

## ***DRAFT MEMORANDUM***

To: City of Culver City

From: Economic and Planning Systems, Inc.

Subject: Background and Context for Affordable Housing Linkage Fee

Date: September 1, 2020

The City of Culver City has engaged Economic & Planning Systems (EPS) to study the adoption of a commercial linkage fee on new non-residential development. A commercial linkage fee, also known as a jobs-housing linkage fee, is a type of impact fee charged to developers of new non-residential properties to help support affordable housing for new workers. The conceptual underpinning of the fee is that new non-residential development creates new jobs, and some of these jobs will pay wages below what is required for a worker to afford a market-rate housing unit in the city. Therefore, a nexus is established between the projected number of lower-wage jobs created by new development, and the subsidy needed to support the creation and maintenance of units that are affordable to workers in these jobs. Assessing an impact fee based on an established nexus is allowed pursuant to the State of California's Mitigation Fee Act (AB 1600 or California Government Code sections 66000 et seq.)

As part of its work for the City, EPS is completing the technical analysis needed to establish this nexus and preparing a technical report detailing that analysis. In addition, EPS has prepared this memorandum to provide additional context for the linkage fee. The memo includes five sections:

- 1) A summary of affordability challenges facing the City and other policy tools currently under consideration;
- 2) A summary of the preliminary nexus analysis findings;
- 3) A review of linkage fees charged in other California jurisdictions;
- 4) An analysis and comparison of the relative cost burden on development represented by impact fees levied in Culver City and neighboring jurisdictions; and
- 5) Estimates of the fee level that Culver City can charge to stay in line with regional trends and the number of affordable units that could be supported through potential fee collection.

*The Economics of Land Use*



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## Key Findings and Recommendations

1. **Recent analysis for Culver City demonstrates the acute need for more affordable housing in the City.** Over the past decade, Culver City has added twice as many renter households as new rental units and rent growth in the City has outpaced that of Los Angeles County. The City is currently considering a suite of policies to preserve and produce more affordable housing units in the City, including a rent stabilization ordinance, an inclusionary housing requirement, and a commercial linkage fee.
2. **While only a handful of cities in Los Angeles County levy commercial linkage fees, they are common in the Northern California cities that are home to many of the firms locating in Culver City.** Commercial linkage fees are charged in four cities in Los Angeles County—Los Angeles, Santa Monica, West Hollywood, and Glendale—and range from \$3.00 to \$12.60 per square foot. By contrast, over 25 cities in the Bay Area charge linkage fees, including cities that are home to many of the same major industries and even specific employers that are located or planning to locate in Culver City. In Santa Clara County specifically, which includes Palo Alto, Mountain View, and Cupertino, linkage fee rates are as high as \$36 per square foot.
3. **Culver City's current overall impact fee level as a percentage of development value is around the median value among neighboring jurisdictions, suggesting that the City may have additional capacity to levy a linkage fee on new development.** Given that the maximum allowable linkage fees calculated in the nexus study likely represent too great of an additional cost for new development to absorb, the City may choose to establish a fee on new development that is lower than the maximum justifiable fee. It would be reasonable for the City to set the fee to a level comparable to other cities in the region. Based on typical development values for different land uses, the City's current overall impact fee burden is not the highest when compared to neighboring cities, which would allow the City an opportunity to add a linkage fee in an amount that would not overburdening development projects relative to other cities. The analysis does not, however, account for the new transportation impact fee also being considered by the City, which would add additional costs on new development.

4. **Given that Culver City's overall fee levels as a percent of development value are generally in line with its neighbors, it would be reasonable for the City to adopt a linkage fee between \$3.00 and \$9.00 per square foot.** For illustrative purposes, EPS estimates that a linkage fee in this range would generate enough revenue to support between 13 and 39 residential units affordable to very low and low-income households based on estimates for new office and retail development in the City over the next five years. This is a low-end estimate, as the fee program would generate additional revenues from other types of non-residential development over a longer time period, and the City and affordable housing developers would not depend solely on the impact fee revenues but rather would have multiple funding sources to leverage together with the linkage fee to support the development of new units.

Based on the nexus analysis, the information contained in this memo, and its experience in establishing commercial linkage fees in other cities around the State, EPS recommends the following parameters for a commercial linkage fee in Culver City:

1. **A linkage fee level of \$5.00 per square foot.** This fee level is at the lower-middle end of the range of linkage fees charged in other Los Angeles County jurisdictions. It also represents a modest increase in the City's overall impact fees as a percent of development value—less than one percentage point. It would push Culver City's overall impact fees as percent of development value above neighboring jurisdictions for industrial uses, but that percentage would still be within one percentage point of the next highest fee burden.
2. **A single linkage fee level across all non-residential uses.** While the nexus analysis provides maximum allowable fees for six distinct non-residential land uses (retail, office, hotel, media studio/R&D, hotel, and assisted living), charging the same fee across all uses allows for a simpler fee program and is common in other cities, including Los Angeles, Glendale, and West Hollywood. Further, a single fee eliminates any question as to the land use definition of a non-residential project, particularly as many commercial buildings and spaces have the potential to serve multiple tenant types.

## Housing Affordability in Culver City

Culver City is undertaking an affordable housing linkage fee study in response to concerns over housing affordability in the City. According to a recent analysis completed for the City by BAE Urban Economics, Inc., 43 percent of renter households in the City were cost-burdened during the 2012-2016 period, meaning that housing costs represented more than 30 percent of the households' incomes. The same analysis found that average annual asking rents in the City increased by 40.4 percent from 2011 to 2019.<sup>1</sup> By comparison, asking rents in Los Angeles County overall increased by 29.5 percent in the same period.<sup>2</sup>

The rental rate increase in the City is likely driven by a combination of the City's increasing attractiveness to residents (due to job growth, improved transit connectivity, and overall City amenities) and limited growth in housing supply. BAE found that the City added approximately 250 multifamily units since 2010—about 8 percent of its total rental inventory. Over the same period, the number of renter households in the City increased by over 550.<sup>3</sup>

In addition to studying a commercial linkage fee, the City is also seeking to implement two other programs to support the development of new affordable housing. The first is a rent stabilization ordinance, which would cap the annual increase in rent on units built before February 1995 at three percent, as well as provide additional protections for existing renter households. The City passed an interim rent control measure in August 2019 and is seeking to establish permanent measures this year.

The second program being considered is an inclusionary housing ordinance. This ordinance would require new residential development in the City to provide a certain proportion of the new units as affordable to households at lower income levels, either by building the units or paying an equivalent in-lieu fee.<sup>4</sup>

The three tools together complement each other, as they each impact different types of real estate in the City—existing residential buildings, new residential and mixed-use buildings, and new non-residential buildings. In this way, no development would be “double charged” with more than one fee or requirement, but most would contribute towards increasing affordable housing in the City.<sup>5</sup>

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<sup>1</sup> BAE Urban Economics, “RSO Findings,” Draft findings provided by Culver City to EPS, May 2020

<sup>2</sup> California Housing Partnership, “Housing Needs Dashboard,” <https://chpc.net/housingneeds/>

<sup>3</sup> BAE Urban Economics, “RSO Findings,” Draft findings provided by Culver City to EPS, May 2020

<sup>4</sup> The City will be considering recommended inclusionary requirements and in-lieu fees, but the recommendations were not public when this memo was prepared.

<sup>5</sup> The primary types of buildings that would not be impacted by any of these tools would be existing rental housing units built in 1995 or later, existing for-sale housing units, and new single-family housing units. Economic & Planning Systems, Inc. (EPS)

## Summary of Nexus Analysis and Considerations for Fee Amount Adjustment

The nexus study completed by EPS identifies the maximum linkage fee levels that the City can justifiably charge to new commercial development. These levels are calculated based on the number of lower income worker households generated by new businesses, and the costs associated with developing housing affordable to those households. The fee levels are summarized in Table 1

**Table 1 Maximum Allowable Commercial Linkage Fee Levels by Land Use Category**

<b>Land Use Category</b>	<b>Maximum Fee <i>per sq. ft.</i></b>
Retail/Restaurant	\$249
Office	\$171
Warehouse/Industrial/Manufacturing	\$66
Media Studio and R&D/Flex	\$30
Lodging	\$148
Assisted Living	\$141

Source: Economic & Planning Systems, Inc.

It is common, and in many cases recommended, for cities to set the linkage fee amount below the maximum justifiable level as a matter of policy. There are several reasons for this recommendation. If the fee level is too high, it may represent an additional cost that cannot be absorbed by a new development. Additionally, if the fee amount in the City is significantly higher than the fee amount in neighboring jurisdictions, developers may be incentivized to build in those neighbors as opposed to in Culver City to reduce their costs. Both of these scenarios may have the effect of discouraging new development in the City, which in turn will reduce overall impact fee revenues available to support affordable housing production.

The following two sections of this memo will address two common considerations the City may take when considering the most effective linkage fee amount to adopt. The first is the linkage fee levels charged in other jurisdictions, both in cities proximate to Culver City as well those elsewhere in the State that are home to the same or similar companies as those located in Culver City. The second consideration is how the City's overall impact fees relate to its neighbors, both in terms of fee amount and the fees' relative cost burden on new commercial development.

## Linkage Fees in Other Jurisdictions

According to a survey<sup>6</sup> completed by Keyser Marston Associates in 2018, there are over 40 cities and counties in the State of California with a commercial linkage fee program. The majority of these are in Northern California. In Los Angeles County, there are four cities with commercial linkage fee programs—Los Angeles, Santa Monica, West Hollywood, and Glendale.<sup>7</sup> **Table 2** shows the current (2020) fee levels in these four Los Angeles County cities for office, retail, hotel, and industrial uses. To provide further comparison, the table also shows the fees levied in several cities in Santa Clara County, which is home to many of the same major industries and even specific employers that are located or planning to locate in Culver City. Of note, some cities charge the same fee per square foot for all land uses, while others differentiate among land uses.

**Table 2 Affordable Housing Commercial Linkage Fee Per Square Foot By Land Use Type**

City	Office (per sq. ft.)	Retail (per sq. ft.)	Hotel (per sq. ft.)	Industrial (per sq. ft.)
Los Angeles County				
Santa Monica [1]	\$7.65-\$12.60	\$10.96	\$3.45	\$8.47
West Hollywood	\$8.92	\$8.92	\$8.92	\$8.92
Los Angeles [2]	\$3.00-\$5.00	\$3.00-\$5.00	\$3.00-\$5.00	\$3.00-\$5.00
Glendale	\$4.00	\$4.00	\$4.00	\$4.00
Santa Clara County				
Palo Alto	\$36.53	\$21.26	\$21.26	\$21.26
Mountain View [3]	\$28.25	\$3.02	\$3.02	\$28.25
Santa Clara	\$20.00	\$5.00	\$5.00	\$10.00
Cupertino	\$24.60	\$12.30	\$12.30	\$24.60
Sunnyvale [4]	\$17.20	\$8.60	\$8.60	\$17.20
Milpitas	\$8.00	\$8.00	\$8.00	\$4.00

[1] Santa Monica levies distinct linkage fees on general office, creative office, and medical office. The range is represented in the table.

[2] Los Angeles' linkage fee is different for different areas of the City.

[3] In Mountain View, Office and R&D developments less than 10,000 sq. ft. and hotel and retail less than 25,000 sq. ft. only pay half the fee level.

[4] In Sunnyvale, office and industrial developments less than 20,000 sq. ft. only pay half the fee level.

Source: EPS; Silicon Valley At Home

As shown above, fee levels in Los Angeles County range from \$3.00 per square foot in the City of Los Angeles to as high as \$12.60 per square foot in Santa Monica,<sup>8</sup> while fee levels in Santa Clara County go as high as \$36.53 per square foot in Palo Alto. While it is important for Culver City to consider the fees charged in neighboring jurisdictions when deciding on a fee level, in order to stay aligned with regional trends, it is useful to understand that many tech and entertainment companies with locations in the Bay Area have paid linkage fees well above those charged in Southern California.

<sup>6</sup> Keyser Marston Associates, "Table V – Summary of Jobs Housing Linkage Fee Programs, California," 22 February 2018, [https://s3-us-east-2.amazonaws.com/s3athome/2017/03/25171454/CLFs\\_KMA-CLF-Comparison-UPDATED-2018.pdf](https://s3-us-east-2.amazonaws.com/s3athome/2017/03/25171454/CLFs_KMA-CLF-Comparison-UPDATED-2018.pdf)

<sup>7</sup> Based on EPS research. Glendale's commercial linkage fee was adopted in 2019, and is not reflected in the previously cited table by Keyser Marston Associates.

<sup>8</sup> Los Angeles' linkage fee is tied to area of the City, not land use type, and generally correlates with the areas' relative land and development values. Santa Monica charges distinct linkage fees on general, creative, and medical office uses, and the range of those fees are represented in the table.

## Overall Fee Levels and Fee Burden Analysis

Development impact fees such as a commercial linkage fee directly add to the costs to construct new buildings (i.e., vertical development costs). Most cities, including Culver City, levy a variety of impact fees to support different capital needs, such as for parks and recreation, public safety, and transportation. **Table 3** shows the different categories of impact fees charged on non-residential land uses by several of Culver City's neighbors, including Santa Monica, Los Angeles (specifically in the Westside LA Specific Plan Area), West Hollywood, Pasadena, Glendale, Burbank, and Beverly Hills.<sup>9</sup> From the developer's perspective, though, it is the bottom-line fee total, and its cost relative to the development's value, that is most important, rather than the individual fee levels.

Therefore, to best understand the potential feasibility effect of adopting a commercial linkage fee, EPS collected data on overall impact fee levels charged on new commercial development by Culver City<sup>10</sup> and its neighbors, and estimated the relative cost burden that the fees have on new development given each cities' unique real estate markets.

**Table 3 Impact Fee Categories Charged On Non-Residential Uses**

Fee Category	Culver City [1]	Santa Monica	West Westside LA	Hollywood	Pasadena	Glendale	Burbank	Beverly Hills
Transportation	x	x	x	x	x		x	
Parks and Recreation		x		x		x	x	x
Affordable Housing		x	x	x		x		
Public Art	x	x	x	x	x	x	x	x
Childcare		x		x				
Public Safety							x	
Library						x	x	
Other	Commercial/ Industrial Tax							

[1] Culver City charges a "New Development Fee" that typically goes towards transportation infrastructure. The City is currently considering an update to its transportation fee program.

Source: EPS

In order to estimate the relative cost burden, EPS estimated the per-square-foot values for retail, office, and industrial uses<sup>11</sup> in each of the comparison cities. EPS first estimated a net operating income for each land use by subtracting typical operating expenses from median annual rents (as reported by CoStar for Q1 2020). The estimated net operating incomes were then divided by the reported cap rates for that land use to derive an estimated land use value, as shown in **Table 4**.

<sup>9</sup> The analysis does not include fees charged only on residential uses.

<sup>10</sup> The current fee levels do not include the updated transportation impact fee program currently under consideration by the City.

<sup>11</sup> EPS did not estimate media studio, assisted living, or hotel values in this analysis, as the data for making these estimates is not readily available.

**Table 4 Estimated Development Values Per Square Foot by Land Use Category**

Item	Culver City	Santa Monica	West LA	West Hollywood	Pasadena	Glendale	Burbank	Beverly Hills [1]
<b>Retail (Per Sq. Ft.)</b>								
Median Annual Rent (NNN)	\$45	\$72	\$56	\$80	\$37	\$31	\$50	\$92
Operating Costs	2%	2%	2%	2%	2%	2%	2%	2%
Cap Rate	5.1%	4.7%	5.0%	4.9%	5.3%	5.2%	5.1%	4.7%
<b>Value</b>	<b>\$865</b>	<b>\$1,495</b>	<b>\$1,101</b>	<b>\$1,600</b>	<b>\$683</b>	<b>\$575</b>	<b>\$965</b>	<b>\$1,910</b>
<b>Office (Per Sq. Ft.)</b>								
Median Annual Rent (Gross)	\$56	\$62	\$53	\$64	\$37	\$37	\$42	\$67
Operating Costs	30%	30%	30%	30%	30%	30%	30%	30%
Cap Rate	5.1%	4.7%	4.9%	5.0%	5.5%	5.6%	5.4%	4.8%
<b>Value</b>	<b>\$769</b>	<b>\$930</b>	<b>\$763</b>	<b>\$896</b>	<b>\$466</b>	<b>\$463</b>	<b>\$539</b>	<b>\$980</b>
<b>Industrial (Per Sq. Ft.)</b>								
Median Annual Rent (All Service)	\$30	\$35	\$39	\$34	\$15	\$20	\$19	N/A
Operating Costs	15%	15%	15%	15%	15%	15%	15%	15%
Cap Rate	4.4%	4.4%	4.2%	3.7%	4.7%	4.1%	4.4%	4.6%
<b>Value</b>	<b>\$580</b>	<b>\$676</b>	<b>\$791</b>	<b>\$781</b>	<b>\$267</b>	<b>\$408</b>	<b>\$365</b>	<b>N/A</b>

[1] There is no rent data available on industrial land uses in Beverly Hills

Sources: CoStar; EPS



Based on these values, EPS calculated the approximate percentage of value represented by the total impact fees charged by each city, as shown in **Table 5**. As shown, Culver City's fee level as a percentage of project value is around the middle proportion among the eight comparison cities.

It is important to note that the fees in this table only include impact fees—that is, a fee that is levied on new development to fund capital infrastructure needed to support the new population (both residents and employees) generated by new development. It does not include other categories of fees that are commonly charged on new development, such as connection and permit fees. These fees are typically considered “cost-recovery fees,” and are used to offset costs directly associated with processing permits and providing infrastructure connections to a specific development. Such fee rates are typically based on the costs of these services, rather than as a matter of policy, as is the case with impact fees.

**Table 5 Estimated Fee as Percent of Development Value by Land Use Category<sup>12</sup>**

<b>Item</b>	<b>Culver City [1] [2]</b>	<b>Santa Monica</b>	<b>West LA</b>	<b>West Hollywood [2]</b>	<b>Pasadena [2]</b>	<b>Glendale [2]</b>	<b>Burbank [2]</b>	<b>Beverly Hills [2] [3]</b>
<b>Retail (Per Sq. Ft.)</b>								
Development Value	\$865	\$1,495	\$1,101	\$1,600	\$683	\$575	\$965	\$1,910
Impact Fees	\$22.62	\$55.20	\$23.21	\$28.21	\$18.29	\$16.25	\$17.45	\$26.45
<b>Fees as Percent of Value</b>	<b>2.6%</b>	<b>3.7%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>1.8%</b>	<b>1.4%</b>
<b>Office (Per Sq. Ft.)</b>								
Development Value	\$769	\$930	\$763	\$896	\$466	\$463	\$539	\$980
Impact Fees	\$20.22	\$37.28	\$31.57	\$21.17	\$13.29	\$16.55	\$14.04	\$17.15
<b>Fees as Percent of Value</b>	<b>2.6%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>2.4%</b>	<b>2.9%</b>	<b>3.6%</b>	<b>2.6%</b>	<b>1.8%</b>
<b>Industrial (Per Sq. Ft.)</b>								
Development Value	\$580	\$676	\$791	\$781	\$267	\$408	\$365	N/A
Impact Fees	\$15.49	\$14.60	\$16.49	\$20.02	\$3.86	\$11.09	\$8.25	\$7.35
<b>Fees as Percent of Value</b>	<b>2.7%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>1.4%</b>	<b>2.7%</b>	<b>2.3%</b>	<b>N/A</b>

[1] Impact fee includes 1.5 percent of building value for commercial/industrial tax.

[2] Impact fee includes 1 percent of building value for arts fee.

[3] There is no rent data available on industrial land uses in Beverly Hills.

Source: CoStar; EPS

<sup>12</sup> Breakdown of fees by categories and land use provided in the Appendix.

## Fee Level Options and Impacts

The preceding section demonstrates that Culver City's current impact fee charges are approximately mid-range when compared to its neighbors in terms of how the cost of those fees relate to project values. This suggests that adding a commercial linkage fee, particularly one that is in line with linkage fees charged elsewhere in the region, would likely represent a reasonable additional cost to development. To illustrate how the addition of a linkage fee would effect overall impact fees as a percent of development values in the City, EPS considered three linkage fee levels scenarios—\$3.00, \$5.00, and \$9.00 per square foot—that reflect the general range of linkage fees charged in other LA County cities (see **Table 2**). The resulting effect on overall impact fees as a percent of development values in the City is shown in **Table 6**. As illustrated, these fee levels would increase development costs in the City as a percent of development value by an additional 0.4 to 1.5 percentage points.

**Table 6 Impact of Potential Fee Levels on Culver City Fee Burden**

Item	Retail	Office	Industrial
Development Value	\$865	\$769	\$580
Current Impact Fees	\$22.62	\$20.22	\$15.49
Fee as Percent of Value	2.6%	2.6%	2.7%
Potential Linkage Fee Level Scenarios			
Per Square Foot Fee	\$3.00	\$3.00	\$3.00
Total Impact Fee	\$25.62	\$23.22	\$18.49
Fee as Percent of Value	3.0%	3.0%	3.2%
Per Square Foot Fee	\$5.00	\$5.00	\$5.00
Total Impact Fee	\$27.62	\$25.22	\$20.49
Fee as Percent of Value	3.2%	3.3%	3.5%
Per Square Foot Fee	\$9.00	\$9.00	\$9.00
Total Impact Fee	\$31.62	\$29.22	\$24.49
Fee as Percent of Value	3.7%	3.8%	4.2%

To provide context for how these fee levels would affect affordable housing production in the City, EPS multiplied these three potential linkage fees by City projections of new retail and office development for the next five years, in order to estimate potential revenue generation from the fee program (see **Table 7**). Based on the average subsidy needed to support the development of housing units affordable to very-low and low-income

households (as calculated in the nexus study technical report)<sup>13</sup>, the generated revenue from the projected new retail and office development over the next five years has the potential to support between 13 and 39 new affordable residential units.

**Table 7 Potential Linkage Fee Generation and Support for Affordable Units**

Item	Retail	Office	Total
Projected 5 Year Buildout (sq. ft.) [1]	993,214	164,594	1,157,809
Potential Fee Generation			
\$3.00	\$2,979,643	\$493,783	\$3,473,426
\$5.00	\$4,966,072	\$822,971	\$5,789,043
\$9.00	\$8,938,929	\$1,481,348	\$10,420,277
Average Per Unit Subsidy [2]		\$268,636	
Units Supported			
\$3.00	11	2	13
\$5.00	18	3	22
\$9.00	33	6	39

[1] Projected on five-year projections provided by City of Culver City

[2] Average of subsidies needed to support units affordable to low-income and very low-income households, as calculated by EPS for nexus linkage study.

Source: City of Culver City; EPS

While **Table 7** demonstrates the potential support for affordable units from linkage fee revenue alone, it is common for cities and affordable housing developers to leverage multiple funding sources in building affordable residential units. Therefore, the revenues generated through the linkage fee program would not necessarily be the only source of funding for affordable housing units and could be combined with other programs and revenues in order to support the development of a greater number of units. Additionally, the above analysis only considers revenue generation potential for the five-year buildout projections for retail and office development. The fee program would likely generate more revenues than when other potential development is taken into account over a longer time period. The land use projections prepared for the City's General Plan Update would be one potential source of information for a more complete fee revenue generation estimate.

<sup>13</sup> In the Nexus Study, EPS calculated the subsidies needed to develop two-bedroom units affordable to households earning very-low and low incomes, as defined by the California Department of Housing and Community Development. The subsidy needed to develop a unit affordable to a very-low income household is \$372,272, and the subsidy needed to develop a unit affordable to a low income household is \$164,999. The average of these subsidies is \$268,636, the subsidy utilized in Table 7 above.  
 Economic & Planning Systems, Inc. (EPS)

# APPENDIX

**Table A-1 Retail Impact Fees By Fee Category**

Fee Category	Culver City [1]	Santa Monica [2]	Westside LA [3]	West Hollywood	Pasadena	Glendale	Burbank	Beverly Hills
Transportation	\$1.00	\$24.60-\$35.25	\$13.35-\$16.90	\$1.85	\$11.46		\$6.85	
Parks and Recreation		\$1.68		\$0.79		\$6.04	\$0.49	\$7.35
Affordable Housing		\$10.96	\$3.00-\$5.00	\$8.92		\$4.00		
Public Art	1% of project value	\$2.00	\$1.31	1% of project value	1% of building value	1% of project value	1% of building value	1%-1.5% of construction value
Childcare		\$5.31		\$0.65				
Public Safety							\$0.14	
Library						\$0.46	\$0.33	
Other	1.5% of project value (Commercial/ Industrial Tax)							

[1] Culver City charges a "New Development Fee" that typically goes towards transportation infrastructure. The City is currently considering an update to its transportation fee program.

[2] Santa Monica charges different transportation fees on different geographies. Table 5 uses Area 3 fees, which are the higher fee levels.

[3] The West LA transportation fee is based on size of retail development. Table 5 uses the higher end of the range.

The City of Los Angeles commercial linkage fee is based on location of the project. Table 5 uses the higher end of the range.

Source: EPS

**Table A-2 Office Impact Fees By Fee Category**

Fee Category	Culver City [1]	Santa Monica [2]	Westside LA [3]	West Hollywood	Pasadena	Glendale	Burbank	Beverly Hills
Transportation	\$1.00	\$11.36-\$12.65	\$16.75-\$25.00	\$1.85	\$8.63		\$6.85	
Parks and Recreation		\$2.60		\$0.79		\$7.36	\$0.94	\$7.35
Affordable Housing		\$7.65 - \$12.60	\$3.00-\$5.00	\$8.92		\$4.00		
Public Art	1% of project value	\$2.00	\$1.57	1% of project value	1% of building value	1% of project value	1% of building value	1%-1.5% of construction value
Childcare		\$7.43		\$0.65				
Public Safety							\$0.22	
Library						\$0.56	\$0.63	
Other	1.5% of project value (Commercial/ Industrial Tax)							

[1] Culver City charges a "New Development Fee" that typically goes towards transportation infrastructure. The City is currently considering an update to its transportation fee program.

[2] Santa Monica charges different transportation fees on different geographies. Table 5 uses Area 2 fees, which are the higher fee levels.

Santa Monica levies distinct affordable housing fees on general office, creative office, and medical office. Table 5 uses the fee for general office.

[3] The West LA transportation fee is based on size of office development. Table 5 uses the higher end of the range.

The City of Los Angeles commercial linkage fee is based on location of the project. Table 5 uses the higher end of the range.

Source: EPS

**Table A-3 Industrial Impact Fees By Fee Category**

Fee Category	Culver City [1]	Santa Monica [2]	Westside LA [3]	West Hollywood	Pasadena	Glendale	Burbank	Beverly Hills
Transportation	\$1.00	\$1.40-\$1.53	\$10.98	\$1.85	\$1.19		\$3.75	
Parks and Recreation		\$2.60		\$0.79		\$3.01	\$0.44	\$7.35
Affordable Housing		\$8.47	\$3.00-\$5.00	\$8.92		\$4.00		
Public Art	1% of project value	\$2.00	\$0.51	1% of project value	1% of building value	1% of project value	1% of building value	1%-1.5% of construction value
Childcare				\$0.65				
Public Safety							\$0.11	
Library							\$0.30	
Other	1.5% of project value (Commercial/ Industrial Tax)							

[1] Culver City charges a "New Development Fee" that typically goes towards transportation infrastructure. The City is currently considering an update to its transportation fee program.

[2] Santa Monica charges different transportation fees on different geographies. Table 5 uses Area 2 fees, which are the higher fee levels.

[3] The City of Los Angeles commercial linkage fee is based on location of the project. Table 5 uses the higher end of the range.

Source: EPS