

City of Palo Alto Development Impact and In-Lieu Fees (as of August 17, 2026)

COMMUNITY FACILITIES:

For information on fee calculations and applicability, please refer to the Municipal Code references listed below.

For use of fee revenues, please contact the following:

Parks/Community Centers: Robert Gonzalez – (650) 463-4900 – robert.gonzalez@paloalto.gov

Libraries: Sarah Wilson – (650) 329-2516 – sarah.wilson@paloalto.gov

General Government Facilities: Michelle Nelson – (650) 329-2281 – michelle.nelson@paloalto.gov

Public Safety: (Police) Eric Jensen – (650) 329-2413 – eric.jensen@paloalto.gov

(Fire) Amber Cameron – (650) 329-2374 – amber.cameron@paloalto.gov

Fee	Single Family	Multi-Family
Parks*	\$18.75 per sq. ft.	\$44.47 per sq. ft.
Community Center*	\$1.44 per sq. ft.	\$3.43 per sq. ft.
Libraries*	\$0.86 per sq. ft.	\$2.04 per sq. ft.
Public Safety Facilities*	\$1,383.00 per unit	\$1,107.00 per unit
General Gov. Facilities*	\$1,743.00 per unit	\$1,394.00 per unit
* ADUs under 750 sq. ft. are exempt from Development Impact Fees.		

Fee	Commercial	Hotel /Motel	Institutional	Industrial
Parks	\$19,828.00	\$3,375.00	\$19,828.00	\$19,828.00
Community Center	\$1,532.00	\$261.00	\$1,532.00	\$1,532.00
Libraries	\$913.00	\$155.00	\$913.00	\$913.00
Public Safety Facilities	\$764.00	\$760.00	\$1,026.00	\$250.00
General Gov. Facilities	\$972.00	\$972.00	\$1,300.00	\$323.00
Total	\$24,009.00	\$5,523.00	\$24,599.00	\$22,846.00
basis	<i>per net new 1,000 sq. ft.</i>	<i>per net new 1,000 sq. ft.</i>	<i>per net new 1,000 sq. ft.</i>	<i>per net new 1,000 sq. ft.</i>

HOUSING: Claire Raybould – Current Planning Manager – (650) 329-2116 – claire.raybould@paloalto.gov

Use	Fee
Office/R&D	\$80.63 per sq. ft.
Hotel	\$27.20 per sq. ft.
Retail/Other	\$27.20 per sq. ft.
Single Family Detached**	\$100.18 per sq. ft.
Single Family Attached**	\$66.78 per sq. ft.
Condominiums	\$66.38 per sq. ft.
Apartment (rentals)	\$26.71 per sq. ft.
** These in-lieu fees apply to fractional units and in cases where the Council agrees to accept payments in lieu of building affordable units on site.	

TRAFFIC: Sue-z Gaskin – (650) 329-2106 – suez.gaskin@paltoalto.gov

**Parking In-Lieu for the
Downtown Assessment District**

\$136,354.00 per parking space

Charleston/Arastradero

\$0.51 per sq. ft. – commercial

\$1,743.00 per residential unit

Citywide Transportation Impact Fee

\$10,099.00 per net new PM peak hour trip

PUBLIC ART: Elise DeMarzo – (650) 617-3517 – elise.demarzo@paltoalto.gov

1% of first \$131.80 million construction valuation and 0.9% of construction valuation for valuation in excess of \$131.80 million. Applies to new commercial buildings including new construction, remodels, additions, and reconstruction that have a floor area of 10,000 sq. ft. or more and a construction value of \$200,000.00 or more, and new residential projects of five units or more, with some exclusions.

PARKLAND DEDICATION: Robert Gonzalez – (650) 463-4900 – robert.gonzalez@paltoalto.gov

Fee applies only to residential projects that require a subdivision or parcel map less than 50 parcels when land is not dedicated. Land dedication is required for subdivisions resulting in more than 50 parcels unless otherwise approved by Council. In-lieu fees may be paid where subdivision for less than 50 lots occurs. When parkland dedication applies, park impact fees (above) do not apply.

Land required: Single-family = 531 sq. ft./unit; Multi-family = 366 sq. ft./unit

In-lieu Fee: Single-family = \$81,829/unit; Multi-family = \$56,402/unit

For more information on impact fees and parkland dedication, refer to Palo Alto Municipal Code Chapters 16.45, 16.46, 16.47, 16.58, 16.59, 16.60, 16.61, 16.64, 16.65, 21.50 and the Municipal Fee Schedule:

<https://www.paloalto.gov/files/assets/public/v/1/administrative-services/city-budgets/municipal-fee-schedules/fy-2027-adopted-municipal-fee-schedule.pdf>.

GENERAL INQUIRIES: Claire Raybould – Current Planning Manager – (650) 329-2116 – claire.raybould@paltoalto.gov

Palo Alto Development Impact Fee Exemptions

Exemption	Housing	Libraries, Parks, Community Centers, Gov. Facilities, Public Safety Facilities	Traffic: Charleston/ Arastradero	Citywide Traffic Fee	Parkland Dedication
<i>Ordinance Section/Chapter</i>	<i>16.65.060</i>	<i>16.58.030</i>	<i>16.60.040</i>	<i>16.59.040</i>	<i>21.50.100</i>
Residential Exemptions					
Single-family home remodels or additions	Exempt	Exempt	Exempt	Exempt	Exempt
New home on a vacant parcel					Only applies if a subdivision or parcel map is required
Second units					
Accessory Dwelling Unit (ADU) Garage/Carport Conversions (with no FAR expansion), or Junior ADU (JADU)	Exempt	Exempt	Exempt	Exempt	
ADUs less than 750 sq. ft.	Exempt	Exempt	Exempt	Exempt	
ADUs 750 sq. ft. and larger. Fee is proportional to the size of the primary unit.	Exempt		Exempt	Exempt	
Multi-family Residential					
Required Below Market Rate (BMR) units	Exempt				
BMR Housing beyond required units	Exempt	Exempt	Exempt	Exempt	
100% Affordable Housing	Exempt	Exempt	Exempt	Exempt	Exempt
Non-Residential Exemptions					
Demolition of existing building	Fees may apply if replacement building has additional floor area, or in the case of the Citywide Transportation Impact Fee (TIF), if the replacement building generates additional traffic, regardless of whether it remains the same size or not.				
Tenant improvements that do not increase building area	Exempt	Exempt	Exempt	Exempt	All non-residential uses exempt
Churches	Exempt				
Colleges and universities	Exempt				
Commercial recreation	Exempt				
Hospitals and convalescent facilities	Exempt				
Private clubs, lodges, and fraternal organizations	Exempt				
Private educational facilities	Exempt				
Public buildings & schools	Exempt	Exempt	Exempt	Exempt	
Retail, personal service, or automotive service 1,500 sq. ft. or smaller (one-time)	Exempt	Exempt	Exempt	Exempt	
Non-residential use 250 sq. ft. or smaller					
Hazardous materials storage	Exempt	Exempt	Exempt	Exempt	
On-site cafeteria/ recreation/ childcare (employee use only)	Exempt	Exempt	Exempt	Exempt	
Daycare, nursery school, preschool		Exempt	Exempt	Exempt	

NOTE: When an exempt use changes to a non-exempt use, a fee is due.