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**DEPARTMENT OF
PUBLIC WORKS**

DEVELOPMENT SERVICES
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

January 7, 2004

Special Districts
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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: JACINTO CREEK PLANNING AREA (JCPA) DEVELOPMENT FEE DISTRICT
– AN EMERGENCY ORDINANCE EXTENDING BY 60 DAYS THE
TEMPORARY SUSPENSION OF THE ISSUANCE OF BUILDING PERMITS
PENDING INCREASE IN DEVELOPMENT IMPACT FEES, WITH EXEMPTION
FOR THOSE AGREEING TO PAY THE FEE INCREASE**

LOCATION AND COUNCIL DISTRICT:

Jacinto Creek Community Plan Area, Council District 8 (see attachment "A").

RECOMMENDATION:

This report recommends that the City Council enact an emergency ordinance extending by 60 days the temporary suspension of the issuance of building permits within the Jacinto Creek Planning Area (JCPA) pending an increase in development impact fees with an exemption for those agreeing to pay the fee increase.

CONTACT PERSON: Rita Goolkasian, Program Specialist, 264-5236

FOR COUNCIL MEETING OF: January 27, 2004

SUMMARY:

On October 28, 2003, City Council enacted an ordinance temporarily suspending the issuance of building permits for 150 days of the JCPA development impact fees and directed staff to perform a new traffic study and report back within 90 days with new fees, in particular, those related to the transportation element of the JCPA Public Facilities Fee. Staff is requesting additional time to consider expanding the scope of the nexus to include additional properties within the City of Sacramento impacting the project area of Bruceville Road. The additional time needed will not exceed 60 days.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

City Council adopted the JCPA Development Impact Fees in 1996, which consisted of the Channel Fee, Drainage Fee by Watershed and the Public Facilities Fee. The channel fee is paid at final map and the other two are paid at building permit.

On October 28, 2003 City Council enacted an ordinance temporarily suspending the issuance of building permits for 150 days of the JCPA development impact fees and directed staff to perform a new traffic study and report back within 90 days with new fees.

Staff is requesting additional time in order to consider broadening the scope of the nexus study to include additional undeveloped properties in close proximity to the Bruceville Road project. These properties are not currently in the JCPA fee district but their development may impact the level of congestion and staff would like to determine the feasibility of imposing impact fees. A new nexus would serve two purposes, to determine the new road fee for the JCPA and a potential fee on the surrounding undeveloped properties. The general location of those properties is identified in Attachment B.

The proposed extension is requested for 60 days to allow staff to consider the feasibility of imposing an impact fee for the road widening and discuss with property owners prior to returning to City Council with the recommended fees for all areas. Although the ordinance extends the temporary suspension of the issuance of building permits until the new fees are in effect, developers and builders can still obtain building permits if they pay the existing fees and sign an agreement obligating them to pay the difference between the existing fees and the new fees.

Staff will return to City Council within 60 days for a public hearing on the proposed new fees. Ten days prior to the City Council hearing, the Finance Plan cost update will be available and on file with the City Clerk. The study will contain the nexus for the JCPA roadway costs based on the updated traffic models.

FINANCIAL CONSIDERATIONS:

JCPA developers pay for their share of the required infrastructure identified in the plan through Development Impact Fees established for this fee district. The fee update to be presented within the next 60 days will ensure cost recovery of the JCPA share of costs for projects identified within the finance plan.

City Council

Ordinance related to the Jacinto Creek Planning Area (JCPA) Development Impact Fee District
January 7, 2004

ENVIRONMENTAL CONSIDERATIONS:

Under California Environmental Quality Act (CEQA) guidelines, today's action in approving this ordinance is solely related to the update of Development Impact Fees to be used in funding the required infrastructure, and is therefore, not a project for the purposes of CEQA.

POLICY CONSIDERATIONS:

Adoption of the ordinance is necessary to remain compliant with the Mitigation Fee Act (AB1600) and Chapter 18.28 of the Sacramento City Code. This requires City Council to find that there is a "reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed," before City Council adopts any increase in development fees. This action is also consistent the City's Strategic Plan in preserving and enhancing the City's quality of life.

ESBD CONSIDERATIONS:

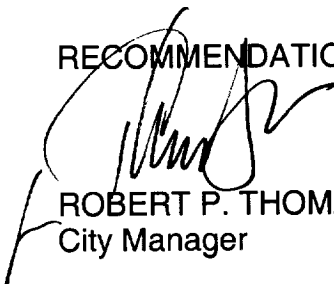
City Council adoption of the attached ordinance is not affected by City policy related to the ESBD.

Respectfully submitted,



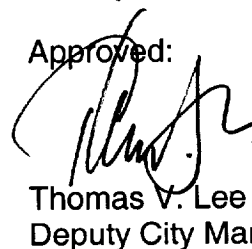
Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:



Thomas V. Lee
Deputy City Manager

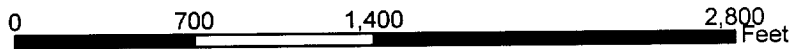
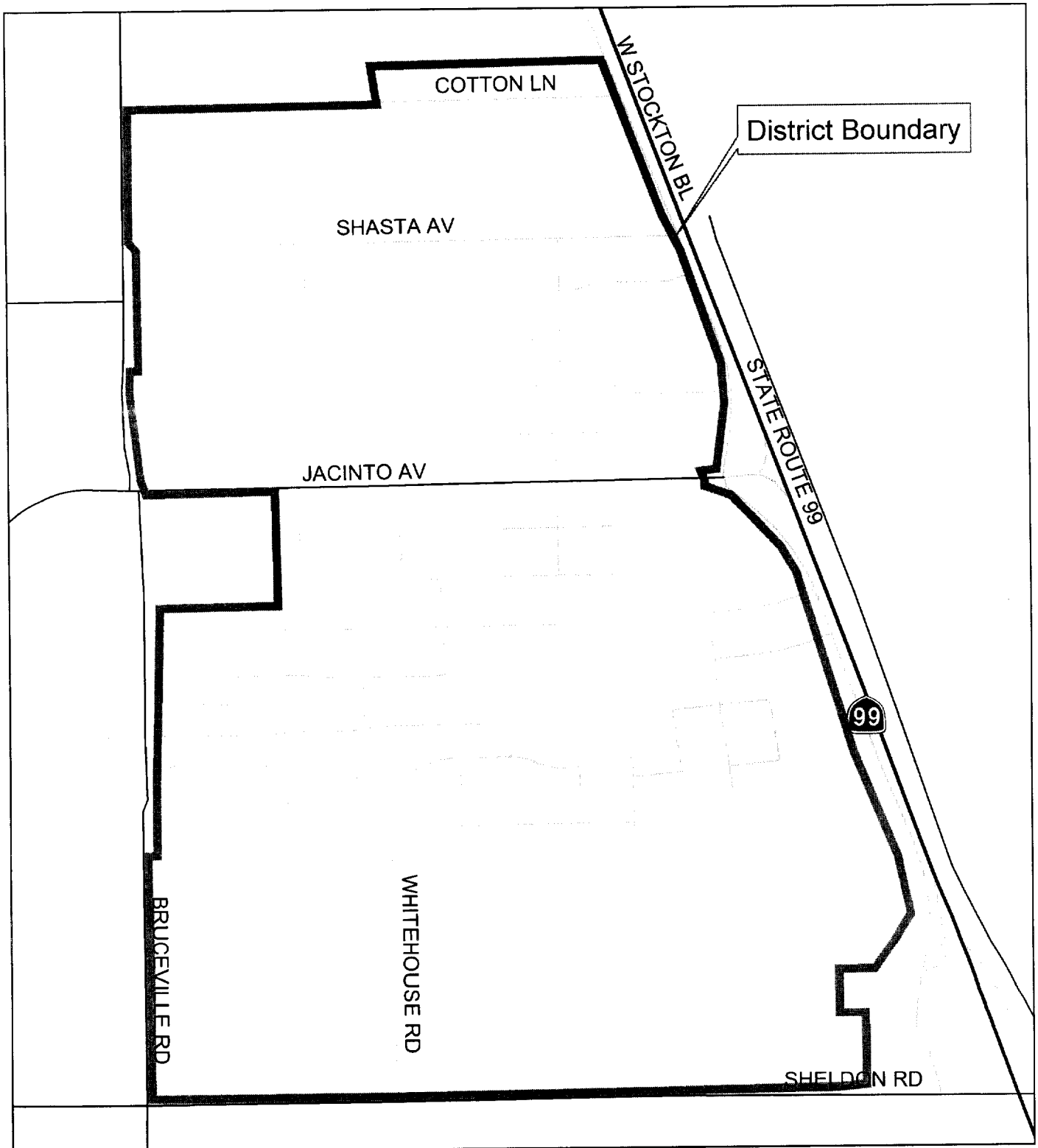
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Jacinto Creek Planning Area Fee District

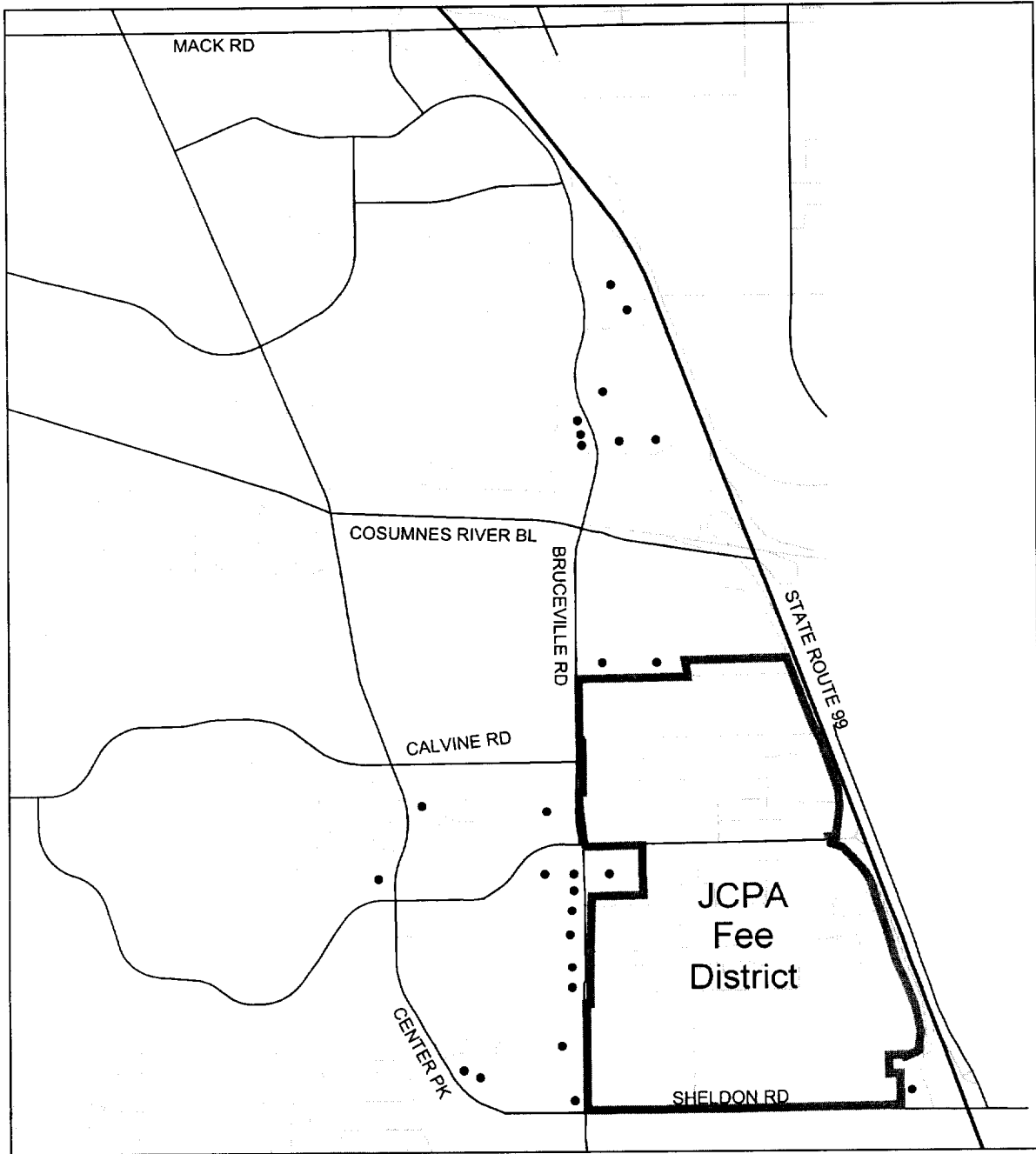


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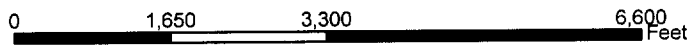
Additional Properties

(to be Considered for Road Fee)

ATTACHMENT B



BMueller 10/1/03



ORDINANCE NO. 2004-_____

ADOPTED BY THE SACRAMENTO CITY COUNCIL
ON _____

AN EMERGENCY ORDINANCE EXTENDING BY 60 DAYS THE TEMPORARY SUSPENSION OF THE ISSUANCE OF BUILDING PERMITS FOR PARCELS WITHIN THE JACINTO CREEK PLANNING AREA

**BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO, AS
FOLLOWS:**

SECTION 1. The City Council finds as follows:

- (a) On January 7, 1997, the City Council enacted Ordinance No. 97-002, establishing a development-impact fee for the Jacinto Creek Planning Area (JCPA). This ordinance is codified as chapter 18.28 of the Sacramento City Code.
- (b) Under chapter 18.28, the City imposes a development-impact fee on landowners who develop property within the JCPA for residential and nonresidential uses. The channel-improvement portion of the fee's storm-drainage component is collected when final subdivision maps are submitted to the City. The balance of the fee is collected when the City issues building permits for development within the JCPA. The City uses the fee to offset the costs incurred to design, construct, install, and acquire public infrastructure required to meet the needs of, and address the impacts caused by, the development activity. The intent is that landowners in the JCPA pay for the public infrastructure.
- (c) The fee is based on the financing plan and nexus study dated November 20, 1996, and approved by the City Council on January 7, 1997. Since November 1996, construction costs have increased substantially, especially the costs of designing and constructing roadways, and the fee established by chapter 18.28 is no longer adequate. In addition, because traffic patterns within the JCPA and the surrounding areas have changed substantially since November 1996, the nexus study's analysis of the fee's roadway-facilities component is now outdated.
- (d) To address the current inadequacy of the JCPA development-impact fee, the City Council desires to increase the fee and to order updated traffic and nexus studies for the roadway-facilities component. Performing these studies and enacting a resolution increasing the fee is anticipated to take approximately four to five months. If, during that time, landowners within the JCPA were to apply for building permits, then they would pay the current development-impact fee, which is no longer sufficient to cover the costs of designing, constructing, installing, and acquiring the needed public infrastructure for the JCPA.
- (e) Accordingly, to ensure that landowners who apply for building permits pay a development-impact fee that reflects current costs to design, construct, install, and

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ORDINANCE NO. _____

DATE ADOPTED: _____

acquire the public infrastructure needed for the JCPA, on October 28, 2003, the City Council enacted Ordinance No. 2003-059, temporarily suspending the issuance of building permits for development on parcels within the JCPA until a resolution increasing the fees is enacted and in effect. The ordinance directs City staff to perform updated traffic and nexus studies for the roadway-facilities component of the JCPA development-impact fee and then recommend a fee increase to the City Council by January 27, 2004. It also provides that the temporary suspension of the issuance of building permits will expire not later than March 27, 2004.

- (f) City staff needs additional time to complete the traffic and nexus studies and has requested that the temporary suspension of the issuance of building permits be extended by 60 days.

SECTION 2. City staff shall perform (or cause to be performed) updated traffic and nexus studies for the roadway-facilities component of the JCPA development-impact fee and shall present a recommended fee increase to the City Council by March 23, 2004.

SECTION 3. As of the effective date of this ordinance, and subject to section 4, the Planning and Building Department shall not issue or extend building permits for development on parcels within the JCPA until the earlier of the following:

- (a) May 25, 2004; or
- (b) The effective date of a resolution increasing the development-impact fee established by Ordinance No. 97-002, which is codified as chapter 18.28 of the Sacramento City Code.

SECTION 4. Notwithstanding section 3, the Planning and Building Department may issue or extend a building permit for development on a parcel within the JCPA if the owner of the parcel pays the current development-impact fee and agrees in writing to pay the City, within 30 days after the resolution increasing the fee takes effect, the difference between the current fee and the increased fee. The agreement must be in a form approved by the City Attorney, be binding on the owner's successors and assigns, provide that the City will not issue a certificate of occupancy or conduct a final inspection for the development until the difference is paid, and be recorded in the office of the Sacramento County Recorder. The City Manager is authorized to sign the agreement for the City.

SECTION 4. In accordance with section 32 (g)(2) of the Sacramento City Charter, the City Council declares this ordinance to be an emergency measure that takes effect immediately upon its adoption. The facts constituting the emergency are as follows:

- (a) As set forth above in section 1, which is incorporated into this section, in January 1997 the City Council established a development-impact fee for the JCPA by enacting Ordinance No. 97-002, now codified as chapter 18.28 of the Sacramento City Code. The fee was based on a financing plan and nexus study completed in November 1996 and is intended to offset costs incurred to design, construct, install, and acquire public infrastructure required to meet the needs of, and address the impacts caused by,

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development within the JCPA. Those who wish to develop property within the JCPA must pay the fee (except for the channel-improvement portion of the fee's storm-drainage component) when the City issues building permits for the development.

- (b) Since November 1996, construction costs have increased substantially, especially the costs of designing and constructing roadways. As a result, the fee established by chapter 18.28 is no longer adequate to cover the costs of designing and constructing roadways and other public infrastructure needed to serve the JCPA. In addition, traffic patterns within the JCPA and the surrounding areas have changed substantially, so the roadway-facilities analysis in the nexus study is now outdated.
- (c) Because the City must perform an updated nexus study, increasing the fees will take approximately four to five months. If, during that time, owners of property within the JCPA were to apply for building permits, then they would pay the existing, inadequate fee. That would thwart the City Council's purpose in enacting the fee: to allow development within the JCPA on the condition that landowners in the area pay the costs of public infrastructure needed to serve the JCPA, so that those costs do not become a responsibility of the City's general fund. (Sacramento City Code, § 18.28.030.) Thus, to ensure that persons who develop property within the JCPA pay a fee that reflects current costs and fairly accounts for the development's impact on public infrastructure, the City must temporarily suspend the issuance of building permits until the development-impact fee is increased.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

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