

3.17

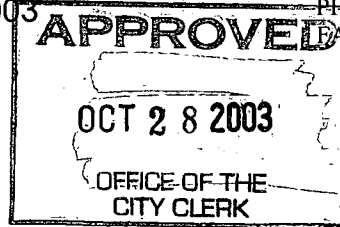
**DEPARTMENT OF  
PUBLIC WORKS**

**CITY OF SACRAMENTO  
CALIFORNIA**

Special Districts  
1231 I Street, Room 300  
Sacramento, CA 95814  
PH 916-264-7113  
FAX 916-264-7480

DEVELOPMENT SERVICES  
DIVISION

October 17, 2003



City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: JACINTO CREEK PLANNING AREA (JCPA) DEVELOPMENT FEE DISTRICT  
- ORDINANCE TEMPORARILY SUSPENDING 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, as an emergency measure, an ordinance:

- Directing staff to perform an updated traffic study and nexus on the roadway component of the JCPA Public Facilities Fee and return with proposed fee increases within 90 days;
- Instituting a temporary suspension of issuance of building permits for 150 days or until the new fees are in effect, whichever occurs first; and
- Creating an agreement provision that allows developers and builders to pay their fees at the existing rate by requiring them to enter into agreement with the City to pay the difference between the existing fee and new fee when the new fees become effective.

**CONTACT PERSON:**

Rita Goolkasian, Program Specialist, 264-5236

**FOR COUNCIL MEETING:**

October 28, 2003

**SUMMARY:**

City Council adopted the JCPA Development Impact Fees in 1996, which consisted of the Channel Fee, Drainage Fee, and Public Facilities Fee. Since 1996, roadway costs have increased significantly, and the JCPA fees need to be updated to reflect increased costs.

City Council

Ordinance related to the Jacinto Creek Planning Area (JCPA) Development Impact Fee District  
October 17, 2003

In addition, traffic patterns in the area have changed since the original nexus study was done, so a new traffic study is required to support increased fees. In order to allow time to perform the new study, and to ensure capture of the new fees on all future development, staff recommends developers be allowed to enter into an agreement with the City to pay the difference between the existing fee and new fee after the new fees become effective. For those who do not wish to enter into an agreement, a temporary suspension of the issuance of building permits will be applied. The ordinance will be in effect for a maximum of 150 days or until the new fees are in effect, whichever occurs first. Today's action impacts no more than two development projects and does not affect the development application process.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

City Council adopted the JCPA Development Impact Fees in 1996 and established fees relative to the various improvements needed to sustain development in the area.

The three fees consist of:

1. Channel Fee – funds the construction and land needed for the widening of Jacinto Creek to ensure adequate drainage flow. It also funds three water quality basins and oversized drainage pipes connecting drainage from the east side of Freeway 99 west through the channel.
2. Drainage Fee – funds storm drainage improvements for each of the designated watersheds in the JCPA.
3. Public Facilities Fee – partially funds the roadway widening of Bruceville and Sheldon roads, the water distribution loop system in the finance plan area, reimbursement for developers and City's up-front planning costs and on-going administrative costs.

There has been a significant increase in the roadway component of the JCPA Public Facilities Fee since 1996, when the JCPA financing plan and nexus study was adopted. During the past seven years, moreover, the traffic patterns within the JCPA and the surrounding areas have changed substantially. Thus, a new traffic study must be done to determine the correct allocation of the road costs attributable to the JCPA. Enacting the ordinance as an emergency measure ensures that all new development will pay the increased fees even though the new fees may not be in effect for another 150 days. The impact to developers and builders is nil. Although the ordinance temporarily suspends 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. Today's action should affect no more than two development projects at most and has no effect on the development application process.

City Council

Ordinance related to the Jacinto Creek Planning Area (JCPA) Development Impact Fee District  
October 17, 2003

Staff will return to Council within 90 days for a public hearing on the proposed new fees. Ten days prior to the 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 using the updated traffic models.

**FINANCIAL CONSIDERATIONS:**

JCPA developers pay for the required infrastructure identified in the plan through Development Impact Fees established for this fee district. The fee increase to be presented within the next 90 days will ensure cost recovery of the JCPA costs for projects identified within the finance plan.

**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.

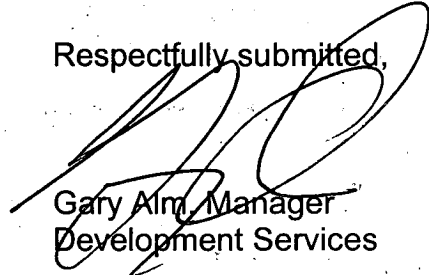
**POLICY CONSIDERATIONS:**

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 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 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:**

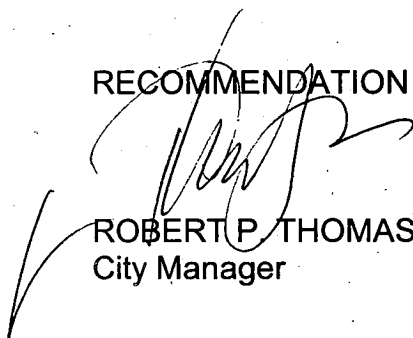
City Council adoption of the attached ordinance is not affected by City policy related to the ESBD.

Respectfully submitted,



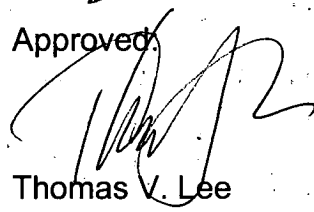
Gary Alm, Manager  
Development Services

RECOMMENDATION APPROVED:



ROBERT P. THOMAS  
City Manager

Approved:

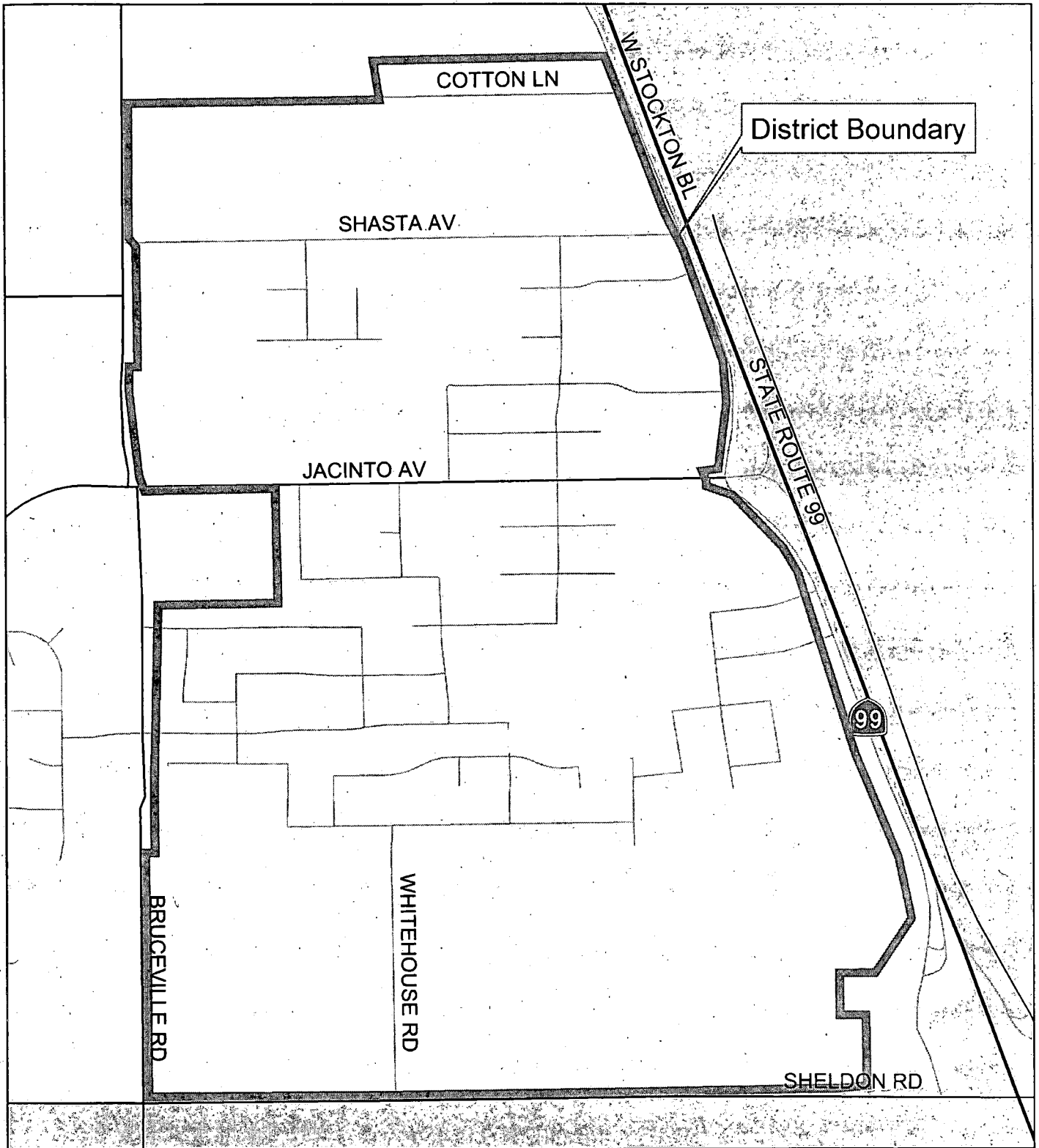


Thomas V. Lee  
Deputy City Manager

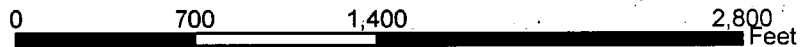
**TABLE OF CONTENTS:**

1. Attachment A, Jacinto Creek Planning Area Map, pg. 5
2. Ordinance Establishing an Emergency Measure Temporarily Suspending the Issuance of Building Permits, pg. 6

# Jacinto Creek Planning Area Fee District



BMueller 10/1/03



**ORDINANCE NO. 2003-059**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON OCTOBER 28, 2003



**AN EMERGENCY ORDINANCE TEMPORARILY SUSPENDING THE  
ISSUANCE OF BUILDING PERMITS FOR ALL 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 acquire the public infrastructure needed for the JCPA, the City must temporarily suspend the issuance of building permits for development on parcels within the JCPA until a resolution increasing the fees is enacted and in effect.

**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 within 90 days.

**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) 150 days after the effective date of this ordinance; 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 its functional equivalent) 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 5.** 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, 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