

Citywide Development Impact Fee Program

City of Sacramento
City Council
February 14, 2017



City of
SACRAMENTO
Community Development

- [illegible]

Goals

- 1. Provide for streamlined fee administration and incentives**
- 2. Promote infill development and support priority neighborhoods**
- 3. Develop the structure for localized finance districts**
- 4. Fund infrastructure in a competitive and strategic way**

Outreach

- Joshua Wood and Robbie Abelon, Region Business (staff)
- Region Business (membership)
- Bonnie Chu, New Home Company
- Ashle Crocker, Chris Butcher, and Angela McIntire, Thomas Law Group
- Ardie Zahedani, St. Anton Partners
- George Carpenter, Winn Communities
- John Hodgson, The Hodgson Company
- Brian Holloway, Holloway Land Company
- David, Bugatto, Alleghany Partners
- Emilie Cameron and Michael Ault, Downtown Sacramento Partnership (staff)
- Downtown Sacramento Partnership (membership)
- Rob Smith and Chris Norem, North State BIA (staff)
- North State BIA (membership)
- North State BIA (infill committee)
- North State BIA Roundtable Discussion (3 mtgs)
- David Temblador, Harrison, Temblador, Hungerford & Johnson Law Offices
- Dan Ramos, Ramco Enterprises
- Ali Youssefi, CFY Development
- Bay Miry, D&S Development
- Mike Heller, Heller Pacific
- Todd Leon and Wendy Saunders, CADA
- Greg Thatch and Ryan Hooper, Law Offices of Gregory D. Thatch
- Emily Baime Michaels, Midtown Business Association (staff)
- Chris Worden and Chris Smith, Metro Chamber (staff)
- AIM Consulting
- Cornish & Carey
- Patti Klinekinect, River District (staff)

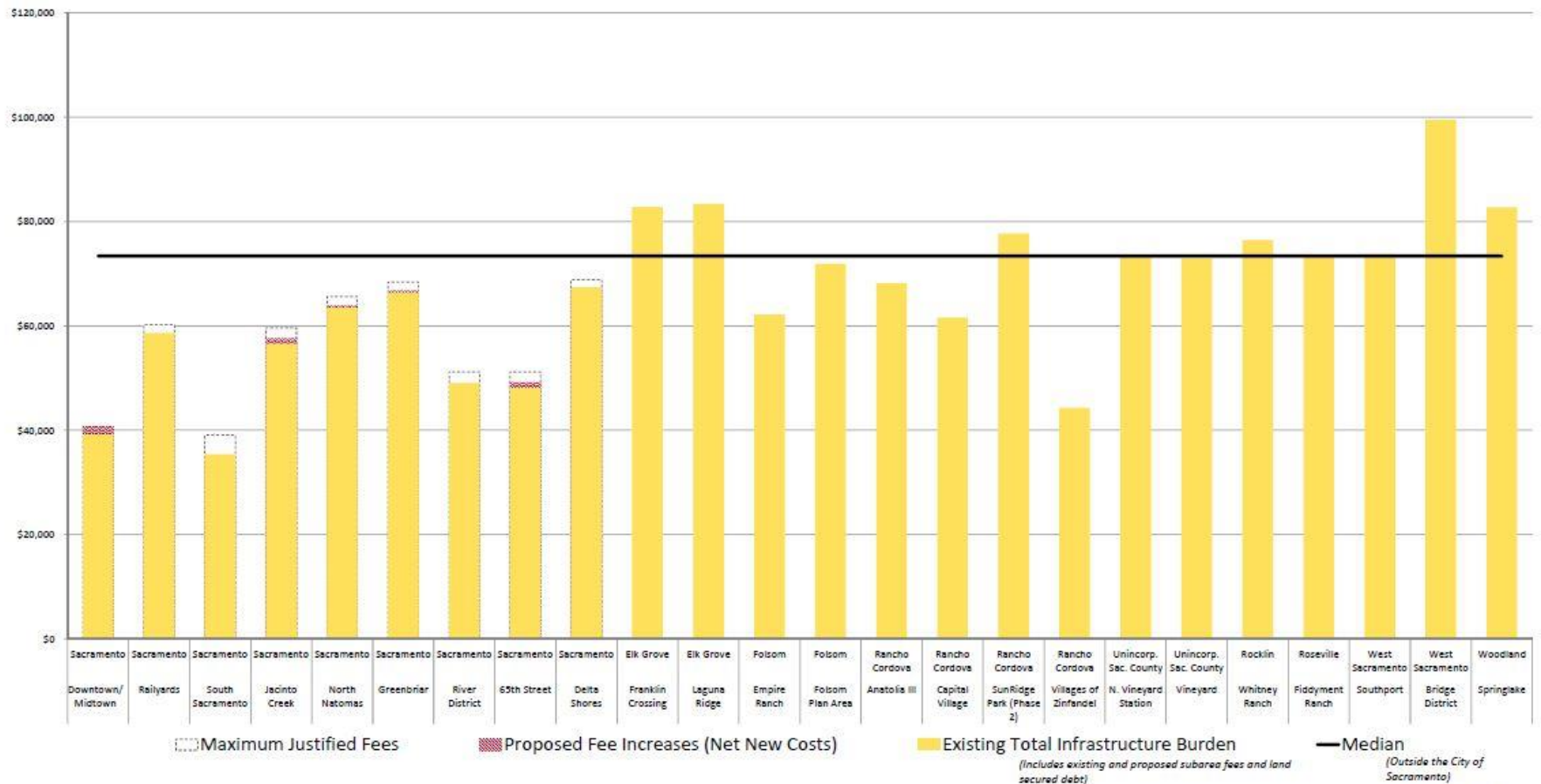
City of
SACRAMENTO
Community Development

- Beth Tincher, SMUD
- Bolt
- Stonebridge Properties
- David Taylor
- Roger Kittredge
- Bob Cook
- Mark Wiese, Pacific Housing
- Bardis Homes
- Ravel Rasmussen
- Domich Separovich
- Randy Paragary
- Ken Turton, Turton Commercial
- Cresleigh Homes
- John Pappas, Pappas Development
- Aaron Zeff
- Amanda Frazier, Downtown Railyards
- Chris Poncin, Petrovich Development
- Chris Austin, DPFG
- Gurjeet Toor, Fulcrum Properties
- Joseph Hurley, SMAQMD
- Al Esquivel
- Bob Davison, Sacramento County
- Toni Alexander and Rivkah Sass, Sac Library
- Mike Paris, Black Pine
- Cherie Cabral
- Andrea Salas
- Megan Norris, RCI
- William Burg, Preservatin Sacramento
- Justin Walter, NWHM
- Sam Miller
- Kevin Smith
- Robla Neighborhood Community Association
- Bike Ped Advisory Group
- Environmental Council of Sacramento

Regional Comparison

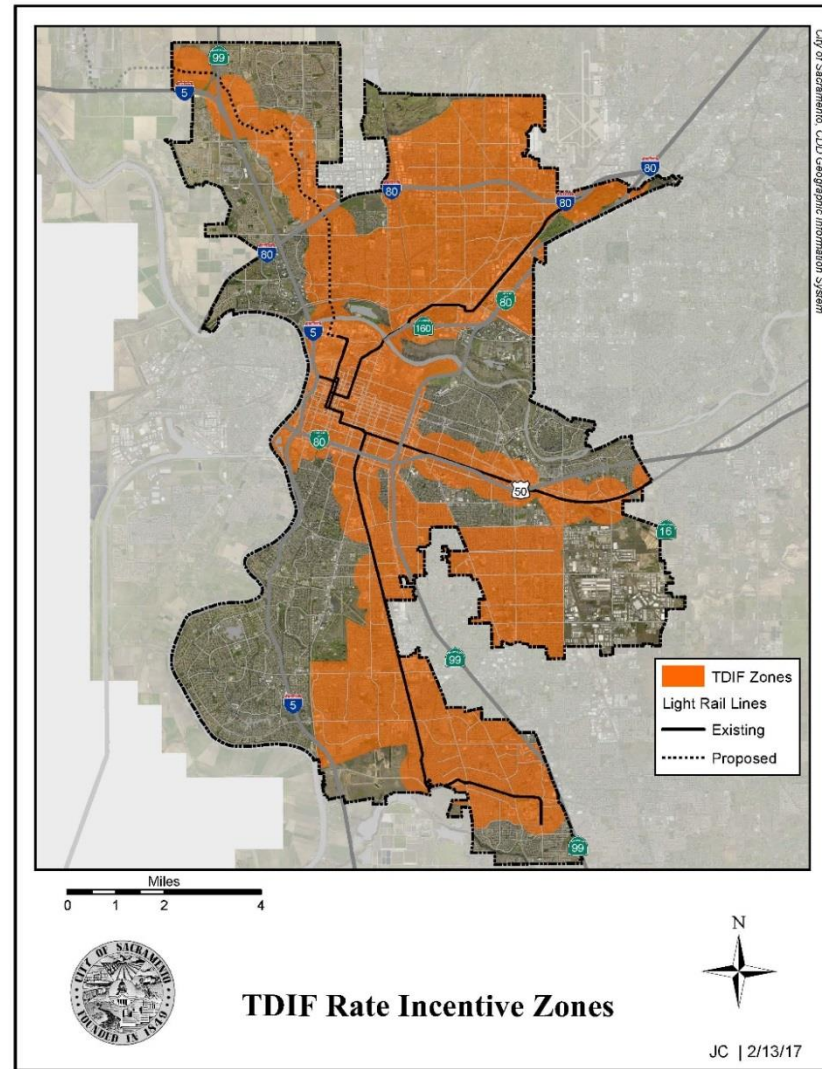
Existing Total Infrastructure Burden Compared to Regional Median

Figure 1
City of Sacramento
Citywide Development Impact Fee Updates
Single-Family Residential Infrastructure Cost Burden Comparison
2,000 Sq. Ft. Home, 3 Bedrooms, 8.0 Units/Acre



TDIF Overview

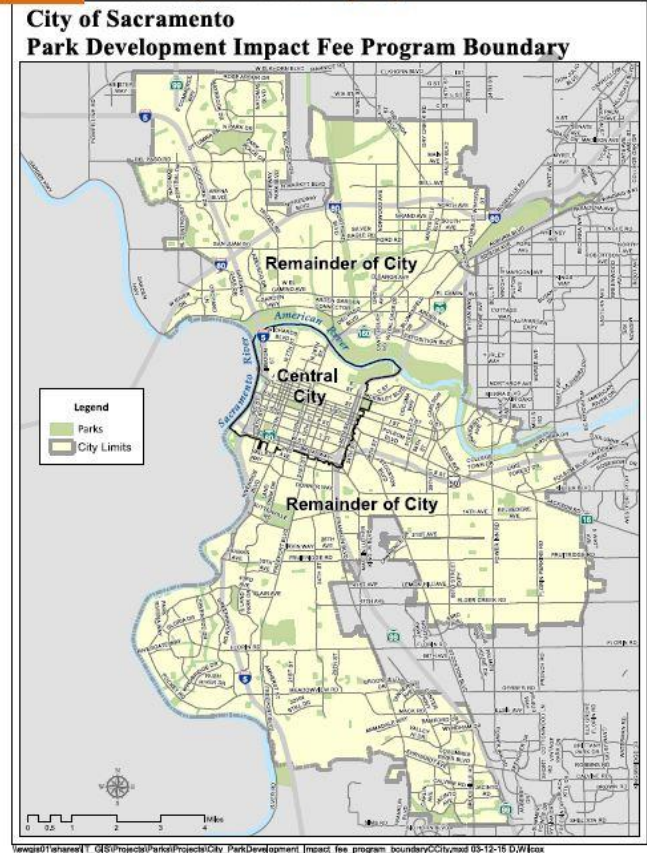
- New citywide fee
 - Declining transportation revenues
 - Focus on infill and reinvestment
- Balanced approach
 - Funds multi-modal transportation system
 - Used to leverage state and federal transportation funds
 - Provides reduced fees in incentive zones (Central City, Priority Neighborhoods, proximity to light rail stations)
 - Credit provided in areas where future development contributes to major transportation infrastructure



PIF Overview

- Proposed level of service change from 5 acres/1000 residents to:
 - Central City: 1.75/1000
 - Remainder of City: 3.5/1000
 - Consistent with current level of service.
- Added a fee to fund citywide park facilities
- Reduced rate in incentive zones
- Improved equity with fee based on unit square footage
- Provision for existing maps already approved at 5/1000

2.2 Fee Program Boundaries Central City vs. Remaining City



Incentives

- ◉ Inclusion of a fee deferral program
- ◉ Incentive zones for both TDIF and PIF
- ◉ Quimby level of service adjusted, which equals savings for applicants with subdivision maps.
- ◉ Updated land values used for calculating Quimby fees from inflated 2004 levels
- ◉ Broader categories for what receives private recreation facility credits and adds credits for other types of parkland.
- ◉ Provides a reimbursement mechanism for developers that build more than their fair share.

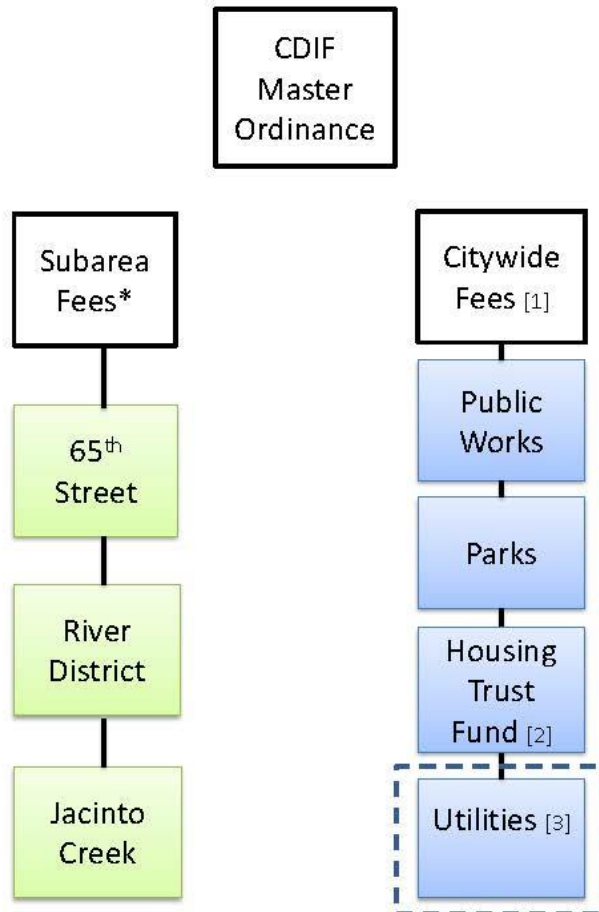
Summary

- Supports direction in the general plan
- Constructed collaboratively with city departments, the development community and neighborhoods
- Provides funding for citywide transportation infrastructure and park facilities that currently have no funding mechanism
- Establishes a framework for financing districts
- The overall program remains competitive regionally and results in little to no increased costs to development. (Smaller, affordable by design units will see decreased costs).

Questions and Answers

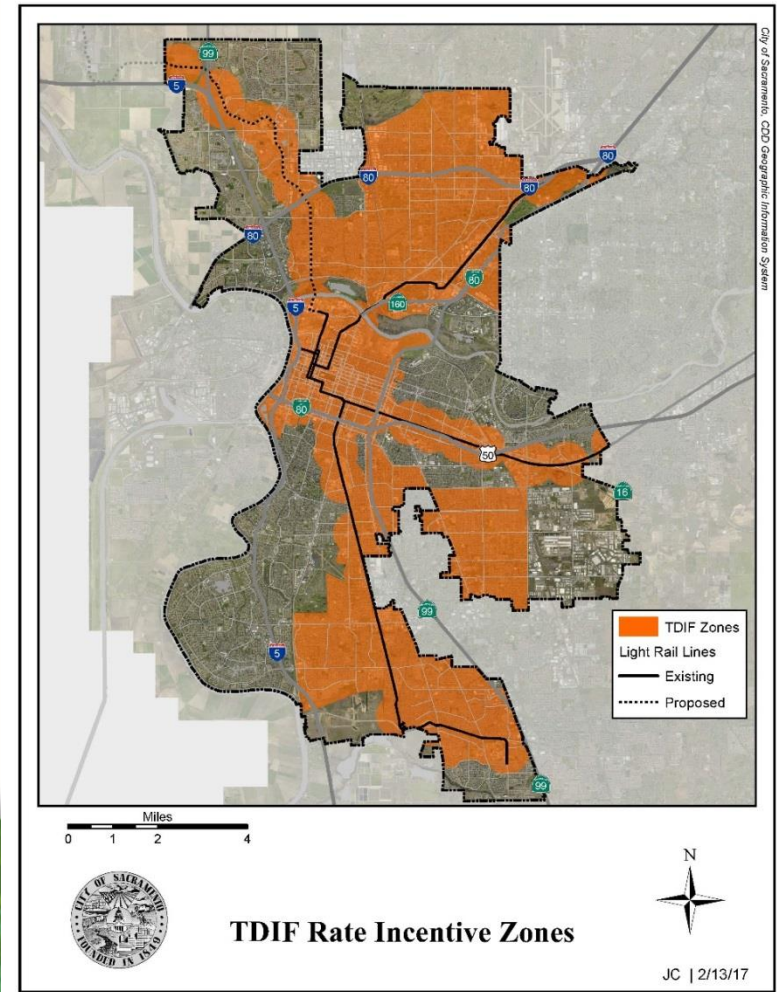
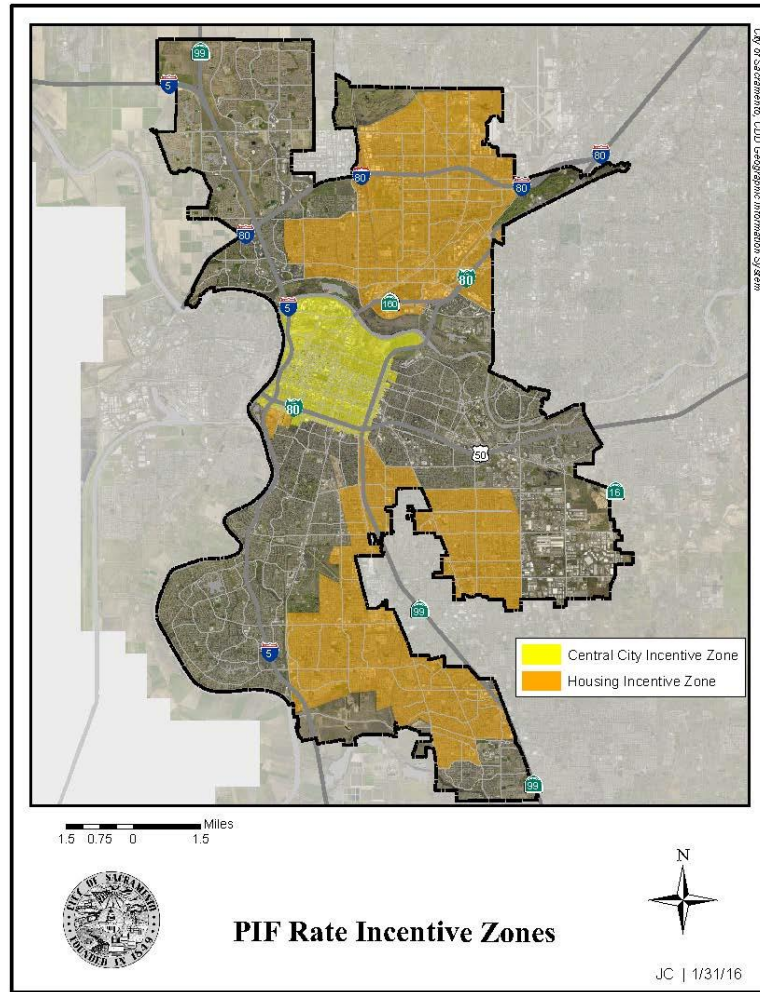


Citywide Dev. Impact Fee (CDIF) Program



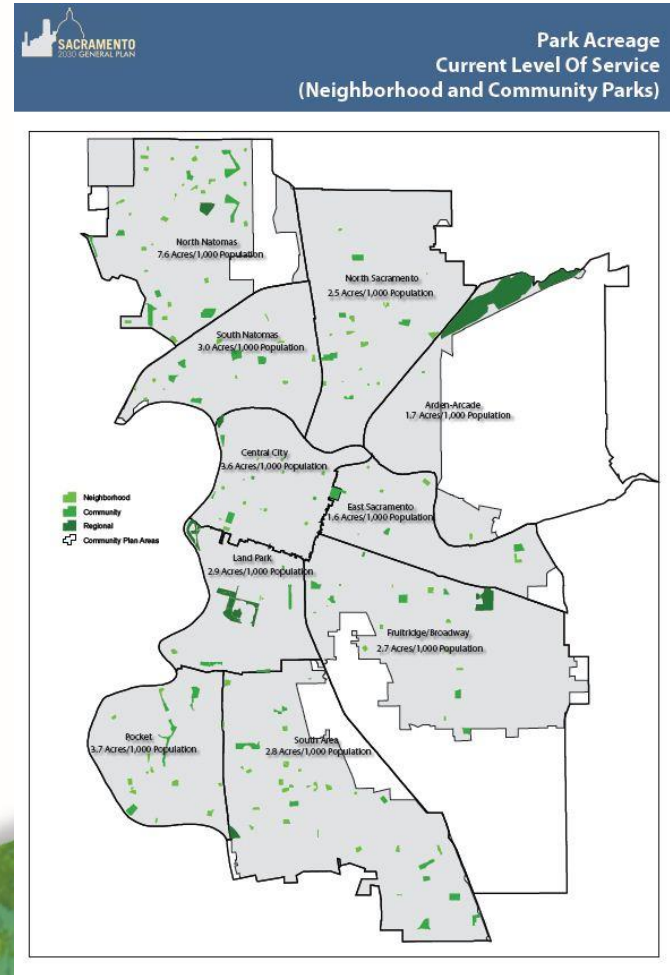
[1] Citywide Fees pay for backbone infrastructure of citywide benefit. Subarea Fees pays for local infrastructure improvements benefiting specific subarea. [2] Housing Trust Fund will be moved under CDIF Master Ordinance. [3] Utilities Fee to be implemented at later date.

Incentive Zones



PIF Overview

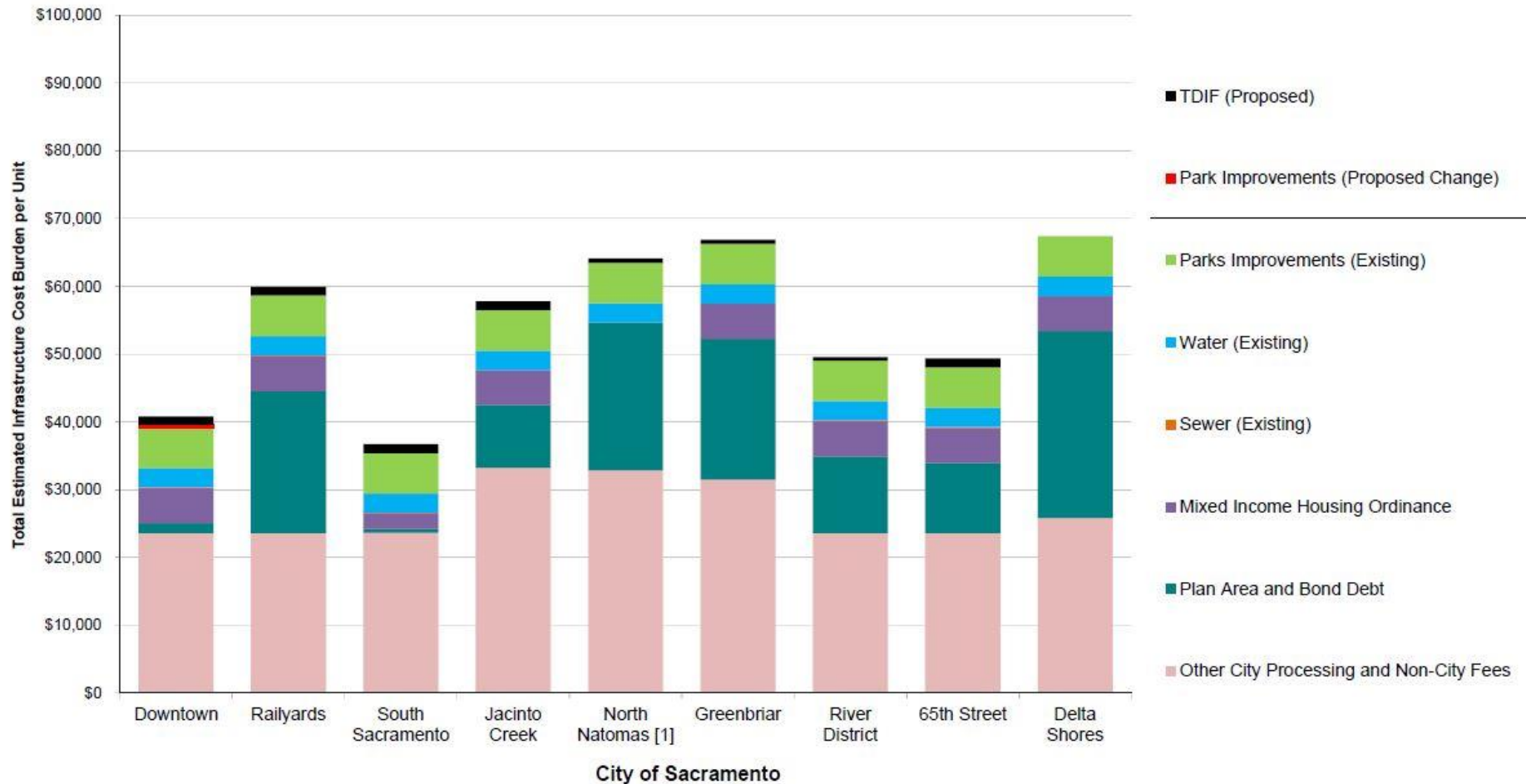
- City Staff recently completed review of both the Quimby Code and Park Impact Fee.
- Proposed LOS Change from 5/1000 to:
 - Remainder City: 3.5/1000
 - Central City: 1.75/1000
- Added Citywide Park Fee
- Central City/Housing Incentive Zones
- Kept fees roughly the same, but not higher than existing



Regional Comparison

Figure 2
City of Sacramento
Citywide Development Impact Fee Updates
Single-Family Residential Infrastructure Cost Burden Comparison
2,000 Sq. Ft. Unit and 8.0 Units/Acre

**Single-Family
Development Cost
Burden per Unit**

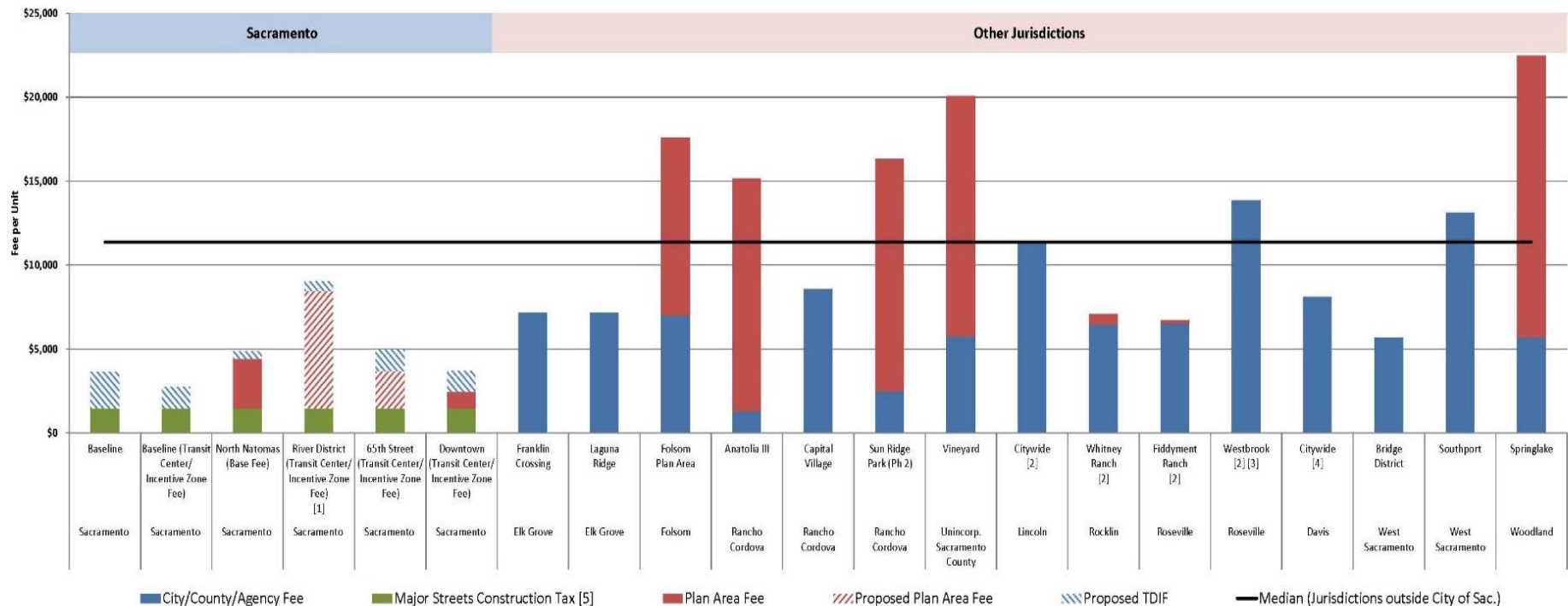


Transportation Fee Comparison

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Transportation Fee
Comparison - Excluding STA

Figure 1
City of Sacramento
Citywide Development Impact Fee Updates
Single Family Transportation Fee Comparison - 2,000 Sq. Ft. Unit, 8 DU/Ac.



[1] River District proposed plan area fee reflects a single-family unit equivalent.
[2] Includes regional traffic fees.
[3] Westbrook development is subject to Tier 2 SPRTA fees, the fees are deferred and will be paid via CFD proceeds.
[4] Outside of any city-wide Mello-Roos districts.
[5] Construction Excise Tax is not an impact fee under the Mitigation Fee Act but funds are allocated to transportation projects.

**City of Sacramento
Transportation Development Impact Fee
Fee Rate Schedule (As of July 1, 2017)**

Land Use			Housing Incentive/Transit Center ² Fee (Including Administration)				Delta Shores ³	
	Baseline	North	Baseline	North	River	Downtown		
		Natomas ¹		Natomas ¹	District			
<i>In Finance Plan Area</i>								
Residential Land Use Categories⁴								
	<i>per unit</i>		<i>per unit</i>					
Single-family	\$2,152	\$450	\$1,291	\$270	\$550	\$1,219	P	
Multifamily	\$1,238	\$259	\$742	\$155	\$322	\$700	P	
Nonresidential Land Use Categories								
	<i>per sq. ft.</i>		<i>per sq. ft.</i>					
Retail	First 5000 SF**	\$0.32	\$0.07	\$0.19	\$0.04	\$0.08	\$0.18	P
	5001 SF and above	\$3.23	\$0.67	\$1.94	\$0.40	\$0.83	\$1.83	P
Office	First 5000 SF	\$0.32	\$0.07	\$0.19	\$0.04	\$0.08	\$0.18	P
	5001 SF and above	\$3.19	\$0.67	\$1.91	\$0.40	\$0.81	\$1.81	P
Schools	First 5000 SF	\$0.12	\$0.03	\$0.07	\$0.02	\$0.03	\$0.07	P
	5001 SF and above	\$1.20	\$0.25	\$0.72	\$0.15	\$0.31	\$0.68	P
Church/Assembly	First 5000 SF	\$0.07	\$0.01	\$0.04	\$0.01	\$0.02	\$0.04	P
	5001 SF and above	\$0.67	\$0.13	\$0.40	\$0.08	\$0.17	\$0.38	P
Industrial	First 5000 SF	\$0.22	\$0.05	\$0.13	\$0.03	\$0.06	\$0.12	P
	5001 SF and above	\$2.19	\$0.45	\$1.31	\$0.27	\$0.56	\$1.24	P
Warehouse	First 5000 SF	\$0.10	\$0.02	\$0.06	\$0.01	\$0.03	\$0.06	P
	5001 SF and above	\$1.04	\$0.22	\$0.62	\$0.13	\$0.26	\$0.59	P
Gas Station	<i>per pump</i>		<i>per pump</i>					
	\$2,126	\$688	\$1,276	\$401	\$827	\$1,832	P	
Hotel/Motel	<i>per room</i>		<i>per room</i>					
	\$888	\$185	\$533	\$111	\$227	\$502	P	
Other (calculation to be based on City traffic analysis)								
	<i>per trip</i>		<i>per trip</i>					
	\$2,191	\$458	\$1,315	\$275	\$560	\$1,241	P	

¹ Only for projects without a Development Agreement (DA) as of 7/1/17; development with DA is exempt

² See Exhibit A

³ P – Under the terms of the *Cost Sharing Agreement: I-5 Interchange & Cosumnes River Boulevard Extension* (C2012-0059), the property owners for Delta Shores advanced payment and TDIF fees are not due until prepayment has been exhausted under the terms of the Agreement.

⁴ Low income housing is exempt

1.3 Proposed PIF and PIF Components FY 2015/16

Land Use Category	CENTRAL CITY			HOUSING INCENTIVE ZONES			REMAINING CITY		
	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)	N + C Parks	CW Parks/ Facilities [1]	Proposed PIF (N, C, & CW)
Level of Service Standard Funded by PIF (Acres per 1,000 Pop.)	1.75	1.50	3.25	3.50	1.50	5.00	3.50	1.50	5.00
Residential (per Building Sq. Ft.)	\$1.00	\$0.60	\$1.60	\$1.00	\$0.60	\$1.60	\$1.69	\$0.86	\$2.55
Nonresidential (per Building Sq. Ft.)									
Commercial	\$0.09	\$0.07	\$0.16	\$0.09	\$0.07	\$0.16	\$0.29	\$0.13	\$0.42
Office	\$0.15	\$0.08	\$0.23	\$0.15	\$0.08	\$0.23	\$0.47	\$0.10	\$0.57
Industrial	\$0.04	\$0.12	\$0.16	\$0.04	\$0.12	\$0.16	\$0.14	\$0.04	\$0.18

[1] Includes Citywide parks (Regional parks, Linear Parks/Parkways, Open Space) and facilities (Community Centers, Outdoor Pool Facilities).

Prepared by New Economics & Advisory, August 2016.