

RESOLUTION NO. 2025-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER APPROVING AN UPDATE TO DEVELOPMENT IMPACT FEES TO REFLECT CUMULATIVE COST ADJUSTMENTS FROM 2022 THROUGH 2025 AND ACKNOWLEDGING THE CITY'S INTENT TO CONDUCT A COMPREHENSIVE FEE STUDY IN ACCORDANCE WITH AB 602

WHEREAS, the City of Hollister has established Development Impact Fees through various resolutions including Resolutions No. 88-80, 89-46, 89-47, 89-134, 94-70, 95-59, 2011-71, 2011-82, 2017-234, 2017-296, and 2019-113, based on comprehensive nexus studies that legally and financially justify the collection of fees on new developments to mitigate impacts on public infrastructure and services; and

WHEREAS, these resolutions allow for the annual adjustment of Development Impact Fees based on an industry-standard cost index, including but not limited to the Engineering News-Record Construction Cost Index (ENR CCI), the Engineering News-Record Building Cost Index (ENR BCI), and the Consumer Price Index (CPI); and

WHEREAS, annual fee adjustments were not applied for the years 2022 through 2025, resulting in fees that no longer accurately reflect the City's actual costs to provide necessary infrastructure and services to new development; and

WHEREAS, to comply with the Mitigation Fee Act (Government Code Section 66000 et seq.), AB 602, and the City's previous resolutions, staff has recommended that the City Council approve a cumulative cost adjustment to Development Impact Fees from 2022 through 2025 using the ENR CCI, ENR BCI, and CPI; and

WHEREAS, these cost indexes appropriately reflect increases in the costs of materials and services necessary to construct public infrastructure and are widely accepted within the engineering and construction industry for such adjustments; and

WHEREAS, in 2022, Assembly Bill 602 (AB 602) was enacted requiring local agencies to conduct comprehensive Development Impact Fee studies at least once every eight years, further mandating that fees remain legally justified and reasonably related to the impacts of development; and

WHEREAS, the City intends to initiate a new comprehensive Development Impact Fee Study to further assess infrastructure needs, revise cost estimates, and ensure compliance with AB 602; and

WHEREAS, the City provided notice of this proposed fee update and the public hearing in accordance with Government Code Section 66016 by publishing legal notices in the Local News Paper (Free Lance) on July 18, 2025, and again on July 25, 2025; and

WHEREAS, all information relating to the proposed fee adjustments was made available for public review at City Hall and provided to interested parties at least ten (10) days in advance of the public hearing, in accordance with applicable law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hollister resolves as follows:

1. **Adoption of Fee Adjustment:** The City Council hereby approves the adjustment of Development Impact Fees to reflect cumulative cost increases from 2022 through 2025 based on the Engineering News-Record Construction Cost Index (ENR CCI), Engineering News-Record Building Cost Index (ENR BCI), and the Consumer Price Index (CPI), as shown in the table below:

TABLE 1 CURRENT 2022/2023 - RESIDENTIAL IMPACT FEES AND WATER METER FEE

Public Facility Impact Fees	Single Family	Multifamily 2+ bedrooms	Multifamily 1 ≥ bedroom	Studio
Water Meter (1" meter) ⁽¹⁾	\$443.00	\$443.00	\$443.00	\$443.00
Water ⁽¹⁾	\$5,460.00	\$4,860.00	\$2,350.00	\$2,350.00
Traffic ⁽¹⁾	\$22,894.48	\$14,009.85	\$13,669.31	\$9,056.12
Sewer - Treatment ⁽¹⁾	\$5,121.82	\$4,464.68	\$4,464.68	\$4,464.68
Sewer - Collection ⁽¹⁾	\$3,590.00	\$3,590.00	\$3,590.00	\$3,590.00
Storm Drainage ⁽¹⁾	\$2,180.00	\$2,030.00	\$700.00	\$700.00
Park ⁽¹⁾	\$15,520.47	\$13,761.64	\$6,638.99	\$6,638.99
Library Facilities ⁽¹⁾	\$1,481.97	\$1,357.90	\$1,357.90	\$1,357.90
Police ⁽²⁾	\$520.00	\$520.00	\$520.00	\$520.00
Fire ⁽²⁾	\$690.00	\$690.00	\$690.00	\$690.00
Detention (Jail/Juvenile Hall) ⁽¹⁾	\$3,003.00	\$2,751.41	\$2,751.41	\$2,751.41
City Hall/City Yard ⁽¹⁾	\$603.13	\$535.35	\$257.33	\$257.33
Total Fees	\$61,507.87	\$49,013.83	\$37,432.63	\$32,819.44

Denotes which index is used for increases:

- (1) ENR CCI
- (2) CPI

TABLE 2 PROPOSED 2025/2026 - RESIDENTIAL IMPACT FEES AND WATER METER FEE

Public Facility Impact Fees	Single Family	Multifamily 2+ bedrooms	Multifamily 1 ≥ bedroom	Studio
Water Meter (1" meter) ⁽¹⁾	\$533.19	\$533.19	\$533.19	\$533.19
Water ⁽¹⁾	\$5,840.00	\$5,200.00	\$2,510.00	\$2,510.00
Traffic ⁽¹⁾	\$24,222.88	\$14,822.75	\$14,462.45	\$9,581.58

Sewer - Treatment ⁽¹⁾	\$5,478.92	\$4,775.96	\$4,775.96	\$4,775.96
Sewer - Collection ⁽¹⁾	\$3,800.00	\$3,800.00	\$3,800.00	\$3,800.00
Storm Drainage ⁽¹⁾	\$2,330.00	\$2,170.00	\$750.00	\$750.00
Park ⁽¹⁾	\$16,602.57	\$14,721.10	\$7,101.87	\$7,101.87
Library Facilities ⁽¹⁾	\$1,585.29	\$1,452.57	\$1,452.57	\$1,452.57
Police ⁽²⁾	\$570.00	\$570.00	\$570.00	\$570.00
Fire ⁽²⁾	\$760.00	\$760.00	\$760.00	\$760.00
Detention (Jail/Juvenile Hall) ⁽¹⁾	\$3,212.37	\$2,943.24	\$2,943.24	\$2,943.24
City Hall/City Yard ⁽¹⁾	\$645.18	\$572.67	\$275.28	\$275.28
Total Fees	\$65,580.39	\$52,321.48	\$39,934.55	\$35,053.68

Denotes which index is used for increases:

- (1) ENR CCI
- (2) CPI

2. **Annual Increase:** City staff is further directed to resume applying annual cost index adjustments as provided in Resolutions No. 88-80, 89-46, 89-47, 89-134, 94-70, 95-59, 2011-71, 2011-82, 2017-234, 2017-296, and 2019-113, beginning in fiscal year 2026.
3. **Future Fee Study:** The City Council acknowledges and affirms its intent to initiate a comprehensive Development Impact Fee study in compliance with AB 602. This study will assess current and future infrastructure needs, update cost estimates, and revise fees to reflect current conditions and legal standards.
4. **Severability:** If any section, subsection, clause, or phrase of this Resolution is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions.
5. **Effective Date:** The revised fee schedule attached hereto as Exhibit A is hereby adopted and shall become effective 60 days after adoption of this resolution.

PASSED AND ADOPTED, by the City Council of the City of Hollister at a regular meeting held on August 4, 2025, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Roxanne Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:
Lozano Smith Attorneys at Law

Jennifer Woodworth, MMC, City Clerk

Mary F. Lerner, City Attorney

I, Jennifer Woodworth, MMC, City Clerk of the City of Hollister, do hereby certify that the attached Resolution No. 2025-XX is an original resolution, or true and correct copy of a City resolution, duly adopted by the Council of the City of Hollister at a regular meeting held on August 4, 2025 at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Hollister on August 4, 2025.

Jennifer Woodworth, MMC
City Clerk of the City of Hollister