



Office of the City Manager

CONSENT CALENDAR
July 7, 2026

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Jordan Klein, Director, Planning and Development Department
 Subject: Contract: Willdan Financial Services for Updates to Nexus Studies

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Willdan Financial Services, to make updates to five nexus studies in support of City development fees, in an amount not to exceed \$80,115, and authorizing the City Manager to execute any amendments, extensions, or change orders until the project is completed.

FISCAL IMPACTS OF RECOMMENDATION

Contract costs will be apportioned based on the average annual revenues received over the previous five years from each of the five fees being studied under this contract: Public Art on Private Development, Streets and Open Space Improvement Plan (SOSIP), Privately Owned Public Open Space (POPOS), Child Care Impact Fee for Commercial Projects, and Affordable Housing Impact fee on Commercial Projects. Funds will be available in proportion to the amounts into which revenue from these development fees is received, as follows:

FUND	Share	Amount	Funding Codes
Public Art	29%	\$ 23,233	148-21-208-252-0000-000-446-612990
SOSIP	38%	\$ 30,444	139-54-622-662-0000-000-431-612990-
POPOS	5%	\$ 4,006	139-54-622-662-0000-000-431-612990-
Commercial Child Care	6%	\$ 4,807	121-51-504-533-2074-000-000-446-612990-
Commercial Affordable Housing	22%	\$ 17,625	331-51-504-530-0000-000-446-612990-

CURRENT SITUATION AND ITS EFFECTS

Cities are obligated under state law to periodically update the nexus studies which justify various kinds of development fees. A nexus study demonstrates the connection between the effects of a development project on a need or service which a jurisdiction

provides. Updating nexus studies provides the justification for a City to charge a development fee to remediate the impacts from a development project, and establishes a range of fee rates which are reasonable for that purpose.

On February 24, 2026, the City Council approved a request for procurement authority under Specification No. 26-11783, authorizing a Request for Proposals (RFP) to select a vendor to update the nexus studies for the five different City development fee programs listed above. A different City fee, the Inclusionary Housing In-Lieu Fee, has already been updated separately and is not included in the proposed scope of work of this contract.

The City issued an RFP on March 3, 2026, and received two bids from firms to conduct the work to update the nexus studies. A panel was convened with representatives from the Planning and Development Department, the Public Works Department, the Health, Housing, and Community Services Department, and the City Manager's Office representing the Civic Arts Program. The panel reviewed the submittals received, and found both firms to be well-qualified, but unanimously scored the bid from Willdan Financial Services the highest.

The scope of services under the proposed contract will include:

- Background research on the five fees and their original nexus studies and justifications.
- Comparison to similar fees set in neighboring jurisdictions.
- New, methodologically sound nexus studies for each of the five fees demonstrating the needs which each fee seeks to address, the impacts on those needs by proposed new development projects, and the appropriate fee rates to mitigate a project's impacts.
- A full report and summary of findings for the work performed.
- Assistance with preparations to present the findings to the City Council, and availability to appear at such presentations upon request.

This project advances the City's Strategic Plan goals to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities; and to create affordable housing and housing support service for our most vulnerable community members.

Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement.

BACKGROUND

California's Mitigation Fee Act (Government Code § 66000 et seq.) requires local agencies charging development fees to publish certain information about those fees, including summaries of revenues collected and expenditures made in fulfillment of the

purposes for which the fees are levied. State law AB 602, which became effective in January 2022, further mandated that nexus studies for such fees be updated within eight years, and the results be made publicly available. Successful conclusion of the scope of work in this proposed contract, and publication of the results on the City webpage, would bring the City of Berkeley into compliance with these mandates.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Many of the services delivered from revenues collected under these fee programs have positive effects on City sustainability metrics, including the promotion of urban infill housing, the maintenance of downtown infrastructure and amenities to support such housing, and the provision of open space, public art, and childcare resources to foster a more livable urban environment.

RATIONALE FOR RECOMMENDATION

Updating the justifications for City development fees will allow Berkeley to continue to receive revenues to mitigate the impacts of development on the City, and will allow Berkeley to be in compliance with AB 602 mandates prior to the 2030 deadline.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: WILLDAN FINANCIAL SERVICES FOR UPDATES TO NEXUS STUDIES

WHEREAS, the City of Berkeley levies fees to mitigate various kinds of impacts from development projects, including fees for Public Art on Private Development, for the Streets and Open Space Improvement Plan (SOSIP), for Privately Owned Public Open Space (POPOS), for Child Care Impacts from Commercial Projects, and for Affordable Housing Impacts from Commercial Projects; and

WHEREAS, state law and best practices require that the nexus studies which justify such fees be periodically updated and made publicly available; and

WHEREAS, the City released a Request for Proposals under Specification No. 26-11783, seeking bids from firms to prepare updates to the nexus studies which support these five fees; and

WHEREAS, a panel of reviewers from multiple City departments scored the bids received, and unanimously recommended Willdan Financial Services as highly qualified and the best value to the City to perform the requested work; and

WHEREAS, funding in the amount of \$80,115 is available in the Public Art, SOSIP, POPOS, Commercial Child Care, and Commercial Affordable Housing Funds, to be apportioned in amounts reflective of the average annual revenue received in each Fund; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract with Willdan Financial Services, to update the nexus studies for the Public Art, SOSIP, POPOS, Commercial Child Care, and Commercial Affordable Housing fees, in an amount not to exceed \$80,115, and authorizing the City Manager to execute any amendments, extensions, or change orders until the project is completed.