



DEVELOPMENT SERVICES
DEPARTMENT

DEVELOPMENT ENGINEERING
AND FINANCE

CITY OF SACRAMENTO
California

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April 28, 2004

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: JACINTO CREEK PLANNING AREA (JCPA) DEVELOPMENT FEE DISTRICT
– AN EMERGENCY ORDINANCE EXTENDING 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 the temporary suspension of the issuance of building permits for parcels within the Jacinto Creek Planning Area (JCPA) by at least another 90 days pending an increase in development impact fees with an exemption for those agreeing to pay the fee increase.

CONTACT PERSON: Rita Goolkasian, Program Specialist, 808-5236

FOR COUNCIL MEETING OF: May 18, 2004

SUMMARY:

On October 28, 2003, City Council enacted an emergency ordinance temporarily suspending the issuance of building permits of the JCPA development impact fees and directed staff to return with an updated study and fee revision. On January 27, 2004 Council approved an extension of the ordinance to expire on May 25, 2004 as staff requested additional time to complete the report and consider the feasibility of adding new properties to the district. The report is now complete; however, due to the statutorily mandated procedures that must be followed the ordinance must be extended at least an additional 90 days to accommodate the

City Council

Ordinance related to the Jacinto Creek Planning Area (JCPA) Development Impact Fee District
April 28, 2004

time needed for the fees to become effective. The new extension will expire September 30, 2004 or sooner.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

On October 28, 2003, the City Council temporarily suspended the issuance of building permits with the JCPA to allow completion of updated traffic and nexus studies needed to update the roadway-facilities component of the JCPA development-impact fees. Because those studies were not completed before the temporary suspension expired and staff requested time to review the feasibility of adding non-JCPA properties to the fee district, the City Council subsequently extended the suspension to May 25, 2004.

The traffic study analyses is now complete and staff has determined that the existing nexus is still adequate, but enacting a fee increase will require at least another 90 days, given the statutorily mandated procedures that must be followed and time needed to meet City's scheduling procedures. Thus, unless the temporary suspension is extended to accommodate these procedures, the fee increase will not be in place before the temporary suspension expires and landowners within the JCPA would then be able to apply for building permits and pay the current development-impact fees. Accordingly, to ensure that landowners who apply for building permits pay development-impact fees that reflect current costs to design, construct, install, and acquire the public infrastructure needed for the JCPA, staff is recommending that Council enact the attached ordinance to extend the suspension until the earlier of (a) September 30, 2004, or (b) the effective date of a resolution increasing the development-impact fees established by chapter 18.28 of the Sacramento City Code.

Although the ordinance further 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.

In accordance with AB1600, staff will provide appropriate noticing on the proposed new fees prior to the public hearing. Two weeks prior to the City Council hearing, the cost update will be available and on file with the City Clerk. The report will contain the outcome of the study and new fees for recapture of the JCPA costs.

FINANCIAL CONSIDERATIONS:

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

ENVIRONMENTAL CONSIDERATIONS:

Under California Environmental Quality Act (CEQA) guidelines, today's action in enacting 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.

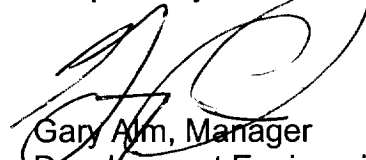
POLICY CONSIDERATIONS:

Enactment 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 Engineering and Finance

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Approved:



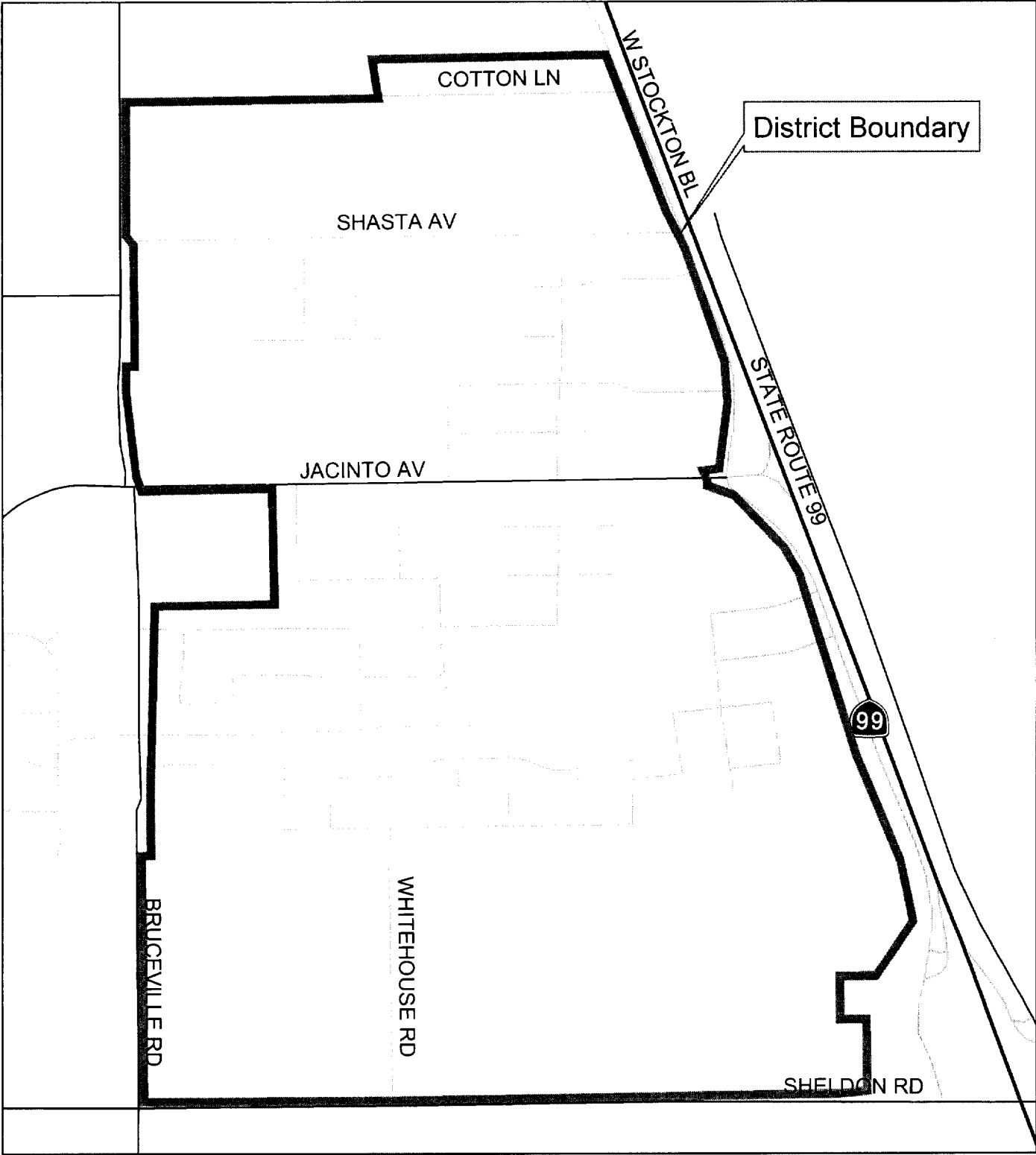
Betty Masuoka,
Assistant City Manager

TABLE OF CONTENTS:

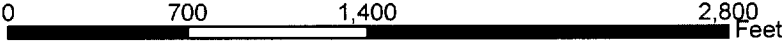
1. Attachment A, Jacinto Creek Planning Area Map, pg. 4
2. Emergency Ordinance Extending the Temporary Suspension of the Issuance of Building Permits, pg. 5

RG/dkl

Jacinto Creek Planning Area Fee District



BMueller 10/1/03



ORDINANCE NO. 2004-_____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON: _____

AN EMERGENCY ORDINANCE EXTENDING 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, on October 28, 2003, the City Council enacted Ordinance No. 2003-059, which (1) directed 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; (2) temporarily suspended the issuance of building permits for development on parcels within the JCPA until the earlier of March 27, 2004, or the date a resolution increasing the fee is enacted and in effect; and (3) provided that landowners who agree in writing to pay the fee increase when it takes effect will be exempt from the suspension.

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ORDINANCE NO. _____

DATE ADOPTED: _____

- (e) City staff was unable to complete the updated traffic and nexus studies before the temporary suspension was scheduled to expire, so on January 27, 2004, the City Council enacted Ordinance No. 2004-003, extending the suspension to May 25, 2004.
- (f) The updated traffic study is now completed, and City staff has determined that the existing nexus study is still adequate, but enacting a fee increase will require at least another 90 days, given the statutorily mandated procedures that must be followed. Thus, unless the temporary suspension is extended to accommodate these procedures, the fee increase will not be in place before the suspension expires. Landowners within the JCPA would then be able to apply for building permits and pay the current, inadequate fee. 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 suspension must be extended until the fee increase is in effect.

SECTION 2. As of the effective date of this ordinance, and subject to section 3, 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) September 30, 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 3. Notwithstanding section 2, 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 on May 25, 2004. The facts constituting the emergency are as follows:

- (a) The facts set forth above in section 1, which is incorporated into this section.
- (b) Because of the statutorily mandated procedures that the City must follow when increasing the JCPA development-impact fee, and because of the City's own procedures, the fee increase cannot be implemented before May 25, 2004, the date the suspension is scheduled to expire. After the suspension expires, owners of property within the JCPA who apply for building permits before the fee increase is in effect 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

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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.) Accordingly, 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, this ordinance extending the suspension must take effect immediately.

DATE ENACTED:
DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

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ORDINANCE NO. _____

DATE ADOPTED: _____