shown may differ slightly from actual calculations.

Sources: MEANS Square Foot Costs, Economic & Planning Systems, Inc.

competitive, the "4 percent" credits are more widely available, and carry fewer restrictions. This type of tax credit typically attracts investment equal to between 30 and 40 percent of total development costs, according to the California Tax Credit Allocation Committee.

AFFORDABILITY GAP

The "affordability gap" refers to the difference between the amount that a low-income household is able to pay for housing and the cost of producing that housing. For example, as presented in **Table 3**, a low-income family of three can afford a maximum of approximately $175,000 for a 2-bedroom owner-occupied home. Given the $263,000 cost of producing the housing, the shortfall for the 3-person low-income family is about $88,000.

HOUSING SUPPLY BY INCOME CATEGORY

The City has asked that EPS evaluate an inclusionary housing program in which 15 percent of new units are affordable[2] Of the 15 percent, it is assumed that affordable housing will be evenly distributed across owner-occupied housing and rental housing based on zoning of residential land identified in the City of Newark Housing Element. Of the affordable owner-occupied housing, 15 percent must be affordable to households with low incomes. Furthermore, it is assumed that the remaining 85 percent of affordable owner-occupied housing will be made affordable for households with moderate incomes as developers will likely prefer to construct moderate-income units over very-low income units. Of the affordable rental units, 40 percent must be affordable to households with very-low income, 40 percent must be affordable to households with low income, and 20 percent must be affordable to households with moderate income

SUBSIDY REQUIRED TO ADDRESS AFFORDABLE HOUSING NEED

Given the distribution of affordable housing supply by income category established by the City's proposed inclusionary housing program, the weighted average shortfall per affordable unit is calculated to be $36,883 (**Table 3**) Multiplying the number of projected affordable units by the estimated shortfall per unit will calculate the total subsidy needed. This can then be divided by the projected number of market rate units to determine the fee per market rate unit. This is the same as multiplying the $36,883 shortfall by 17 6 percent (or 15/85) to account for the 15 percent affordable housing requirement Thus produces an in-lieu fee of $6,509 per market-rate unit. This fee is discussed in the context of forecasted development later in this chapter.

[2] The City's proposed inclusionary housing program applies to single family and multifamily developments with five or more units.

NONRESIDENTIAL DEVELOPMENT HOUSING IMPACT FEE

As new nonresidential development occurs in the City of Newark, thousands of new jobs will be created in the City. Because some of these jobs will be low-paying positions, the influx of new employees will create an increase in demand for affordable housing units. The purpose of the nonresidential development housing impact fee is to charge new development its fair share of costs to provide affordable housing as needed to new residents and employees.

FUTURE EMPLOYMENT GROWTH BY INDUSTRY

The first step in calculating the non-residential impact fee is to estimate the number of new jobs that are likely to be created by new development before the City is completely built out Based on City Planning Department estimates of development capacity in the City, EPS projects that 807 new commercial and 6,570 new industrial jobs will be created (see **Table 4**).[3]

PROJECTED INCOME BY INDUSTRY AND OCCUPATION

As shown in **Table 4**, the average salary in Alameda County is $27,954 for commercial workers and $49,984 for industrial workers[4] Within both of these industries is a variety of occupations ranging from executives and managers to clerical staff and machine operators **Table 4** shows the distribution of occupations for these industries in Alameda County, and allocates the forecasted new jobs to each occupation

To account for the income differential between these occupations, a salary factor was calculated using data obtained from the U.S Bureau of Labor Statistics For example, a clerical worker typically makes 72 percent of the average commercial or industrial income. Using the salary factor, estimated incomes are calculated for each industry by occupation. As shown in **Table 4**, an administrative/clerical worker has an estimated income of $20,161 in the commercial sector and $36,049 in the industrial sector.

HOUSEHOLD DEMAND GENERATED BY EMPLOYMENT GROWTH

In **Table 5**, the 807 new commercial jobs are translated into the number of housing units that will be demanded in the City of Newark. The first column in **Table 5** shows the occupational distribution that was presented in **Table 4** To adjust for youth workers,

[3] These estimates are based upon the availability of developable land that is zoned for commercial and industrial uses, respectively These estimates do not correspond to ABAG projections

[4] Average salaries for these industries were obtained from the 1997 Economic Census, and updated according to the consumer price index published by the Bureau of Labor Statistics

Table 4
Non-Residential Development Housing Impact Fee: Detailed Employment Information
Newark Fee Studies; [redacted] #10222

Item	Salary Factor	COMMERCIAL			INDUSTRIAL		
		Occupational Distribution	Jobs by Occupation	Salary	Occupational Distribution	Jobs by Occupation	Salary
	(1)	(2)	(3)	(4)	(2)	(3)	(4)
All Occupations (5)			807 0	$27,954		6,569 8	$49,984
Distribution of Jobs by Occupation							
White Collar Employment							
Executive/Managerial	1 66	13 5%	109 1	$46,316	15 8%	1,035 5	$82,815
Professional/Specialty	1.50	20 9%	168 8	$41,995	23 0%	1,510 2	$75,089
Technicians and Related Support	0 71	4 5%	36 7	$19,737	4 8%	314 6	$35,290
Sales	0 69	15 9%	128 0	$19,312	5 2%	342.3	$34,531
Administrative/Clerical	0 72	12 0%	96 9	$20,151	17 2%	1,129 0	$36,049
Service Occupations	0 62	18 9%	152 2	$17,247	9 6%	630 1	$30,838
Blue Collar Employment							
Precision Production/Craft/Repair	0 99	4 8%	38 9	$27,625	8 1%	530 7	$49,395
Machine Operators/Assemblers	0 59	2 5%	20 1	$16,499	8 7%	572 6	$29,501
Transportation/Material Moving	0.75	3 0%	24 4	$20,833	4 9%	324 8	$37,250
Handlers/Helpers	0 54	4 0%	31 9	$15,105	2 7%	180 1	$27,008
Total Jobs		100%	806 9		100%	6,569.9	

(1) Occupations are assigned a salary factor to reflect varying wages for different occupations within the same industry These factors were calculated using Census data for the San Francisco Metropolitan Area, and were obtained from the Bureau of Labor Statistics
(2) New jobs are distributed by occupation using Census data for Alameda County Similar information for employment in Alameda County is not available
(3) The number of new jobs are allocated to different occupations using the "Occupational Distribution" percentages
(4) Salaries are estimated for each occupation by multiplying the "Salary Factor" by the "Average Salary"
(5) Number of jobs estimated in Newark Development Impact Fee Study, Final Report Average salary obtained from 1997 Economic Census Summary Statistics for Alameda County State numbers substituted as necessary Adjusted for 2003 CPI

Note: Due to rounding, some figures shown may differ slightly from actual calculations

Source U S Census, U S Bureau of Labor Statistics, Association of Bay Area Governments, Economic & Planning Systems, Inc

Table 5
Non-Residential Development Housing Impact Fee: Households Requiring Assistance for Commercial Sector
Newark Fee Studies; #10222

Item	Commercial Sector Jobs and Households				Two-Earner Households		One-Earner Households	
	New Jobs (1)	Percent Adult (2)	Adult Jobs	Households Created (3)	Number (4)	Income (5)	Number (4)	Income (5)
Assumptions								
Number of Employees per Household				1 70				
Percent of Households to Live in Newark				16%				
Percent of 2-Earner Households					72%		28%	
Occupational Distribution (1)								
White Collar Employment								
Executive/Managerial	109 1	96%	104 7	10 1	7 3	$92,632	2 8	$46,316
Professional/Specialty	168 8	96%	162 0	15 7	11 2	$83,990	4 4	$41,995
Technicians and Related Support	38 7	96%	35 2	3 4	2 4	$39,473	1 0	$19,737
Sales	128 0	63%	80 6	7 8	5 6	$38,624	2 2	$19,312
Administrative/Clerical	96 9	63%	61 1	5 9	4 2	$40,322	1 7	$20,161
Service Occupations	152 2	96%	146 1	14 1	10 1	$34,493	4 0	$17,247
Blue Collar Employment								
Precision Production/Craft/Repair	38 9	96%	37 4	3 6	2 6	$55,250	1 0	$27,625
Machine Operation/Assemblers	20 1	96%	19 3	1 9	1 3	$32,998	0 5	$16,499
Transportation/Material Moving	24 4	96%	23 4	2 3	1 6	$41,665	0 6	$20,833
Handlers/Helpers	31 9	96%	30 6	3 0	2 1	$30,210	0 8	$15,105
TOTAL	808 9		700 4	67 7	48 6		19 1	

(1) See Table 4 for detailed calculation
(2) Data obtained from the Bureau of Labor Statistics, Report on Youth Employment and 1997 Economic Census for State of California
(3) The number of new jobs is divided by a factor of 1 70 to adjust for the number of employees per household, as estimated by the Association of Bay Area Governments The resulting number of new households is multiplied by 16% to adjust for the number of households locating in Newark (Census)
(4) The number of new Newark households are allocated to single-earner families (28%) and double-earner families (72%)
(5) The estimated income by occupation (see Table 4) is multiplied by 2 for dual-income households
Note: Due to rounding, some figures shown may differ slightly from actual calculations
Source U S Census, U S Bureau of Labor Statistics; Association of Bay Area Governments, Economic & Planning Systems, Inc

Table 5b
Non-Residential Development Housing Impact Fee Households Requiring Assistance for Commercial Sector
Assistance for Commercial Sector
Revert Fee Studies, EPS #10222

Item	TOTAL NEW UNITS (1)			MODERATE INCOME				LOW INCOME				VERY LOW INCOME		TOTAL
				Owner-Occupied		Rental Units		Owner-Occupied		Rental Units		Rental Units		
	Moderate Income	Low Income	Very Low Income	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	Units/ Subsidy Required
Distribution of Housing Type (2)				40 5%	40 5%	9 5%	9 5%	13 6%	13 6%	36 4%	36 4%	50%	50%	
Occupational Distribution (3)														
White Collar Employment														
[redacted]	28	00	00	12	12	03	03	00	00	00	00	00	00	28
[redacted]	00	44	00	00	00	00	00	08	08	18	18	0	00	44
Technicians and Related Support	00	24	10	00	00	00	00	03	03	09	09	0	05	34
Sales	00	58	22	00	00	00	00	08	08	20	20	11	11	78
[redacted]	00	42	17	00	00	00	00	08	08	15	15	08	08	59
Service Occupations	00	00	141	00	00	00	00	08	00	00	00	71	71	141
Private household occupations (403-412)														
Protective service occupations (413-432)														
Service occupations, except protective and household (433-472)														
Farming, forestry, and fishing occupations (473-502)														
Blue Collar Employment														
Precision Production/Craft/Repair	26	00	10	10	10	02	02	00	00	00	00	05	05	36
Machine Operators/Assemblers	00	00	19	00	00	00	00	00	00	00	00	09	09	18
[redacted] Moving	00	16	06	00	00	00	00	02	02	06	06	03	03	23
Handlers/Helpers	00	00	00	00	00	00	00	00	00	00	00	15	15	30
	54	183	254	22	22	05	05	25	25	67	67	127	127	492
Calculation of Subsidy Required														
Subsidy Required per Unit				$0	$6,798	$30 699	$74 703	$87 397	$111 739	$33,862	$45 842	$65,648	$81,755	
Gross Subsidy Required				$0	$14 978	$16,018	$36,727	$218 252	$278,014	$224 143	$305 251	$253,879	$1 038 485	$2,968,727

(1) According to the salary estimated for each occupation in Table 4 households are placed into income categories as defined by HUD's income limits for 2003
(2) The distribution of unit type within each income category is consistent with the City's proposed inclusionary housing policy
(3) Occupational distribution described in Table 4
Note Due to rounding, some figures shown may differ slightly from actual calculations
Source U S Census U S Bureau of Labor Statistics Association of Bay Area Governments Economic & Planning Systems Inc

who will not require housing units and are particularly common in the commercial sector, youth employment data from the Bureau of Labor Statistics is used to estimate the number of new jobs that will be held by adults

According to ABAG Projections (2000), there is an average of 1.7 workers per household in the area immediately surrounding Newark [5] So, the estimated 700 adult jobs expected in the commercial sector were divided by the 1 7 employee-per-household factor to arrive at an estimate of 412 new households expected to be formed by new employees. Of this total, only 16 percent are likely to be demanded within the City, based upon journey-to-work data for the City of Newark obtained from the 2000 Census The result of these calculations is an estimated 68 households that will require housing in the City of Newark. The remaining 344 households are expected to locate in other jurisdictions.

AFFORDABLE HOUSING DEMAND GENERATED BY NEW EMPLOYMENT

As indicated earlier, ABAG estimates that the average household has 1.7 employees. The next set of calculations in **Table 5** is designed to allocate the number of new households demanded to one- and two-earner households. It is assumed that 72 percent of new households will be composed of two wage earners, and the estimated salary for each occupation is multiplied by two to yield an estimated household income The remaining 28 percent of households are assumed to be comprised of one earner, and the total household income is estimated to equal the salary for each occupation, as shown in **Table 5** [6]

On the second page of Table 5, these households are categorized by income category according to the income limits described in the first section of this Chapter. As shown, it is estimated that approximately 5 moderate-income households, 18 low-income households and 25 very low-income households will be created within the City of Newark. In the next three sets of columns, the number of new affordable housing units was distributed by unit type and size.[7] At the bottom of each column is the total subsidy required for that type of unit, using the same per unit subsidy that was calculated in **Table 3** The final column of **Table 5** shows the total number of affordable units required for the commercial sector, as well as the total subsidy required

As shown, new commercial development generates the need for $2.97 million in affordable housing subsidies for the 49 affordable housing units required. A similar analysis is conducted for the industrial sector in **Table 6**. Industrial development is responsible for an estimated $9 21 million in affordable housing subsidies for 350 units. Thus, the total nonresidential subsidy requirement is approximately $12 18 million

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[5] Area includes the cities of Newark, Union City, Fremont, Hayward, San Leandro, Dublin and Pleasanton

[6] The number of households are allocated to single -earner families (28%) and double -earner families (72%) based on Census 2000 data from Newark

[7] Affordable housing unit distribution is consistent with the requirements of the proposed inclusionary housing policy

Table 6
Non-Residential Development Housing Impact Fee: Households Requiring Assistance for Industrial Sector
Newark Fee Studies, [redacted] #10222

Item	Industrial Sector Jobs and Households				Two-Earner Households		One-Earner Households	
	New Jobs (1)	Percent Adult (2)	Adult Jobs	Households Created (3)	Number (4)	Income (5)	Number (4)	Income (5)
Assumptions								
Number of Employees per Household				1 70				
Percent of Households to Live in Newark				16%				
Percent of 2-Earner Households					72%		28%	
Occupational Distribution (1)								
White Collar Employment								
Executive/Managerial	1,035 5	100%	1,035 5	100 1	71 9	$165,630	28 2	$82,815
Professional/Specialty	1,510 2	100%	1,510 2	145 9	104 8	$150,178	41 1	$75,089
Technicians and Related Support	314 6	100%	314 6	30 4	21 8	$70,580	8 6	$35,290
Sales	342 3	100%	342 3	33 1	23 8	$69,062	9 3	$34,531
Administrative/Clerical	1,129 0	100%	1,129 0	109 1	78 4	$72,098	30 7	$36,049
Service Occupations	630 1	96%	604 9	58 4	42 0	$81,675	16 5	$30,838
Blue Collar Employment								
Precision Production/Craft/Repair	530 7	100%	530 7	51 3	36 8	$98,789	14 4	$49,395
Machine Operators/Assemblers	572 6	100%	572 6	55 3	39 7	$59,002	15 6	$29,501
Transportation/Material Moving	324 8	100%	324 8	31 4	22 5	$74,500	8 8	$37,250
Handlers/Helpers	180 1	100%	180 1	17 4	12 5	$54,017	4 9	$27,008
TOTAL	6,569 9		6,544 7	632 3	454 3		178 1	

(1) See Table 4 for detailed calculation
(2) Data obtained from the Bureau of Labor Statistics, Report on Youth Employment and 1997 Economic Census for State of California
(3) The number of new jobs is divided by a factor of 1 70 to adjust for the number of employees per household, as estimated by the Association of Bay Are Governments The resulting number of new households is multiplied by 16% to adjust for the number of households locating in Newark (Census)
(4) The number of new Newark households are allocated to single-earner families (28%) and double-earner families (72%)
(5) The estimated income by occupation (see Table 4) is multiplied by 2 for dual-income households
Note: Due to rounding, some figures shown may differ slightly from actual calculations
Source U S Census, U S Bureau of Labor Statistics, Association of Bay Area Governments, Economic & Planning Systems, Inc

Table 6b
Non-Residential Development Housing Impact Fee Households Requiring Assistance for Industrial Sector
Newark Fee Studies, [redacted] #10222

Item	TOTAL NEW UNITS (1)			MODERATE INCOME				LOW INCOME				VERY LOW INCOME (2)		TOTAL
				Owner-Occupied		Rental Units		Owner-Occupied		Rental Units		Rental Units		
	Moderate Income	Low Income	Very Low Income	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	2-Bed Units	3-Bed Units	Units/ Subsidy Required
Distribution of Housing Type (2)				40 5%	40 5%	9 5%	9 5%	13 6%	13 6%	38 4%	36 4%	50%	50%	
Occupational Distribution (3)														
White Collar Employment														
Executive/Managerial	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Professional/Specialty	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0	0 0
Technicians and Related Support	21 8	8 6	0 0	8 8	8 6	2 1	2 1	1 2	1 2	5 1	3 1	0 0	0	30 4
Sales	23 8	9 3	0 0	9 6	9 8	2 3	2 3	1 3	1 3	3 4	3 4	0 0	0 0	33 1
Administrative/Clerical	78 4	30 7	0 0	31 7	31 7	7 5	7 5	4 2	4 2	11 2	11 2	0 0	0 0	109 1
Service Occupations	42 0	0 0	16 5	17 0	17 0	4 0	4 0	0 0	0 0	0 0	0 0	8 2	8 2	58 4
Blue Collar Employment														
Precision Production/Craft/Repair	14 4	0 0	0 0	5 6	5 6	1 4	1 4	0 0	0 0	0 0	0 0	0 0	0 0	14 4
Machine Operators/Assemblers	39 7	0 0	15 6	16 1	16 1	3 8	3 8	0 0	0 0	0 0	0 0	7 8	7 8	55 3
Transportation/Material Moving	22 5	8 8	0 0	9 1	9 1	2 1	2 1	1 2	1 2	3 2	3 2	0 0	0 0	31 4
Handlers/Helpers	12 5	0 0	4 9	5 1	5 1	1 2	1 2	0 0	0 0	0 0	0 0	2 4	2 4	17 4
	255 2	57 4	36 9	103 3	103 3	24 3	24 3	7 8	7 8	20 9	20 9	18 5	18 5	349 5
Calculation of Subsidy Required														
Subsidy Required per Unit				$0	$6,798	$30,859	$74,703	$87,397	$111 739	$33 862	$45,842	$85,648	$81,755	
Gross Subsidy Required				$0	$702,095	$750,879	$1,815,364	$684 422	$875 049	$702 962	$957,333	$1 212,389	$1,509 868	$9,210,362

(1) According to the salary estimated for each occupation in Table 4, households are placed into income categories, as defined by HUD's income limits for 2003
(2) The distribution of unit type within each income category is consistent with the City's proposed inclusionary housing policy
(3) Occupational distribution described in Table 4
Note: Due to rounding, some figures shown may differ slightly from actual calculations
Source: U S Census, U S Bureau of Labor Statistics, Association of Bay Area Governments, Economic & Planning Systems, Inc

To calculate the nonresidential housing impact fee, the total subsidy needs must be divided among the number of developable commercial and industrial square feet to arrive at the per square foot fee for each type of development. The $2.97 million in subsidy requirements attributed to commercial growth was divided by nearly 323,000 square feet of anticipated development to arrive at a fee of $9.20. Likewise, the industrial subsidy requirement of $9.21 million was divided by 5.4 million developable square feet to arrive at a per square foot fee of $1.71. These calculations are shown in **Table 7.**

AFFORDABLE HOUSING AND ASSOCIATED FEE REVENUE

The proposed inclusionary housing program is projected to produce a total of 337 housing units that are affordable to households with moderate incomes or less. This figure is based on the inclusionary housing program requirement that 15 percent of new units be affordable, and City of Newark Housing Element projected construction of 2,249 units subject to the inclusionary housing program through buildout.[8] While the City's proposed inclusionary housing program is aimed at producing units, an in-lieu fee is allowed as an alternative under certain circumstances. This fee, calculated at $6,509 per market rate unit, is sufficient to cover the affordability gap between the amount very low, low and moderate income households can pay and the cost to construct the unit. If all new market rate residential development (1,912 units) were to pay the in-lieu fee, revenue would come to $12.4 million. This is the subsidy needed to provide 337 affordable units.

New nonresidential development in Newark is expected to generate demand for 399 affordable housing units. The subsidy needed for 399 units is $12.2 million. If all projected new nonresidential development were to pay the maximum possible fee, which is described in Table 11, the revenue generated would match the needed subsidy of $12.2 million.

In sum, the City of Newark inclusionary housing program and non-residential development housing impact fee are anticipated to provide a maximum of 736 affordable units. **Table 8** details this forecast of affordable housing supply. The estimated maximum total subsidy that could be provided by the in-lieu fee and the impact fee combined would be approximately $24.6 million.

EPS recommends that the fee program include an additional amount equal to 3 percent of the total affordable housing fee revenue to cover City administrative costs. Specifically, this "administrative fee" would be included to cover City program costs.

[8] The City expects 2,249 housing units within developments of five or more units, with 54 additional units in smaller developments.

Table 7
Calculation of Non-Residential Development Housing Impact Fees
Newark Fee Studies; [redacted] #10222

SUBSIDY TO BE FUNDED BY NON-RESIDENTIAL LINKAGE FEES

Subsidy	Total Subsidy	Forecast of Square Feet	Subsidy/Sq.Ft.	Notes
Non-Residential Subsidy Requirements Attributed to Commercial Growth	$2,968,727	322,780 Sq Ft	$9 20	(1), (2)
Non-Residential Subsidy Requirements Attributed to Industrial Growth	$9,210,362	5,400,400 Sq Ft	$1 71	(3), (4)

(1) See Table 3 for calculation of subsidy requirements
(2) Commercial fee is equal to the commercial growth subsidy requirements divided by the forecasted number of new commercial square feet
(3) See Table 3 for calculation of subsidy requirements
(4) Industrial fee is equal to the industrial growth subsidy requirements divided by the forecasted number of new industrial square feet
Note: Due to rounding, some figures shown may differ slightly from actual calculations
Sources: City of Newark, ABAG, Economic & Planning Systems, Inc

Table 8
Comparison of Projected Affordable Housing Demand and Supply
Newark Fee Studies, [illegible] 810222

Unit Type	Projected Affordable Housing Demand		Projected Affordable Housing Supply								
	Allocation of Housing by Income (1)	Distribution of All New Units by Income (2)	In-Lieu Fee Distribution of Affordable Housing Units (3)				Impact Fee Distribution of Affordable Housing Units (3)				In-Lieu and Impact Fee Combined Distribution of Affordable Housing Units
			Ownership Units		Rental Units		Ownership Units		Rental Units		All Units
			3-Person 2-Beds	4-Person 3-Beds	3-Person 2-Beds	4-Person 3-Beds	3-Person 2-Beds	4-Person 3-Beds	3-Person 2-Beds	4-Person 3-Beds	
[illegible]	28%	845	71 7	71 7	16 9	16 9	105 5	105 5	24 8	24 8	437 7
Low Income	9%	207	12 7	12 7	33 7	33 7	10 3	10 3	27 5	27 5	188 5
Very Low Income	16%	369	0 0	0 0	33 7	33 7	0 0	0 0	31 2	31 2	129 8
Total Affordable Units	53%	1,221	84 3	84 3	84 3	84 3	115 8	115 8	83 5	83 5	736 0

(1) ABAG's Regional Housing Needs Determination
(2) City of Newark Housing Element and ABAG's Regional Housing Needs Determination. Note that the total number of units is 2,303, of which 2,349 is the number anticipated to be subject to the inclusionary housing policy. This excludes housing developments with fewer than five units
(3) Distribution is based on the City of Newark Proposed Inclusionary Housing Policy

Note: Due to rounding, some figures shown may differ slightly from actual calculations
Sources: ABAG, HUD; Spangle & Associates, Economic & Planning Systems, Inc

such as additional staff time, consultant fees, and land carrying costs (e.g. the cost of buying land with City funds and holding it until an affordable housing developer is located).

The additional administrative fee brings the in-lieu fee to $6,704 per market rate unit and the impact fee to $9 47 and $1.76 per square foot for commercial and industrial development, respectively Including the additional three percent administrative fee, the estimated maximum total subsidy provided by both the in-lieu fee and the impact fee combined is approximately $25 4 million

AFFORDABLE HOUSING DEMAND

According to ABAG's Regional Housing Needs Determination (RHND), there is a need in the City for 28 percent of new housing units to be affordable to moderate income households. Similarly, low income households will need 9 percent of new units and very low income households will require 16 percent Given the total number of units that the city can accommodate (2,303) as calculated in the Housing Element and updated by the Planning Department, the RHND distribution suggests demand for 645 moderate income units, 207 low income units, and 369 very low income units

The proposed inclusionary housing program is projected to produce a total of 337 housing units that are affordable to households with moderate incomes or less. If the non-residential development housing impact fee were funded at the maximum level possible, that fee would generate sufficient funds to subsidize an additional 399 units The total of 736 affordable units is less than the 1,221 units of affordable housing needed, according to the Newark Housing Element projections and the RHND distribution.

Table 8 compares the number of housing units that will be needed in the city and the number of housing units that could be provided by the inclusionary housing program and the non-residential development housing impact fee by income level For each income category, the RHND forecasts a higher number of affordable units needed than the inclusionary housing program and maximum impact fee could subsidize. There are no income categories for which the proposed inclusionary housing program and impact fee would oversupply affordable units.

III. REGIONAL FEE COMPARISON

The purpose of this Chapter is to guide the City's policy decision making by comparing the proposed fees with the total fee burden charged by several jurisdictions in the East Bay that are adjacent to or within close proximity of the City of Newark[9] EPS reviewed the development fees of seven cities, including Fremont, Union City, Milpitas, Hayward, Pleasanton, Livermore, and Dublin The fee comparisons are summarized in **Table 9.**

The comparisons indicate that if the fee levels for the two fees described in this Report are adopted at the maximum levels, then the total residential fee in Newark will be less than the average fees of comparable jurisdictions. Likewise, the retail fee will be roughly 2 percent lower than the average fee in nearby cities On the other hand, the proposed commercial fee would be roughly 61 percent higher than the average fee found in comparable municipalities, and the industrial fee would be approximately 17 percent higher than average fees found in nearby cities (please note that the City may adopt a lower fee).

METHODOLOGY

As shown in **Tables 10** through **14**, the fee comparisons evaluate five land uses including single-family, multifamily, retail, commercial/office, and general industrial. The residential comparison analyzes the average fees per unit for the following two prototypes: a 2,200-square-foot home with a 450-square foot garage, at 6 6 units per acre, and a 1,000-square-foot unit in a 100-unit complex on 3 8 acres The prototypes for the nonresidential comparison include a 20,000-square-foot convenience retail project on 1 84 acres, a 50,000-square-foot commercial/office project on 2.67 acres, and a 50,000-square-foot industrial project on 2.3 acres.

The data used in the fee comparisons are based on interviews and other information obtained from each City since August 2003 It is often difficult to compare fees for generic projects because much development occurs in areas that have special project fees and/or assessments The prototype projects and fees included in this analysis are assumed to occur in areas where the majority of development capacity is located in each jurisdiction. In some cases this means that an assessment is applicable

Newark retail fees, including the maximum non-residential development housing impact fee, would total $17.49 per square foot, which is about 2 percent lower than the East Bay cities studied The commercial/office fee, including the maximum impact fee, would be approximately 61 percent higher than average The industrial fee, including the maximum impact fee, would total $5 72 per square foot, which is roughly 17 percent higher than the average fee charged in similar East Bay cities

[9] City fees in this analysis include only development impact fees, the comparisons do not include building permit/plan check fees because these are not used to fund facilities, but rather to pay for staff time.

Table 9
Regional Comparison of Total Development Fees
City of Newark Fee Studies; [redacted] # 10222

Land Use Type	Existing Newark	Proposed Newark	Fremont	Union City	Milpitas	Hayward	Pleasanton	Livermore	Dublin	Average of Comparison Cities
Single Family Unit	$23,552	**$33,254**	$45,416	$53,619	$15,398	$20,490	$54,651	$66,180	$67,968	**$46,246**
Multi-Family Unit	$17,011	**$25,993**	$32,509	$42,397	$12,779	$14,153	$36,063	$60,175	$47,145	**$35,031**
Retail	$8.02	**$17.49**	$12 58	$4 02	$9 94	$6 36	$28.99	$20 91	$41 93	**$17.82**
Commercial/Office	$8 02	**$17.49**	$9 66	$2 80	$3 42	$4 58	$16 93	$20 51	$18 22	**$10.88**
General Industrial	$3.96	**$5.72**	$4.62	$2 74	$2.29	$3 02	$15 30	$4 37	$1.89	**$4.89**

Sources: Respective Planning Departments, Economic & Planning Systems, Inc

Caution: These figures are estimates meant for planning and comparison purposes only. Actual fees for a given parcel could be different. [redacted] makes no representation that all items for all areas are current as of today. Some fees may have been updated since estimates shown in this table were made.

Table 10
Single Family
Development Fees Per Unit
Based on a 2,200 sq.ft unit, 450 sq.ft garage and an average of 6 6 units per acre.

	Newark (1)	Fremont	Union City	Milpitas (3)	Hayward	Pleasanton (2)	Livermore	Dublin
Development Impact Fees Per Unit								
Drainage Fees					$153 (4)	$1,126	$1,795 (5)	$1,149 (6)
Sewer Connection Fee	$2,618	$2,846 (9)	$2,846 (9)	$1,121	$3,391	$10,400	$9,850	$9,900
Water Connection Fee	$8,380	$10,360 (10)	$10,380 (10)	$506	$5,022 (11)	$11,820 (12)	$13,322 (8)	$15,765 (7)
Transportation	$876	$2,254	$93 (13)	$900		$5,007 (15)	$5,969 (15)	$5,843
Park Facilities Fee		$7,219						
Park Dedication-in-Lieu Fee	$2,998	$13,529	$19,000 (14)	$8,625	$3,000	$4,911	$9,413	$14,040 (18)
Fire-Police Impact Fee/Public Safety Fee	$1,515	$278						$821
Affordable Housing/Low income housing	$8,704					$3,203	$13,585 (16)	$3,968 (17)
Public Facilities/Capital Facilities Fee	$1,508	$2,578	$8,908			$3,312		$3,865 (18)
Other General Fees/One-Time Taxes	$270	$1,644 (21)	$3,084 (22)		$1,950 (20)			$4 7 (19)
School District Fees (23), (24)	$8,404	$4,708	$9,328	$4,246	$6,874	$14,872	$12,248	$12,693
Total Development Impact Fees Per Unit	$33,254	$45,416	$53,619	$15,398	$20,490	$54,651	$66,180	$67,968

Water Meter Assumptions One 5/8" meter

(1) Includes estimates of the new affordable housing fee as well as existing fees
(2) Assumes development is not in Ruby Hill area
(3) Milpitas fees are based by location and project type Fees in this analysis are estimates based on previous calculations by City staff
(4) A flat fee for drainage includes system and appurtenance for 100 linear feet, tie-in to existing and standard structures - manholes, vaults, etc Additional costs apply to each additional 100 LF and non-standard structure
(5) Includes City fee and County (Zone 7) fee, the County fee charge per square foot of impervious surface
(6) Based on $0 522 per square foot of impervious surface
(7) Includes DSRSD water connection fees, assembly fee and Zone 7 fee for General Service Area, includes 5/8" water meter
(8) Includes 5/8" water meter
(9) Provided by Union Sanitary District, this updated fee is to be effective as of September, 2003 Based on the minimum amount charged Amount varies by project
(10) Service provided by Alameda County Water District, and includes 5/8" meter and service line installation as well as facilities connection charge
(11) Services provided by City of Hayward
(12) Includes Zone 7 District fee, which applies to all new development in the City
(13) Based on $617 per acre
(14) City of Union City calculates park dedication in-lieu fees on a case by case basis
(15) Includes the Traffic Impact Fee and the Tri-Valley Transportation Development Fee
(16) Maximum amount that can be charged
(17) Based on the fee of $79,754 per unit for each residential unit required but not built (i e , 5% of the total number of units) in a project of 20 units or more
(18) Assumes fees for Eastern Dublin, which is slightly higher than that of Western Dublin
(19) Noise Mitigation Fee for Eastern Dublin projects only
(20) Includes Supplemental Building Construction and Improvement Tax and Building Construction and Improvement Tax
(21) The City of Fremont charges a Construction Business Tax
(22) Union City charges infrastructure improvement fee for residential development in Dekoto Industrial Park Study Area (DIPSA), representing about 1/10 of the City The fee includes DIPSA fee of $2783 plus $300 of Mission Blvd paving fee
(23) Provided by Unified School District
(24) Fees per square foot are $2 05 for Fremont and Alameda, $3 85 for Union City, $1 93 for Oakland and Milpitas, $1 84 for Hayward, and $6 50 for Pleasanton

Source Respective Planning Departments, Economic & Planning Systems, Inc

Caution: These figures are estimates meant for planning and comparison purposes only Actual fees for a given parcel could be different [redacted] makes no representation that all items for all areas are current as of today Some fees may have been updated since estimates shown in this table were made

Table 11
Multi-Family
Development Fees Per Unit
Based on a 1,000 sq ft. unit, 100 unit complex on 3 8 acres, with an average of 26 1 units per acre.

	Newark (1)	Fremont	Union City	Milpitas (2)	Hayward	Pleasanton (3)	Livermore	Dublin
Development Impact Fees Per Unit								
Storm Drainage					$153 (4)	$512	$834 (5)	$522 (6)
Sewer Connection Fee	$2,618	$2,848 (9)	$2,846 (9)	$818	$3,018	$6,854	$9,850	$7,425
Water Connection Fee	$7,390	$9,390 (8)	$9,390 (8)	$506	$5,022 (10)	$11,820 (10)	$13,322 (7)	$15,765 (8)
Transportation	$503	$1,749	$71 (11)	$900		$3,505 (12)	$3,642 (12)	$4,470 (13)
Park Facilities Fee		$4,805						
Park Dedication-in-Lieu Fee	$2,278	$9,006	$17,000 (12)	$8,625	$2,300	$3,524	$9,413	$8,776 (16)
Fire-Police Impact Fee/Public Safety Fee	$1,737	$185						$513
Affordable Housing/Low income housing	$6,704					$1,088	$13,585 (14)	$3,988 (15)
Public Facilities/Capital Facilities Fee	$1,373	$1,716	$6,282			$2,020		$2,477 (16)
Other General Fees/One-Time Taxes	$270	$1,122 (19)	$2,568 (20)		$1,410 (18)			$2 9 (17)
School District Fees (21), (22)	$3,120	$1,890	$4,240	$1,930	$2,250	$6,760	$9,529	$3,206
Total Development Impact Fees Per Unit	**$25,993**	**$32,569**	**$42,397**	**$12,779**	**$14,153**	**$36,063**	**$60,175**	**$47,145**

(1) Includes estimates of the new affordable housing fee as well as existing fees
(2) Milpitas fees are based by location and project type Fees in this analysis are estimates based on previous calculations by City staff
(3) Assumes development is not in Ruby Hill area
(4) A flat fee for drainage includes system and appurtenances for 100 linear feet, tie-in to existing and standard structures - manholes, vaults, etc Additional costs apply to each additional 100 LF and non-standard structure
(5) Includes City fee and County (Zone 7) fee, the County fee charge per square foot of impervious surface
(6) Based on $0 522 per square foot of impervious surface
(7) Includes 5/8" meter
(8) Includes DSRSD water connection fees, assembly fee and Zone 7 fee for General Service Area, includes 5/8" water meter
(9) Provided by Union Sanitary District, this updated fee is to be effective as of September, 2003 Based on the minimum amount charged Amount varies by project
(10) Services provided by City of Hayward
(11) Based on $1,853 per acre
(12) Duplex rate is assumed For single lot projects of less than two units, a bedroom tax fee is sometimes charged instead of park in-lie fees at a rate of $260 per bedroom
(13) Includes the Traffic Impact Fee and the Tri-Valley Transportation Development Fee
(14) Maximum amount that can be charged
(15) Based on the fee of $79,754 per unit for each residential unit required but not built (i e , 5% of the total number of units) in a project of 20 units or more
(16) Assumes fees for Eastern Dublin, where most of new developments take place
(17) Noise Mitigation Fee for Eastern Dublin projects only
(18) Includes Supplemental Building Construction and Improvement Tax and Building Construction and Improvement Tax
(19) The City of Fremont charges a Construction Business Tax
(20) Union City charges infrastructure improvement fee for residential development in Dekoto Industrial Park Study Area (DIPSA), representing about 1/10 of the City The fee includes DIP $2268 plus $300 of Mission Blvd paving fee
(21) Provided by Unified School District
(22) Fees per square foot are $2 05 for Fremont and Alameda, $3 85 for Union City, $1 93 for Oakland and Milpitas, $1 84 for Hayward, and $6 50 for Pleasanton

Source Respective Planning Departments, Economic & Planning Systems, Inc

Caution: These figures are estimates meant for planning and comparison purposes only Actual fees for a given parcel could be different [redacted] makes no representation that all items for all areas are current as of today. Some fees may have been updated since estimates shown in this table were made.

Table 12
Retail
Development Fees Per Sq Ft
Based on a 20,000 Sq Ft. Project, an estimated 1.84 acres, with a 0.25 F.A.R.

	Newark (1)	Fremont	Union City	Milpitas (3)	Hayward	Pleasanton (2)	Livermore	Dublin
Development Fees Per Sq.Ft								
Storm Drainage					$0.01 (4)	$0.51	$0.62 (5)	$0.52
Sewer Connection Fee	$2.97	$1.34 (6)	$1.34 (6)	$0.63	$0.17 (7)	$3.78	$0.49 (8)	$2.51
Water Connection Fee	$1.22	$2.17 (9)	$2.17 (9)	$0.12	$1.89	$13.03 (12)	$6.66 (10)	$15.03 (16)
Transportation	$1.29	$7.94 (11)	$0.17 (14)	$9.00		$10.36 (13)	$11.99 (13)	$21.82 (17)
Park Facilities Fee								$1.29 (18)
Park Dedication-in-Lieu Fee								$0.12
Fire-Police Impact Fee / Public Safety Fee	$1.70	$0.10				$0.55	$0.81	
Affordable Housing / Low income housing	$9.47					$0.41		$0.27 (18)
Public Facilities/ Capital Facilities Fee	$0.22	$0.69						$0.02 (19)
Other General Fees/One-Time Taxes	$0.32				$3.96 (15)			
School District Fees	$0.31	$0.34	$0.34	$0.19	$0.34	$0.34	$0.34	$0.34
Total Development Fees Per Sq.Ft	**$17.49**	**$12.58**	**$4.02**	**$9.94**	**$6.36**	**$28.99**	**$20.91**	**$41.93**

Water Meter Assumptions: Two 1.5" meters, one for domestic use and one for irrigation use. Meter size may be different project by project.

(1) Includes estimates of the new affordable housing fee as well as existing fees.
(2) Assumes development is not in Ruby Hill area.
(3) Milpitas fees are based by location and project type. Fees in this analysis are estimates based on previous calculations by City staff.
(4) Drainage fees vary depending on amount of linear feet and kinds of structures required. Base fee is $153 which includes 100 linear feet.
(5) Includes City fee and County (Zone 7) fee charged per square foot of impervious surface.
(6) Provided by Union Sanitary District, this updated fee is to be effective as of September, 2003.
(7) Based on a minimum fee of $3,391. Fees vary based on per gallon of daily capacity, pounds per year of biochemical oxygen demand and pounds per year of biochemical oxygen demand and suspended solids. Amount varies by project size and type.
(8) Assumes a minimum of 8 fixtures. Livermore charges a $1,125 fee for each fixture. Fixtures will vary by project size and type.
(9) Service provided by Alameda County Water District, and includes 1.5" meter and service line installation as well as facilities connection charge.
(10) Includes 1.5" meter.
(11) Impact fee for fast food/convenience markets/ gas stations. A one time exemption applies to retail additions up to 10% of existing floor area, but limited to 750 square feet.
(12) Includes Zone 7 District fee, which applies to all new development in the City.
(13) Includes the Traffic Impact Fee and the Tri-Valley Transportation Development Fee.
(14) Based on $1,853 per acre.
(15) Includes Supplemental Building Construction Improvement Tax.
(16) Assumes 1.5" turbo water meters, includes DSRSD and Zone 7 water connection fee and assembly fee.
(17) Includes Regional Traffic Fee of $1.14/SqFt and Traffic Impact and Pleasanton Interchange fee of $517 per trip generated by the project. Assumes fee rate for Eastern Dublin and average daily rate of 40 trips per project.
(18) Assumes fees for Eastern Dublin, which is slightly higher than Western Dublin.
(19) Includes noise mitigation fee.

Source: Respective Planning Departments, Economic & Planning Systems, Inc.

Caution - These figures are estimates meant for planning and comparison purposes only. Actual fees for a given parcel could be different. [redacted] makes no representation that all items for all areas are current as of today. Some fees may have been updated since estimates shown in this table were made.

Table 13
Commercial/Office
Development Fees Per Sq.Ft.
Based on a 50,000 Sq.Ft. Project, an estimated 2.67 acres, with a 0.43 F.A.R.

	Newark (1)	Fremont	Union City	Milpitas (3)	Hayward	Pleasanton (2)	Livermore	Dublin
Development Fees Per Sq.Ft.								
Storm Drainage					$0.003 (4)	$0.51	$0.62 (5)	$0.52
Sewer Connection Fee	$2.97	$1.34 (6)	$1.34	$0.70	$0.07 (7)	$2.36	$0.20 (8)	$2.51
Water Connection Fee	$1.22	$1.02 (9)	$1.02 (8)	$0.08	$1.17	$7.01 (10)	$4.26 (11)	$8.29 (15)
Transportation	$1.29	$5.70	$0.10 (13)	$2.34		$5.53 (12)	$14.57 (12)	$3.28 (16)
Park Facilities Fee								$2.51 (17)
Park Dedication-in-Lieu Fee								$0.24
Fire-Police Impact Fee / Public Safety Fee	$1.70	$0.17				$0.55	$0.52	
Affordable Housing / Low income housing	$9.47					$0.63		$0.53 (17)
Public Facilities/ Capital Facilities Fee	$0.22	$1.10			$3.00 (14)			$0.01 (18)
Other General Fees/One-Time Taxes	$0.32							
School District Fees	$0.31	$0.34	$0.34	$0.31	$0.34	$0.34	$0.34	$0.34
Total Development Fees Per Sq.Ft	**$17.49**	**$9.68**	**$2.80**	**$3.42**	**$4.58**	**$16.93**	**$20.51**	**$18.22**

Water Meter Assumptions: Two 2" meters, one for domestic use and one for irrigation use. Meter size may be different project by project.

(1) Includes estimates of the new affordable housing fee as well as existing fees
(2) Assumes development is not in Ruby Hill area
(3) Milpitas fees are based by location and project type. Fees in this analysis are estimates based on previous calculations by City staff
(4) Drainage fees vary depending on amount of linear feet and kinds of structures required. Base fee is $153 which includes 100 linear feet
(5) Includes City fee and County (Zone 7) fee charged per square foot of impervious surface
(6) Provided by Union Sanitary District, this updated fee is to be effective as of September, 2003. Based on the minimum amount charged. Amount varies by project
(7) Based on a minimum fee of $3,391. Fees vary based on per gallon of daily capacity, pounds per year of biochemical oxygen demand and pounds per year of biochemical oxygen demand and suspended solids
(8) Assumes a minimum of 8 fixtures. Livermore charges an $1,125 fee for each fixture. Fixtures will vary by project size and type
(9) Service provided by Alameda County Water District, and includes 2" meter and service line installation as well as facilities connection cha
(10) Includes Zone 7 District fee, which applies to all new development in the City
(11) Includes 2" meter
(12) Includes the Traffic Impact Fee and the Tri-Valley Transportation Development Fee
(13) Based on $1,853 per acre
(14) Includes Supplemental Building Construction Improvement Ta
(15) Assumes 2" turbo water meters, includes DSRSD and Zone 7 water connection fee and assembly fee
(16) Includes Regional Traffic Fee of $3.07/SqFt and Traffic Impact and Pleasanton Interchange fee of $517 per trip generated by the project. Assumes fee rate for Eastern Dublin and average daily rate of 20 trips per project
(17) Assumes fees for Eastern Dublin, which is slightly higher than Western Dublin
(18) Includes noise mitigation fee

Source: Respective Planning Departments; Economic & Planning Systems, Inc.

Caution: These figures are estimates meant for planning and comparison purposes only. Actual fees for a given parcel could be different. [illegible] makes no representation that all items for all areas are current as of today. Some fees may have been updated since estimates shown in this table were made.

Table 14
General Industrial
Development Fees Per Sq Ft.
Based on a 50,000 Sq Ft Project, an estimated 2 3 acres, with a 0 50 F A R

	Newark (1)	Fremont	Union City	Milpitas (3)	Hayward	Pleasanton (2)	Livermore	Dublin
Development Fees Per Sq Ft								
Storm Drainage					$0 003 (4)	$0 51	$0 62 (5)	$0 52
Sewer Connection Fee	$1 24	$1 34 (6)	$1 34 (6)	$0 97	$0 07 (7)	$2 36 (10)	$0 20 (8)	$2 51 (18)
Water Connection Fee	$0 94	$1 02 (11)	$1 02 (11)	$0 07	$1 17	$7 01 (13)	$4 26 (9)	$8 29 (19)
Transportation	$0 75	$1 29 (12)	$0 04 (15)	$0 94		$4 15 (14)	$8 34 (14)	$8 22 (20)
Park Facilities Fee								
Park Dedication-in-Lieu Fee								$1 11 (22)
Fire-Police Impact Fee / Public Safety Fee	$0 25	$0 08 (12)						$0 10
Affordable Housing / Low income housing	$1 76					$0 55	$0 25 (16)	
Public Facilities/ Capital Facilities Fee	$0 16	$0 55 (12)				$0 38		$0 23 (22)
Other General Fees/One-Time Taxes	$0 31				$1 44 (17)			$0 00 (21)
School District Fees	$0 31	$0 34	$0 34	$0 31	$0 34	$0 34	$0 34	$0 34
Total Development Fees Per Sq Ft	**$5 72**	**$4 62**	**$2.74**	**$2 29**	**$3.02**	**$15.30**	**$12.01**	**$19 32**

Water Meter Assumptions Two 2" meters, one for domestic use and one for irrigation use Meter size may be different project by project

(1) Includes estimates of the new affordable housing fee as well as existing fees
(2) Assumes development is not in Ruby Hill area
(3) Milpitas fees are based by location and project type Fees in this analysis are estimates based on previous calculations by City staff
(4) Drainage fees vary depending on amount of linear feet and kinds of structures required Base fee is $153 which includes 100 linear feet.
(5) Includes City fee and County (Zone 7) fee charged per square foot of impervious surface
(6) Provided by Union Sanitary District, this updated fee is to be effective as of September, 2003 Based on the maximum amount charged Amount varies by project
(7) Based on a minimum fee of $3,391 Fees vary based on per gallon of daily capacity, pounds per year of biochemical oxygen demand and pounds per year of biochemical oxygen demand and suspended solids
(8) Assumes a minimum of 8 fixtures Livermore charges a $1,125 fee for each fixture Fixtures will vary by project size and type
(9) Includes 2" meter
(10) Based on general office fee
(11) Service provided by Alameda County Water District, and includes 2" meter and service line installation as well as facilities connection charge
(12) The City's impact fee schedule has three different industrial categories warehouse, light industrial and manufacturing, the warehouse fee is used for this analysis
(13) Includes Zone 7 District fee, which applies to all new development in the City
(14) Includes the Traffic Impact Fee and the Tri-Valley Transportation Development Fee
(15) Based on $927 per acre
(16) Based on fee for manufacturing
(17) Includes Supplemental Building Construction Improvement Tax
(18) Baseline fee for warehouse (general retail) Fees may vary case by case depending on the exact nature and scale of the business, level of water usage and waste generated, specific information must be submitted to the service district in order to get a fee estimate
(19) Assumes 2" turbo water meters, includes DSRSD and Zone 7 water connection fee and assembly fee
(20) Includes Regional Traffic Fee of $2 08/SqFt and Traffic Impact and Pleasanton Interchange fee of $517 per trip generated by the project Assumes fee rate for Eastern Dublin and average daily rate of 8 trips per project
(21) Includes noise mitigation fee
(22) Assumes fees for Eastern Dublin, which is slightly higher than Western Dublin

Source Respective Planning Departments, Economic & Planning Systems, Inc

Caution: These figures are estimates meant for planning and comparison purposes only. Actual fees for a given parcel could be different [redacted] makes no representation that all items for all areas are current as of today. Some fees may have been updated since estimates shown in this table were made

Importance of the Comparisons

The imposition of development fees increases the cost of development. For those developers who have already purchased land at current market prices, any imposition of higher fees in the short-term could have the result of making their developments less feasible In the long-term, land prices could adjust in the market to reflect the higher cost of development Thus, if market prices remain flat, the value of undeveloped land declines. If the total cost of development is much higher in one jurisdiction than other competitive areas, the imposition of higher fees can cause demand to shift to those other lower-cost locations.

Nonresidential development, in general, is more "footloose" than residential uses While employment opportunities create residential demand, residential development is also dependent on the presence of other amenities such as schools, parks, cultural institutions, and other quality of life characteristics. Office and industrial development is tied more to economic characteristics of a location, such as the cost of land, taxes, and the cost of new development. Consequently, development impact fees may have a greater affect on the type and amount of commercial and industrial development in the City than on residential development

APPENDIX J

RESOLUTION NO. 10,184

RESOLUTION NO. 10,184

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING AFFORDABLE UNITS NEEDED TO FULLY MITIGATE THE IMPACT OF RESIDENTIAL DEVELOPMENT ON THE NEED FOR AFFORDABLE HOUSING; AND HOUSING IMPACT FEES FOR RESIDENTIAL DEVELOPMENTS

WHEREAS, on February 25, 2010, the City Council of the City of Newark adopted the Housing Element of the General Plan in compliance with State law, which includes the goal of encouraging the provision of a range of housing opportunities to meet the City's share of the regional housing need and, to implement that goal, includes Program 8 to review the City's affordable housing ordinance and consider amendments to respond to market conditions; and

WHEREAS, to implement the affordable housing goals and programs of the City's Housing Element, including Program 8 in the City's 2007-2014 Housing Element, the City Council has considered and introduced on this same date an ordinance to repeal the City's existing affordable housing ordinance (Chapter 17.18 of the Newark Municipal Code) and add a new Chapter 17.18 (the "Affordable Housing Ordinance") which, among other things: 1) authorizes the imposition of housing impact fees on residential developments to mitigate the impact of such developments on the need for affordable housing in the City; and 2) continues to authorize the imposition of housing impact fees for nonresidential developments to mitigate the impact of such projects on the need for affordable housing in the City; and

WHEREAS, land prices are a key factor preventing development of new affordable housing. New housing construction in the City which does not include affordable units aggravates the existing shortage of affordable housing by absorbing the supply of available residential land. This reduces the supply of land for affordable housing and increases the price of remaining residential land. At the same time, new market-rate housing contributes to the demand for goods and services, increasing local employment at very low, low, and moderate-income wage levels, which will increase the demand for and exacerbate the shortage of housing available to persons at those income levels; and

WHEREAS, to further implement the affordable housing goals, objectives, policies, and programs of the City's 2010 Housing Element and to ensure that the housing impact fees adopted by this resolution do not exceed the actual affordable housing impacts attributable to the development projects on which the fees are imposed, the City Council has considered the "Residential Nexus Analysis, Newark, California" dated March 2014 and prepared by Keyser-Marston Associates, Inc. (the "Nexus Study"), which study demonstrates that, to fully mitigate the burdens created by new market-rate units in residential projects on the need for very low, low, and moderate-income housing, a housing impact fee of $23.80 to $35.60 per square foot of new market rate development would be needed, or from 12 percent to 21 percent of units in each residential development would need to be affordable to very low, low, and moderate-income households; and

WHEREAS, the City Council now desires to repeal the Inclusionary Housing In-Lieu Fee and to adopt housing impact fees for residential developments as authorized by Section 17.18.030(B) of the Affordable Housing Ordinance, which housing impact fees do not exceed

the justified fees needed to mitigate the actual affordable housing impacts attributable to the developments on which the fees are imposed, and which fees are lower than the amount found by the Nexus Study to be needed to fully mitigate the burdens created by new market-rate units in residential projects on the need for affordable housing to ensure that residential projects remain economically feasible; and

WHEREAS, the City Council also desires to adopt the percentage of affordable units needed to fully mitigate the impact of residential developments on the need for affordable housing, as authorized by Section 17.18.060(A) of the Affordable Housing Ordinance; and

WHEREAS, in compliance with the Affordable Housing Ordinance, all housing impact fees collected shall be deposited into the City's affordable housing fund to be used solely to increase and preserve the supply of housing affordable to households of very low, low, and moderate incomes (including necessary administrative costs); and

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues in accordance with Government Code Section 66019; and

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to those persons or organizations who had requested notice of these fees, in accordance with Government Code Section 66019; and

WHEREAS, notice of the hearing on the proposed fees was published twice in the manner set forth in section 6062a as required by Government Code Section 66018; and

WHEREAS, a duly and properly noticed public hearing was conducted by the City Council on April 10, 2014.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark, California, as follows:

1. **Recitals.** The foregoing recitals are true and correct and incorporated by this reference.

2. **Repeal of Inclusionary Housing In-Lieu Fees.** The City Council hereby repeals and removes the Inclusionary Housing In-Lieu Fee established by Resolution No. 8802 and amended by Resolution No. 9398.

3. **Adoption of Residential Housing Impact Fees.** The City Council hereby adopts housing impact fees for residential development as shown on Exhibit A, attached hereto and incorporated by this reference.

4. **Annual Adjustment to Housing Impact Fees.** The City Council may review housing impact fees from time to time. For any annual period during which the City Council does not review the housing impact fee, fee amounts shall be adjusted once by the community development director based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California.

5. **Percentage of Affordable Units Needed to Fully Mitigate Impacts of Residential Development.** The City Council hereby determines that the following percentages of affordable units will fully mitigate the impacts of residential development on the need for affordable housing:

Required Affordable Units*	Single Family Large Lot	Single Family Small Lot	Townhome	Condo	Apartment
Very Low Income	11%	10%	8%	9%	6%
Low Income	5%	5%	4%	4%	3%
Moderate Income	5%	4%	4%	4%	3%
TOTAL	**21%**	**19%**	**16%**	**17%**	**12%**

*Definitions of project types and affordability categories are contained in the Nexus Study.

Notwithstanding the above, for a specific residential development, the City Council may determine that an alternative distribution of affordable units will fully mitigate the impacts of that development on the need for affordable housing, based on community needs and the characteristics of the development.

6. **California Environmental Quality Act.** The City Council hereby finds that adoption of this resolution is exempt from the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, in that this resolution contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures (CEQA Guidelines Section 15061(b)(3)).

7. **Effective Date.** This Resolution shall go into full force and effect on June 9, 2014, *[60 days after adoption]* but only if Ordinance No. 473 to add the new Affordable Housing Ordinance is effective prior to that date.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on April 10, 2014, by Council Member Freitas, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES:	Council Members Freitas, Marshall, Vice Mayor Apodaca and Mayor Nagy
NOES:	None
ABSENT:	Council Member Collazo
SECONDED:	Council Member Marshall

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

EXHIBIT A

Enterprise Fund – Cost Center	Account No.	Description	Fee (in dollars)
A. DEVELOPMENT, Continued			
401-0000	3860 ILF	4. Housing	
		a. Residential Housing Impact Fee* (revised annually)	
		First 1,000 sq. ft. floor area/unit**	$20/square foot
		All sq. ft. over 1,000 sq. floor area/unit	$8/square foot
		*Established by Resolution No. 10,184. Floor area for a residential development equals the sum of the horizontal floor areas of a building measured from the exterior face of exterior walls or from the center line of a wall separating two buildings, excluding garages, carports, and common areas. **No housing impact fee is charged for the first 200 sq. ft. of floor area for additions to existing dwellings.	
		b. Non-Residential Housing Impact Fee*** (revised annually)	
		(1) Commercial	$3.51/square foot
		(2) Industrial	$0.65/square foot
		***Established by Resolution No. 8802. Floor area for a commercial development equals the sum of the horizontal floor areas of a building measured from the exterior face of exterior walls or from the center line of a wall separating two buildings. Where no walls exist, the floor area is the area covered by the roof excluding two feet on each side	

		of the structure. Outside areas used for sales or display (such as nurseries, building materials, auto sales, etc.) may be considered part of floor area when the community development director determines that the use of the outside area significantly contributes to the employee density of the building.

NOTE: This resolution does not modify the non-residential housing impact fee nor the method of calculating the non-residential housing impact fee. The method for calculating the fee is identical to that previously contained in Section 17.18.020(G).

APPENDIX K

RESIDENTIAL NEXUS ANALYSIS, NEWARK CALIFORNIA

KEYSER MARSTON ASSOCIATES

RESIDENTIAL NEXUS ANALYSIS
Newark, California

Prepared for
City of Newark

Prepared by:
Keyser Marston Associates, Inc.

March 2014

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EXECUTIVE SUMMARY

Keyser Marston Associates (KMA) prepared this residential nexus analysis for the City of Newark pursuant to a contractual agreement. The report will form one of the bases for recommendations for the adoption of a housing impact fee consistent with the applicable requirements of the Mitigation Fee Act. This Executive Summary contains a concise overview of the residential nexus analysis; full documentation of the analysis is contained in the body of the Report and its Appendices.

A. Residential Nexus Analysis

A residential nexus analysis demonstrates and quantifies the impact of new market rate housing development on the demand for affordable housing. The underlying nexus concept is that the newly constructed market rate units represent net new households in Newark. These households represent new income in Newark that will consume goods and services, either through purchases of goods and services or 'consumption' of government services. New consumption translates to jobs; a portion of the jobs are at lower compensation levels; low compensation jobs relate to lower income households that cannot afford market rate units in Newark and therefore need affordable housing.

1. Impact Methodology and Models Used

The analysis is performed using two models. The IMPLAN model is an industry accepted, commercially available model developed over 30 years ago to quantify the impacts of changes in a local economy, including the employment impacts of changes in personal income. The input into the IMPLAN model is net new personal income in Newark available for expenditures; the IMPLAN model then estimates a distribution of expenditures and ultimately produces a quantification of jobs generated by industry. The KMA Jobs Housing Nexus model, which was initially developed over 25 years ago to analyze the income structure of job growth, is used to determine the household income of new employee households and identify how many are in three housing affordability tiers including Very Low-, Low-, and Moderate-Income.

2. Market Survey and Residential Prototypes

The first step of the nexus analysis is to identify residential prototypes that are representative of what is generally being built by the private marketplace in Newark. KMA developed programmatic assumptions in consultation with the City of Newark for five residential prototypes – four ownership prototypes and one rental prototype. KMA then undertook a market survey of projects covering these prototypes to estimate sales prices and rent levels for the prototype units. The prototypes are summarized in the following table.

Prototypical Residential Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Avg. Unit Size	2,500 SF	2,000 SF	1,500 SF	1,300 SF	850 SF
Avg. No. of Bedrooms	4 BR	3 BR	3 BR	2 BR	2 BR
Avg. Sales Price / Rent	$787,500	$700,000	$562,500	$580,000	$2,000 /mo.

From the sales prices and rent levels, household income is determined using assumptions with respect to a share of income spent on housing and housing purchase terms. For ownership units, 35% of income is spent on housing (including mortgage payments, property taxes, home owner association dues, and insurance). Renters are assumed to spend 30% of their income on rent. These relationships are grounded in state housing policy and reflective of the current averages for Alameda County.

Gross household income is adjusted to a net amount available for expenditures after deducting the portion of income dedicated to income taxes, contributions to Social Security and Medicare, savings, and repayment of household debt. Housing costs are not deducted as part of this adjustment step because they are addressed separately as expenditures within the IMPLAN model. The adjusted household income available for expenditures becomes the input into the IMPLAN model. As a result, household income associated with each of the prototypes is as follows:

Household Income					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Gross Household Income	$159,000	$142,000	$116,000	$124,000	$80,000
Percent Income Available for Expenditures	67%	67%	67%	67%	71%
Household Income Available for Expenditures [Input to IMPLAN model]	$107,000	$95,000	$78,000	$83,000	$57,000

The nexus analysis is conducted on 100-unit project modules (i.e., 100 new households) for ease of presentation and to avoid awkward fractions.

3. IMPLAN Model Results

The IMPLAN model was applied to link household income to job growth occurring in Alameda County. The IMPLAN model distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study, to estimate employment generated. Job creation, driven by increased demand for products and services, is projected for each of the industries that will serve the new households. The employment generated by this new household spending is summarized below.

Jobs Generated Per 100 Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Annual Household Expenditures, 100 Units	$10,650,000	$9,510,000	$7,770,000	$8,310,000	$5,680,000
Total Jobs Generated, 100 Units	73.1	64.8	53.0	56.6	37.5

The IMPLAN model quantifies jobs generated at establishments that serve new residents directly (i.e. supermarkets, banks or schools), jobs generated by increased demand at firms which service or supply these establishments (wholesalers, janitorial contractors, accounting firms, or any jobs down the service/supply chain from direct jobs), and jobs generated when the new employees spend their wages in the local economy and generate additional jobs. Retail, restaurants, and health care represent the largest share of jobs generated by household expenditures.

4. Compensation Levels of Jobs and Household Income

The output of the IMPLAN model – the numbers of jobs by industry – is then entered into the Keyser Marston Associates jobs housing nexus analysis model to quantify the compensation levels of new jobs and the income of the new worker households. The KMA model sorts the jobs by industry into jobs by occupation, based on national data, and then attaches local wage distribution data to the occupations, using recent Alameda County data from the California Employment Development Department (EDD). The KMA model also converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers is reduced.

The output of the model is the number of new worker households by income level (expressed in relation to the Area Median Income, or AMI) attributable to the new residential units and new households in Newark. Three categories of addressed: Very Low (under 50% of AMI), Low (50% to 80% of AMI) and Moderate (80% to 120% of AMI).

Following are the numbers of worker households by income level associated with the Newark prototype units.

New Worker Households by Income Level per 100 Market Rate Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Very Low (Under 50% AMI)	13.2	11.7	9.5	10.2	6.7
Low (50%-80% AMI)	7.4	6.5	5.3	5.7	3.7
Moderate (80%-120% AMI)	7.2	6.3	5.2	5.5	3.7
Total, Less than 120% AMI	**27.8**	**24.5**	**20.0**	**21.4**	**14.1**
Greater than 120% AMI	6.3	5.7	4.7	5.0	3.4
Total, New Households	**34.1**	**30.2**	**24.7**	**26.4**	**17.5**

5. Impact Fee Levels Supported by the Nexus Analysis

The last step in the analysis puts a dollar amount on the cost of mitigating the affordable housing impacts. The conclusions of the nexus analysis, expressed as the number of worker households by income affordability category, are linked to the cost of delivering housing to the households in need. Each income or affordability tier is associated with a subsidy needed to produce and deliver a unit at the specified affordability level; this subsidy is referred to as the 'affordability gap.'

Affordability gaps are calculated for each of the three affordable tiers. The analysis assumes households earning less than 80% of Area Median Income will be assisted in rental units, while households earning between 80% and 120% of Area Median Income will be assisted in ownership units.

The resulting affordability gaps are as follows:

- $240,000 for households in the under 50% AMI category;
- $214,000 for households in the 50% to 80% AMI category; and,
- $169,000 for households in the 80% to 120% AMI category.

When the affordability gap conclusions for each income tier are linked to the number of affordable units required as a result of market rate development (as indicated in the inset table on the next page) and divided by 100 units, the result is a Total Nexus Cost per new market rate residential unit. The results per unit are:

Nexus Per Market Rate Unit or Maximum Supported Impact Fee per Unit						
Income Category	*Affordability Gap*	*Single Family / Large Lot*	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Very Low (30% - 50% AMI)	$240,000	$31,600	$28,000	$22,900	$24,500	$16,100
Low (50%-80% AMI)	$214,000	$15,800	$13,900	$11,300	$12,100	$8,000
Moderate (80%-120% AMI)	$169,000	$12,200	$10,700	$8,700	$9,300	$6,200
Total Nexus Costs		**$59,600**	**$52,600**	**$42,900**	**$45,900**	**$30,300**

The Total Nexus Costs, or Mitigation Costs, indicated above, may also be expressed on a per square foot level. The results per square foot of building area (net rentable or sellable Sq.Ft.) are as follows:

Total Nexus Cost or Maximum Supported Impact Fee Per Sq.Ft. of Building Area						
Income Category	*Affordability Gap*	*Single Family / Large Lot*	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Prototype Size		*2,500 SF*	*2,000 SF*	*1,500 SF*	*1,300 SF*	*850 SF*
Very Low (30% - 50% AMI)	$240,000	$12.60	$14.00	$15.30	$18.80	$18.90
Low (50%-80% AMI)	$214,000	$6.30	$7.00	$7.50	$9.30	$9.40
Moderate (80%-120% AMI)	$169,000	$4.90	$5.40	$5.80	$7.20	$7.30
Total Nexus Costs		**$23.80**	**$26.40**	**$28.60**	**$35.30**	**$35.60**

These costs express the total linkage or nexus costs for the five prototype developments in Newark. These total nexus costs represent the ceiling for any impact fee requirement placed on market rate development. **The totals are not recommended levels for fees; they represent only the maximums established by this analysis, below which fees may be set.**

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INTRODUCTION AND OVERVIEW

The following report documents and quantifies the linkages between new market-rate residential development in the City of Newark and the demand for additional affordable housing. The analysis, which demonstrates support for a Housing Impact Fee, has been prepared by Keyser Marston Associates (KMA) for the City of Newark in accordance with a contractual agreement.

The City of Newark has an Inclusionary Housing Ordinance adopted in 2004 requiring all residential projects with five or more units to set-aside 15% of units as affordable. Payment of a fee in-lieu of providing units is subject to approval by the Council. Due to limited housing development since the time the Inclusionary Housing Ordinance was adopted, no inclusionary units have been produced under the program.

Since the 2004 adoption of the City's inclusionary housing program, there have been several court cases affecting inclusionary housing programs. The *Palmer* case in particular precludes cities from requiring the inclusion of affordable units in rental projects unless the developer receives a density bonus or certain regulatory concessions and agrees by contract to restrict the rents. *Palmer* and other recent and pending cases have encouraged cities to seek alternative strategies to address the need for affordable housing.

At this time, the City is considering replacement of its inclusionary program with a Housing Impact Fee applicable to new market rate residential development. Fee revenues would be used to assist construction of new affordable units as mitigation for increased affordable housing needs linked to new market rate residential construction. Advantages of housing impact fees compared to inclusionary include the ability to apply requirements to rental projects and greater flexibility to produce affordable units of the type and in the locations that best fit community needs. The City already has a Housing Impact Fee that applies to non-residential development.

Analyses of the impacts of new development are called linkage or nexus analyses. This nexus analysis establishes maximum supportable Housing Impact Fee levels based on a quantification of the impact that new market rate residential development has on the need for affordable housing.

The Nexus Concept

At its most simplified level, the underlying nexus concept is that the newly constructed units represent net new households in Newark. These households represent new income in Newark that will consume goods and services, either through purchases of goods and services or "consumption" of governmental services. New consumption translates to jobs; a portion of the jobs are at lower compensation levels; low compensation jobs relate to lower income households that cannot afford market rate units in Newark and therefore need affordable housing.

Use of This Study

The nexus study has been prepared for the limited purpose of determining nexus support for a Housing Impact Fee in the City of Newark affecting new residential construction. We caution against the use of this study, or any impact study for that matter, for purposes beyond the intended use. All impact studies are limited and imperfect, but can be helpful for understanding the externalities created by new development. The nexus analysis presented in this report is an impact analysis only and the nexus amounts are not recommended fee levels.

Methodology and Models Used

The methodology or analysis procedure for this nexus analysis starts with the sales price or rental rate of a new market rate residential unit, and moves through a series of linkages to the gross income of the household that purchased or rented the unit, the income available for expenditures on goods and services, the jobs associated with the purchases and delivery of those services, the income of the workers doings those jobs, the household income of the workers and, ultimately, the affordability level of the housing needed by the worker households. The steps of the analysis from household income available for expenditures to jobs generated were performed using the IMPLAN model, a model widely used for the past 35 years to quantify the impacts of changes in a local economy, including employment impacts from changes in personal income. From job generation by industry, KMA used its own jobs housing nexus model to quantify the income of worker households by affordability level.

To illustrate the linkages by looking at a simplified example, we can take an average household that buys a house at a certain price. From that price, we estimate the gross income of the household (from mortgage rates and lending practices) and the portion of income available for expenditures. Households will "purchase" or consume a range of goods and services, such as purchases at the supermarket or services at the bank. Purchases in the local economy in turn generate employment. The jobs generated are at different compensation levels. Some of the jobs are low paying and as a result, even when there is more than one worker in the household, there are some lower and middle-income households who cannot afford market rate housing in Newark.

The IMPLAN model quantifies jobs generated at establishments that serve new residents directly (e.g., supermarkets, banks or schools), jobs generated by increased demand at firms which service or supply these establishments, and jobs generated when the new employees spend their wages in the local economy and generate additional jobs. The IMPLAN model estimates the total impact combined.

Net New Underlying Assumption

An underlying assumption of the analysis is that households that purchase or rent new units represent net new households in Newark. If purchasers or renters have relocated from

elsewhere in the city, vacancies have been created that will be filled. An adjustment to new construction of units would be warranted if Newark were experiencing demolitions or loss of existing housing inventory. However, the rate of housing unit removal is so low as to not warrant an adjustment or offset.

On an individual project basis, if existing units are removed to redevelop a site to higher density, then there could be a need for recognition of the existing households in that all new units might not represent net new households, depending on the program design and number of units removed relative to new units.

Since the analysis addresses net new households in Newark and the impacts generated by their consumption expenditures, it quantifies net new demands for affordable units to accommodate new worker households. As such, the impact results do not address nor in any way include existing deficiencies in the supply of affordable housing.

Geographic Area of Impact

Housing impacts, like most types of impacts, occur irrespective of political boundaries. Like other types of impact analyses, such as traffic, impacts beyond city boundaries are experienced, are relevant, and are important. The City of Newark regulates land use within its boundaries and is the only jurisdiction in a position to require mitigation of impacts from new residential development occurring there, including mitigation of impacts extending beyond the City's boundaries.

While much of the housing impacts documented in the nexus analysis will occur within the City of Newark, some impacts will be experienced elsewhere in the County and beyond. The nexus analysis focuses on impacts occurring within Alameda County but includes impacts outside the County boundaries to the limited degree that households make some expenditures or seek certain services in neighboring counties. The IMPLAN model uses a data set specific to Alameda County that computes the jobs generated within the County. The input to the IMPLAN model used in the analysis is household income available for expenditures, without adjusting to a local share. While it is expected that households will make most expenditures within Alameda County, some expenditures on goods and services may occur in neighboring counties. Given the precise share is difficult to quantify particularly as relates to services such as medical care, and because expenditures occurring outside the County and the resulting impacts are still appropriately included in the nexus analysis, no adjustment to a local share is made.

Market Rate Residential Project Types

Five prototypical residential project types were selected for analysis in this nexus study. The prototypes were intended to represent the range of product types currently being built in Newark or which are expected in the future including:

- Single Family Detached (SFD) / Large Lot
- Single Family Detached / Small Lot
- Townhomes
- Stacked Flat Condominiums
- Apartments

Affordability Tiers

The nexus analysis addresses the following three income or affordability tiers:

- Very Low Income (under 50% of Area Median Income or AMI)
- Low Income (50% to 80% AMI)
- Moderate Income (80% to 120% AMI)

Report Organization

The report is organized into four sections as follows:

- Section A. presents information regarding the prototypical new market rate residential units and the estimated household income of purchases or renters of those units.

- Section B. describes the IMPLAN model which is used in the nexus analysis to translate household income into the estimated number of jobs in retail, restaurants, healthcare, and other sectors serving new residents.

- Section C. presents the linkage between employment growth associated with residential development and the need for new lower income housing units required in each of three income categories.

- Section D. quantifies the nexus or mitigation cost based on the cost of delivering affordable units to new worker households in each of the three lower income categories.

A. MARKET RATE UNITS AND HOUSEHOLD INCOME

This section describes the prototypical market rate residential units and the income of the purchaser and renter households. Market rate prototypes are representative of new residential units currently being built in Newark or that are likely to be built in Newark over the next several years. Household income is estimated based on the amount necessary for the mortgage or rent payments associated with the prototypical new market rate units and becomes the basis for the input to the IMPLAN model described in Section B of this report. These are the starting points of the chain of linkages that connect new market rate units to incremental demand for affordable residential units.

This section provides a summary of the prototypes and household income. More description and supporting tables are provided in Appendix 1.

Recent Housing Market Activity and Prototypical Units

KMA identified five residential prototypes in consultation with City staff; these prototypes are representative of the types of development that the City of Newark expects to see over the coming years. KMA then undertook a market survey of projects covering these prototypes. The survey was conducted in December 2013 and January 2014 and included the City of Newark as well as the neighboring cities of Fremont and Union City. At that time, there were no new residential projects actively marketing in Newark; however, Fremont has one new single family and two new townhome developments. KMA also obtained data on sales of existing homes in Newark, Union City and Fremont built since 1990. Stacked flat condos have been absent from the market in Newark but are included in the nexus analysis to address the potential for stacked flat condos to be built in Newark at some point in the future. For stacked flat condos, the sales price is based on an estimate of the price required for development of this prototype to become feasible.

The results of the market survey and the selection of five prototypes are summarized in the table on the following page. The main objective of the survey was to establish current sales prices or rents per unit and per square foot for the various residential project types recently developed, or expected to be developed in the future, in Newark. Table A-1 at the end of this section provides a more detailed summary of the five market rate prototypes.

It is important to note that the prototypes analysis is intended to reflect average or typical residential projects in the Newark market rather than any specific project. It would be expected that specific projects would vary to some degree from the prototypes.

In summary, the prototypes tested in the nexus analysis are as follows:

Prototypical Residential Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Avg. Unit Size	2,500 SF	2,000 SF	1,500 SF	1,300 SF	850 SF
Avg. No. of Bedrooms	4 BR	3 BR	3 BR	2 BR	2 BR
Avg. Sales Price / Rent	$787,500	$700,000	$562,500	$580,000	$2,000 /mo.

Income of Housing Unit Purchaser or Renter

After the prototypes are established, the next step in the analysis is to determine the income of the purchasing or renting households in the prototypical units.

Ownership Units

To make the determination for ownership units, terms for the purchase of residential units used in the analysis are slightly less favorable than what can be achieved at the current time since current terms are not likely to endure. The selected terms for the analysis are: 20% down payment, 30 year fixed rate mortgage, 5.25% interest rate. The assumption of a 20% down payment is based on the median for purchase loans in Alameda County[1]. The interest rate at 5.25% reflects an estimate of the longer term average based on the experience over the past ten years.[2] Current rates as of February 2014 are about 1% lower. Tables A-2 through A-5 at the end of this section provide the details.

All ownership product types include an estimate of homeowners' insurance, homeowner association dues, and property taxes which are included along with the mortgage payment as part of housing expenses for purposes of determining mortgage eligibility[3]. The analysis estimates gross household income based on the assumption that these housing costs represent, on average, approximately 35% of gross income. The assumption that housing expenses represent 35% of gross income is reflective of the average for new purchase loans originated in Alameda County[4] and is consistent with criteria used by lenders to determine mortgage eligibility[5].

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[1] Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages within zip codes corresponding to Alameda County and is specific to principal residence purchase loans originated during 2nd quarter of 2012, the most recent period available at the time the data was accessed.

[2] Based on Freddie Mac Primary Mortgage Market Survey weekly average rates for 30 year fixed rate mortgages during the period from 2004 through 2013.

[3] Housing expenses are combined with other debt payments such as credit cards and auto loans to compute a Debt To Income (DTI) ratio which is a key criteria used for determining mortgage eligibility.

[4] New purchase loans in Alameda County have an average debt to income ratio of 34.96% based on data from Freddie Mac on its portfolio of mortgages within zip codes corresponding to Alameda County and specific to principal residence purchase loans originated during 2nd quarter of 2012, the most recent period available at the time the data was accessed. Debt to income ratio includes other forms of debt such as student loans, credit cards, and auto loans which suggests a ratio including only housing expenses would be less than 35%. Applying a ratio below 35% in the analysis would have produced a higher estimate of gross household income and higher resulting nexus findings; therefore, application of a 35% ratio represents a conservative assumption for purposes of the nexus analysis.

Apartment Units

Household income for renter households is estimated based on the assumption that rent represents, on average, 30% of gross household income, a percentage that is consistent with the average for Newark reported by the Census of 28.9%.[6] While slightly above the average from the Census, the 30% factor was selected for consistency with the California Health and Safety Code standard for relating income to affordable rent levels[7]. Selection of 30% produces a lower estimate of gross household income and lower resulting nexus conclusions than if the exact average from the Census at 28.9% were used; therefore, this represents a conservative approach for purposes of the nexus analysis. While leasing agents and landlords may permit rental payments to represent a slightly higher share of total income, use of the 30% factor, which is representative of the average, is appropriate. Further, many renters will choose to spend less than 30% of their income on rent where possible, since, unlike an ownership situation, the unit is not viewed as an investment with value enhancement potential. The resulting relationship is that annual household income is 3.3 times annual rent.

The estimated gross household incomes of the purchasers or renters of the prototype units are calculated in tables A-2 through A-6, and summarized below.

Household Income					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Gross Household Income	$159,000	$142,000	$116,000	$124,000	$80,000

Income Available for Expenditures

The input into the IMPLAN model used in this analysis is the net income available for expenditures. To arrive at income available for expenditures, gross income must be adjusted for Federal and State income taxes, contributions to Social Security and Medicare, savings, and payments on household debt. Per KMA correspondence with the producers of the IMPLAN model (IMPLAN Group LLC), other taxes including sales tax, gas tax, and property tax are handled internally within the model as part of the analysis of expenditures. Housing costs are addressed separately, as described below, and so are not deducted as part of this adjustment step. Table A-7 at the end of this section shows the calculation of income available for expenditures.

Income available for expenditures is estimated at approximately 67% of gross income in the case of the ownership prototypes. The estimate is based on a review of data from the Internal

[5] Fannie Mae mortgage underwriting eligibility criteria establishes a debt to income threshold of 36% above which tighter credit standards apply. A debt to income ratio of up to 45% is permitted for borrowers meeting specified credit criteria; however, most households have other forms of debt such as credit cards, student loans, and auto loans that would be considered as part of this ratio.

[6] 2010-2012 American Community Survey.

[7] Health and Safety Code Section 50052.5 defines affordable rent levels based on 30% of income.

Revenue Service and California Franchise Tax Board tax tables. Per the Internal Revenue Service, households earning between $100,000 and $200,000 per year, or the residents of our prototypical ownership units, will pay an average of 13% of gross income for federal taxes. State taxes are estimated to average 5% of gross income based on tax rates per the California Franchise Tax Board. The employee share of the FICA payroll taxes for Social Security and Medicare is 7.65% of gross income (conservatively assumes all earners in the household are within the $117,000 ceiling on income subject to Social Security taxes).

Savings and repayment of household debt represent another necessary adjustment to gross income. Savings includes various IRA and 401 K type programs as well as non-retirement household savings and investments. Debt repayment includes auto loans, credit cards, and all other non-mortgage debt. Savings and repayment of debt are estimated to represent a combined 8% of gross income based on the 20 year average derived from United States Bureau of Economic Analysis data.

The percentage of income available for expenditure for input into the IMPLAN model is prior to deducting housing costs. The reason is for consistency with the IMPLAN model which defines housing costs as expenditures. The IMPLAN model addresses the fact that expenditures on housing do not generate employment to the degree other expenditures such as retail or restaurants do, but there is some limited maintenance and property management employment generated.

After deducting income taxes, Social Security, Medicare, savings, and repayment of debt, for purchasers of one of the new ownership prototypes, the estimated income available for expenditures is 67%. This is the factor used to adjust from gross income to the income available for expenditures for input into the IMPLAN model. As indicated above, other forms of taxation such as property tax are handled internally within the IMPLAN model.

Income available for expenditures for the prototypical renter household is based on the same evaluation, but a lower income tax bracket applies to the renter households. The result is that the renter household would have an estimated 71% of income available for expenditures. The rate of savings and debt repayment is assumed to be the same for the renter household as for households in the ownership prototypes.

Estimates of household income available for expenditures are presented in the following table:

Income Available for Expenditures					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Gross Household Income	$159,000	$142,000	$116,000	$124,000	$80,000
Percent Income Available for Expenditures	67%	67%	67%	67%	71%
Household Income Available for Expenditures [Input to IMPLAN model]	$107,000	$95,000	$78,000	$83,000	$57,000

The nexus analysis is conducted on 100-unit building modules for ease of presentation, and to avoid awkward fractions. Tables A-8 and A-9 summarize the conclusions of this section and calculate the household income for the 100-unit building modules. This is the input into the IMPLAN model.

TABLE A-1
SUMMARY OF PROTOTYPES
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Large Lot Single Family Detached	Small Lot Single Family Detached	Townhomes	Stacked Flat Condominiums	2-3 Story Apartments
Density	8 du/acre	12 du/acre	18 du/acre	50	25 du/acre
Average Unit Size	2,500 sf	2,000 sf	1,500 sf	1,300 sf	850 sf
Avg. Number of Bedrooms	4 BR	3 BR	3 BR	2 BR	2 BR
Market Rate Price	$315 $787,500	$350 $700,000	$375 $562,500	$446 $580,000 [1]	$2.35 $2,000

[1] Stacked Flat Condomium based on feasible price.

TABLE A-2
PROTOTYPE 1: SFD / LARGE LOT
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			Prototype 1 SFD / Large Lot
Sales Price	$315 /SF	2,500 SF [1]	$787,500 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$157,500
Loan Amount			$630,000
Interest Rate			5.25% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$41,700
Other Costs			
Property Taxes	1.25%	of sales price [4]	$9,800
HOA Dues / Maintenance	$200	per month [5]	$2,400
Homeowner Insurance	0.20%	sale price [6]	$1,600
Total Annual Housing Cost			$55,500
% of Income Spent on Hsg			35% [7]
Annual Household Income Required			**$159,000**
Sales Price to Income Ratio			5.0

Notes

(1) Based on Market Survey.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages within zip codes corresponding to Alameda County and specific to principal residence purchase loans originated during 2nd quarter of 2012.

(3) Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey and about 0.75% above current favorable rates. Based on weekly average rates for 30 year fixed rate mortgages during the period from 2004 through 2013.

(4) 1.25% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments.

(5) Based on HOA dues for new single family project currently selling in Fremont from the Market Survey.

(6) Estimated from quote obtained from Progressive Insurance.

(7) Based on Freddie Mac data on mortgages originated in Alameda County which reflect an average debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE A-3
PROTOTYPE 2: SFD / SMALL LOT
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			Prototype 2 SFD / Small Lot
Sales Price	$350 /SF	2,000 SF [1]	$700,000 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$140,000
Loan Amount			$560,000
Interest Rate			5.25% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$37,100
Other Costs			
Property Taxes	1.25%	of sales price [4]	$8,800
HOA Dues / Maintenance	$200	per month [5]	$2,400
Homeowner Insurance	0.20%	sale price [6]	$1,400
Total Annual Housing Cost			$49,700
% of Income Spent on Hsg			35% [7]
Annual Household Income Required			**$142,000**
Sales Price to Income Ratio			4.9

Notes

(1) Based on Market Survey.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages within zip codes corresponding to Alameda County and specific to principal residence purchase loans originated during 2nd quarter of 2012.

(3) Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey and about 0.75% above current favorable rates. Based on weekly average rates for 30 year fixed rate mortgages during the period from 2004 through 2013.

(4) 1.25% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments.

(5) Based on HOA dues for new single family project currently selling in Fremont from the Market Survey.

(6) Estimated from quote obtained from Progressive Insurance.

(7) Based on Freddie Mac data on mortgages originated in Alameda County which reflect an average debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE A-4
PROTOTYPE 3: TOWNHOME
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			Prototype 3 Townhome
Sales Price	$375 /SF	1,500 SF [1]	$562,500 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$112,500
Loan Amount			$450,000
Interest Rate			5.25% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$29,800
Other Costs			
Property Taxes	1.25%	of sales price [4]	$7,000
HOA Dues / Maintenance	$235	per month [5]	$2,820
Homeowner Insurance	0.20%	sale price [6]	$1,100
Total Annual Housing Cost			$40,720
% of Income Spent on Hsg			35% [7]
Annual Household Income Required			**$116,000**
Sales Price to Income Ratio			4.8

Notes

(1) Based on Market Survey.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages within zip codes corresponding to Alameda County and specific to principal residence purchase loans originated during 2nd quarter of 2012.

(3) Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey and about 0.75% above current favorable rates. Based on weekly average rates for 30 year fixed rate mortgages during the period from 2004 through 2013.

(4) 1.25% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments.

(5) Based on average HOA dues for two townhome projects currently selling in Fremont identified in the market survey.

(6) Estimated from quote obtained from Progressive Insurance for HO-6 "walls in" policy covering interior of unit and personal property. Exterior of structure and common area assumed to be covered by separate homeowners association policy.

(7) Based on Freddie Mac data on mortgages originated in Alameda County which reflect an average debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE A-5
PROTOTYPE 4: CONDO
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			Prototype 4 Condo
Sales Price	$446 /SF	1,300 SF [1]	$580,000 [1]
Mortgage Payment			
Downpayment @ 20%		20% [2]	$116,000
Loan Amount			$464,000
Interest Rate			5.25% [3]
Term of Mortgage			30 years
Annual Mortgage Payment			$30,700
Other Costs			
Property Taxes	1.25%	of sales price [4]	$7,300
HOA Dues / Maintenance	$350	per month [5]	$4,200
Homeowner Insurance	0.20%	sale price [6]	$1,200
Total Annual Housing Cost			$43,400
% of Income Spent on Hsg			35% [7]
Annual Income Required			**$124,000**
Sales Price to Income Ratio			4.7

Notes

(1) No new or newer stacked flat condos were identified in the market survey. Price represents an estimate of the sales price required for development feasibility.

(2) Median down payment at 20% is based on Freddie Mac data on its portfolio of mortgages within zip codes corresponding to Alameda County and specific to principal residence purchase loans originated during 2nd quarter of 2012.

(3) Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey and about 0.75% above current favorable rates. Based on weekly average rates for 30 year fixed rate mortgages during the period from 2004 through 2013.

(4) 1.25% property tax rate is inclusive of ad valorem taxes plus estimated fixed charges and assessments.

(5) Based on average HOA dues for a sampling of existing 2 bedroom condos in Newark as reported by MLS.

(6) Estimated from quote obtained from Progressive Insurance for HO-6 "walls in" policy covering interior of unit and personal property. Exterior of structure and common area assumed to be covered by separate homeowners association policy.

(7) Based on Freddie Mac data on mortgages originated in Alameda County which reflect an average debt to income ratio of 35% including both housing expenses and other debt like auto loans and credit cards. Were other debt excluded, the ratio would likely be lower than 35%. Using a ratio less than 35% would have increased the supported maximum fee levels from those reflected in the analysis; therefore, 35% represents a conservative estimate.

TABLE A-6
PROTOTYPE 5: RENTAL
RENT TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			Prototype 5 Rental
Market Rent			
Monthly	$2.35 /SF	850 SF [1]	$2,000 [2]
Annual			$24,000
% of Income Spent on Rent (excludes utilities)			30% [3]
Annual Household Income Required			**$80,000**
Annual Rent to Income Ratio			3.3

Notes

(1) No new or newer stacked flat condos were identified in the market survey. Price represents an estimate of the sales price required for development feasibility.

(2) Based on the results of the market survey. Represents rent levels applicable to new units.

(3) Renter households are assumed to spend 30% of income on rent, or slightly more than the median for Newark renter households at 29.1% and slightly less than the median for all of Alameda County at 31% per the 2008 - 2012 American Community Survey. While landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average.

TABLE A-7
INCOME AVAILABLE FOR EXPENDITURES[1]
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Gross Income	100%	100%	100%	100%	100%
(Less) Federal Income Taxes (avg. rate)[2]	12.7%	12.7%	12.7%	12.7%	9.5%
(Less) Average State Income Tax Rate[3]	5%	5%	5%	5%	4%
(Less) FICA Tax Rate[4]	7.65%	7.65%	7.65%	7.65%	7.65%
(Less) Savings and other deductions[5]	8%	8%	8%	8%	8%
Percent of Income Available for Expenditures[6] [Input to IMPLAN model]	*67%*	*67%*	*67%*	*67%*	*71%*

Notes:

[1] Gross income after deduction of taxes and savings. Income available for expenditures is the input to the IMPLAN model which is used to estimate the resulting employment impacts. Housing costs are not deducted as part of this adjustment step because they are addressed separately as expenditures within the IMPLAN model.

[2] Reflects average tax rates (as opposed to marginal) based on U.S. Internal Revenue Services, Tax Statistics, Table 3.2 Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Selected Marital Status and Size of Adjusted Gross Income, Tax Year 2011 (2011 tax year is the most recent available). For Prototypes 1 - 4, the average tax rate for AGI of $100,000 to $200,000 of 12.7% is applied. For Prototype 5, the average tax rate for AGI of $75,000 to $100,000 of 9.5% is applied.

[3] Average tax rate estimated by KMA based on marginal rates per the California Franchise Tax Board and ratios of taxable income to gross income estimated based on U.S. Internal Revenue Service data. The higher average tax rates applicable to single or married filing separately tax filers is applied in the analysis so as to produce a conservative (likely understated) estimate.

[4] For Social Security and Medicare. Conservatively assumes all income will be subject to Social Security taxes. The current ceiling on applicability of Social Security taxes is $117,000 (ceiling applies per earner not per household).

[5] Household savings including retirement accounts like 401k / IRA and other deductions such as interest costs on credit cards, auto loans, etc, necessary to determine the amount of income available for expenditures. The 8% rate used in the analysis is based on the average over the past 20 years computed from U.S. Bureau of Economic Analysis data, specifically the National Income and Product Accounts, Table 2.1 "Personal Income and It's Disposition."

[6] Deductions from gross income to arrive at the income available for expenditures are consistent with the way the IMPLAN model and National Income and Product Accounts (NIPA) defines income available for personal consumption expenditures. Income taxes, contributions to Social Security and Medicare, and savings are deducted; however, property taxes and sales taxes are not. Housing costs are not deducted as part of the adjustment because they are addressed separately as expenditures within the IMPLAN model.

TABLE A-8
FOR SALE PROTOTYPES: SALES PRICE TO INCOME SUMMARY
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

		Per Unit	Per Sq.Ft.	100 Unit Building Module
Page 1 of 2				
PROTOTYPE 1: SFD / LARGE LOT				
Units				*100 Units*
Building Sq.Ft. (net salable area)		2,500		250,000
Sales Price		$787,500	$315	$78,750,000
Sales Price to Income Ratio		5.0		5.0
Gross Household Income		$159,000		$15,900,000
Income Available for Expenditur	67% of gross	$107,000		**$10,650,000**
PROTOTYPE 2: SFD / SMALL LOT				
Units				*100 Units*
Building Sq.Ft. (net salable area)		2,000		200,000
Sales Price		$700,000	$350	$70,000,000
Sales Price to Income Ratio		4.9		4.9
Gross Household Income		$142,000		$14,200,000
Income Available for Expenditur	67% of gross	$95,000		**$9,510,000**

TABLE A-8
FOR SALE PROTOTYPES: SALES PRICE TO INCOME SUMMARY
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

		Per Unit	Per Sq.Ft.	100 Unit Building Module
Page 2 of 2				
PROTOTYPE 3: TOWNHOME				
Units				*100 Units*
Building Sq.Ft. (net salable area)		1,500		150,000
Sales Price		$562,500	$375	$56,250,000
Sales Price to Income Ratio		4.8		4.8
Gross Household Income		$116,000		$11,600,000
Income Available for Expenditur	67% of gross	$78,000		**$7,770,000**
PROTOTYPE 4: CONDO				
Units				*100 Units*
Building Sq.Ft. (net salable area)		1,300		130,000
Sales Price		$580,000	$446	$58,000,000
Sales Price to Income Ratio		4.7		4.7
Gross Household Income		$124,000		$12,400,000
Income Available for Expenditur	67% of gross	$83,000		**$8,310,000**

Notes:
(1) Represents net income available for expenditures after income tax, payroll taxes, and savings. See Table A-7 for derivation.

Source: See Tables A-2 to A-7.

TABLE A-9
NEW MARKET RATE RESIDENTIAL HOUSEHOLD SUMMARY
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Per Unit	Per Sq.Ft.	100 Unit Building Module
PROTOTYPE 5: RENTAL			
Units			*100 Units*
Building Sq.Ft. (net rentable area)	850		85,000
Rent			
Monthly	$2,000	$2.35 /SF	$200,000
Annual	$24,000	$28.20 /SF	$2,400,000
Rent to Income Ratio	3.3		3.3
Gross Household Income	$80,000		$8,000,000
Income Available for Expenditure[1] 71% of gross	$57,000		**$5,680,000**

Notes:
(1) Represents net income available for expenditures after income tax, payroll taxes, and savings. See Table A-7 for derivation.

Source: Table A-6 and A-7.

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B. THE IMPLAN MODEL

Consumer spending by residents of new housing units will create jobs, particularly in sectors such as restaurants, health care, and retail, which are closely connected to the expenditures of residents. The widely used economic analysis tool, IMPLAN (IMpact Analysis for PLANning), was used to quantify these new jobs by industry sector.

IMPLAN Model Description

The IMPLAN model is an economic analysis software package now commercially available through the IMPLAN Group, LLC. IMPLAN was originally developed by the U.S. Forest Service, the Federal Emergency Management Agency, and the U.S. Department of the Interior Bureau of Land Management and has been in use since 1979 and refined over time. It has become a widely used tool for analyzing economic impacts for a broad range of applications from major construction projects to natural resource programs.

IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final consumers. The model establishes a matrix of supply chain relationships between industries and also between households and the producers of household goods and services. Assumptions about the portion of inputs or supplies for a given industry likely to be met by local suppliers, and the portion supplied from outside the region or study area are derived internally within the model using data on the industrial structure of the region.

The output or result of the model is generated by tracking changes in purchases for final use (final demand) as they filter through the supply chain. Industries that produce goods and services for final demand or consumption must purchase inputs from other producers, which in turn, purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle. This allows the user to identify how a change in demand for one industry will affect a list of over 400 other industry sectors. The projected response of an economy to a change in final demand can be viewed in terms of economic output, employment, or income.

Data sets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis utilizes the data set for Alameda County. As will be discussed, much of the employment impact is in local-serving sectors, such as retail, eating and drinking establishments, and medical services. A significant portion of these jobs will be located in Newark or nearby. In addition, the employment impacts will extend throughout the County and beyond based on where jobs are located that serve Newark residents. In fact, Newark is part of the larger Bay Area economy and impacts will likewise extend throughout the region.

Application of the IMPLAN Model to Estimate Job Growth

The IMPLAN model was applied to link income to household expenditures to job growth. Employment generated by the household income of residents is analyzed in modules of 100 residential units to simplify communication of the results and avoid awkward fractions. The IMPLAN model distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study, to estimate employment generated.

Job creation, driven by increased demand for products and services, was projected for each of the industries that will serve the new households. The employment generated by this new household spending is summarized below.

Jobs Generated Per 100 Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Annual Household Expenditures, 100 Units	$10,650,000	$9,510,000	$7,770,000	$8,310,000	$5,680,000
Total Jobs Generated, 100 Units	73.1	64.8	53.0	56.6	37.5

Table B-1 provides a detailed summary of employment generated by industry. The table shows industries sorted by projected employment. The Consumer Expenditure Survey published by the Bureau of Labor Statistics tracks expenditure patterns by income level. IMPLAN utilizes this data to reflect the pattern by income bracket. In the case of the Newark prototypes, the large lot single family units are in the $150,000 and up income category, while the other ownership prototypes are in the $100,000 to $150,000 category and the apartment prototype is in the $75,000 to $100,000 category. Estimated employment is shown for each IMPLAN industry sector representing 1% or more of total employment. The jobs that are generated are heavily retail jobs, jobs in restaurants and other eating establishments, and in services that are provided locally such as health care. The jobs counted in the IMPLAN model cover all jobs, full and part time, similar to the U.S. Census and all reporting agencies (unless otherwise indicated).

TABLE B-1

IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Per 100 Market Rate Units

	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental	% of Jobs
Household Expenditures (100 Market Rate Unit	$10,650,000	$9,510,000	$7,770,000	$8,310,000	$5,680,000	
Jobs Generated by Industry [2]						
Retail Stores - Food and beverage	2.7	2.3	1.9	2.0	1.2	4%
Retail Stores - General merchandise	2.6	2.2	1.8	2.0	1.2	3%
Retail Stores - Motor vehicle and parts	1.6	1.4	1.1	1.2	0.7	2%
Retail Stores - Miscellaneous	1.6	1.4	1.1	1.2	0.7	2%
Retail Stores - Clothing and accessories	1.5	1.3	1.1	1.1	0.7	2%
Retail Stores - Health and personal care	1.1	0.9	0.8	0.8	0.5	1%
Retail Stores - Building and garden supply	0.9	0.7	0.6	0.6	0.4	1%
Retail Nonstores - Direct and electronic sales	0.8	0.7	0.6	0.6	0.4	1%
Subtotal Retail	12.9	11.0	9.0	9.6	5.8	17%
Offices of physicians and dentists	4.0	4.1	3.4	3.6	2.5	6%
Private hospitals	3.4	3.5	2.8	3.0	2.1	5%
Nursing and residential care facilities	2.4	2.5	2.0	2.2	1.5	4%
Medical and diagnostic labs and outpatient care	1.0	1.0	0.8	0.9	0.6	2%
Subtotal Health Care	10.8	11.1	9.1	9.7	6.8	17%
Food services and drinking places	9.5	9.0	7.4	7.9	5.3	14%
Real estate including property management	2.3	2.4	1.9	2.1	1.8	4%
Private household operations	2.6	2.1	1.8	1.9	1.2	3%
Wholesale trade businesses	1.6	1.8	1.5	1.6	1.4	3%
Individual and family services	1.9	1.6	1.3	1.4	0.8	2%
Civic, social, professional organizations	1.3	1.1	0.9	1.0	0.6	2%
Other private educational services	1.8	1.1	0.9	1.0	0.5	2%
Elementary and secondary schools	1.7	1.1	0.9	1.0	0.5	2%
Personal care services	1.1	1.0	0.8	0.9	0.6	2%
Employment services	1.1	1.0	0.8	0.9	0.6	2%
Banking and depository credit	1.0	0.9	0.7	0.8	0.5	1%
Home health care services	0.8	0.8	0.7	0.7	0.5	1%
Securities, investments, and related	0.9	0.7	0.6	0.7	0.4	1%
Automotive repair and maintenance	0.8	0.7	0.6	0.6	0.4	1%
Services to buildings and dwellings	0.8	0.7	0.6	0.6	0.4	1%
Child day care services	1.2	0.7	0.6	0.6	0.3	1%
Grantmaking and social advocacy organizations	0.8	0.6	0.5	0.5	0.3	1%
Colleges, universities, and professional schools	0.9	0.5	0.4	0.4	0.2	1%
All Other	17.2	14.7	12.0	12.8	8.3	23%
Total Number of Jobs Generated	73.1	64.8	53.0	56.6	37.5	100%

[1] Estimated employment generated by expenditures of households within 100 prototypical market rate units. Employment estimates are based on the IMPLAN Group's economic model, IMPLAN, for Alameda County.

[2] For Industries representing more than 1% of total employment.

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C. THE KMA JOBS HOUSING NEXUS MODEL

This section presents a summary of the analysis linking the employment growth associated with residential development, or the output of the IMPLAN model (see Section B), to the estimated number of lower income housing units required in each of three income categories, for each of the five residential prototype units.

Analysis Approach and Framework

The analysis approach is to examine the employment growth for industries related to consumer spending by residents in the 100-unit modules. Then, through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of affordable units per 100 market rate units.

The analysis addresses the affordable unit demand associated with single family detached, townhomes, condos, and rental units in Alameda County. The table below shows the 2014 Alameda County Area Median Income (AMI), as well as the income limits for the three categories that were evaluated: Very Low (50% of AMI), Low (80% of AMI), and Moderate (120% of AMI). The income definitions used in the analysis are those published by the California Department of Housing and Community Development (HCD).

2014 Income Limits for Alameda County

	Household Size (Persons)					
	1	2	3	4	5	6 +
Very Low (30% - 50% AMI)	$32,750	$37,400	$42,100	$46,750	$50,500	$54,250
Low (50%-80% AMI)	$47,350	$54,100	$60,850	$67,600	$73,050	$78,450
Moderate (80%-120% AMI)	$78,550	$89,750	$101,000	$112,200	$121,200	$130,150
Median (100% of Median)	$65,450	$74,800	$84,150	$93,500	$101,000	$108,450

The analysis is conducted using a model that KMA developed and has applied to similar evaluations in many other jurisdictions. The model inputs are all local data to the extent possible, and are fully documented in the following description.

Analysis Steps

The tables at the end of this section present a summary of the nexus analysis steps for the prototype units. Following is a description of each step of the analysis.

Step 1 – Estimate of Total New Employees

Table C-1 commences with the total number of employees associated with the new market rate units. The employees were estimated based on household expenditures of new residents using the IMPLAN model (see Section B).

Step 2 –Changing Industries Adjustment and Net New Jobs

The local economy, like that of the U.S. as a whole, is constantly evolving. In the Oakland, Fremont, Hayward Metropolitan Division (defined as Alameda and Contra Costa Counties), over the past twenty years, employment in manufacturing sectors of the economy has continued to decline along with employment in State and Federal government, telecommunications, and banking. Defense related employment has also declined from around 12,000 jobs twenty years ago to near zero today. Jobs lost over the last decade in these declining sectors were replaced by job growth in other industry sectors.

Step 2 makes an adjustment to take these declines, changes and shifts within all sectors of the economy into account recognizing that jobs added are not 100% net new in all cases. A 25% adjustment is utilized based on the long term shifts in employment that have occurred in some sectors of the local economy and the likelihood of continuing changes in the future. Long term declines in employment experienced in some sectors of the economy mean that some of the new jobs are being filled by workers that have been displaced from another industry and who are presumed to already have housing locally. Existing workers downsized from declining industries are assumed to be available to fill a portion of the new retail, restaurant, health care, and other jobs associated with services to residents. This is a conservative assumption given some displaced workers may exit the workforce entirely by retiring rather than seek a new job in one of the industries serving new residents.

The 25% downward adjustment used for purposes of the analysis was derived from California Employment Development Department data on employment by industry in Alameda and Contra Costa County over the twenty year period from 2012 to 1992. The 2012 data set reflects a higher unemployment rate at 9% than the 6.6% unemployment rate in 1992 which will tend to overstate any long term declines since the 2012 data also reflects some cyclical or short term declines relative to the 1992 employment data. Over this period, approximately 38,000 jobs were lost in declining industry sectors. Over the same period, growing and stable industries added a total of 158,000 jobs. Figures are adjusted to exclude losses in department of defense employment given there are almost no defense jobs left in the area and so continuing declines in this sector is not expected to be a factor in the in the future. The figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 25%[8]. The 25% factor is applied as an adjustment in the analysis, effectively assuming one in

[8] The 25% ratio is calculated as 38,000 jobs lost in declining sectors excluding defense divided by 158,000 jobs gained in growing and stable sectors = 23.9% (rounded to 25%).

every four new jobs is filled by a worker down-sized from a declining industry and who already lives locally.

Step 3 – Adjustment from Employees to Employee Households

This step (Table C-1) converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers is reduced. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons, students, and those on public assistance. The County average of 1.61 workers per worker household (from the U. S. Census Bureau 2010-2012 American Community Survey) is used for this step in the analysis. The number of jobs is divided by 1.61 to determine the number of worker households. This ratio is distinguished from the overall number of workers per household in that the denominator includes only households with at least one worker. If the average number of workers in all households were used, it would have produced a greater demand for housing units. The 1.61 ratio covers all workers, full and part time.

Step 4 – Occupational Distribution of Employees

The occupational breakdown of employees is the first step to arrive at income level. The output from the IMPLAN model provides the number of employees by industry sector, shown in Table B-1. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2012 Occupational Employment Survey (OES) to estimate the occupational composition of employees for each industry sector.

Step 4a - Translation from IMPLAN Industry Codes to NAICS Industry Codes

The output of the IMPLAN model is jobs by industry sector using IMPLAN's own industry classification system which consists of 440 industry sectors. The OES occupation data uses the North American Industry Classification System (NAICS). Estimates of jobs by IMPLAN sector must be translated into estimates by NAICS code for consistency with the OES data.

The NAICS system is organized into industry codes ranging from two- to six-digits. Two-digit codes are the broadest industry categories and six-digit codes are the most specific. Within a two-digit NAICS code, there may be several three-digit codes and within each three digit code, several four-digit codes, etc. A chart published by IMPLAN relates each IMPLAN industry sector with one or more NAICS codes, with matching NAICS codes ranging from the two-digit level to the five-digit level. For purposes of the nexus analysis, all employment estimates must be aggregated to the four digit NAICS code level to align with OES data which is organized by four-digit NAICS code. For some industry sectors, an allocation is necessary between more than one four-digit NAICS code. Where required, allocations are made proportionate to total employment at the national level from the OES.

The table below illustrates analysis Step 4a in which employment estimates by IMPLAN Code are translated to NAICS codes and then aggregated at the four digit NAICS code level. The examples used are Child Day Care Centers and Food and Drinking Places. The process is applied to all the industry sectors.

Illustration of Model Step 4a.

A. IMPLAN Output by IMPLAN Industry Sector		B. Link to Corresponding NAICS Code		C. Aggregate at 4-Digit NAICS Code Level		
Jobs	IMPLAN Sector	Jobs	NAICS Code	Jobs	% Total Employment	4-Digit NAICS
1.2	399 - Child day care services	1.2	6244 Child day care services	1.2	100%	6244 Child day care services
9.5	413 - Food and Drinking Places	9.5	722 Food and Drinking Places	8.60	90%	7225 Restaurants and Other Eating Places
				0.57	6%	7223 Special Food Services
				0.34	4%	7224 Drinking Places (Alcoholic Beverages)

Step 4b – Apply OES Data to Estimate Occupational Distribution

Employment estimates by four-digit NAICS code from step 4a are paired with data on occupational composition within each industry from the OES to generate an estimate of employment by detailed occupational category. As shown on Table C-1, new jobs will be distributed across a variety of occupational categories. The three largest occupational categories are office and administrative support (16%), sales (15%), and food preparation and serving (14%-15%). Step 4 of Table C-1 indicates the percentage and number of employee households by occupation associated with 100 market rate units.

Step 5 – Estimates of Employee Households Meeting the Lower Income Definitions

In this step, occupations are translated to employee incomes based on recent Alameda County wage and salary information from the California Employment Development Department (EDD). The wage and salary information summarized in Appendix 2 Tables 2, 4, and 6 provided the income inputs to the model.

For each occupational category shown in Table C-1, the OES data provides a distribution of specific occupations within the category. For example, within the Food Preparation and Serving Category, there are Supervisors, Cooks, Bartenders, Waiters and Waitresses, Dishwashers, etc. In total there are over 100 detailed occupation categories included in the analysis as shown

in Appendix 2, Tables 2, 4, and 6. Each of these over 100 occupation categories has a different distribution of wages which was obtained from EDD and is specific to workers in Alameda County as of 2013.

For each detailed occupational category, the model uses the distribution of wages to calculate the percent of worker households that would fall into each income category. The calculation is performed for each possible combination of household size and number of workers in the household. For households with more than one worker, individual *employee* income data was used to calculate the household income by assuming multiple earner households are, on average, formed of individuals with similar incomes.

The table below illustrates Step 5 as applied to food preparation and serving workers. Annual compensation for food preparation and serving workers in Alameda County as of 2013 is distributed[9] around a mean of $21,500. For households with one worker, 100% are estimated to qualify as Very Low. For households with two or more workers between 37% and 100% are estimated to qualify as Very Low depending on the household size. For households with three or more workers, only larger households with than six or more people are estimated to qualify as Very Low.

Step 5 Illustration for Food Preparation and Serving Worker Households
Percent Qualifying as Very Low for Each Possible Household Size / No. of Workers Combination

	Percent of Worker Households That Would Qualify as Very Low For Each Possible Combination of Household Size and No. of Workers Applying 2014 Income Limits for Alameda County					
HH Size Limit	1 Person $32,750	2 Person $37,400	3 Person $42,100	4 Person $46,750	5 Person $50,500	6 Person $54,250
No. Workers in Household						
1	100%	100%	100%	100%	100%	100%
2	N/A	37%	61%	77%	100%	100%
3 or more[10]	N/A	N/A	0%	0%	0%	21%

The step illustrated above is repeated around 300 times for each of the over 100 detailed occupations and at each of the three affordable income tiers. At the end of Step 5, the nexus model has established a matrix indicating the percentages of households that would qualify in the affordable income tiers for every detailed occupational category and every potential combination of household size and number of workers in the household.

[9] In addition to the mean compensation, EDD reported 25th, 50th, and 75th percentile compensations are utilized.
[10] Census data aggregates households with three or more workers; therefore, a corresponding aggregation is necessary for purposes of the analysis.

Step 6 – Distribution of Household Size and Number of Workers

In this step, the model examines the demographics of Alameda County in order to develop probability factors for each potential combination of household size and number of workers.

The table below presents the probability factors used in the model. The factors represent the probability that a worker is a member of a household of a given size and number of workers.

Step 6: Probability Factors for Combinations of Number of Workers and Household Size

	Household Size (Persons)					
	1	2	3	4	5	6+
No. Workers in Household						
1	0.190781	0.148746	0.084114	0.060346	0.027678	0.023864
2	N/A	0.147885	0.095065	0.071567	0.032824	0.028302
3 or more	N/A	N/A	0.024071	0.034927	0.016019	0.013812

Note: probability factors sum to 1.00000

Probability factors are specific to Alameda County and are derived from the 2010 – 2012 American Community Survey. Application of these probability factors accounts for the following:

- Households have a range in size and a range in the number of workers.
- Large households generally have more workers than smaller households.

The result of Step 6 is a distribution of Alameda County working households by number of workers and household size.

Step 7 – Estimate of Number of Households that Meet Size and Income Criteria

Step 7 is the final step to calculate the number of worker households meeting the size and income criteria for the three affordability tiers. The calculation combines the matrix of results from Step 5 on percentage of worker households that would meet the income criteria at each potential household size / no. of workers combination, with Step 6, the probability of a worker household having a given household size / number of workers combination. The result is the percentage of households that fall into each affordability tier. The percentages are then multiplied by the number of households from Step 3 to arrive at number of households in each affordability tier.

Table C-2 shows the result after completing Steps 5, 6, and 7. The results shown are for the under 50% of AMI category. The methodology is repeated for each of the three income tiers, resulting in a total count of worker households per 100 units.

Summary Findings

Table C-3 indicates the results of the analysis for each of the residential prototypes. The table presents the number of households generated in each affordability category and the total number over 120% of Area Median Income.

The findings in Table C-3 are presented below. The table shows the total demand for affordable housing units associated with 100 market rate units.

New Worker Households by Income Level per 100 Market Rate Units					
	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Very Low (Under 50% AMI)	13.2	11.7	9.5	10.2	6.7
Low (50%-80% AMI)	7.4	6.5	5.3	5.7	3.7
Moderate (80%-120% AMI)	7.2	6.3	5.2	5.5	3.7
Total, Less than 120% AMI	**27.8**	**24.5**	**20.0**	**21.4**	**14.1**
Greater than 120% AMI	6.3	5.7	4.7	5.0	3.4
Total, New Households	**34.1**	**30.2**	**24.7**	**26.4**	**17.5**

Housing demand for new worker households earning less than 120% of AMI ranges from 27.8 units per 100 market rate units for large lot Single Family units, to 14.1 units per 100 market rate units for apartments. Housing demand is distributed across the lower income tiers with the greatest number of households in the under 50% of AMI tier. The finding that the jobs associated with consumer spending tend to be low-paying jobs where the workers will require housing affordable at the lower income levels is not surprising. As noted above, direct consumer spending results in employment that is concentrated in lower paid occupations including food preparation, administrative, and retail sales.

Inclusionary Percentages Supported

The analysis findings identify how many lower income households are generated for every 100 market rate units. These findings are adjusted to a supported inclusionary percentage which represents the percentage of units provided on-site within a project that would fully mitigate the affordable housing impacts as documented in this nexus analysis. While the City is considering elimination of its existing inclusionary program in favor housing impact fees, these percentages are never-the-less provided for additional information which may potentially be useful; for example, in making required findings if affordable units are proposed to be included within a project as an alternative to payment of the Housing Impact Fee.

The percentages are calculated including both market rate and affordable units (for example, 25 affordable units per 100 market rate units translates to a project of 125 units; 25 affordable units out of 125 units equals 20%).

The inset table below presents the results of the analysis, drawn from Table C-4. Each tier is cumulative, or inclusive of the tiers above. The analysis supports maximum inclusionary percentages between 12.4% and 21.7%, depending on the prototype.

Cumulative Inclusionary Percentage Supported by Nexus Analysis

	Single Family / Large Lot	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Very Low (Under 50% AMI)	11.6%	10.5%	8.7%	9.3%	6.3%
Low (50%-80% AMI)	17.0%	15.4%	12.9%	13.7%	9.4%
Moderate (80%-120% AMI)	21.7%	19.7%	16.7%	17.6%	12.4%

The percentages shown above are not recommended inclusionary percentages. They are included for purposes of additional information relative to the alternative means of compliance provisions of the proposed Housing Impact Fee Ordinance which requires certain findings in connection with approval of a proposed alternative means of compliance.

TABLE C-1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Step 1 - Employees [1]	73.1	64.8	53.0	56.6	37.5
Step 2 - Adjustment for Changing Industries (25%)	54.8	48.6	39.7	42.5	28.1
Step 3 - Adjustment for Number of Households (1.61)[2]	34.1	30.2	24.7	26.4	17.5
Step 4 - Occupation Distribution [3]					
Management Occupations	4.1%	4.0%	4.0%	4.0%	4.1%
Business and Financial Operations	3.6%	3.5%	3.5%	3.5%	3.5%
Computer and Mathematical	1.2%	1.2%	1.2%	1.2%	1.2%
Architecture and Engineering	0.3%	0.3%	0.3%	0.3%	0.3%
Life, Physical, and Social Science	0.4%	0.3%	0.3%	0.3%	0.3%
Community and Social Services	2.0%	2.0%	2.0%	2.0%	1.9%
Legal	0.6%	0.6%	0.6%	0.6%	0.6%
Education, Training, and Library	4.6%	3.3%	3.3%	3.3%	2.8%
Arts, Design, Entertainment, Sports, and Media	1.8%	1.6%	1.6%	1.6%	1.6%
Healthcare Practitioners and Technical	7.4%	8.3%	8.3%	8.3%	8.7%
Healthcare Support	4.3%	4.8%	4.8%	4.8%	5.0%
Protective Service	1.3%	1.3%	1.3%	1.3%	1.3%
Food Preparation and Serving Related	14.4%	15.1%	15.1%	15.1%	15.2%
Building and Grounds Cleaning and Maint.	6.0%	5.8%	5.8%	5.8%	5.8%
Personal Care and Service	5.7%	5.5%	5.5%	5.5%	5.3%
Sales and Related	15.3%	15.1%	15.1%	15.1%	14.6%
Office and Administrative Support	15.5%	15.6%	15.6%	15.6%	15.8%
Farming, Fishing, and Forestry	0.1%	0.1%	0.1%	0.1%	0.1%
Construction and Extraction	0.8%	0.8%	0.8%	0.8%	0.8%
Installation, Maintenance, and Repair	3.5%	3.6%	3.6%	3.6%	3.8%
Production	1.7%	1.7%	1.7%	1.7%	1.7%
Transportation and Material Moving	5.5%	5.4%	5.4%	5.4%	5.4%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%
Management Occupations	1.4	1.2	1.0	1.1	0.7
Business and Financial Operations	1.2	1.1	0.9	0.9	0.6
Computer and Mathematical	0.4	0.4	0.3	0.3	0.2
Architecture and Engineering	0.1	0.1	0.1	0.1	0.1
Life, Physical, and Social Science	0.1	0.1	0.1	0.1	0.1
Community and Social Services	0.7	0.6	0.5	0.5	0.3
Legal	0.2	0.2	0.1	0.2	0.1
Education, Training, and Library	1.6	1.0	0.8	0.9	0.5
Arts, Design, Entertainment, Sports, and Media	0.6	0.5	0.4	0.4	0.3
Healthcare Practitioners and Technical	2.5	2.5	2.1	2.2	1.5
Healthcare Support	1.4	1.5	1.2	1.3	0.9
Protective Service	0.4	0.4	0.3	0.3	0.2
Food Preparation and Serving Related	4.9	4.6	3.7	4.0	2.7
Building and Grounds Cleaning and Maint.	2.0	1.7	1.4	1.5	1.0
Personal Care and Service	2.0	1.7	1.4	1.5	0.9
Sales and Related	5.2	4.6	3.7	4.0	2.6
Office and Administrative Support	5.3	4.7	3.9	4.1	2.8
Farming, Fishing, and Forestry	0.0	0.0	0.0	0.0	0.0
Construction and Extraction	0.3	0.2	0.2	0.2	0.1
Installation, Maintenance, and Repair	1.2	1.1	0.9	0.9	0.7
Production	0.6	0.5	0.4	0.4	0.3
Transportation and Material Moving	1.9	1.6	1.3	1.4	0.9
Totals	34.1	30.2	24.7	26.4	17.5

Notes:

[1] Estimated employment generated by expenditures of households within 100 prototypical market rate units. Employment estimates based on economic model, IMPLAN.

[2] Adjustment from number of workers to households using average of 1.61 workers per worker household derived from the U.S. Census American Community

[3] See Appendix 2, Tables 1 through 6 for additional information on Major Occupation Categories.

TABLE C-2
VERY LOW-INCOME EMPLOYEE HOUSEHOLDS[1] GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Per 100 Market Rate Units

	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Step 5 & 6 - Very Low Income Households (under 50% AMI) within Major Occupation Categories [2]					
Management	0.01	0.01	0.01	0.01	0.00
Business and Financial Operations	0.01	0.01	0.01	0.01	0.00
Computer and Mathematical	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-
Community and Social Services	-	-	-	-	-
Legal	-	-	-	-	-
Education Training and Library	0.27	0.17	0.14	0.15	0.09
Arts, Design, Entertainment, Sports, & Medi	-	-	-	-	-
Healthcare Practitioners and Technical	0.02	0.02	0.01	0.02	0.01
Healthcare Support	0.56	0.56	0.45	0.49	0.33
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	3.57	3.33	2.72	2.91	1.94
Building Grounds and Maintenance	0.88	0.77	0.63	0.68	0.45
Personal Care and Service	1.18	1.00	0.82	0.87	0.57
Sales and Related	2.68	2.32	1.90	2.03	1.29
Office and Admin	1.37	1.23	1.00	1.07	0.71
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.17	0.16	0.13	0.14	0.09
Production	-	-	-	-	-
Transportation and Material Moving	0.81	0.70	0.57	0.61	0.40
Very Low Income Households - Major Occupatior	11.53	10.27	8.39	8.97	5.88
Very Low Inc. Households[1] - all other occupation:	1.64	1.42	1.16	1.24	0.81
Total Very Low Income Households[1]	**13.17**	**11.69**	**9.55**	**10.21**	**6.69**

[1] Includes households earning from zero through 50% of Alameda County Area Median Income.

[2] See Appendix 2 Tables 1 through 6 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix 2 tables 2, 4, and 6. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

TABLE C-3
IMPACT ANALYSIS SUMMARY
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

RESIDENTIAL UNIT DEMAND IMPACTS
PER 100 MARKET RATE UNITS

Number of New Households[1]	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Under 50% Area Median Income	13.2	11.7	9.5	10.2	6.7
50% to 80% Area Median Income	7.4	6.5	5.3	5.7	3.7
80% to 120% Area Median Income	7.2	6.3	5.2	5.5	3.7
Subtotal through 120% of Median	27.8	24.5	20.0	21.4	14.1
Over 120% Area Median Income	6.3	5.7	4.7	5.0	3.4
Total Employee Households	34.1	30.2	24.7	26.4	17.5
Percent of New Households [1]					
Under 50% Area Median Income	39%	39%	39%	39%	38%
50% to 80% Area Median Income	22%	21%	21%	21%	21%
80% to 120% Area Median Income	21%	21%	21%	21%	21%
Subtotal through 120% of Median	81%	81%	81%	81%	81%
Over 120% Area Median Income	19%	19%	19%	19%	19%
Total Employee Households	100%	100%	100%	100%	100%

Notes
[1] Households of retail, education, healthcare and other workers that serve residents of new market rate units.

TABLE C-4
INCLUSIONARY REQUIREMENT SUPPORTED
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Supported Inclusionary Requirement					
Per 100 Market Rate Units - Cumulative Through					
50% OF MEDIAN INCOME	13.2 Units	11.7 Units	9.5 Units	10.2 Units	6.7 Units
80% OF MEDIAN INCOME	20.5 Units	18.2 Units	14.8 Units	15.9 Units	10.4 Units
120% OF MEDIAN INCOME	27.8 Units	24.5 Units	20.0 Units	21.4 Units	14.1 Units
Supported Inclusionary Percentage - Cumulative Through [1]					
50% OF MEDIAN INCOME	11.6%	10.5%	8.7%	9.3%	6.3%
80% OF MEDIAN INCOME	17.0%	15.4%	12.9%	13.7%	9.4%
120% OF MEDIAN INCOME	**21.7%**	**19.7%**	**16.7%**	**17.6%**	**12.4%**

Notes:

[1] Calculated by dividing the supported number of affordable units by the total number of units (supported affordable units + 100 market rate units).

D. MITIGATION COSTS

This section takes the conclusions of the previous section on the number of households in the lower income categories associated with the market rate units and identifies the total cost of assistance required to make housing affordable. This section puts a cost on the units for each income level to produce the "total nexus cost." This is done for each of the prototype units.

A key component of the analysis is the size of the gap between what households can afford and the cost of producing new housing in Newark, known as the 'affordability gap.' Affordability gaps are calculated for each of the three categories of area median income: Very Low (under 50% of median), Low (50% to 80%), and Moderate (80% to 120%). The following summarizes the analysis of mitigation cost which is based on the affordability gap or net cost to deliver units that are affordable to worker households in the lower income tiers. Detailed affordability gap calculations are presented in Tables D-1 through D-3 at the end of this section.

City Assisted Affordable Unit Prototypes

For estimating the affordability gap, there is a need to match a household of each income level with a unit type and size according to governmental regulations and City practices and policies. The analysis assumes that the City will assist households earning between 80% and 120% of Area Median Income with ownership units. The prototype affordable unit should reflect a modest unit consistent with what the City is likely to assist and appropriate for housing the average moderate income worker household, which in the case of Newark is assumed to be a three person household in a two-bedroom townhome unit (for reference, the average household size in Newark is 3.3 persons and for Alameda County the average is 2.8 based on the 2010-2012 American Community Survey). The analysis assumes households earning less than 80% of Area Median Income will be assisted in rental units. The analysis uses a two bedroom affordable rental prototype.

For the purposes of estimating the affordability gaps, we do not assume additional sources of affordable housing financing such as the federal and state low income housing tax credit program. While many affordable housing developments use a wide array of funding sources including tax credits, it is not assured that these sources will be available in the future. Accessing these sources is also highly competitive due to the limited supply and the amount of funding that tax credits can generate can fluctuate widely.

Development Costs

KMA prepared an estimate of total development cost for a typical two bedroom affordable rental unit (inclusive of land, all fees and permits, financing and other indirect costs) based on a review of development pro formas for recent affordable and market rate rental developments, comparable land sale data, and construction cost data sources such as RS Means. It is noted that the construction costs assume payment of prevailing wages, which would typically be

required in publicly subsidized affordable housing projects. On this basis, KMA concluded that on average, the new affordable rental units would have a total development cost per unit of $310,000.

For ownership units, total development costs (including profit) under normal market conditions, is equal to the market rate sales price. Since there are no new or recent townhome projects selling in Newark, KMA estimated the market sales price for a typical two bedroom, 1,300 square foot townhome to be $500,500 unit ($385 per square foot) based on data developed in the market survey.

Development Costs		
Income Group	*Unit Tenure / Type*	*Development Cost*
Under 50% AMI	Rental	$310,000
50% to 80% AMI	Rental	$310,000
80% to 120% AMI	Ownership	$500,500

Unit Values

For affordable ownership units, unit values are the affordable purchase prices. Affordable purchase prices for ownership units are calculated based on the purchase price affordable to a household earning 110% of the Alameda County area median income. For a two bedroom unit, KMA calculated the affordable sales price as $331,500. Details of the calculation are presented in Table D-2.

For rental units, unit values are based upon the Net Operating Income (NOI) generated by the units at the restricted rents and the resulting investment supported. For Low-Income households, affordable rents are based on households earning 60% of the Alameda County median, and for Very Low Income households, rents are based on households earning 50% of median per the California Health and Safety Code standards. The NOI is computed based on the affordable rents less vacancy and operating and maintenance expenses. The NOI is then capitalized at a target return on investment of 7.5% to estimate the supported investment for the project. It is noted that the 7.5% return is higher than would be expected for a typical market rate apartment project because rent growth in affordable housing projects is significantly constrained by increases in median incomes, which do not tend to keep pace with market rent growth. On this basis, KMA estimated the value of the Low Income rental unit at $96,000 and the Very Low Income rental unit at $70,000.

Maximum Affordable Sales Prices and Rent Levels				
Income Group	*Unit Tenure / Type*	*Household Size*	*Maximum Monthly Housing Costs*[11]	*Unit Values / Sales Price*
Under 50% AMI	Rental	3 persons	$1,052 / Month	$70,000
50% to 80% AMI	Rental	3 persons	$1,262 / Month	$96,000
80% to 120% AMI	Ownership	3 persons	$2,700 / Month	$331,500

Affordability Gap

The affordability gap is the difference between the cost of developing a residential unit and the unit values at the affordable rents or sales prices.

The resulting affordability gaps are as follows:

Affordability Gap Calculation			
	Unit Value / Sales Price	*Development Cost*	*Affordability Gap*
Affordable Rental Units			
Very Low (Under 50% AMI)	$70,000	$310,000	$240,000
Low (50% to 80% AMI)	$96,000	$310,000	$214,000
Affordable Ownership Units			
Moderate (80% to 120% AMI)	$331,500	$500,500	$169,000

Tables D-1 to D-3 present the detailed affordability gap calculations.

Total Linkage Costs

The last step in the linkage fee analysis marries the findings on the numbers of households in each of the lower income ranges associated with the five prototypes to the affordability gaps, or the costs of delivering housing to them in Newark.

Table D-4 summarizes the analysis. The Affordability Gaps are drawn from the prior discussion. The "Total Nexus Cost per Market Rate Unit" shows the results of the following calculation: the affordability gap times the number of affordable units demanded per market rate unit. (Demand for affordable units for each of the income ranges is drawn from Table C-3 in the previous section and is adjusted to a per-unit basis from the 100 unit building module.)

[11] For rental units, maximum housing costs are the affordable rents. For the moderate-income ownership unit, maximum monthly housing costs includes all housing expenses such as mortgage, insurance, property taxes , HOA dues, and utilities.

The total nexus costs for each of the prototypes are as follows:

Nexus Per Market Rate Unit						
Income Category	*Affordability Gap*	*Single Family / Large Lot*	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Very Low (30% - 50% AMI)	$240,000	$31,600	$28,000	$22,900	$24,500	$16,100
Low (50%-80% AMI)	$214,000	$15,800	$13,900	$11,300	$12,100	$8,000
Moderate (80%-120% AMI)	$169,000	$12,200	$10,700	$8,700	$9,300	$6,200
Total Nexus Costs		**$59,600**	**$52,600**	**$42,900**	**$45,900**	**$30,300**

The Total Nexus Costs, or Mitigation Costs, indicated above, may also be expressed on a per square foot level. The square foot area of the prototype unit used throughout the analysis becomes the basis for the calculation. Again, see Appendix 1 for more discussion of the prototypes. The results per square foot of building area are as follows:

Total Nexus Cost or Maximum Supported Impact Fee Per Sq.Ft. of Building Area[12]						
Income Category	*Affordability Gap*	*Single Family / Large Lot*	*Single Family / Small Lot*	*Townhome*	*Condo*	*Apartment*
Prototype Size		*2,500 SF*	*2,000 SF*	*1,500 SF*	*1,300 SF*	*850 SF*
Very Low (30% - 50% AMI)	$240,000	$12.60	$14.00	$15.30	$18.80	$18.90
Low (50%-80% AMI)	$214,000	$6.30	$7.00	$7.50	$9.30	$9.40
Moderate (80%-120% AMI)	$169,000	$4.90	$5.40	$5.80	$7.20	$7.30
Total Nexus Costs		**$23.80**	**$26.40**	**$28.60**	**$35.30**	**$35.60**

These costs express the total linkage or nexus costs for the five prototype developments in the City of Newark. These total nexus costs represent the ceiling for any requirement placed on market rate development. **The totals are not recommended levels for fees; they represent only the maximums established by this analysis, below which fees or other requirements may be set.**

[12] Findings are presented based on net rentable or sellable square footage

TABLE D-1
AFFORDABILITY GAP CALCULATION FOR MODERATE INCOME
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

I. City-Assisted Affordable For-Sale Prototype

Building Type	2-BR Townhome
Density	25 du/ac
Number of Bedrooms	2-BR
Unit Size	1,300 SF
Market Rate Sale Price	$500,500

II. Affordable Sales Price

Household Size	3 person HH
110% of Median Income	$84,150
Maximum Affordable Sales Price [1]	$331,500

III. Affordability Gap

Market Rate Sale Price	$500,500
(Less) Affordable Price	($331,500)
Affordability Gap	$169,000

[1] See Table D-2 for KMA estimate.

TABLE D-2
ESTIMATED AFFORDABLE HOUSING PRICES - MODERATE INCOME
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Unit Size	2-Bedroom Unit
Household Size	3-person HH
100% AMI Alameda County 2013	$84,150
Annual Income @ 110%	$92,565
% of AMI	110.0%
% for Housing Costs	35%
Available for Housing Costs	$32,398
(Less) Property Taxes	($4,150)
(Less) HOA	($2,700)
(Less) Utilities	($1,068)
(Less) Insurance	($1,080)
(Less) Mortgage Insurance	($4,253)
Income Available for Mortgage	$19,147
Mortgage Amount	$314,900
Down Payment (homebuyer cash)	$16,600
Supported Home Price	$331,500

Key Assumptions

- Mortgage Interest Rate	4.50%
- Down Payment	5.0%
- Property Taxes (% of sales price)	1.25%
- HOA (per month)	$225
- Utilities (per month)	$89
- Mortgage Insurance (% of loan amount)	1.35%

TABLE D-3
AFFORDABILITY GAPS FOR VERY LOW AND LOW INCOME HOUSEHOLDS
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

			50% AMI	60% AMI
I.	**Affordable Rent**			
	Average Number of Bedrooms		2 Bedrooms	2 Bedrooms
	Average Household Size		3 Persons per HH	3 Persons per HH
	Household Income		$42,075	$50,490
	Income Allocation to Housing		30%	30%
	Monthly Housing Cost		$1,052	$1,262
	(Less) Utility Allowance		($44)	($44) [1]
	Maximum Monthly Rent		$1,008	$1,218
II.	**Net Operating Income (NOI)**		Per Unit	Per Unit
	Gross Scheduled Income (GSI)			
	Monthly		$1,008	$1,218
	Annual		$12,095	$14,619
	Other Income		$250	$250
	(Less) Vacancy	5%	($617)	($743)
	Effective Gross Income (EGI)		$11,727	$14,126
	(Less) Operating Expenses[2]		($5,500)	($5,500)
	(Less) Property Taxes	1.25%	($1,000)	($1,390)
	Net Operating Income (NOI)		$5,227	$7,236
III.	**Capitalized Value and Affordability Gap**			
	Net Operating Income (NOI)		$5,227	$7,236
	Target Return on Investment		7.50%	7.50%
	Total Capitalized Value		$70,000	$96,000
	(Less) Total Development Costs[3]		($310,000)	($310,000)
	Affordability Gap		($240,000)	($214,000)

[1] Utility allowances from Alameda County Housing Authority.
[2] Includes replacement reserves.
[3] Development costs estimated by KMA based on project comps (includes prevailing wages).

TABLE D-4
SUPPORTED FEE / NEXUS SUMMARY PER UNIT
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

TOTAL NEXUS COST PER MARKET RATE UNIT

		Nexus Cost Per Market Rate Unit [3]				
	Affordability Gap [1]	Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
Household Income Level						
Under 50% Area Median Income	$240,000 [1]	$31,600	$28,000	$22,900	$24,500	$16,100
50% to 80% Area Median Income	$214,000 [1]	$15,800	$13,900	$11,300	$12,100	$8,000
80% to 120% Area Median Income	$169,000 [2]	$12,200	$10,700	$8,700	$9,300	$6,200
Total Supported Fee / Nexus		**$59,600**	**$52,600**	**$42,900**	**$45,900**	**$30,300**

TOTAL NEXUS COST PER SQUARE FOOT OF BUILDING AREA [4]

		Nexus Cost Per Square Foot (Net Rentable / Sellable) [4]				
		Prototype 1: SFD / Large Lot	Prototype 2: SFD / Small Lot	Prototype 3: Townhome	Prototype 4: Condo	Prototype 5: Rental
	Unit Size (SF)	2,500 SF	2,000 SF	1,500 SF	1,300 SF	850 SF
Household Income Level						
Under 50% Area Median Income		$12.60	$14.00	$15.30	$18.80	$18.90
50% to 80% Area Median Income		$6.30	$7.00	$7.50	$9.30	$9.40
80% to 120% Area Median Income		$4.90	$5.40	$5.80	$7.20	$7.30
Total Supported Fee / Nexus		**$23.80**	**$26.40**	**$28.60**	**$35.30**	**$35.60**

Notes:

[1] Assumes affordable rental units (2-3 story apartment). See Table D-3.

[2] Affordability gap for moderate income households based on ownership unit (townhome) priced at 110% AMI. See Table D-1.

[3] Nexus cost per unit computed by multiplying affordable unit demand per 100 units from Table C-3 by the affordability gap and dividing by 100 units.

[4] Computed by dividing the nexus cost per unit by the square footage of the unit.

ADDENDUM: ADDITIONAL BACKGROUND AND NOTES ON SPECIFIC ASSUMPTIONS

No Excess Supply of Affordable Housing

An assumption of this residential nexus analysis is that there is no excess supply of affordable housing available to absorb or offset new demand; therefore, new affordable units are needed to mitigate the new affordable housing demand generated by development of new market rate residential units. Based on a review of the City's current Housing Element, conditions in Newark are consistent with this underlying assumption. According to the Housing Element for the 2007 to 2014 period, approximately one third of all households in the City were paying more than thirty percent of their income on housing. Current Census data (2010 to 2012 ACS) indicates that this percentage has now climbed to over 40% of households that are spending more than 30% of their income on housing. Vacancy rates in Newark are around 2% according to Census data.

Affordability Gap

The use of the affordability gap for establishing a maximum fee supported from the nexus analysis is grounded in the concept that a jurisdiction will be responsible for delivering affordable units to mitigate impacts. The nexus analysis has established that units will be needed at one or more different affordability levels and the type of unit to be delivered depends on the income/affordability level. In Newark, the City is anticipated to assist in the development of rental units for household incomes less than 80% of median and for moderate income households, ownership units are assumed to be assisted.

The units assisted by the public sector for affordable households are usually small in square foot area (for the number of bedrooms) and modest in finishes and amenities. As a result, in some communities these units are similar in physical configuration to what the market is delivering at market rate; in other communities (particularly very high income communities), they may be smaller and more modest than what the market is delivering. Parking, for example, is usually the minimum permitted by the code. In some communities where there is a wide range in land cost per acre or per unit, it may be assumed that affordable units are built on land parcels in the lower portion of the cost range. KMA tries to develop a total development cost summary that represents the lower half of the average range, but not so low as to be unrealistic.

If the affordability gap is the difference between total development cost and the affordable sales price, the question sometimes arises as to how total development cost is defined. KMA defines total development costs as including land costs, construction costs, site improvements, architectural and engineering, financing and all other indirect costs, and an allowance for an industry profit (non-profit developers receive a development fee instead).

In a healthy and stable economy, when projects are feasible, the sales price is therefore the same as the total development cost inclusive of profit. In some economic cycles sales prices

might enable larger than standard profits, as was the case in the 2002 to 2004 period, for example, when sales prices escalated ahead of construction and land costs, and sales prices were achieved that enabled higher than standard profit margins. In other market cycles, such as the recent housing downturn, sales prices were depressed such that they were not high enough to cover total development costs and there is no profit. Projects are not feasible during these periods.

Excess Capacity of Labor Force

In the context of economic downturns such as the recent severe recession, the question is sometimes raised as to whether there is excess capacity in the labor force to the extent that consumption impacts generated by new households will be in part, absorbed by existing jobs and workers, thus resulting in fewer net new jobs. In response, an impact analysis of this nature is a one-time impact requirement to address impacts generated over the life of the project. Recessions are temporary conditions; a healthy economy will return and the impacts will be experienced. The economic cycle also self-adjusts. Development of new residential units is not likely to occur until conditions improve or there is confidence that improved conditions are imminent. When this occurs, the improved economic condition of the households in the local area will absorb the current underutilized capacity of existing workers, employed and unemployed. By the time new units become occupied, economic conditions will have likely improved.

The Burden of Paying for Affordable Housing

Newark's impact fee program will not place all burden for the creation of affordable housing on new residential construction. Newark currently has a Housing Impact Fee that applies to commercial development. The burden of affordable housing is also borne by many sectors of the economy and society. A most important source in recent years of funding for affordable housing development comes from the federal government in the form of tax credits (which result in reduced income tax payment by tax credit investors in exchange for equity funding). Additionally there are other federal grant and loan programs administered by the Department of Housing and Urban Development and other federal agencies. The State of California also plays a major role with a number of special financing and funding programs. Much of the state money is funded by voter approved bond measures paid for by all Californians.

Local governments play a large role in affordable housing. In addition, private sector lenders play an important role, some voluntarily and others less so with the requirements of the Community Reinvestment Act. Then there is the non-profit sector, both sponsors and developers that build much of the affordable housing.

In summary, all levels of government and many private parties, for profit and non-profit contribute to supplying affordable housing. Residential developers are not being asked to bear the burden alone any more than they are assumed to be the only source of demand or cause for

needing affordable housing in our communities. Based on past experience, the impact fee program will fund only a small percentage of the affordable housing needed in the City of Newark.

Disclaimers

This report has been prepared using the best and most recent data available at the time of the analysis. Local data and sources were used wherever possible. Major sources include the U.S. Census Bureau: 2010-2012 American Community Survey, California Employment Development Department and the IMPLAN model. While we believe all sources utilized are sufficiently sound and accurate for the purposes of this analysis, we cannot guarantee their accuracy. Keyser Marston Associates, Inc. assumes no liability for information from these and other sources.

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APPENDIX 1: MARKET SURVEY

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I. INTRODUCTION

One of the underlying components of the Residential Nexus Study is the identification of residential building prototypes that are expected to be developed in the City of Newark, both today and in the future, and what the market prices for those prototypes will be. These market prices are then used to estimate the incomes of new households that will live in those units and a quantification of the number and types of new jobs that will be created as a result of those households. In this section, Keyser Marston Associates (KMA) describes the residential building prototypes utilized for the analysis, summarizes the residential market data researched, and describes the market price point conclusions drawn therefrom.

II. RESIDENTIAL PROTOTYPES

In collaboration with City staff, a total of five market rate residential prototypes were selected for market pricing – four for-sale prototypes and one rental prototype. The intent of the selected prototypes is to identify representative development prototypes that are envisioned to be developed in Newark in the future. It is noted that one prototype, the stacked flat condominiums, is not commonly being developed outside of San Francisco and select high-value Peninsula and South Bay locales. However, stacked flat condos may become possible in Newark as the market continues to mature.

Residential Prototypes	Density	Avg. Unit Size
For-Sale Prototypes		
1) Larger Lot Single Family Detached Homes	8 du/acre	2,500 sq. ft.
2) Small Lot Single Family Detached	12 du/acre	2,000 sq. ft.
3) Townhomes	18 du/acre	1,500 sq. ft.
4) Stacked Flat Condominiums	50 du/acre	1,300 sq. ft.
Rental Prototype		
5) 2-3 Story Apartments	25 du/acre	850 sq. ft.

Source: KMA in collaboration with City of Newark

III. MARKET SURVEY & PRICE ESTIMATES

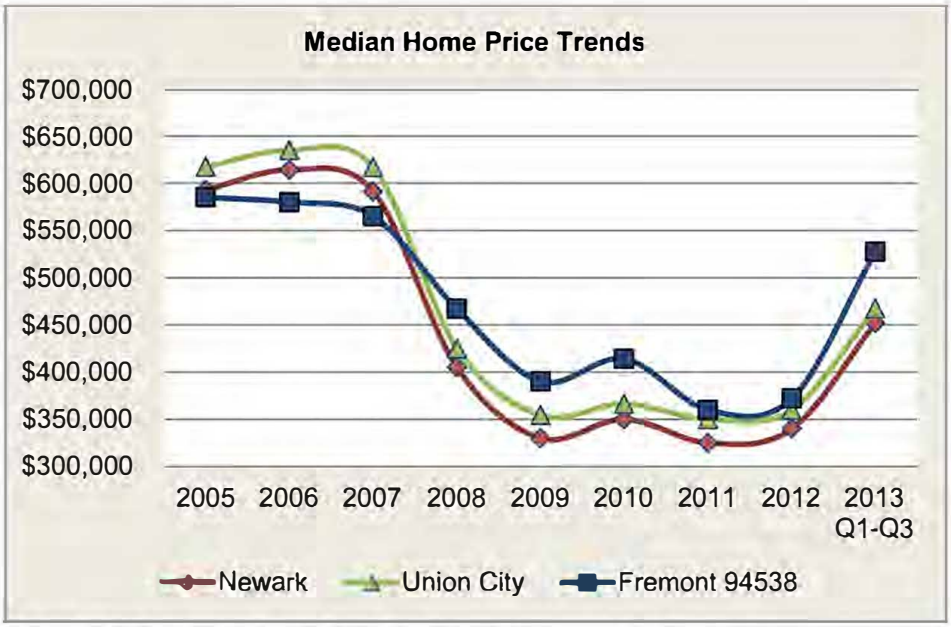
a) Residential Building Activity

The City of Newark has not had significant new home construction in the last ten years. A limited amount of developable land in Newark in combination with the downturn in the real estate market resulting from the recession has kept construction to a minimum. However, Newark is anticipating additional residential development in the coming years and has several large residential developments in the planning stages.

b) Overview of For-Sale Market

The median home price in Newark declined nearly half during the recession – from a high of $614,000 in 2006 to $325,000 in 2011 (there was a slight uptick in pricing in 2010 resulting from a temporary federal homebuyer tax credit). The median price rebounded significantly, about 30%, between 2012 and 2013.

Since Newark has experienced almost no new residential construction in recent years, market pricing for this analysis has also been based on a review of market comps in the neighboring cities of Fremont and Union City. The median home price chart below also includes Union City and Fremont (zip code 94538). As shown, the median home price trend for Union City and Fremont zip code 94538 is similar to that of Newark.



Source: Dataquick, city-data.com. Note: The median home prices for Fremont zip code 94538 (Irvington/South Fremont area) are the lowest of the four Fremont zip codes and the closest to the Newark medians.

The recent rebound in median home prices can be attributed to improvement in the broader economy as well as to continued favorable mortgage interest rates and low home inventories. It would be expected that the pace of home price escalation will moderate as home inventories increase to more typical levels, and as federal policy makers continue to allow mortgage interest rates to rise gradually from the historic lows experienced over the course of the last couple of years.

c) New For-Sale Home Projects and Pricing

In order to estimate market pricing of the four for-sale residential prototypes, KMA first researched asking prices of newly constructed homes currently on the market. Market research

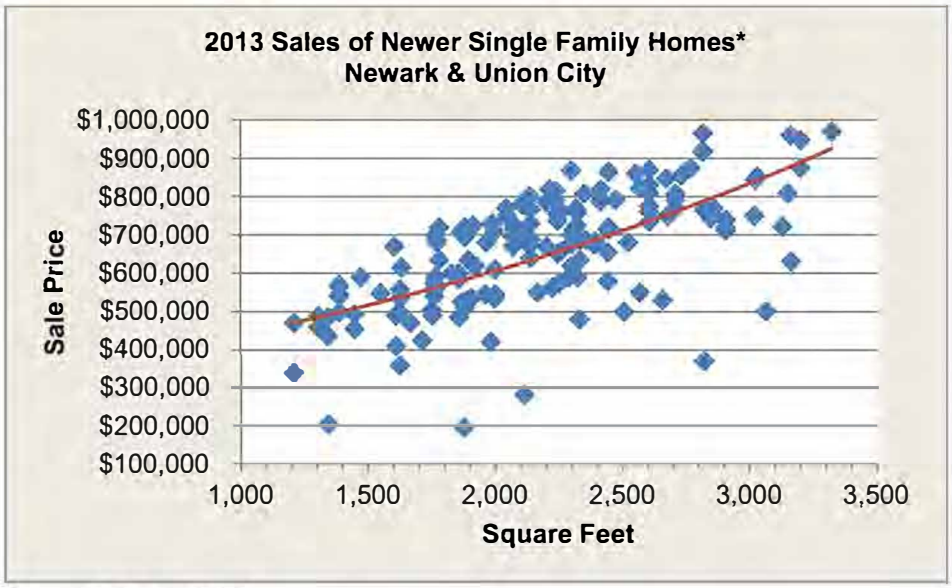
firm Real Estate Economics identified just one single family home development and two attached townhome developments currently being marketed for sale in the City of Fremont. There were no new projects identified in Newark or Union City.

Newly Built Residential Projects	Location	Unit Sizes	Price	Price PSF
Single Family Detached				
1) Central Park Terraces	Union St & Railroad Ave, Fremont (94538)	1,644 sf	$677,990	$412
		1,712 sf	$706,990	$413
		2,094 sf	$761,990	$364
Attached Townhomes				
1) Lunare Townhomes	Blacow & Fremont Blvd, Fremont (94538)	1,198 sf	$495,000	$413
		1,425 sf	$575,000	$404
2) Tavenna	Ardenwood Blvd & Paseo Padre, Fremont (94555)	1,246 sf	$578,490	$464
		1,617 sf	$693,490	$429
		1,701 sf	$720,490	$424
		1,969 sf	$753,490	$383

Source: Real Estate Economics (December 2013).

d) Re-Sale Home Prices

Given the limited number of newly built homes currently on the market, KMA also analyzed re-sale prices of existing homes as an additional source of data to estimate the prototype home prices. These prices are shown in the chart below.



**Homes built since 1990*
Source: Dataquick

e) For-Sale Prototype Price Estimates

The pricing of new home developments currently on the market combined with the re-sale data noted above formed the basis for KMA's prototype price estimates. The prototype pricing estimates took into consideration the following factors:

- Based on the median home prices in Newark as compared to Union City and Fremont (zip code 94538), the prototype pricing assumes somewhat lower pricing in Newark than in these neighboring locales;
- In general, larger homes sell for a higher total price but a lower price per square foot than smaller homes; and
- In general, newly built homes sell for a premium over re-sales, all else being equal.

Consistent with these factors, the prices of the Newark residential prototypes have been conservatively estimated lower than the three new developments currently being marketed in Fremont but are higher than the trend line average of re-sale homes.

For-Sale Prototype Price Estimates	Size	Price	Price PSF
Prototype 1: Larger Lot Single Family Detached Homes	2,500 sf	$787,500	$315
Prototype 2: Small Lot Single Family Detached	2,000 sf	$700,000	$350
Prototype 3: Townhomes	1,500 sf	$562,500	$375
Prototype 4: Stacked Flat Condominiums	1,300 sf	$580,000*	$446*

**Price required for feasibility*

It is noted that the sale price for the stacked flat condominium prototype is based on a price required for feasibility rather than a theoretical current market price. Historically, stacked flat condominiums have not been built in Newark or in neighboring jurisdictions due to the fact that the prices that these types of units can be sold for in this area are not sufficient to offset the higher development cost. This study assumes that stacked flat condominiums will only be built if market prices are sufficient to achieve financially feasibility.

f) Rental Housing Market

Average apartment rents in Newark are positioned at roughly the mid-point of other cities in Alameda County and slightly above neighboring Fremont and Union City.

Alameda County Average Apartment Rents (Q4 2013)		
1.	Berkeley	$2,502
2.	Emeryville	$2,294
3.	Oakland	$2,133
4.	Dublin	$2,035
5.	Pleasanton	$1,924
6.	Newark	$1,856
7.	Fremont	$1,801
8.	Union City	$1,798
9.	Alameda	$1,757
10.	Livermore	$1,615
11.	Hayward	$1,465
12.	Castro Valley	$1,430
13.	San Leandro	$1,305

Source: RealFacts

In general, the apartment market throughout the Bay Area has enjoyed increasingly healthy conditions in the last few years, evidenced by rising rents and high occupancy rates.

In order to estimate apartment rents for newly built units in Newark, KMA conducted a survey of eleven apartment developments in Newark, Union City, and Fremont. Of these properties, the range of rents is roughly as follows (additional detail is contained in Appendix 1: Table 1):

Apartment Survey	Average Sq. Ft.	Average Rent	Rent/Sq. Ft.
1-Bedroom	744 sf	$1,809 - $2,120	$2.43 - $2.85
2-Bedroom	982 sf	$2,165 - $2,371	$2.20 - $2.41
All Unit Sizes	863 sf	$1,989 - $2,239	$2.30 - $2.59

Source: KMA Survey (December 2013)

g) Rental Prototype Rent Estimates

The following are KMA's rent estimates for the Newark rental prototype. While rent growth has been significant over the course of the last several years in the Newark market, we have not escalated current rents for purposes of this analysis. We anticipate the rate of rent growth to slow in the balance of 2014.

Rental Prototype Rent Estimates	Sq. Ft.	Rent/Month	Rent/Sq. Ft.
Prototype 5: 2-3 Story Apartments	850 sf	$2,000	$2.35

APPENDIX 1, TABLE 1
ASKING APARMENT RENTS - SELECT DEVELOPMENTS IN NEWARK, UNION CITY, FREMONT
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

	Sq. Ft.	Low Rent	High Rent	Low $/SF	High $/SF
Newark Apartments					
Sycamore Bay	*37171 Sycamore Street, Newark (Built 1998)*				
1 BD/ 1 BA	665	$1,921	$2,111	$2.89	$3.17
1 BD/ 1 BA	709	$1,920	$2,041	$2.71	$2.88
2 BD/ 2 BA	958	$2,984	$3,110	$3.11	$3.25
2 BD/ 2 BA	963	$2,241	$2,241	$2.33	$2.33
2 BD/ 2 BA	977	$2,407	$2,407	$2.46	$2.46
2 BD/ 2 BA	1,008	$2,210	$2,437	$2.19	$2.42
Average	880	$2,281	$2,391	$2.59	$2.72
Bay Bridge Apartments	*35655 Haley Street, Newark (Built 1981)*				
1 BD/ 1 BA	487	$1,380	$1,380	$2.83	$2.83
2 BD/ 1 BA	749	$1,645	$1,645	$2.20	$2.20
Average	618	$1,513	$1,513	$2.45	$2.45
Alderwood Park	*37057 Magnolia Street, Newark (Built 1986)*				
1 BD/ 1 BA	685	$1,521	$1,636	$2.22	$2.39
2 BD/ 1 BA	850	$1,776	$1,939	$2.09	$2.28
2 BD/ 2 BA	909	$1,922	$1,922	$2.11	$2.11
Average	815	$1,740	$1,832	$2.14	$2.25
Union City Apartments					
Avalon Union City	*24 Union Square, Union City (Built 2009)*				
1 BD/ 1 BA	683	$1,725	$2,800	$2.53	$4.10
1 BD/ 1 BA	700	$1,755	$2,800	$2.51	$4.00
1 BD/ 1 BA	732	$1,750	$2,840	$2.39	$3.88
1 BD/ 1 BA	792	$1,830	$2,875	$2.31	$3.63
1 BD/ 1 BA	919	$1,850	$2,895	$2.01	$3.15
2 BD/ 1 BA	1,146	$2,195	$3,505	$1.92	$3.06
2 BD/ 2 BA	1,331	$2,305	$3,625	$1.73	$2.72
Average	900	$1,916	$3,049	$2.13	$3.39
Eaves Union City	*2175 Decoto Road, Union City (Built 1973)*				
1 BD/ 1 BA	650	$1,660	$1,795	$2.55	$2.76
1 BD/ 1 BA	650	$1,500	$1,520	$2.31	$2.34
2 BD/ 1 BA	830	$1,885	$1,970	$2.27	$2.37
2 BD/ 1 BA	830	$1,795	$1,835	$2.16	$2.21
Average	740	$1,710	$1,780	$2.31	$2.41

	Sq. Ft.	Low Rent	High Rent	Low $/SF	High $/SF
Verandas	*33 Union Square, Union City (Built 1989)*				
1 BD/ 1 BA	603	$1,630	$2,244	$2.70	$3.72
1 BD/ 1 BA	777	$1,735	$2,537	$2.23	$3.27
2 BD/ 2 BA	955	$1,998	$2,854	$2.09	$2.99
Average	778	$1,788	$2,545	$2.30	$3.27
Skylark	*34655 Skylark Drive, Union City (Built 1986)*				
1 BD/ 1 BA	716	$1,575	$1,575	$2.20	$2.20
2 BD/ 1 BA	850	$1,620	$1,620	$1.91	$1.91
2 BD/ 2 BA	913	$1,775	$1,790	$1.94	$1.96
2 BD/ 2 BA	946	$1,795	$1,830	$1.90	$1.93
Average	856	$1,691	$1,704	$1.98	$1.99
Fremont Apartments					
Paragon	*3700 Beacon Avenue, Fremont (Built 2013)*				
1 BD/ 1 BA	685	$1,865	$1,895	$2.72	$2.77
1 BD/ 1 BA	738	$1,960	$2,050	$2.66	$2.78
1 BD/ 1 BA	832	$2,115	$2,130	$2.54	$2.56
1 BD/ 1 BA	854	$2,190	$2,190	$2.56	$2.56
2 BD/ 2 BA	1,058	$2,430	$2,475	$2.30	$2.34
2 BD/ 2 BA	1,111	$2,650	$2,650	$2.39	$2.39
2 BD/ 2 BA	1,159	$2,575	$2,575	$2.22	$2.22
2 BD/ 2 BA	1,179	$2,500	$2,645	$2.12	$2.24
Average	952	$2,286	$2,326	$2.40	$2.44
Archstone Fremont Center	*39410 Civic Drive, Fremont (Built 2001)*				
1 BD/ 1 BA	786	$1,940	$1,960	$2.47	$2.49
1 BD/ 1 BA	798	$2,005	$2,005	$2.51	$2.51
1 BD/ 1 BA	925	$2,060	$2,160	$2.23	$2.34
1 BD/ 1 BA	1,050	$2,090	$2,090	$1.99	$1.99
2 BD/ 2 BA	982	$2,415	$2,505	$2.46	$2.55
2 BD/ 2 BA	1,039	$2,410	$2,410	$2.32	$2.32
3 BD/ 2 BA	1,421	$3,235	$3,235	$2.28	$2.28
Average	1,000	$2,308	$2,338	$2.31	$2.34
Creekside Village	*2999 Sequoia Avenue, Fremont (Built 1986)*				
1 BD/ 1 BA	640	$1,706	$1,994	$2.67	$3.12
1 BD/ 1 BA	720	$1,762	$1,968	$2.45	$2.73
2 BD/ 2 BA	870	$2,079	$2,260	$2.39	$2.60
2 BD/ 2 BA	910	$2,182	$2,442	$2.40	$2.68
Average	785	$1,932	$2,166	$2.46	$2.76
Avalon Fremont	*39939 Stevenson Common, Fremont (Built 1992)*				
1 BD/ 1 BA	761	$1,760	$1,790	$2.31	$2.35
1 BD/ 1 BA	785	$1,820	$1,845	$2.32	$2.35
2 BD/ 2 BA	1,056	$2,165	$2,205	$2.05	$2.09
Average	867	$1,915	$1,947	$2.21	$2.24

Source: Project websites; ApartmentGuide.com; Rent.com; RealFacts (December 2013)

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APPENDIX 2: SUPPORTING TECHNICAL TABLES

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APPENDIX 2, TABLE 1
WORKER OCCUPATION DISTRIBUTION, 2012
SERVICES TO HOUSEHOLDS EARNING $75-$100,000, RESIDENT SERVICES
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $75-$100,000
Management Occupations	*4.0%*
Business and Financial Operations Occupations	*3.4%*
Education, Training, and Library Occupations	*2.7%*
Healthcare Practitioners and Technical Occupations	*8.4%*
Healthcare Support Occupations	*4.9%*
Food Preparation and Serving Related Occupations	*14.8%*
Building and Grounds Cleaning and Maintenance Occupations	*5.7%*
Personal Care and Service Occupations	*5.2%*
Sales and Related Occupations	*14.3%*
Office and Administrative Support Occupations	*15.4%*
Installation, Maintenance, and Repair Occupations	*3.7%*
Transportation and Material Moving Occupations	*5.3%*
All Other Worker Occupations - Services to Households Earning $75-$100,000	*12.1%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $75-$100,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 4			
Management Occupations			
Chief Executives	$199,700	3.7%	0.2%
General and Operations Managers	$132,900	32.9%	1.3%
Sales Managers	$141,700	5.2%	0.2%
Administrative Services Managers	$101,200	3.9%	0.2%
Financial Managers	$144,800	6.7%	0.3%
Food Service Managers	$51,200	5.8%	0.2%
Medical and Health Services Managers	$113,500	7.6%	0.3%
Property, Real Estate, and Community Association Managers	$85,600	10.8%	0.4%
Social and Community Service Managers	$74,600	3.6%	0.1%
All other Management Occupations (Avg. All Categories)	$119,300	19.8%	0.8%
Weighted Mean Annual Wage	*$119,300*	**100.0%**	**4.0%**
Business and Financial Operations Occupations			
Human Resources Specialists	$74,600	5.9%	0.2%
Labor Relations Specialists	$81,200	3.8%	0.1%
Management Analysts	$103,200	5.9%	0.2%
Training and Development Specialists	$86,500	4.2%	0.1%
Market Research Analysts and Marketing Specialists	$86,100	7.1%	0.2%
Business Operations Specialists, All Other	$89,300	13.1%	0.4%
Accountants and Auditors	$80,100	17.1%	0.6%
Financial Analysts	$98,300	4.7%	0.2%
Personal Financial Advisors	$81,000	5.4%	0.2%
Loan Officers	$83,100	4.7%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$85,700	28.2%	1.0%
Weighted Mean Annual Wage	*$85,700*	**100.0%**	**3.4%**
Education, Training, and Library Occupations			
Vocational Education Teachers, Postsecondary	$57,600	4.6%	0.1%
Preschool Teachers, Except Special Education	$33,900	12.7%	0.3%
Elementary School Teachers, Except Special Education	$71,200	9.2%	0.2%
Middle School Teachers, Except Special and Career/Technical Education	$71,000	4.1%	0.1%
Secondary School Teachers, Except Special and Career/Technical Education	$71,600	6.4%	0.2%
Self-Enrichment Education Teachers	$51,100	10.9%	0.3%
Substitute Teachers	$41,500	4.6%	0.1%
Teachers and Instructors, All Other, Except Substitute Teachers	$60,400	7.4%	0.2%
Teacher Assistants	$32,000	15.9%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$50,200	24.1%	0.7%
Weighted Mean Annual Wage	*$50,200*	**100.0%**	**2.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	3.8%	0.3%
Physicians and Surgeons, All Other	$190,500	4.4%	0.4%
Registered Nurses	$115,100	31.1%	2.6%
Dental Hygienists	$98,900	3.8%	0.3%
Pharmacy Technicians	$47,100	5.0%	0.4%
Licensed Practical and Licensed Vocational Nurses	$60,400	9.5%	0.8%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$105,900	42.4%	3.6%
Weighted Mean Annual Wage	*$105,900*	**100.0%**	**8.4%**
Healthcare Support Occupations			
Home Health Aides	$29,100	21.3%	1.0%
Nursing Assistants	$35,300	32.9%	1.6%
Dental Assistants	$40,300	10.0%	0.5%
Medical Assistants	$37,700	17.0%	0.8%
All Other Healthcare Support Occupations (Avg. All Categories)	$34,800	18.8%	0.9%
Weighted Mean Annual Wage	*$34,800*	**100.0%**	**4.9%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$31,700	7.0%	1.0%
Cooks, Fast Food	$19,900	4.8%	0.7%
Cooks, Restaurant	$26,200	9.0%	1.3%
Food Preparation Workers	$22,800	6.3%	0.9%
Bartenders	$22,600	5.0%	0.7%
Combined Food Preparation and Serving Workers, Including Fast Food	$21,500	26.1%	3.9%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$20,600	3.6%	0.5%
Waiters and Waitresses	$21,600	21.0%	3.1%
Dining Room and Cafeteria Attendants and Bartender Helpers	$19,400	3.2%	0.5%
Dishwashers	$21,600	4.4%	0.7%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$20,900	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$22,700	6.6%	1.0%
Weighted Mean Annual Wage	*$22,700*	**100.0%**	**14.8%**
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Housekeeping and Janitorial Workers	$47,200	3.4%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$31,800	51.0%	2.9%
Maids and Housekeeping Cleaners	$29,600	12.4%	0.7%
Landscaping and Groundskeeping Workers	$31,600	25.1%	1.4%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Cat	$32,000	8.2%	0.5%
Weighted Mean Annual Wage	*$32,000*	**100.0%**	**5.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 3 of 4			
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$42,900	3.6%	0.2%
Nonfarm Animal Caretakers	$25,500	5.1%	0.3%
Ushers, Lobby Attendants, and Ticket Takers	$22,300	3.7%	0.2%
Amusement and Recreation Attendants	$22,700	5.9%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$29,500	16.8%	0.9%
Manicurists and Pedicurists	$18,900	3.0%	0.2%
Childcare Workers	$23,600	11.8%	0.6%
Personal Care Aides	$22,600	25.9%	1.4%
Fitness Trainers and Aerobics Instructors	$50,600	5.6%	0.3%
Recreation Workers	$28,200	5.3%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$27,100	13.1%	0.7%
Weighted Mean Annual Wage	*$27,100*	**100.0%**	**5.2%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,500	9.8%	1.4%
Cashiers	$26,400	25.5%	3.6%
Counter and Rental Clerks	$33,900	4.6%	0.7%
Retail Salespersons	$28,700	37.1%	5.3%
Sales Representatives, Services, All Other	$71,400	3.1%	0.4%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientif	$73,800	5.3%	0.8%
Real Estate Sales Agents	$36,700	3.4%	0.5%
All Other Sales and Related Occupations (Avg. All Categories)	$35,100	11.2%	1.6%
Weighted Mean Annual Wage	*$35,100*	**100.0%**	**14.3%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,400	6.5%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	$45,900	7.5%	1.2%
Customer Service Representatives	$43,200	9.4%	1.4%
Receptionists and Information Clerks	$34,600	7.9%	1.2%
Stock Clerks and Order Fillers	$29,100	11.0%	1.7%
Executive Secretaries and Executive Administrative Assistants	$60,100	3.4%	0.5%
Medical Secretaries	$41,800	4.7%	0.7%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$43,500	10.2%	1.6%
Office Clerks, General	$37,400	13.8%	2.1%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$41,800	25.6%	3.9%
Weighted Mean Annual Wage	*$41,800*	**100.0%**	**15.4%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$80,500	7.8%	0.3%
Automotive Body and Related Repairers	$51,400	5.5%	0.2%
Automotive Service Technicians and Mechanics	$50,300	20.0%	0.7%
Bus and Truck Mechanics and Diesel Engine Specialists	$58,500	3.3%	0.1%
Maintenance and Repair Workers, General	$45,800	35.4%	1.3%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$51,800	28.0%	1.0%
Weighted Mean Annual Wage	*$51,800*	**100.0%**	**3.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $75-$100,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 4 of 4			
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$35,600	6.4%	0.3%
Driver/Sales Workers	$34,100	7.9%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$44,800	13.1%	0.7%
Light Truck or Delivery Services Drivers	$37,300	11.4%	0.6%
Taxi Drivers and Chauffeurs	$29,100	3.6%	0.2%
Parking Lot Attendants	$27,400	4.1%	0.2%
Industrial Truck and Tractor Operators	$43,400	3.4%	0.2%
Cleaners of Vehicles and Equipment	$24,500	6.3%	0.3%
Laborers and Freight, Stock, and Material Movers, Hand	$31,400	23.4%	1.2%
Packers and Packagers, Hand	$23,700	7.0%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$33,800	13.4%	0.7%
Weighted Mean Annual Wage	*$33,800*	**100.0%**	**5.3%**
			87.9%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2012 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for Alameda County, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 3% or more of the major occupation group

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 3
WORKER OCCUPATION DISTRIBUTION, 2012
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $100,000 to $150,000
Management Occupations	*3.9%*
Business and Financial Operations Occupations	*3.4%*
Education, Training, and Library Occupations	*3.2%*
Healthcare Practitioners and Technical Occupations	*8.1%*
Healthcare Support Occupations	*4.7%*
Food Preparation and Serving Related Occupations	*14.8%*
Building and Grounds Cleaning and Maintenance Occupations	*5.6%*
Personal Care and Service Occupations	*5.4%*
Sales and Related Occupations	*14.7%*
Office and Administrative Support Occupations	*15.3%*
Installation, Maintenance, and Repair Occupations	*3.5%*
Transportation and Material Moving Occupations	*5.3%*
All Other Worker Occupations - Services to Households Earning $100,000 to $150,000	*12.1%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 4			
Management Occupations			
Chief Executives	$199,700	3.8%	0.1%
General and Operations Managers	$132,900	33.5%	1.3%
Sales Managers	$141,700	5.2%	0.2%
Administrative Services Managers	$101,200	3.9%	0.2%
Financial Managers	$144,800	6.8%	0.3%
Food Service Managers	$51,200	5.9%	0.2%
Medical and Health Services Managers	$113,500	7.3%	0.3%
Property, Real Estate, and Community Association Managers	$85,600	8.6%	0.3%
Social and Community Service Managers	$74,600	4.0%	0.2%
Managers, All Other	$134,300	3.1%	0.1%
All other Management Occupations (Avg. All Categories)	$120,700	17.8%	0.7%
Weighted Mean Annual Wage	*$120,700*	**100.0%**	**3.9%**
Business and Financial Operations Occupations			
Human Resources Specialists	$74,600	5.9%	0.2%
Labor Relations Specialists	$81,200	4.0%	0.1%
Management Analysts	$103,200	5.8%	0.2%
Training and Development Specialists	$86,500	4.3%	0.1%
Market Research Analysts and Marketing Specialists	$86,100	6.9%	0.2%
Business Operations Specialists, All Other	$89,300	13.2%	0.5%
Accountants and Auditors	$80,100	16.6%	0.6%
Financial Analysts	$98,300	4.8%	0.2%
Personal Financial Advisors	$81,000	5.8%	0.2%
Loan Officers	$83,100	4.9%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$85,700	27.9%	1.0%
Weighted Mean Annual Wage	*$85,700*	**100.0%**	**3.4%**
Education, Training, and Library Occupations			
Vocational Education Teachers, Postsecondary	$57,600	4.7%	0.1%
Preschool Teachers, Except Special Education	$33,900	13.0%	0.4%
Elementary School Teachers, Except Special Education	$71,200	9.1%	0.3%
Middle School Teachers, Except Special and Career/Technical Education	$71,000	4.0%	0.1%
Secondary School Teachers, Except Special and Career/Technical Education	$71,600	6.2%	0.2%
Self-Enrichment Education Teachers	$51,100	10.8%	0.3%
Substitute Teachers	$41,500	4.4%	0.1%
Teachers and Instructors, All Other, Except Substitute Teachers	$60,400	7.5%	0.2%
Teacher Assistants	$32,000	15.8%	0.5%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$50,100	24.5%	0.8%
Weighted Mean Annual Wage	*$50,100*	**100.0%**	**3.2%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	4.1%	0.3%
Physicians and Surgeons, All Other	$190,500	4.3%	0.4%
Registered Nurses	$115,100	30.7%	2.5%
Dental Hygienists	$98,900	3.7%	0.3%
Pharmacy Technicians	$47,100	5.5%	0.4%
Licensed Practical and Licensed Vocational Nurses	$60,400	9.4%	0.8%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$105,500	42.2%	3.4%
Weighted Mean Annual Wage	*$105,500*	**100.0%**	**8.1%**
Healthcare Support Occupations			
Home Health Aides	$29,100	21.9%	1.0%
Nursing Assistants	$35,300	32.6%	1.5%
Dental Assistants	$40,300	9.9%	0.5%
Medical Assistants	$37,700	16.7%	0.8%
All Other Healthcare Support Occupations (Avg. All Categories)	$34,700	18.9%	0.9%
Weighted Mean Annual Wage	*$34,700*	**100.0%**	**4.7%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$31,700	7.0%	1.0%
Cooks, Fast Food	$19,900	4.8%	0.7%
Cooks, Restaurant	$26,200	9.0%	1.3%
Food Preparation Workers	$22,800	6.4%	0.9%
Bartenders	$22,600	5.0%	0.7%
Combined Food Preparation and Serving Workers, Including Fast Food	$21,500	26.2%	3.9%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$20,600	3.6%	0.5%
Waiters and Waitresses	$21,600	20.9%	3.1%
Dining Room and Cafeteria Attendants and Bartender Helpers	$19,400	3.2%	0.5%
Dishwashers	$21,600	4.4%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$20,900	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$22,700	6.6%	1.0%
Weighted Mean Annual Wage	*$22,700*	**100.0%**	**14.8%**
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Housekeeping and Janitorial Workers	$47,200	3.4%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$31,800	51.2%	2.9%
Maids and Housekeeping Cleaners	$29,600	11.9%	0.7%
Landscaping and Groundskeeping Workers	$31,600	25.2%	1.4%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Cat	$32,000	8.3%	0.5%
Weighted Mean Annual Wage	*$32,000*	**100.0%**	**5.6%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 3 of 4			
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$42,900	3.6%	0.2%
Nonfarm Animal Caretakers	$25,500	5.2%	0.3%
Ushers, Lobby Attendants, and Ticket Takers	$22,300	3.6%	0.2%
Amusement and Recreation Attendants	$22,700	5.9%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$29,500	15.9%	0.9%
Childcare Workers	$23,600	13.3%	0.7%
Personal Care Aides	$22,600	25.9%	1.4%
Fitness Trainers and Aerobics Instructors	$50,600	5.7%	0.3%
Recreation Workers	$28,200	5.3%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$27,300	15.6%	0.8%
Weighted Mean Annual Wage	*$27,300*	**100.0%**	**5.4%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,500	10.2%	1.5%
Cashiers	$26,400	26.5%	3.9%
Counter and Rental Clerks	$33,900	4.0%	0.6%
Retail Salespersons	$28,700	39.1%	5.8%
Sales Representatives, Services, All Other	$71,400	3.0%	0.4%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientifi	$73,800	4.2%	0.6%
All Other Sales and Related Occupations (Avg. All Categories)	$34,300	13.0%	1.9%
Weighted Mean Annual Wage	*$34,300*	**100.0%**	**14.7%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,400	6.6%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	$45,900	7.4%	1.1%
Customer Service Representatives	$43,200	9.4%	1.4%
Receptionists and Information Clerks	$34,600	7.7%	1.2%
Stock Clerks and Order Fillers	$29,100	11.7%	1.8%
Executive Secretaries and Executive Administrative Assistants	$60,100	3.3%	0.5%
Medical Secretaries	$41,800	4.5%	0.7%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$43,500	10.0%	1.5%
Office Clerks, General	$37,400	13.6%	2.1%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$41,700	25.8%	3.9%
Weighted Mean Annual Wage	*$41,700*	**100.0%**	**15.3%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$80,500	7.9%	0.3%
Automotive Body and Related Repairers	$51,400	5.9%	0.2%
Automotive Service Technicians and Mechanics	$50,300	21.8%	0.8%
Bus and Truck Mechanics and Diesel Engine Specialists	$58,500	3.4%	0.1%
Tire Repairers and Changers	$31,000	3.3%	0.1%
Maintenance and Repair Workers, General	$45,800	32.1%	1.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$51,200	25.7%	0.9%
Weighted Mean Annual Wage	*$51,200*	**100.0%**	**3.5%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 4 of 4			
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$35,600	7.3%	0.4%
Driver/Sales Workers	$34,100	7.7%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$44,800	12.8%	0.7%
Light Truck or Delivery Services Drivers	$37,300	11.2%	0.6%
Taxi Drivers and Chauffeurs	$29,100	3.9%	0.2%
Parking Lot Attendants	$27,400	4.2%	0.2%
Industrial Truck and Tractor Operators	$43,400	3.2%	0.2%
Cleaners of Vehicles and Equipment	$24,500	6.4%	0.3%
Laborers and Freight, Stock, and Material Movers, Hand	$31,400	22.7%	1.2%
Packers and Packagers, Hand	$23,700	7.1%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$33,700	13.5%	0.7%
Weighted Mean Annual Wage	*$33,700*	**100.0%**	**5.3%**
			87.9%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2012 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for Alameda County, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 3% or more of the major occupation group

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 5
WORKER OCCUPATION DISTRIBUTION, 2012
SERVICES TO HOUSEHOLDS EARNING $150,000 AND OVER
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $150,000 and over
Management Occupations	*4.0%*
Business and Financial Operations Occupations	*3.5%*
Education, Training, and Library Occupations	*4.5%*
Healthcare Practitioners and Technical Occupations	*7.2%*
Healthcare Support Occupations	*4.1%*
Food Preparation and Serving Related Occupations	*14.0%*
Building and Grounds Cleaning and Maintenance Occupations	*5.9%*
Personal Care and Service Occupations	*5.6%*
Sales and Related Occupations	*15.0%*
Office and Administrative Support Occupations	*15.1%*
Installation, Maintenance, and Repair Occupations	*3.4%*
Transportation and Material Moving Occupations	*5.4%*
All Other Worker Occupations - Services to Households Earning $150,000 and over	*12.4%*
INDUSTRY TOTAL	100.0%

[1] Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $150,000 AND OVER
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 1 of 4			
Management Occupations			
Chief Executives	$199,700	3.9%	0.2%
General and Operations Managers	$132,900	33.8%	1.3%
Sales Managers	$141,700	5.1%	0.2%
Administrative Services Managers	$101,200	4.0%	0.2%
Financial Managers	$144,800	6.8%	0.3%
Food Service Managers	$51,200	5.5%	0.2%
Medical and Health Services Managers	$113,500	6.4%	0.3%
Property, Real Estate, and Community Association Managers	$85,600	7.5%	0.3%
Social and Community Service Managers	$74,600	4.2%	0.2%
Managers, All Other	$134,300	3.2%	0.1%
All other Management Occupations (Avg. All Categories)	$121,600	19.8%	0.8%
Weighted Mean Annual Wage	*$121,600*	**100.0%**	**4.0%**
Business and Financial Operations Occupations			
Human Resources Specialists	$74,600	5.7%	0.2%
Labor Relations Specialists	$81,200	4.0%	0.1%
Management Analysts	$103,200	5.8%	0.2%
Training and Development Specialists	$86,500	4.6%	0.2%
Market Research Analysts and Marketing Specialists	$86,100	6.7%	0.2%
Business Operations Specialists, All Other	$89,300	13.5%	0.5%
Accountants and Auditors	$80,100	16.2%	0.6%
Financial Analysts	$98,300	4.7%	0.2%
Personal Financial Advisors	$81,000	5.8%	0.2%
Loan Officers	$83,100	4.8%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	$85,800	28.1%	1.0%
Weighted Mean Annual Wage	*$85,800*	**100.0%**	**3.5%**
Education, Training, and Library Occupations			
Vocational Education Teachers, Postsecondary	$57,600	5.0%	0.2%
Preschool Teachers, Except Special Education	$33,900	12.8%	0.6%
Elementary School Teachers, Except Special Education	$71,200	8.9%	0.4%
Middle School Teachers, Except Special and Career/Technical Education	$71,000	4.0%	0.2%
Secondary School Teachers, Except Special and Career/Technical Education	$71,600	6.2%	0.3%
Self-Enrichment Education Teachers	$51,100	10.3%	0.5%
Substitute Teachers	$41,500	4.3%	0.2%
Teachers and Instructors, All Other, Except Substitute Teachers	$60,400	7.6%	0.3%
Teacher Assistants	$32,000	15.5%	0.7%
All Other Education, Training, and Library Occupations (Avg. All Categories)	$50,200	25.4%	1.1%
Weighted Mean Annual Wage	*$50,200*	**100.0%**	**4.5%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX 2, TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $150,000 AND OVER
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$131,300	4.6%	0.3%
Physicians and Surgeons, All Other	$190,500	4.2%	0.3%
Registered Nurses	$115,100	30.1%	2.2%
Dental Hygienists	$98,900	3.6%	0.3%
Pharmacy Technicians	$47,100	6.3%	0.5%
Licensed Practical and Licensed Vocational Nurses	$60,400	9.3%	0.7%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	$104,800	41.9%	3.0%
Weighted Mean Annual Wage	*$104,800*	**100.0%**	**7.2%**
Healthcare Support Occupations			
Home Health Aides	$29,100	22.6%	0.9%
Nursing Assistants	$35,300	32.1%	1.3%
Dental Assistants	$40,300	9.6%	0.4%
Medical Assistants	$37,700	16.4%	0.7%
All Other Healthcare Support Occupations (Avg. All Categories)	$34,600	19.3%	0.8%
Weighted Mean Annual Wage	*$34,600*	**100.0%**	**4.1%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$31,700	7.0%	1.0%
Cooks, Fast Food	$19,900	4.7%	0.7%
Cooks, Restaurant	$26,200	8.9%	1.2%
Food Preparation Workers	$22,800	6.5%	0.9%
Bartenders	$22,600	5.1%	0.7%
Combined Food Preparation and Serving Workers, Including Fast Food	$21,500	26.1%	3.7%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$20,600	3.7%	0.5%
Waiters and Waitresses	$21,600	20.8%	2.9%
Dining Room and Cafeteria Attendants and Bartender Helpers	$19,400	3.2%	0.4%
Dishwashers	$21,600	4.3%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$20,900	3.0%	0.4%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$22,700	6.6%	0.9%
Weighted Mean Annual Wage	*$22,700*	**100.0%**	**14.0%**
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Housekeeping and Janitorial Workers	$47,200	3.4%	0.2%
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers	$53,300	3.0%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$31,800	51.6%	3.0%
Maids and Housekeeping Cleaners	$29,600	11.0%	0.6%
Landscaping and Groundskeeping Workers	$31,600	25.5%	1.5%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Cat	$32,700	5.4%	0.3%
Weighted Mean Annual Wage	*$32,700*	**100.0%**	**5.9%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
\\Sf-fs2\wp\16\16090\001\150k plus Newark 2-26-14; 2/27/2014; dd

APPENDIX 2, TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $150,000 AND OVER
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers

Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$42,900	3.7%	0.2%
Nonfarm Animal Caretakers	$25,500	5.5%	0.3%
Ushers, Lobby Attendants, and Ticket Takers	$22,300	3.7%	0.2%
Amusement and Recreation Attendants	$22,700	6.2%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$29,500	13.9%	0.8%
Childcare Workers	$23,600	16.8%	0.9%
Personal Care Aides	$22,600	24.3%	1.4%
Fitness Trainers and Aerobics Instructors	$50,600	6.0%	0.3%
Recreation Workers	$28,200	5.2%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$27,300	14.8%	0.8%
Weighted Mean Annual Wage	*$27,300*	**100.0%**	**5.6%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,500	10.5%	1.6%
Cashiers	$26,400	26.9%	4.0%
Counter and Rental Clerks	$33,900	3.8%	0.6%
Retail Salespersons	$28,700	40.0%	6.0%
Sales Representatives, Services, All Other	$71,400	3.0%	0.5%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientifi	$73,800	3.4%	0.5%
All Other Sales and Related Occupations (Avg. All Categories)	$34,000	12.4%	1.9%
Weighted Mean Annual Wage	*$34,000*	**100.0%**	**15.0%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,400	6.5%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	$45,900	7.4%	1.1%
Customer Service Representatives	$43,200	9.5%	1.4%
Receptionists and Information Clerks	$34,600	7.3%	1.1%
Stock Clerks and Order Fillers	$29,100	12.1%	1.8%
Executive Secretaries and Executive Administrative Assistants	$60,100	3.4%	0.5%
Medical Secretaries	$41,800	3.9%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$43,500	10.3%	1.5%
Office Clerks, General	$37,400	13.8%	2.1%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$41,700	25.8%	3.9%
Weighted Mean Annual Wage	*$41,700*	**100.0%**	**15.1%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$80,500	7.9%	0.3%
Automotive Body and Related Repairers	$51,400	5.8%	0.2%
Automotive Service Technicians and Mechanics	$50,300	22.3%	0.8%
Bus and Truck Mechanics and Diesel Engine Specialists	$58,500	3.6%	0.1%
Tire Repairers and Changers	$31,000	3.5%	0.1%
Maintenance and Repair Workers, General	$45,800	31.1%	1.0%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$51,200	25.8%	0.9%
Weighted Mean Annual Wage	*$51,200*	**100.0%**	**3.4%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
\\Sf-fs2\wp\16\16090\001\150k plus Newark 2-26-14; 2/27/2014; dd

APPENDIX 2, TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION, 2013
SERVICES TO HOUSEHOLDS EARNING $150,000 AND OVER
RESIDENTIAL NEXUS ANALYSIS
CITY OF NEWARK, CA

Occupation [3]	2013 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total Resident Services Workers
Page 4 of 4			
Transportation and Material Moving Occupations			
Bus Drivers, School or Special Client	$35,600	9.2%	0.5%
Driver/Sales Workers	$34,100	7.2%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$44,800	12.5%	0.7%
Light Truck or Delivery Services Drivers	$37,300	10.8%	0.6%
Taxi Drivers and Chauffeurs	$29,100	4.5%	0.2%
Parking Lot Attendants	$27,400	4.4%	0.2%
Cleaners of Vehicles and Equipment	$24,500	6.1%	0.3%
Laborers and Freight, Stock, and Material Movers, Hand	$31,400	21.6%	1.2%
Packers and Packagers, Hand	$23,700	6.9%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	$33,400	16.8%	0.9%
Weighted Mean Annual Wage	*$33,400*	**100.0%**	**5.4%**
			87.6%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2012 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2012 Occupational Employment Survey data for Alameda County, updated by the California Employment Development Department to 2013 wage levels.

[3] Including occupations representing 3% or more of the major occupation group

APPENDIX L

RESOLUTION NO. 10,132

RESOLUTION NO. 10,132

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING A PARKS IMPACT FEE OF $7,460 PER RESIDENTIAL UNIT UNDER GOVERNMENT CODE SECTION 66001, REPEALING THE PARK-IN-LIEU FEE (RESOLUTION NO. 5799) AND AMEND THE MASTER FEE SCHEDULE (RESOLUTION NO. 10094) TO REFLECT THESE CHANGES

WHEREAS, the City Council of the City of Newark ("City") is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, California Government Code Section 66000 et seq. allows local governments to impose impact fees on new development in order to recover the cost of improvements that are needed to serve that new development; and

WHEREAS, the City of Newark adopted a Park-in-lieu fee by Resolution No. 5799 on May 25, 1989 and established a Quimby Fee by Ordinance No. 264, introduced on March 22, 1990; and

WHEREAS, both of these existing fees are outdated and need to be brought into conformity with current conditions in the City; and

WHEREAS, the City desires to have a single, updated parks impact fee that will ensure that new development pays the cost to continue the current parks standard; and

WHEREAS, the City has prepared the attached 2013 Newark Parks Impact Fee Study which establishes a reasonable relationship between the parks fee and the purpose of the fee; and

WHEREAS, the City has duly noticed, advertised, scheduled, and held a Public Hearing on September 26, 2013; and

WHEREAS, on September 26, 2013, the City Council reviewed material presented in the staff report including the Newark Parks Impact Fee Study, concerning the purpose of the fee and the relationship between the fee and its purpose; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1) The City herby receives and approves the Newark Parks Impact Fee Study.

2) After considering the Newark Parks Impact Fee Study, this Resolution, and the testimony received at a public hearing, the City herby makes the following findings:

   a) The Park Impact Fee approved pursuant to this Resolution shall be used to fund the cost of parkland acquisition, park and recreation facility development, construction

attributable to new residential development in the City, and any administrative cost associated with the park impact fee program; and

b) The Newark Parks Impact Fee Study demonstrates that there is a reasonable relationship between the amount of the Park Impact Fee and the cost of park facilities attributable to the development upon which the fee is proposed. Since the need for park and recreation facilities is inherently population-driven associated park facility costs are assessed based on average household population.

3) The City finds pursuant to the California Environmental Quality ACT ("CEQA") this action is not a "project" because the Resolution provides a mechanism for funding the acquisition and development of parks but does not involve a commitment to any specific project for such purposes that may result in a potential significant impact on the Environment (CEQA guidelines Section 15378)

4) The City does hereby approve the following park impact fee on new residential development for park land acquisition and development of park and recreational facilities.

Park Impact Fee of $7,460 per residential dwelling unit.

5) The Park Impact Fee would not apply to approved projects that have a Development Agreement or Vesting Tentative Map unless the provisions of the document allow the application of such fees.

6) Residential Developers shall be given a credit against this fee for the actual cost of public parks included in their developments.

7) The Park-in-Lieu fee established by Resolution 5799 is hereby rescinded.

8) The Master Fee Schedule is hereby amended to add a Park Impact Fee of $7,460 and to delete the Park In Lieu Fee and the Quimby Fee, as outlined in Exhibit A.

9) Effective Date: This resolution shall be effective upon the effectiveness of the repeal of Ordinance No. 264 (Quimby Fee).

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on September 26, 2013, by Vice Mayor Apodaca, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES:	Council Members Collazo, Freitas, Marshall, Vice Mayor Apodaca, and Mayor Nagy
NOES:	None
ABSENT:	None
SECONDED:	Council Member Collazo

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

Enterprise Fund - Cost Center	Account No.	Description	Fee (in dollars)
V. CAPITAL ASSETS - CONSTRUCTION ENTERPRISE FUND			
A. DEVELOPMENT			
104-0000 208-0000	3740	1. Street Trees	
		a. City Planted (three year maintenance)	325/tree
104-0000	3850	2. Park Impact Fee	7,460/dwelling unit
		~~2. Park-in-lieu~~	
		~~a. Subdivisions *~~	
		~~(1) Single-family home~~	~~2,998/dwelling unit~~
		~~(2) Multi-family home~~	~~2,278/dwelling unit~~
		~~b. Conditional use permits **~~	
		~~(1) Two or less bedrooms~~	~~1,800/dwelling unit~~
		~~(2) Three bedrooms~~	~~2,000/dwelling unit~~
		~~(3) Four or more bedrooms~~	~~2,200/dwelling unit~~
		~~* Established by Ordinance No. 264. See Chapter 16.30 NMC for definitions of single and multi-family homes.~~	
400-0000	3860 PSF	~~** An additional fee, based on actual cost for services, may be charged for rentals requiring additional personnel or maintenance~~	
		3. Capital Facilities *	
		a. Public Safety	
		(1) Single-family residential	1,989/unit
		(2) Multi-family residential	2,079/unit
		(3) Commercial	1.73/square foot

2013 Newark Parks Impact Fee Study

Summary

This study calculates the cost to maintain a standard of three acres of improved parkland per 1,000 residents at $7,476.52. This amount has a reasonable relationship to the purpose of the parks impact fee and would be the maximum parks impact fee amount for the City of Newark.

Purpose of the Newark Parks Impact Fee

The City of Newark's parks impact fee is intended to ensure that the city has adequate parks facilities to serve both new and existing residents, commensurate with the level of parks facilities available to current residents of the city and the standard set forth in the city's general plan.

The recreation element of Newark's general plan establishes a standard of three acres of parkland for every 1,000 residents. This is compatible with the amount of parkland that is currently available to Newark residents, as is shown through the data and calculations below.

Park	Acres
Community Park	16.54
Lakeshore Park	25.96
Musick Park	0.76
MacGregor School Park	10.3
Eucalyptus Grove North	1.64
Mayhews Landing Park	8.35
Mirabeau Park	6.02
Bridgepointe Park	3.53
Birch Grove Park	14.37
Ash Street Park	6.00
Civic Center Park	5.00
Eucalyptus Grove South	3.38
Byington Park	2.97
Silliman Recreation Center Park	24.23
TOTAL	129.05

According to the 2010 U.S. Census, the population of Newark is 42,573. This means that Newark currently has a ratio of 3.03 park acres per 1,000 residents. Based on this

information and the standard set in the Newark General Plan, the impact is calculated based on 3 acres of parkland per 1,000 residents.

Calculation of the Newark Parks Impact Fee

The calculation to develop the impact fee is as shown below:

Cost per household = (Total cost of one acre of parkland) X
(Parks standard per person) X
(People per household)

Each of the three inputs to the calculation is explained below.

Total cost of one acre of parkland
The total cost of one acre of parkland includes both the land cost and the improvement cost. The land cost is the average asking price per acre of vacant land over 0.75 acre in size in the Tri-Cities area (Newark, Fremont and Union City) on one day during the period this study was being prepared (April 26, 2013). Smaller properties were eliminated because of their higher price per acre and the fact that the smallest park in Newark is 0.76 acres (Musick Park). This sample included 15 properties, which are listed in the appendix to this study. To ensure that the average price is reasonable and not unduly influenced by outliers, the two highest and two lowest costs per acre were discarded for the calculation. The result was an average land cost of $345,792.67 per acre.

The improvement cost includes the cost of park design and planning as well as the cost of the improvements themselves. These costs would vary depending on the size of the park and the level of improvements. Park design and planning could be accomplished for approximately $25,000 to $75,000 per park, depending on the level of complexity and the amount of work completed by city staff. For purposes of these calculation, an average of $25,000 per acre of parkland is included for design and planning.

Industry standards for park improvements vary according to the level of improvements needed, with passive use facilities and natural areas requiring less funds per acre and active facilities such as playfields, playgrounds, and bathrooms requiring more. New parks in Newark are expected to be primarily for active use, and therefore an average cost of $200,000 per acre is anticipated.

Parks standard per person
The parks standard, as established by the Newark General Plan and the current situation in the city, is 3 acres per 1,000 residents.

People per household

The average number of people per household according to the 2010 U.S. Census is 3.28.

Fee Amount
Using the formula and data described above, the fee amount would be $7,462.52 per household or dwelling unit.

Reasonable Relationship between the Purpose of the Fee and the Amount of the Fee

The fee per dwelling unit is a direct calculation of the cost to acquire and improve the land needed to maintain the city's standard of three acres of parkland per 1,000 residents. Therefore, there is a reasonable relationship between the purpose of the fee and the amount of the fee.

Appendix: Data Used in Land Cost Calculations

Listings for Vacant Land in Newark, Fremont & Union City

on mls.com on April 26, 2013

Address	City	MLS #	Acres	Asking Price	$$/acre
0 VARGAS RD	Fremont	81219469	20.03	1,250,000	$62,406.39
42088 VARGAS RD	Fremont	40575230	20.03	1,250,000	$62,406.39
0 MILL CREEK RD	Fremont	40600478	54.08	3,599,000	$66,549.56
0 E WARREN AV	Fremont	81300462	2.27	350,000	$154,185.02
00 Warren Ave	Fremont	40610199	2.27	350,000	$154,185.02
501 CRYSTALLINE	Fremont	21303973	18.29	3,000,000	$164,024.06
OMAHA WAY	Fremont	40595845	6.77	1,200,000	$177,252.58
8100 MOWRY AVE W	Newark	40599644	34.36	6,500,000	$189,173.46
4897 ST FRANCIS TE	Fremont	81206823	6.19	1,200,000	$193,861.07
4700 HORNER ST	Union City	40611674	1.7	480,000	$282,352.94
467 RIVIERA DR	Union City	40600791	1.25	430,000	$344,000.00
71 MONTCLAIRE DR	Fremont	40593157	2.67	1,999,888	$749,021.72
36341 MISSION BLVD	Fremont	40606221	0.79	1,050,000	$1,329,113.92
0 UNION CITY BLVD	Union City	40430173	2	3,500,000	$1,750,000.00
37629 FREMONT BLVD	Fremont	40586326	0.92	2,150,000	$2,336,956.52

APPENDIX M

RESOLUTION NO. 10505

RESOLUTION NO. 10505

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK INCREASING THE PARKS IMPACT FEE UNDER GOVERNMENT CODE SECTION 66001, REPEALING THE FEE PREVIOUSLY ESTABLISHED IN RESOLUTION NO. 10132, AND AMENDING THE MASTER FEE SCHEDULE TO REFLECT THESE CHANGES

WHEREAS, the City Council of the City of Newark, a general law city ("City"), is authorized to prescribe and establish fees in regard to services or functions performed by the City for the public in a governmental and proprietary capacity; and

WHEREAS, California Government Code Section 66000 et seq. allows local governments to impose impact fees on new development in order to recover the cost of improvements that are needed to serve that new development; and

WHEREAS, the existing Parks Impact Fee is insufficient, outdated, and needs to be brought into conformity with current conditions in the City; and

WHEREAS, the City desires to have an updated Parks Impact Fee that will ensure that all new development pays the cost to continue the current parks standard; and

WHEREAS, the City has retained Keyser Marston Associates to prepare the Parks and Recreation Facility Development Impact Fee Study, dated May 2016, which establishes a reasonable relationship between the parks fee and the purpose of the fee, which study is incorporated herein and attached as Exhibit A; and

WHEREAS, the City has duly noticed, advertised, scheduled, and held a Public Hearing on June 9, 2016; and

WHEREAS, on June 9, 2016, the City Council reviewed material presented in the staff report including the Parks and Recreation Facility Development Impact Fee Study, concerning the purpose of the fee and the relationship between the fee and its purpose; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newark which hereby finds, declares, and resolves that:

1) The City herby receives and approves the Parks and Recreation Facility Development Impact Fee Study ("Fee Study"), which is attached as Exhibit A to this Resolution.

2) In adopting this Resolution, the City Council is exercising its powers under Article XI, Sections 5 and 7 of the California Constitution, Chapter 5 of Division 1 of the Government Code ("Mitigation Fee Act"), commencing with Section 66000, collectively and separately.

3) After considering the Fee Study, this Resolution, and the testimony received at a public hearing, the City Council hereby makes the following findings:

a) In accordance with Section 66001, subdivision a, paragraph 1 of the Mitigation Fee Act, the purpose of the fees set forth in this Resolution, as specified in Exhibit A, is to provide for an expansion in parks and recreation capital facilities in the City as new growth occurs;

b) In accordance with Section 66001, subdivision a, paragraph 2 of the Mitigation Fee Act, the fees collected pursuant to this Resolution, as specified in Exhibit A, shall be used to acquire land for parks and to construct improvements, such as playing fields, a skate park, or dog park, and other recreational uses and facilities for the City, and shall be used to fund any administrative cost associated with the park impact fee program;

c) In accordance with Section 66001, subdivision a, paragraph 3 of the Mitigation Fee Act, there is a reasonable relationship between the fees use (to pay for the acquisition of park and recreational facilities) and the type of development for which the fees are imposed in that the fees will be applied to residential development in the City, which will generate demands for park and recreational facilities;

d) In accordance with Section 66001, subdivision a, paragraph 4 of the Mitigation Fee Act, the Fee Study demonstrates that there is a reasonable relationship between the amount of the Park Impact Fees and the cost of park facilities attributable to the development upon which the fee is proposed. Since the need for park and recreation facilities is inherently population-driven associated park facility costs are assessed based on average household population; and

e) In accordance with Section 66001, subdivision b of the Mitigation Fee Act, there is a reasonable relationship between the amount of the fees and cost of providing the parkland and park and recreational facilities attributable to the development in the City upon which the fees are imposed in that the fees have been calculated by apportioning the cost of parkland acquisition and park facilities construction to the number of residents attached by each type of new residential unit.

4) The City finds pursuant to the California Environmental Quality Act ("CEQA") this action is not a "project" because the Resolution provides a mechanism for funding the acquisition and development of parks but does not involve a commitment to any specific project for such purposes that may result in a potential significant impact on the Environment (CEQA guidelines Section 15378, Pub. Res. Code Section 21080(b)(8)(D)).

5) The cost estimates set forth in the Fee Study are reasonable estimates for acquiring parkland and constructing park and recreational facilities and the fees expected to be generated by future development will not exceed the future projected cost of acquiring parkland and constructing park and recreational facilities.

6) The method of allocation of the fees to particular development bears a fair relationship and is roughly proportional to each development's burden on and benefits from the park and recreational facilities to be funded by the fees, in that the fees are calculated based on the number of residents each particular development will attract.

7) The Fee Study is a detailed analysis of how parks and recreational services will be affected by development in the City and the parks and recreational facilities necessary to accommodate that development.

8) The fees are consistent with the General Plan and, pursuant to Government Code Section 65913.2, the City Council has considered the effects of the fees with respect to the City's housing needs as established in the housing element of the General Plan.

9) The fee amounts set forth in this Resolution include the fair and reasonable costs of administration of the fee programs and are within the requirements of the Mitigation Fee Act and other applicable law.

10) The fees are subject to adjustment, which approximate the fluctuation in market costs, and shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California. Additionally, seeing that land acquisition costs are an important component of the fee, the City shall review land acquisition costs every two years.

11) The City does hereby approve the following park impact fees on new residential development for park land acquisition and development of park and recreational facilities as follows:

Type of Unit	Fees for Projects that Do Not Dedicate Adequate Land for Parks	Fees for Projects that Dedicate Adequate Land for Parks
Single Family Unit	$25,000	$7,500
Multiple Family Units	$18,000	$5,300

(The fees shall be adjusted annually in accordance with the Engineering News Record Construction Cost Index, San Francisco, California.)

12) The Park Impact Fees shall not apply to approved projects that have a Development Agreement or Vesting Tentative Map unless the provisions of the document allow the application of such fees.

13) Residential Developers shall be given a credit against this fee for the actual cost of public parks included in their developments.

14) Resolution No. 10,132, which established the previous Park Impact Fee, is hereby rescinded.

15) The Master Fee Schedule is hereby amended to reflect the Park Impact Fees as set forth in this Resolution.

16) Effective Date: This resolution shall be effective upon date of adoption of this Resolution. In accordance with Government Code Section 66017, the fees set by this Resolution shall be effective 60 days from the effective date of this Resolution.

17) Severability. Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fees or other provisions of this Resolution be adjusted to be invalid and unenforceable, the remaining component or provisions shall be and continue to be fully effective, and the fees shall be fully effective except as to that component which has been judged to be invalid.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on June 9, 2016, by Council Member Bucci, who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

AYES:	Council Members Hannon, Collazo, Bucci, Vice Mayor Freitas, and Mayor Nagy
NOES:	None
ABSENT:	None
SECONDED:	Vice Mayor Freitas

APPROVED:

s/ALAN L. NAGY
Mayor

ATTEST:

s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:

s/DAVID J. BENOUN
City Attorney

APPENDIX N

PARK AND RECREATION FACILITY DEVELOPMENT IMPACT FEE STUDY

Resolution No. 10505
Exhibit A



KEYSER MARSTON ASSOCIATES

PARK AND RECREATION FACILITY DEVELOPMENT IMPACT FEE STUDY

Prepared for:
City of Newark

Prepared by:
Keyser Marston Associates, Inc.

May 2016

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I. INTRODUCTION, SUMMARY OF CURRENT PROGRAM, RESULTS, AND RECOMMENDATIONS

This Parks and Recreation Facility Development Impact Fee nexus analysis provides the City of Newark (the City) with the necessary technical documentation to support updating its current Park Impact Fee. This nexus analysis has been prepared by Keyser Marston Associates, Inc. (KMA).

A. Summary of Current Program and City Objectives for Impact Fee

The City currently levies a park impact fee of $7,460 per unit. The impact fees are used to acquire land and construct parks to meet the City's per capita parks service standard of 3 acres of parks per 1,000 residents. The City's per capita park standards and service park standards are contained in the City's General Plan.

The City's park impact fee is an "all-inclusive" park fee that addresses the impacts of new residential development on all types of recreational facilities including parks, playfields, aquatics and recreation centers. Although some cities have fees that are targeted to particular uses, the all-inclusive strategy is preferable because it provides the City with a greater degree of flexibility.

B. Report Background and Legal Context

The Mitigation Fee Act (AB 1600 et seq.) permits cities to adopt parks and recreation development impact fees on new development to fund the associated, additional costs of providing parks and recreation capital facilities. Unlike the City's current land dedication requirement, which was established in conformance with the Quimby Act, the Mitigation Fee Act allows for fees to be charged to all new development that increases the need for capital facilities, including in-fill projects.[1]

This Report provides the necessary technical analysis to support a schedule of fees to be established by an Impact Fee Ordinance and Resolution. The Mitigation Fee Act allows the City to adopt by Resolution a fee schedule consistent with the supporting technical analysis and findings provided in this Report. The Resolution's approach to setting the fee allows periodic adjustments of the fee amount as may be necessary over time, without amending the enabling Ordinance.

The technical analysis in this Report estimates the parks and recreation facility fee schedule that will fund new development's "fair share" contribution to future City investments in parks. The key requirements of the Mitigation Fee Act that determine the structure, scope, and amount of the proposed Fee Program are as follows:

[1] Quimby Act fees under the Subdivision Map Act can only be charged on new, subdivided residential development. Quimby Act fees would not apply to projects that do not require a subdivision map, such as infill projects.

- **Collected for Capital Facility and Infrastructure Improvements.** Development impact fee revenue can be collected and used to cover the cost of capital facilities and infrastructure required to serve new development and growth in the City. However, impact fee revenue cannot be used to cover the operation and maintenance costs of these or any other facilities and infrastructure.

- **Cannot Fund Existing Needs.** Impact fee revenue cannot be collected or used to cover deficiencies in existing City capital equipment and facilities. The portion of capital costs required to meet the needs of the City's existing population must be funded through other sources. Capital facility investments that increase service standards for existing and new development must be split on a "fair share" basis according to the proportion attributable to each.

- **Must be Based on a Rational Nexus.** An impact fee must be based on a reasonable nexus, or connection, between new growth and development and the need for a new facility or improvement. As such, an impact fee must be supported by specific findings that explain or demonstrate this nexus. In addition, the impact fee amount must be structured such that the revenue generated does not exceed the cost of providing the facility or improvement for which the fee is imposed.

The City can choose to charge parks and recreation development impact fees below the maximum, supportable fee schedule. Such downward adjustments in the fee schedule, if selected, are typically based on policy considerations related to considerations of development feasibility and fee levels in peer cities.

C. Facility Standards and Cost Allocation Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards may also be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is an important component in determining development's need for new facilities and the amount of the supported fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with the existing city infrastructure.

The City has a long established a standard of 3 acres per 1,000 residents. This standard was reaffirmed in the updated General Plan that was approved in 2013 after significant community input. The parks and recreation facilities fees calculated in this report uses the City's stated service standard and the cost of developing new parks to estimate the cost of maintaining the existing level of service to new residents through the buildout of the General Plan. New development will be required to fund the expansion of facilities at the same rate that existing development has provided to date. Thus, new development will not be funding any existing deficiency.

Excluding school-owned parks, there is currently approximately 3.01 acres of parks per 1,000 residents, which is equivalent to the City's stated per capita service standard.

The City has identified some, but not all of the planned new parks to potentially be funded by the fee (and other sources, as necessary) through the 2035 planning horizon of the General Plan.[2] The City is in the process of preparing a Park Master Plan, which will prioritize future park development.

D. Maximum and Recommended Fee Schedules

Table 1 shows the City's maximum supportable parks and recreation fee schedule as well as the recommended fee schedule. The maximum fee schedule is based on the nexus findings and technical analysis contained in this Report and represents the maximum parks and recreation fees the city could charge consistent with the Mitigation Fee Act. The calculation of the fee is presented in Section III of this report. The recommended fee schedule reflects a downward adjustment from the maximum supported fee. The recommendations are based on the fee levels being charged by surrounding communities. While we have identified a recommended fee range, the City has the discretion to adopt any fee amount up to the maximum amount supported by the nexus analysis.

Consistent with the City's current fee structure, we are recommending that the impact fee remain an "all-inclusive" park fee that addresses the impacts of new residential development on all types of recreational facilities including parks, playfields, aquatics and recreation centers. Although some cities have fees that are targeted to particular uses, the all-inclusive strategy is preferable because it provides the City with a greater degree of flexibility.

The parks and recreation development impact fees will apply to new residential development to fund a share of future parks and recreation capital facilities investments in the City. The fee estimates include a 2 percent (2%) fee program administration fee, consistent with other Mitigation Fee Act program administrative costs in many other California jurisdictions.[3]

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[2] Appendix Table A-3

[3] The 2 percent administration cost allowance is designed to cover the costs of preparing the development impact fee as well as the required reporting, auditing, collection and other annual administrative costs involved in overseeing the program. Development impact fee programs throughout California have applied similar administrative charges.

Table 1: Maximum and Recommended Park Fees

	Maximum Supported Fees[4]		Recommended Fees	
	Fee for Projects that Do Not Dedicate Land for Parks	*Fee for Projects that Dedicate Land for Parks*	*Fee for Projects that Do Not Dedicate Land for Parks*	*Fee for Projects that Dedicate Land for Parks*
Single Family Units	$31,000	$7,700	$22,000 to $25,000	$6,500 to $7,500
Multi Family Units	$31,000	$7,700	$15,000 to $18,000	$4,500 to $5,300

As shown in Table 1, the estimated maximum parks and facilities impact fee to fund both land acquisition and the construction of parks improvements that could be levied approximates $31,000 per dwelling unit. For projects that dedicate land, a fee is only needed to fund facilities. The maximum facility fee amount is $7,700 per dwelling unit.

Fee comparisons with surrounding cities indicate that at these maximum levels, the City would be adopting parks and recreation fees that exceed the amounts being levied in surrounding cities. Given this consideration as well as the consideration that the City levies other impact fees, we are recommending that the adopted fees be less than the maximum fee levels. We are also recommending reduced fee levels on multi-family construction because of the reduced capacity of multi-family developments to absorb the same level of per unit costs as single family developments. While we have identified a recommended fee range, the City has the discretion to adopt any fee amount up to the maximum amount supported by the nexus analysis.

As shown in Table 1, the recommended fee to cover both land acquisition and facilities costs is $22,000 to $25,000 per unit for single family units and $15,000 to $18,000 per unit for multi-family units. For developments that dedicate sufficient land for park development the recommended fee range would be $6,500 to $7,500 per unit for single family units and $4,500 to $5,300 per unit for multifamily units.

E. Fee Indexing

Since land and construction costs continue to rise, it is important that the cost be indexed to inflation. The fee should be adjusted annually by a construction cost index, such as the Engineering News Record. Furthermore, land acquisition costs, which are an important component of the total fee and actual construction costs should be reviewed by the City at least every two years.

[4] The calculation of the maximum fee levels is presented in Section III of this report.

II. MITIGATION FEE ACT NEXUS FINDINGS

This chapter describes the necessary "nexus" between new development in Newark and the proposed capital facilities investments, as required under the Mitigation Fee Act – Government Code Section 66000 (AB1600). The new parks and recreation development impact fees will fund the investments in parks and recreation facilities, improvements, and land acquisitions required to maintain existing levels of park facilities service in the City - the "fair share" contribution of new development.

Nexus findings address: (1) the ***purpose*** of the fee and a related description of the facility for which fee revenue will be used, (2) the specific ***use*** of fee revenue, 3) the ***relationship*** between the facility and the type of development, (4) the relationship between the ***need*** for the facility and the type of development, and (5) the relationship between the amount of the fee and the ***proportionality*** of cost specifically attributable to new development. The subsections below describe the nexus findings for the Parks and Recreation Facility Development Impact Fee.

A. Purpose

The fee will ensure an expansion in parks and recreation capital facilities in the City of Newark as new growth occurs.

B. Use of Fee

Fee revenue will be used to acquire land for parks and to construct improvements, such as playing fields, a skate park, or dog park, etc.

C. Relationship

New residential development in the City of Newark will increase the demand for and use of parks and recreation facilities. Fee revenue will be used to help fund new parks and recreation facilities in response to the increased demand.

D. Need

Each new residential project will bring new residents to the City and will generate incremental, new demand and use of the City's parks and recreation facilities. New revenues to fund investments in additional parks and recreation capital improvements are necessary to maintain the City's parks and recreation capital facilities service standards.

E. Proportionality

The maximum, supportable parks and recreation fee schedule has been based on a parks and recreation capital facilities cost estimate derived by applying the proportionate increase in residential population associated with new development to the existing operative service standard/value of parks and park improvements. As a result, the fee program cost estimates are directly proportional to the relative increase in new development.

III. DEMAND FOR NEW PARK AND RECREATION FACILITIES AND SUPPORTED IMPACT FEE AMOUNTS

A. Service Population

The City's General Plan has established the City's standard for functional public parkland at 3.0 acres per 1,000 residents. Therefore, under the City's policy, new residents are the determining driver/service population for new park and recreation facilities. As shown in Table 2, the City's population totaled approximately 43,342 in 2013 at the time that the General Plan was prepared. By 2035 the population is anticipated to reach 60,510, reflecting an increase of 17,168 people over roughly the next 20 years.

Table 2: Service Population

	Residents	Service Population
2013 Population	43,342	43,342
New Development (through-2035)	17,168	17,168
Total, 2035	60,510	60,510

Source: General Plan

B. Average Household Size

Since residential park impact fees are often levied per residential unit, the average household size is needed to convert the demand of new residents into the demand of new residential units. The residential occupant density factors for both single-family and multi-family units are derived from data from the US Census' American Community Survey. As shown below, the average household size is 3.23 persons per household.

Table 3: Average Household Size Assumptions

All Residential Units	3.23

Source: American Community Survey 2010 - 2014.

C. Parks and Recreation Facility Inventory and Standards

As summarized in Table 4 and detailed in Appendix Table A-1, the City has a total inventory of 130.6 acres of existing parks. Of the existing acreage, approximately 44% are community parks, 45% are neighborhood parks, and 11% are specialized parks. There are currently no parks under construction. The City is currently preparing a Parks Master Plan, which will detail the City's objectives for future park construction.

Table 4: Existing and Under Construction City Park Acres

	Existing Acres	Under Construction	Total Acres
Community Parks	58.1	0	58.1
Neighborhood Parks	58.8	0	58.8
Specialized Recreation Areas	13.7	0	13.7
All City Park Acreage	130.6	0	130.6

Source: Newark General Plan. Park Inventory is detailed in Appendix Table A-1.

The City is currently providing a service level of 3.01 acres per 1,000 residents. The current inventory of park acreage in Newark meets or exceeds the City's per capita service standard of 3.0 acres per 1,000 residents.

Table 5: Current Service Standard - Park Acres per 1,000 Residents

	Existing Acres	Under Construction	Total Acres
City Park Acreage	**130.6**	**0**	**130.6**
Acres per 1,000 Residents	3.01		3.01
General Plan Standard - Acres per 1,000 Residents			**3.00**

D. Parkland Development Costs

Table 6 provides an estimate of the cost of developing new parks, including the cost of acquiring land for park development. Land acquisition cost estimates are based on recent land sales for residentially zoned property or commercial sites that are part of residential development, as provided in Appendix Table A-2. Given that the City intends to provide parks in proximity to residential neighborhoods, the cost of acquiring residential land is the appropriate indicator of park acquisition costs. Residential land acquisition costs generally range from $43 to $75 per square foot of land area. For purposes of this analysis, a land cost of $60 per square foot has been used, which reflects the average cost of sites of less than 20 acres.

The cost of developing park facilities varies significantly, depending on the nature of the facilities. Based on information provided by City staff, facility construction costs can range from approximately $12 per square foot up to $45 per square foot. For purposes of updating the City's park fee, a cost of $18 per square foot or $784,000 per acre has been assumed. As shown in Table 6, the cost to develop an acre of parkland is estimated to total $3,136,000 including land and park development costs or $784,000 excluding land acquisition costs.

Table 6: Park Development Costs per Acre

Land Acquisition Costs per Acre[1]	$2,352,000
Park Improvement Costs per Acre[2]	$784,000
Total Park Development Cost Per Acre	**$3,136,000**

[1] Reflects average value of recent land sales in residential areas in Newark. Please see Appendix Table A-2.

[2] Cost estimate reflects City staff's estimate of average park construction costs.

E. Park and Recreation Facilities Needed to Accommodate New Residential Development

Table 7 provides the estimate of the park acreage needed to accommodate the demand generated by new residents at the existing service level of 3.0 acres per 1,000 residents. As shown, it is estimated that an additional 51.5 acres of improved parks will be needed to serve the needs of new residents through the General Plan buildout period of 2035. The cost of providing the needed parks is estimated to total approximately $164.7 million including the cost of acquiring land ($9,596 per additional new resident) and $41.2 million, excluding the cost of land ($2,399 per additional new resident).

Table 7: Park Land and Improvement Needs to Serve New Residents

New Residents (through 2035)		17,168		
Current General Plan Parks Service Standard		3.00	acres per 1,000 residents	
Additional Park Acres to Serve New Residents		**51.504**		
			Land + Improvements	***Improvements Only***
Cost per Acre	*(Table 6)*		$3,136,000	$784,000
Administration Cost Allowance		**2.00%**	$62,720	$15,680
Total Cost per Acre			$3,198,720	$799,680
Additional Park Acres to Serve New Residents			51.504	51.504
Total Park Investment Required to Serve New Residents			$164,746,875	$41,186,719
Cost Per New Resident			**$9,596.16**	**$2,399.04**

F. Maximum Impact Fees Supported by Nexus Analysis

As shown above, the cost to provide new facilities to serve the demand of new residents is estimated at $2,399 per resident excluding land acquisition costs and $9,596 per resident including land acquisition costs. By applying the average density of 3.23 residents per residential unit, it is estimated that the maximum supported parks and recreation impact fees is $7,700 per residential unit excluding land acquisition costs and $31,000 per residential unit including land acquisition costs.

Table 8: Maximum Parks Fees Supported by Nexus Analysis

		Fee for Projects that do not Dedicate Land (Fee Funds Land + Improvement Costs)	*Fee for Projects that Dedicate Land (Fee Funds Improvement Costs)*
Maximum Fee per New Resident	*(Table 7)*	$9,596.16	$2,399.04
Maximum Fee per New Household	**3.23 persons per hhld.**	$30,996	$7,749
	Rounded	$31,000	$7,700

In the simplest mathematical form, the equation for calculating the maximum fee per household is as follows:

(per capita park service standard) X (cost per acre) X (average household size per unit) = maximum fee per household

Incorporating the information specific to this analysis for Newark, the formula is as follows:

(3 acres/1000 residents) X ($3,198,720/acre) X (3.23 residents/unit) = $30,996 per unit; and
(3 acres/1000 residents) X ($799,680/acre) X (3.23 residents/unit) = $7,749 per unit.

IV. USE OF FEE REVENUE

The City plans to use park impact fee revenue to acquire parkland and construct facilities to add to the system of park and recreation facilities. The park facilities that are planned at this time are listed in Appendix Table A-3.

The City is embarking on a comprehensive Citywide Park Master Plan to assess community needs, provide greater project detail, and prioritize projects. The outcome of the Master Plan should be used to review the fee and consider any appropriate modifications.

V. IMPACT FEES IN NEIGHBORING CITIES, MAXIMUM SUPPORTED FEES, AND RECOMMENDED FEES

A. Park and Recreation Fees in Neighboring Jurisdictions

KMA surveyed the impact fees levied by the nearby cities of Union City, Fremont, Hayward, Dublin, Pleasanton and San Leandro. The park and recreation facility impact fees and total impact fees for these cities are presented in Appendix Table A-4. They are summarized in Table 9.

Table 9: Comparison of Fees[1]

	Per Unit Park Fees		Total Per Unit Impact Fees	
	Single Family	Multi Family	Single Family	Multi Family
Newark	$7,460	$7,460	$12,462	$12,045
Union City -Subdivision - Avg.	$28,193	$28,193	$42,075	$38,138
Union City - Non-subdivision	$2,746 to $3,096	$2,746 to $3,096	$16,628 to $16,978	$12,691 to $13,041
Fremont[2]	0 BR - $9,220 4 BR - $29,502	0 BR - $9,220 4 BR - $29,502	0 BR - $12,363 4 BR - $31,012	0 BR - $12,363 4 BR - $31,012
Hayward	$11,953	$9,653	$11,953	$9,653
Dublin	$19,227	$12,017	$30,197	$19,229
Pleasanton	$9,709	$7,969	$22,206	$16,256
San Leandro[3]	$16,079	$14,054	$17,416 to $18,094	$15,891 to $16,069

[1] excludes affordable housing fees and fees charged on building permit valuations.

[2] for units with more than 4 bedrooms, additional park fee is $5,531 per bedroom. Total additional fee is $6,210 per bedroom.

[3] Pertains to non-senior units.

As shown, Newark's existing parks fee at $7,460 per dwelling unit is the lowest among the surveyed cities. The second lowest parks fee is levied by Pleasanton, with a fee of $9,709 per unit. There is also a large disparity among the surveyed cities, ranging from $9,700 per unit in Pleasanton to $29,500 per unit[5] in Fremont. Pleasanton and Hayward are at the lower end of the range, Fremont and Union City (up to $28,193 per unit) are at the high end, and San Leandro and Dublin are in the middle of the range.

B. Maximum and Recommended Impact Fees

We recommend that the adopted fees be set below the maximum in order to be consistent with the fees of other cities in the market area and to not overly burden the cost of new development, given that the City has other impact fees. Separate and reduced fee recommendations are

[5] Fee amount varies by bedroom count. $29,502 is the fee for a four-bedroom unit.

offered for multi-family units in recognition that multi-family units typically cannot bear the same level of impact fees as single family developments.

Table 10: Maximum and Recommended Park Fees

	Maximum Supported Fees		Recommended Fees	
	Fee for Projects that Do Not Dedicate Land for Parks	*Fee for Projects that Dedicate Land for Parks*	*Fee for Projects that Do Not Dedicate Land for Parks*	*Fee for Projects that Dedicate Land for Parks*
Single Family Units	$31,000	$7,700	$22,000 to $25,000	$6,500 to $7,500
Multi Family Units	$31,000	$7,700	$15,000 to $18,000	$4,500 to $5,300

VI. FEE PROGRAM IMPLEMENTATION AND ADMINISTRATION

The Mitigation Fee Act includes a series of reporting requirements designed to ensure that development impact fee revenues are properly accounted for, used appropriately, and that, where funds are ultimately not used, are reimbursed. In addition, jurisdictions adopting fee programs should determine their preferred approach to updating the fee schedule and whether they intend to allow for exemptions, credits, and reimbursements (under any additional circumstances). The following fee program implementation and administration parameters are our standard recommendations. The City's existing program may already include some or all of these recommendations.

1. Credits, Reimbursement, and Exemptions

Under certain and limited circumstances, as determined by the City, the Impact Fee Resolution could allow developers subject to the fee to obtain credits, reimbursements, or exemptions. In cases of redevelopment, the demolition of space should provide a fee credit. In other words, the gross fee obligation should be calculated based on the scale of the proposed new development, with a fee credit to be applied for existing square footage to be removed (or retained) using the applicable fee for the existing square footage (land uses). Residential units that are being replaced due to a natural disaster are also exempt from the impact fees. And, units that are subject to the existing land dedication requirements will only be subject to the parks facility impact fee and not the entire fee that covers both land acquisition and park improvement costs.

All other fee credits and/or reimbursements should not be allowed by right but rather should be subject to review by City staff and Council to ensure that such credits or reimbursements are warranted and appropriate. Potential examples where fee credits and reimbursements might be considered include: (1) cases where a Development Agreement specifically envisions extraordinary, direct investments in parks and recreation facilities of equal to or greater value to the City than the applicable parks and recreation fees; and 2) exemptions where the City elects not to impose fees for certain categories of development, such as affordable developments, are also an option, though alternative funding sources to offset a loss in fee revenue would need to be provided.

2. Securing Supplemental Funding

The maximum, supportable development impact fee is set to cover the parks and recreation facilities investments that will maintain citywide capital facilities standards as new growth occurs. To the extent that the adopted fee is less than the maximum and/or the City's goals envision an overall increase in parks and recreation facilities and parkland standards, supplemental funding will be required to fund park facilities. In addition, to the extent that exemptions are provided for particular types of development, supplemental funding will be required to make up for this lost funding.

3. Annual Review and Periodic Study Update

The Mitigation Fee Act/AB 1600 (at Gov. C. §§ 66001(c), 66006(b)(1)) stipulates that each local agency that requires payment of a fee make specific information available to the public annually within 180 days of the last day of the fiscal year. This information includes the following:

- A description of the type of fee in the account
- The amount of the fee
- The beginning and ending balance of the fund
- The amount of fees collected and interest earned
- Identification of the improvements constructed
- The total cost of the improvements constructed
- The fees expended to construct the improvement
- The percentage of total costs funded by the fee

Because of the dynamic nature of growth and capital equipment requirements, the City should monitor inventory activity, the need for improvements, and the adequacy of the fee revenues and other available funding. To the extent particular issues are identified, adjustments to the fee program may be required.

APPENDIX A: Park Inventory, Residential Land Sales, Park Construction Costs, and Impact Fees of Neighboring Cities

Appendix Table A-1
Newark City Park Inventory
Newark, CA

Park Name	Acres	Faciliites
Neighborhood Parks		
Jerry Raber Ash Street Park	6.1	play structures, softball fields, basketball court, picnic, horseshoe pit
Susan Johnson Bridgepoint Park	3.5	play structures, picnic facilities
Byington Park	3	play structures, picnic facilities
Civic Center Park	5.1	play structures, basketball court, par course, picnic facilities
Lakeshore Park	26	lawn, paths, par course. 16-acre water area with fishing and boating
Mayhews Landing Park	8.3	play structures, basketball court, picnic facilities
Mirabeau Park	6	play structures, paths, picnic facilities
Musick Park	0.8	play structures, picnic facilities
Total, Neighborhood Parks	**58.8**	
Community Parks		
Birch Grove Park	12.2	play structures, lighted softball, basketball, tennis, picnic, restrooms, water feature
Community Park	16.3	play structures, warm-up wall, basketball, handball, lawn, paths, tennis, picnic, community center
Sportsfield Park/Silliman Center	29.6	softball fields, soccer fields, aquatic center, gymnasium, showers, locker room, dance studio, fitness center, teen room, children's room, meeting room, childcare
Total, Community Parks	**58.1**	
Special Use Parks		
Shirley Sisk Grove	3.2	open space for summer concerts
MacGregor Fields	10.5	soccer and baseball practice fields
Total, Special Use Parks	**13.7**	
Total, City Parks	**130.6**	

Source: Newark General Plan

Appendix Table A-2
Recent Land Sales in Residential Areas
Newark, CA

	Address	Date	Price	Sq. Ft.	Price per SF	Proposed Use	Current use	Buyer
1	8400 Enterprise Drive	1/21/2016	$39,650,000	929,135	$42.67	Single family	industrial land	Trumark
2	37521 Willow Street	11/16/2015	$14,930,000	198,634	$75.16	Entitled for townhomes	residential land	Lennar Homes
3	8375 Enterprise Drive	9/25/2015	$5,500,000	93,218	$59.00	Approved for 27 homes. It is part of the Dumbarton Transit-Oriented Development. Other note indicates that site will be used to construct a 34,000 sf industrial bldg.		Buyer is Honeywell International, Inc. Seller is Trumark.
4	36120 Ruschin Drive	5/15/2015	$19,250,000	442,134	$43.54	Single family	Newark school bldg.	Classic Communities
5	38945 Timber Street	1/29/2015	$7,360,000	100,188	$73.46	Commercial to serve new residential development or part of residential	commercial land	DR Horton
6	5655 Mowry Avenue (Mowry Crossings)	1/29/2015	$44,032,000	673,220	$65.41	Investment - 147 townhomes, 93 condos and 42 detached sf	vacant Mervyn's; Motel 6	DR Horton
	Average		**$130,722,000**	**2,436,529**	**$53.65**			
	Average of sites less than 20 acres		**$91,072,000**	**$1,507,394**	**$60.42**			

Appendix Table A-3
Potential Additional Park Improvements
Newark, CA

Facility	Location	Origin/Status
Skate Park	Undetermined	CIP
Dog Park	Undetermined	CIP
New Turf Fields	Sportsfield Park	City Staff
Cedar Blvd Linear Park	Northwest Newark	General Plan
Dumbarton TOD to Wildlife Refuge; Refuge Connection Trail RR Overcrossing	Dumbarton TOD	Specific Plan
Sisk Grove Improvments: Ampitheater, Conncession Area & Bathrooms	Shirley Sisk Grove	New Park Master Plan
Silliman Picnic Area	Adjacent to Silliman Center	City Staff
Aquatic Area Replacment	Community Park	City Staff
Birch Grove Undeveloped Area	Birch Grove Park	City Staff
New 6 acre park in the TOD	Enterprise and Hickory	Specific Plan
Bocce Ball Courts	Undetermined	CIP
Birch Grove Park Softball Field Night Lighting	Birch Grove Park	CIP
Bridgepointe Park Path Completion	Bridgepointe Park	CIP
Byington Park Security Lighting	Byington Park	CIP
Civic Center Park Completion	Civic Center	CIP
Community Park Group Picnic Facility	Community Park	CIP
Jerry Raber Ash St. Park - Remaining Phases	Jerry Raber Ash St. Park	CIP
Mayhews Landing Park Completion	Mayhews Landing Park	CIP
Mirabeau Park Security Lighting	Mirabeau Park	CIP
Senior Center Community Garden	Jerry Raber Ash St. Park	CIP
Silliman Complex - Remaining Phases	Silliman/Sportsfield	CIP
Silliman Complex - Maintenance/Restroom Facility	Silliman/Sportsfield	CIP

APPENDIX TABLE A-4
COMPARISON OF RESIDENTIAL IMPACT FEES, EXCLUDING AFFORDABLE HOUSING FEES
NEWARK AND NEIGHBORING JURISDICTIONS
CITY OF NEWARK

Impact Fees / du[1]	Newark	Dublin	Fremont	Hayward	Milpitas	Pleasanton	San Leandro	Union City
Arts Requirement	$270	See Below	None	None	None	None	None	See Below
Fire Impact Fee	None	SF: $870, MF: $544	0BR: $143 1BR: $214 2BR: $300 3BR: $371 4BR: $457 +BR: +$86/BR	None	None	None	None	See Below
Park Facilities / Parkland Dedication Fee[2]	$7,460	SF/MF: $18,646	0BR: $9,220 1BR: $13,830 2BR: $19,362 3BR: $23,971 4BR: $29,502 +BR: +5,531/BR	SFD: $11,953 SFA: $11,395 MF: $9,653	*Varies by pop. density* SFD: $44,673 SFA: $35,438 MF (2-4 du): $36,131 MF (5+ du): $29,089	SF: $9,709, MF: $7,969	SF: $16,079; MF: $14,054	**Subdivision:** *Varies by pop. density* $28,193 (avg.) **Non-Subdivision:** $2,466 plus $280 (0-1BR), $455 (2BR), $630 (3+BR)
Public Facility Impact Fee[3]	*Public Safety* MF: $2,079, SF: $1,989 *Comm. Service* MF: $1,596 SF: $1,942 *Transportation* MF: $460, SF: $801 *Total* MF: $4,135, SF: $4,732	SF/MF: $5,798	0BR: $988 1BR: $1,483 2BR: $2,076 3BR: $2,569 4BR: $3,163 +BR: +$593/BR	None	None	SFD: $4,730 SFA: $3,532 MF: $2,885	None	SF: $12,231, MF: $8,624
Traffic Impact Fee	Included in Public Facility Fee	None	0/1BR: $2,012 2/3BR: $2,247 4+BR: $3,421	None	None	SF: $4,707 MF: $3,294	$1,337-$2,015; senior: $667-$897[5]	SF: $1,651; MF: $1,321[6]
Tri-Valley Transportation Development Fee[4]	None	SF: $3,060 MF: $2,108	None	None	None	SF: $3,060 MF: $2,108	None	None
Total Fees / du	**SF: $12,462 MF: $11,86S**	**SF: $28,374 MF: $27,096**	**0BR: $12,363 1BR: $17,539 2BR: $23,985 3BR: $29,158 4BR: $31,012 +BR: $6,210/BR**	**SFD: $11,953 SFA: $11,395 MF: $9,653**	**Varies by pop. density SFD: $44,673 SFA: $35,438 MF (2-4 du): $36,131 MF (5+ du): $29,089**	**SFD: $22,206 SFA: $20,056 MF: $16,256**	**Non-Senior SF: $17,416-$18,094 MF: $15,391-$16,069 Senior: SF: $16,746-$16,976 MF: $14,721-$14,951**	**Subdivision SF: $42,075 MF: $38,138 Non-Subdivision *SF* 0-1BR: $16,628 2BR: $16,803 3BR: $16,978 *MF* 0-1BR: $12,691 2BR: $12,866 3BR: $13,041**
Fees as % of BPV								
Arts Requirement	See Above	> 20 du: 0.5% BPV	None	None	None	None	None	1% BPV
General Plan Cost Recovery	.5% BPV	None	None	None	None	None	None	None
Total % of BPV	.5% BPV	0.5% BPV	None	None	None	None	None	1% BPV
Fees PSF Building (Partial)								
Fire Equipment Acquisition	None	See Above	See Above	None	None	None	None	$1.40 PSF occupiable space above 2nd story
Fees as % of Building and Plan								
General Plan Cost Recovery	See Above	None	15% of Building and Plan Check Permits	12% of Building and Plan Check Permits	None	None	None	None

Notes: This chart presents an overview and terms may be simplified. Consult code and City staff for more information.

Abbreviations: SF = Single Family; MF = Multi-Family; SFA = SF Attached; BPV = Building Permit Value; PSF = Per Square Foot; BR = bedroom; SFD = SF Detached; du = Dwelling unit

[1] Excludes on-site inclusionary requirements. See Table 2.

[2] For Milpitas and Union City, fee is estimated based on population densities derived from Census and DOF data. In Milpitas, developer may submit alternative population estimate. 40% of Milpitas fee may be met through the provision of private open space.

[3] Generally supports such facilities as libraries, parks and other community buildings. Newark fee includes transportation facilities.

[4] Regional fee collected on behalf of the Tri-Valley Transportation Development District.

[5] Fees vary by zone.

[6] Traffic signalization fees.

Prepared by Keyser Marston Associates, Inc.
Filename: C:\Users\kfeeney\Desktop\Newark A-4 A-5;4/18/2016;hgr

APPENDIX TABLE A-5
COMPARISON OF INCLUSIONARY HOUSING PROGRAMS
NEWARK AND NEIGHBORING JURISDICTIONS
CITY OF NEWARK

	Newark	Dublin	Fremont	Hayward	Milpitas	Pleasanton	San Leandro	Union City
Minimum Project Size1								
For In-lieu/Impact Fee[1]	FS/R: 1 unit	FS/R: 20 units	FS/R: 2 units	FS/R: 20 units	FS/R: 5 units	FS/R: 15 units	FS: 2 units	n/a
For Build Requirement	no build req.	FS/R: 20 units (partial)	no build req.	no build req.	no build req.	no build req.	FS: 7 units	FS: 1 unit
Onsite Requirement								
Percent of Total Units[2]	n/a	7.5%, plus fee (12.5% without fee)	Attached 3.5% plus $18.50/sf Detached 4.5% plus $17.50/sf	Attached: 7.5% Detached: 10%	5.0%	MF: 15% SF: 20%	15%	15%
Income Level (% AMI)	n/a	FS: 40% @ 80%, 60% at 120% AMI R: 30% @ 50% AMI, 20% @ 80% AMI, 50% @ 120% AMI.	80-110% AMI (120% w/approval)	80-110% AMI	Up to 80% AMI	SF: 80% AMI MF: 120% AMI	60% @ 80-120% AMI; 40% @ 50-80% AMI	10% @ 50-80% AMI; 30% @ 80-100% AMI; 60% @ 100-120% AMI
Impact / In-Lieu Fee Levels								
Fee Level	$20/sf first 1,000 SF/unit; $8/SF above 1,000 SF/unit	$130,276 per aff unit owed (in addition to on-site)	FS: *Attached* $18.50 w/ aff units; $27.00 no units *Detached* $17.50 w/ aff units; $26.00 no units R: $17.50 no map; $27.00 w/ map[4]	FS: *Attached:* $3.24/sf *Detached:* $4/sf R: $3.24/sf	5% building permit value[5]	MF: $2,783/du; SF: <1,500 sq ft: $2,783/du >1,500 sq ft: $11,228/du	(Median Sale Price - Affordable Price) x units owed[6]	<7 units: $160,000 /du owed; 7+ units: $180 /sf owed
Alternatives to Onsite Provision[3]								
Fee Option - for projects over min. size	n/a	No	yes (Developer)	yes (Developer)	yes (Developer)	yes (Developer)	yes (City)	yes (City)

Note: This chart presents an overview and terms have been simplified. Consult code and City staff for more information.

Abbreviations:
R = Rental; du = Dwelling Unit; FS = For Sale; Ac = Acre; sq ft = Square Feet; AMI =Area Median Income; MF = Multi-Family; Req. = Requirement; SF = Single Family; BP = Building Permit

1. In Union City , single-unit, owner-occupied projects exempt.
2. In Dublin, 40% of the on-site requirement is covered through an impact fee.
3. All cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units. Also, all cities with on-site reqs. provide options for off-site construction and land dedication.
4. Rental projects with a subdivision map allowing conversion to condominiums
5. In-lieu/impact fee introduced as temporary measure while City prepares formal nexus study. Fee has not yet been assessed. Average residential building permit value is reported to be $____.
6. Fee calculated based on current median sales price for individual projects. No fees have been owed since 2008.

STAFF REPORT

Item D. 6.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Sheila Harrington, City Clerk
SUBJECT	Adopt resolutions establishing the City Council meeting calendar for 2025 and authorizing the City Manager to take administrative actions during the August Recess

Newark Municipal Code Section 2.08.010 requires the City Council to set the day and time of regular City Council meetings via resolution. A resolution with the proposed meeting dates and times for calendar year 2025 has been drafted for City Council consideration. If approved, meetings will continue to be held on the second and fourth Thursday of each month beginning at 7 p.m. The resolution authorizes the Annual August Meeting Recess and cancels the second meeting in the months of November and December due to holidays.

The City Council has continuously approved an August Recess (no regular meetings during the month of August) since 1994. City staff also seeks authorization for the City Manager, or designee, to approve administrative matters that might occur during the August Meeting Recess that cannot be deferred until the September 11, 2025, City Council meeting. The general types of administrative matters that might require action are:

- Acceptance of completion of work on City Projects
- Approval of agreements as needed for budgeted projects and services
- Approval of plans and specifications
- Award of contracts for budgeted projects
- Denial of claims

The City Manager or designee will provide a staff report on all actions taken during the August Recess at the September 11, 2025, City Council meeting.

Staff recommends that the City Council adopt resolutions to establish the dates and times for regular City Council meetings for the calendar year 2025 and authorize the City Manager, or designee, to act upon certain administrative matters on behalf of the City of Newark during the City Council Summer Meeting Recess August 2025.

Attachments

Resolution 2025 Meetings
Resolution August Recess

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK ESTABLISHING THE DATES AND TIMES FOR REGULAR CITY COUNCIL MEETINGS FOR THE CALENDAR YEAR 2025

WHEREAS, the City Council of the City of Newark adopted Ordinance No. 523 amending the Newark Municipal Code to provide that the City Council shall establish dates and times for regular City Council Meetings by resolution; and

WHEREAS, the City Council desires to adopt a resolution establishing dates and times for regular City Council Meetings for Calendar Year 2025.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newark that the regular City Council Meetings for Calendar Year 2025 shall be on the dates and times specified in this Resolution.

2025 Regular meeting dates, start time 7:00 p.m. from January to December:

January 9, 2025
January 23, 2025
February 13, 2025
February 27, 2025
March 13, 2025
March 27, 2025
April 10, 2025
April 24, 2025
May 8, 2025
May 22, 2025
June 12, 2025
June 26, 2025
July 10, 2025
July 24, 2025
September 11, 2025
September 25, 2025
October 9, 2025
October 23, 2025
November 13, 2025
December 11, 2025

2025 meetings canceled

August Recess August 8 and 22, 2025
Thanksgiving Holiday November 27, 2025
Winter Furlough December 25, 2025

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO ACT UPON CERTAIN ADMINISTRATIVE MATTERS ON BEHALF OF THE CITY OF NEWARK DURING THE CITY COUNCIL SUMMER MEETING RECESS AUGUST 2025

WHEREAS, the City Council of the City of Newark will be in recess during the month of August 2025; and

WHEREAS, during said City Council recess, certain administrative matters require action.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby authorizes the City Manager, or his authorized designee, to act upon the following certain administrative matters during the City Council's meeting recess August 2025, which should not be deferred until the next regularly scheduled meeting of the City Council on September 11, 2025:

Acceptance of completion of work on City projects
Approval of agreements as needed for budgeted projects and services
Approval of plans and specifications
Award of contracts for budgeted projects
Denial of claims

BE IT FURTHER RESOLVED that all actions taken by the City Manager, or his authorized designee, pursuant to this resolution, shall be reported to the City Council after the recess.

STAFF REPORT

Item H. 1.

DATE	12/12/2024
TO	Honorable Mayor and City Council Members
FROM	Sheila Harrington, City Clerk
SUBJECT	Motion appointing Vice Mayor and adoption of resolution authorizing the execution of financial documents

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During the latter part of the calendar year, the City Council reorganizes by appointing one of its members to serve as Vice Mayor. The Vice Mayor performs the duties of the Mayor during the Mayor's absence. Staff recommends that the City Council select a member of the Council to serve as Vice Mayor for a one-year term and until a successor is selected.

After the Vice Mayor has been selected, a resolution authorizing the Vice Mayor to sign and endorse checks, warrants, and other instruments will need to be approved by the City Council. Historically, the resolution has identified authorized signers by name and position title. Staff has reviewed the process and is recommending that the resolution identify titles only - Mayor, Vice Mayor, City Manager, Assistant City Manager, and Treasurer. This will streamline the process by allowing staff to update the Vice Mayor's name on an annual basis without returning to Council with a resolution to approve the specific name authorization (Council would still appoint the Vice Mayor every year by motion). Many cities use the by title authorization and the Finance Director has verified that this is acceptable with the financial institutions listed in the resolution.

It is recommended that the City Council: (1) by motion, appoint one of its members as Vice Mayor; and (2) by resolution, authorize the signing and endorsing of checks, warrants, and other instruments.

Attachments

Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK AUTHORIZING SIGNING AND ENDORSING CHECKS, WARRANTS, AND OTHER INSTRUMENTS

WHEREAS, the City of Newark maintains checking accounts with U.S. Bank and Fremont Bank as the depositories of the City's funds; and

WHEREAS, checks or warrants withdrawing funds requires City signatories.

NOW, THEREFORE, BE IT RESOLVED that checks or warrants withdrawing funds from the financial institutions identified above must have signatures of any two of the following positions: Mayor; Vice Mayor; City Manager; Treasurer; or Assistant City Manager. Each such official shall be duly elected or appointed as stipulated in the Newark Municipal Code and a record of such appointment or election shall be maintained in the office of the City Clerk.

BE IT FURTHER RESOLVED that U.S. Bank and Fremont Bank are authorized to honor and pay all the checks and warrants to the City of Newark, signed as provided herein, whether or not payable to the person or persons signing them; and that checks, warrants, drafts, bills of exchange and other evidence of indebtedness may be endorsed and deposited to the account of the City of Newark, by and of the foregoing or any other employee or agent of the City of Newark, and may be endorsed in writing or by stamp, with or without the designation of the person so endorsing.

BE IT FURTHER RESOLVED that the Check Writing Devices signature impression of the above signatories shall be deemed their manual signatures for the purposes specified in this resolution.

BE IT FURTHER RESOLVED that this Resolution supersedes all prior resolution regarding this subject matter.

STAFF REPORT
Item H. 2.

DATE 12/12/2024
TO Honorable Mayor and City Council Members
FROM Sheila Harrington, City Clerk
SUBJECT Adopt a resolution confirming the Mayor's appointments to various agencies, boards, commissions, and committees

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On a yearly basis, the Mayor appoints City Council Members to various agencies, boards, commissions, and committees. Staff is recommending the removal of three assignments due to lack of meetings: Alameda-Contra Costa Transit District Policy Advisory Committee, Dumbarton Rail Policy Advisory Committee, and Tri-City Waste Facility Financing. Staff will return with a request for appointments should any of the dormant committees reactivate in the future. Mayor Hannon is the City's representative on the Housing Commission of the Housing Authority of the County of Alameda (Housing Authority). This is not listed because the Alameda County Board of Supervisors is the appointing authority. The current appointments are listed for reference in the table below.

Alameda County Fire Advisory Commission	Council Members Vacant and Collazo – delegate and alternate
Alameda County Library Advisory Commission	Council Members Collazo and Jorgens – delegate and alternate
Alameda County Transportation Commission	Council Members Freitas and Collazo – delegate and alternate
Alameda County Waste Management Authority Board/Stopwaste.org	Mayor Hannon and Council Member Freitas - delegate and alternate
Association of Bay Area Governments (ABAG)	Council Member Vacant and Mayor Hannon - delegate and alternate
Ava Community Energy	Council Member Jorgens and Mayor Hannon – delegate and alternate
Community Development Advisory Committee	Mayor Hannon and Council Member Freitas – delegates
Newark City Council – Board of Education Liaison Committee	Council Members Collazo and Jorgens – delegates
Tri-City Elder Coalition	Mayor Hannon - delegate

Senior Advisory Committee	Mayor Hannon delegate and chairperson
Southern Alameda County Geographic Information System Authority	Mayor Hannon and Council Member Jorgens - delegate and alternate

The Mayor will announce his appointments during the City Council meeting. It is recommended that the City Council, by resolution, confirm the appointments to the various agencies, boards, commissions, and committees.

Attachments

Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWARK CONFIRMING THE MAYOR'S APPOINTMENTS TO VARIOUS AGENCIES, BOARDS, COMMISSIONS, AND COMMITTEES

WHEREAS, the Mayor of the City of Newark has appointed representatives to the following agencies, boards, commissions, and committees:

Alameda County Fire Advisory Commission	delegate and alternate
Alameda County Library Advisory Commission	delegate and alternate
Alameda County Transportation Commission	delegate and alternate
Alameda County Waste Management Authority Board/Stopwaste.org	delegate and alternate
Association of Bay Area Governments (ABAG)	delegate and alternate
Ava Community Energy Board of Directors	delegate and alternate
Community Development Advisory Committee	delegates
Newark City Council –Board of Education Liaison Committee	delegates
Tri-City Elder Coalition	delegate
Senior Advisory Committee	delegate and chairperson
Southern Alameda County Geographic Information System Authority	delegate and alternate

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NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby approves the Mayor's appointments.