



# Memorandum

To: Adolfo Ozaeta and Ryan Salz, City of Westminster  
From: Jason Moody and Lohita Turlapati, Economic & Planning Systems  
Subject: City of Westminster – Development Impact Fee Comparison  
EPS #254028  
Date: February 11<sup>th</sup>, 2026

Economic and Planning Systems, Inc. (EPS) is assisting the City of Westminster (City or Westminster) to evaluate its current impact fee structure to determine whether an update is warranted. One consideration that will inform the need for an update is how the City’s current impact fee compares to those being charged in “peer cities”.

Accordingly, this memo compares Westminster’s existing residential and non-residential fees against those charged in the following nine (9) neighboring jurisdictions:

- |                         |               |
|-------------------------|---------------|
| 1. Torrance             | 6. Stanton    |
| 2. Huntington Beach     | 7. Placentia  |
| 3. Garden Grove         | 8. Seal Beach |
| 4. Costa Mesa           | 9. Santa Ana  |
| 5. Anaheim <sup>1</sup> |               |

## Impact Fee Program Structure

EPS analyzed the scope of each jurisdiction’s fee programs. As shown in **Table 1**, peer cities vary widely in the number and type of fee categories they implement.

Westminster’s current fee structure includes fees for parks and traffic only. In contrast, many peer cities—including Torrance, Garden Grove, Huntington Beach, Costa Mesa, and Placentia have more comprehensive programs that support a broader range of capital

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<sup>1</sup> EPS has not included area-based fees or special district fees, or those calculated using non-standard metrics (such as per daily trip), with the exception of Anaheim. Due to the geographic size of the areas and differing development patterns within Anaheim, EPS has included fees for West Anaheim and East Anaheim.

needs such as public safety, libraries, water/sewer, fire, affordable housing, and public arts. A few cities, such as Stanton, Seal Beach, and Anaheim, are currently in the process of updating their impact fee programs, which may result in higher fees and more expansive funding categories in the near future.

Fee Category	Westminster (current)	Torrance	Huntington Beach	Garden Grove	Costa Mesa	Santa Ana	Seal Beach [2]	Anaheim [1][2]	Stanton [1][2]	Placentia [1]
Fire			x		x			x		x
Affordable Housing										x
Parks	x		x	x	x	x	x	x		x
Public Facility/ Library		x	x					x	x	x
Water and Sewer/ Sanitation		x	x	x	x	x		x		x
Transportation/ Traffic	x	x	x	x	x	x	x	x	x	x
Police / Law Enforcement		x	x					x	x	x
Public Arts				x						
Other [1]		x		x				x	x	x

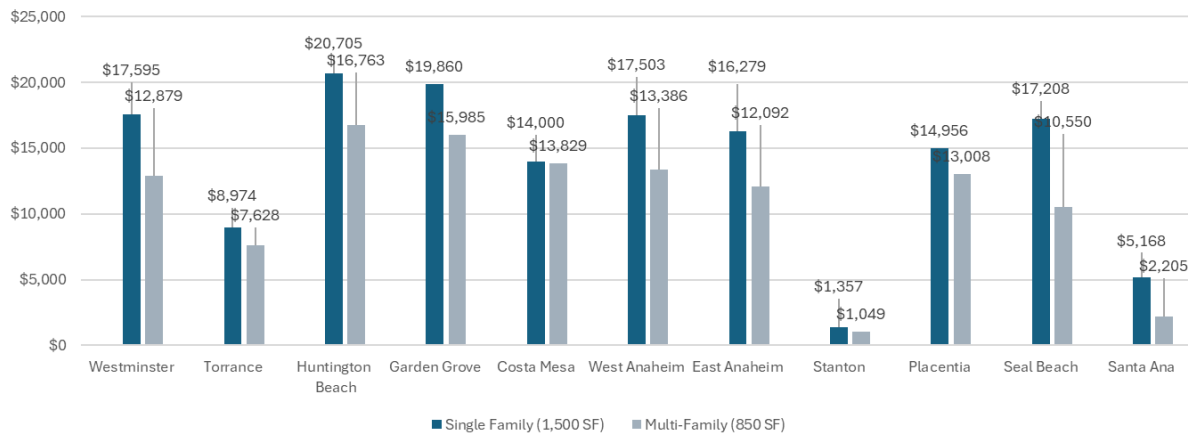
[1] Torrance has General Services Facilities fee that has been categorized as Other.  
 Anaheim has Arterial Highway Beautification fees that have been categorized as Other.  
 Stanton has Sewer Connection Fees that have been categorized as Other.  
 Placentia has Animal Shelter fees as well as as separate Traffic, sewer, and streetscape fees for TOD Area categorized as Other.  
 Garden Grove has Water Assessment Fees, Parkway Tree Fees, and In Lieu Undergrounding Fee categorized as Other

[2] Currently in different stages of updating Fees. EPS is not aware of any other jurisdictions updating fees.

**Table 1 Impact Fees across Peer Cities**

## Residential Impact Fees

EPS reviewed the City’s existing residential impact fees and compared them with those charged in peer jurisdictions, as shown in **Figure 1** on the following page. The comparison includes a range of fee types (e.g., parks, quimby in-lieu, transportation, public safety, utilities, and other citywide facilities).



**Figure 1 Residential Fees by City (per Unit)**

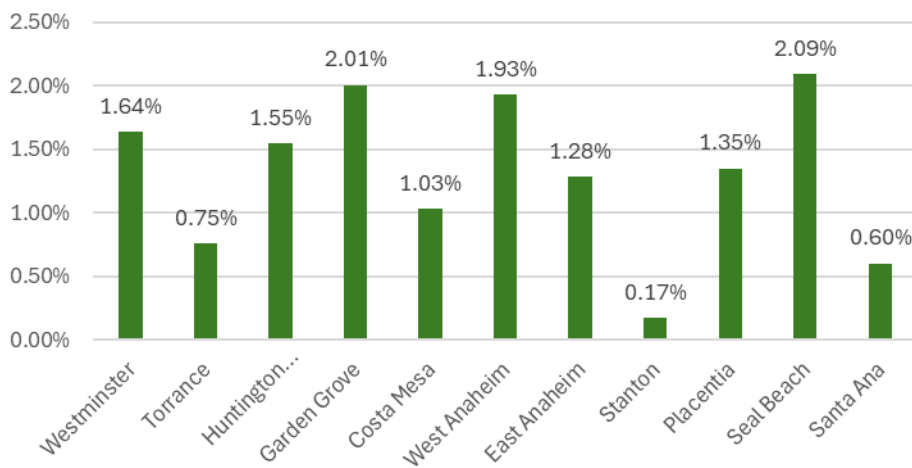
Westminster's residential impact fees are in the higher range compared to peer cities. Fees for single-family units in the City (\$17,595 per unit) are below Huntington Beach, and Garden Grove but more than double the fees of Cities of Torrance, Stanton, and Santa Ana.

Multi-family fees (\$12,879 per unit) fall at the median of the peer city range and are comparable to those in jurisdictions such as Costa Mesa, Anaheim and Placentia. In contrast, cities such as Stanton and Santa Ana maintain significantly lower fees, while Huntington Beach and Garden Grove are notably higher.

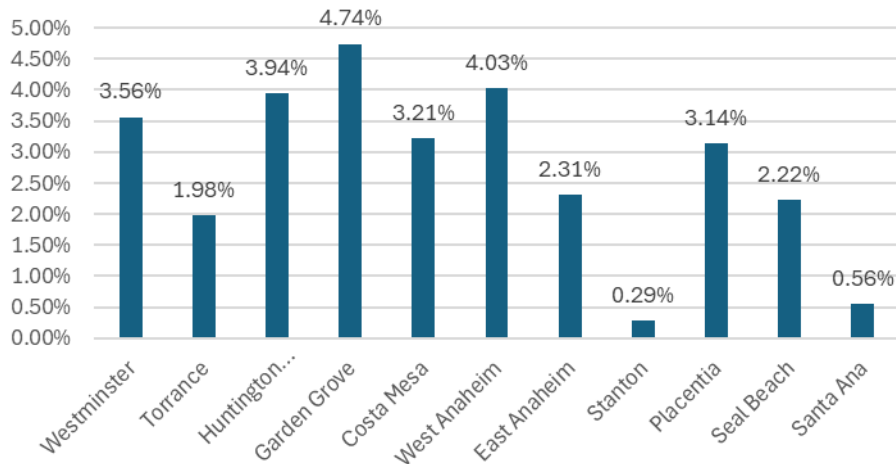
### Housing Burden Analysis

In addition to comparing the absolute dollar amounts of residential impact fees, EPS evaluated the relative burden of these fees in the context of local housing costs, as shown in **Figure 2** and **Figure 3** on the following page. Rather than just comparing the nominal fee amounts across cities, this analysis examines how significant the fees are relative to housing values, measuring the burden of fees in the context of what the market can support in each city. This method offers a more meaningful understanding of how impact fees affect development feasibility.

For single-family homes, fees were compared to average home prices. For multi-family units, estimated capitalized value was derived by deducting 25 percent for operating expenses from average annual rental income and applying a capitalization rate of 5.5 percent.



**Figure 2 Fee as Percent of Single-Family Unit Value**



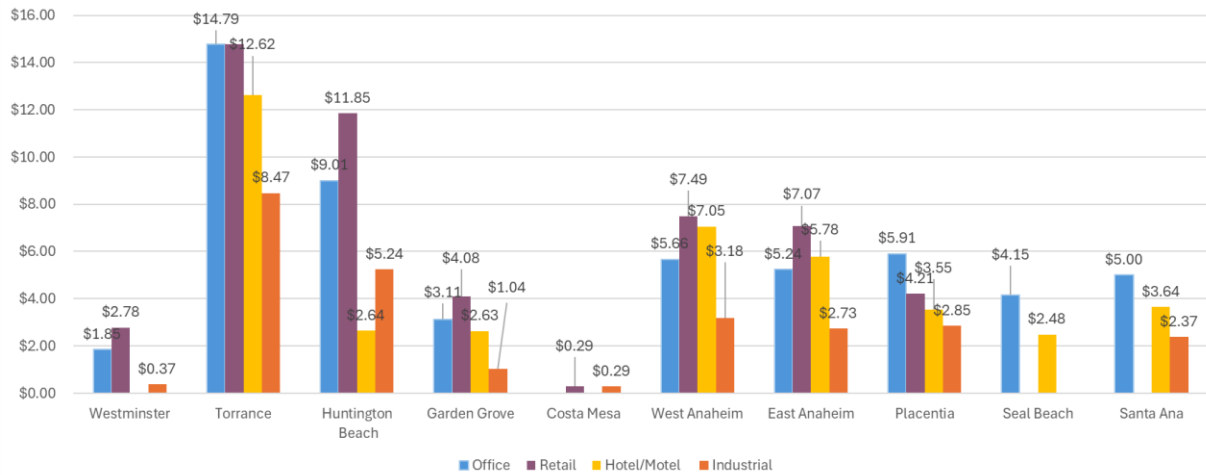
**Figure 3 Fee as Percent of Multi-Family Unit Value**

In Westminster, the single-family impact fee represents approximately 1.64 percent of the average home price. Cities such as Garden Grove, Seal Beach, and Anaheim (specifically, West Anaheim) show higher single-family fee burdens at 2.01 percent, 2.09 percent, and 1.93 percent, respectively, while cities like Santa Ana and Stanton exhibit lower relative fee levels.

For multi-family development, Westminster’s impact fee is approximately 3.56 percent of the estimated capitalized value of a typical unit, placing it toward the higher end of the range among peer cities. Cities such as Garden Grove (4.74 percent), West Anaheim (4.03 percent), and Huntington Beach (3.94 percent) impose higher fee burdens on multi-family projects. In contrast, cities like Santa Ana (0.56 percent), Torrance (1.98 percent), and Stanton (0.29 percent) maintain substantial lower impact fee burden.

## Non-Residential Impact Fees

EPS also evaluated the City of Westminster’s current non-residential impact fees and compared them with those charged by neighboring jurisdictions across four key commercial and industrial land use categories: office, retail, hotel/motel, and industrial. All fees shown in **Figure 4** are expressed on a per-square-foot basis and reflect published FY 2023–2024 rates, or the most recently available data.



**Figure 4 Non-Residential Impact Fees by City**

For office development, Westminster charges a fee of \$1.85 per square foot, which is among the lowest in the comparison group. Most peer cities impose substantially higher office fees, including Torrance at \$14.79 per square foot, Huntington Beach at \$9.01 per square foot, and Garden Grove at \$3.11 per square foot.

In the retail category, Westminster charges \$2.78 per square foot, again at the lower end of the range. Torrance and Huntington Beach impose much higher fees at \$14.79 and \$11.85 per square foot, respectively. Several cities, including Costa Mesa (\$0.29), also maintain lower retail impact fees, though others such as Anaheim and Garden Grove charge more moderate fees in the \$4 to \$7 per square foot range.

For hotel / motel development, Westminster does not currently impose a citywide impact fee, placing it among a small group of jurisdictions with no such charges. By contrast, Torrance imposes the highest fee at \$12.62 per square foot, followed by West Anaheim (\$7.05), Huntington Beach (\$2.64), and Garden Grove (\$2.63).

Industrial development in Westminster is subject to a modest impact fee of \$0.37 per square foot, one of the lowest amongst peer cities. Most comparison cities impose substantially higher industrial fees, such as Torrance (\$8.47), Huntington Beach (\$5.24), and Anaheim (ranging from \$2.73 to \$3.18). A few cities, including Costa Mesa and Seal Beach, maintain similarly low fees around \$0.29 to \$2.37 per square foot.

The City of Stanton does not currently impose any non-residential fees.<sup>2</sup> EPS is also aware that Seal Beach, Stanton and Anaheim are in various stages of the process of updating their impact fee programs. As these updates are finalized, these cities may introduce higher non-residential fees.

<sup>2</sup> The City of Stanton has recently issued an RFP to update their fees which may result in changes, including the introduction of such fees.

## Key Takeaways

Westminster's non-residential impact fees are generally lower than those charged by peer cities. This relatively low fee structure may enhance the City's competitiveness in attracting commercial and employment-generating development. However, it also indicates a more limited revenue base for funding capital improvements associated with non-residential growth.

If the City moves forward with an update to its impact fee program, it may consider increasing non-residential fees and adding additional fee categories such as public safety or utilities, without significantly impacting competitiveness with peer jurisdictions.

By contrast, Westminster's residential fees are toward the higher end of the range among peer cities, both in absolute terms and when measured as a percentage of housing value. Several peer cities are currently updating their impact fee programs, suggesting that higher fees may increasingly reflect efforts to improve cost recovery. As part of any update, the City may consider evaluating whether its current residential fees appropriately recover the full cost of infrastructure required to serve new development, while maintaining overall housing feasibility.