RESOLUTION NO. 4050-25

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR ESTABLISHING A TIME-LIMITED DEVELOPMENT IMPACT FEE PILOT PROGRAM APPLYING A PROPORTIONAL, SIZE-BASED FEE TO ATTACHED, FOR-RENT MULTIFAMILY UNITS UNDER 1,200 SQUARE FEET, EFFECTIVE IMMEDIATELY UPON ADOPTION AND APPLIED PROSPECTIVELY AT BUILDING PERMIT ISSUANCE TO TOWN-ADOPTED IMPACT FEES (PARKS, RECREATION, WATER/SEWER CAPACITY, TRAFFIC, DRAINAGE, OPEN SPACE, TRAILS, PUBLIC FACILITIES, AND POLICE) (FILE 25-16)

WHEREAS, the Mitigation Fee Act (Gov. Code §§ 66000–66025), originally enacted by AB 1600 (1987), authorizes local agencies to impose development impact fees to fund public facilities necessitated by new development, provided there is a reasonable relationship (nexus and proportionality) between the fee and the burden created by the development; and

WHEREAS, the Town of Windsor imposes several Town-adopted development impact fees on new residential and nonresidential projects, while impact fees for fire protection services are imposed by the Sonoma County Fire District and school impact fees are levied by the Windsor Unified School District, fees which the Town does not set, modify, or waive; and

WHEREAS, the Town's impact fee schedules were comprehensively updated following the Colgan Consulting study in March 2017 and have been adjusted annually per adopted escalation provisions; and the Town historically adopts, adjusts, and administers its impact fees by resolution; and

WHEREAS, state policy has continued to emphasize proportionality and transparency in residential impact fees, and best practices include scaling fees by unit square footage to maintain a reasonable relationship between a dwelling's size and its incremental impact on Town facilities and services; and

WHEREAS, Windsor's 2024 Housing Element Annual Progress Report identifies a pipeline of rental multifamily projects, for which a size-based fee structure would better align fees with unit impacts while maintaining facilities funding and providing data to inform a future nexus update; and

WHEREAS, this action adjusts the methodology for assessing certain Town-adopted impact fees on qualifying units and is either not a project under CEQA Guidelines §15378 or is exempt under §15061(b)(3), as it can be seen with certainty that the action will not have a significant effect on the environment.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor hereby adopts the Development Impact Fee Pilot Program with the following parameters:

a) Purpose. Apply a proportional, size-based methodology to certain Town-adopted development impact fees for attached, for-rent multifamily units to better align fees with attributable impacts while maintaining funding for Town facilities.

b) Scope of Fees. The Pilot applies only to Town-adopted development impact fees, including Parks, Recreation, Water/Sewer Capacity, Traffic, Drainage, Open Space, Trails, Public Facilities, and Police impact fees.

c) Exclusions. The Pilot does not apply to (1) school impact fees (Windsor Unified School District), (2) fire impact fees (Sonoma County Fire District), or (3) enterprise fees governed by Proposition 218 (e.g., utility rates).

d) Eligibility. Qualifying units are attached, for-rent multifamily dwelling units with unit size under 1,200 square feet (sf), as defined in paragraph (f). Units 1,200 sf or larger pay 100% of the applicable Town-adopted fees.

e) Timing of Application. The proportional fee reduction is applied at building-permit issuance and only to permits issued on or after the effective date of this Resolution. Previously issued permits and previously paid fees are not affected.

f) Measurement of Unit Size. "Unit square footage" means conditioned floor area shown on the approved building plans, excluding garages, carports, porches, and balconies. The Town Manager or designee may establish reasonable administrative rules for documentation and rounding.

g) Proportional Fee Formula. For each qualifying unit, the applicable Town-adopted fee(s) shall equal:
(unit square footage ÷ 1,200) × the adopted fee otherwise due for that unit.

h) Effective Date. Because this action reduces Town-adopted development impact fees for qualifying units, the Pilot is effective immediately upon adoption of this Resolution.

i) Term (Sunset). The Pilot shall terminate two (2) years from the effective date or upon Council adoption of the next development impact fee nexus study addressing the affected fee categories, whichever occurs first. The Council may extend or modify the Pilot by subsequent resolution.

j) Early Application & Start-of-Construction Incentive. For attached, for-rent multifamily projects that submit a complete entitlement application during the Pilot term, the proportional, size-based fee reduction authorized by this Resolution shall remain available after the Pilot sunset provided that (i) the first building permit for vertical construction (e.g., foundation or superstructure) is issued within twelve (12) months following the Pilot's termination and (ii) the project remains substantially consistent with its approved entitlement.

k) Monitoring and Reporting. Staff shall (1) track participation, unit sizes, and revenues collected under the Pilot; (2) provide at least one interim report (approximately at 12 months); and (3)

present a close-out report prior to the sunset with findings and recommendations to extend, modify, or conclude the Pilot.

l) Administrative Authority. The Town Manager, Community Development Director, Finance Director, and Town Attorney are authorized to prepare and issue administrative guidelines, update worksheets and public handouts, configure permit systems, and take all actions reasonably necessary to implement this Resolution.

m) Consistency with Other Conditions. Where subdivision conditions, development agreements, or other approvals specify a timing of fee payment (e.g., at Certificate of Occupancy), the Pilot reduction still applies based on the approved unit sizes, and the timing specified in those approvals remains in force.

n) Severability. If any parameter in this Pilot is held invalid, the remaining parameters shall continue in full force and effect.

PASSED, APPROVED AND ADOPTED this 1st day of October 2025, by the following vote:

AYES:	**COUNCILMEMBERS LEEP, WALL, VICE MAYOR POTTER AND MAYOR REYNOZA**
NOES:	**COUNCILMEMBER SALMON**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

ROSA REYNOZA, MAYOR

ATTEST:

IRENE CAMACHO-WERBY, TOWN CLERK