



4.2

PLANNING AND BUILDING
DEPARTMENT

CAROL SHEARLY
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May 13, 2002

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ORDINANCE AMENDING SECTION 18.24.110 OF THE SACRAMENTO CITY
CODE RELATING TO NORTH NATOMAS FINANCING PLAN
DEVELOPMENT IMPACT FEES**

LOCATION AND DISTRICT: Council District 1; North Natomas Neighborhood Service Area 4

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance which would amend Section 18.24.110 of the Sacramento City Code relating to North Natomas Financing Plan Impact Fees as an urgency matter.

(Two thirds vote required emergency ordinance)

CONTACT PERSON:

Carol Shearly, Natomas Manager, 808-5893
Ed Williams, Senior Engineer, 264-5440

FOR COUNCIL MEETING OF:

May 28, 2002

SUMMARY:

This ordinance amendment relating to North Natomas Financing Plan Development Impact Fees provides a mechanism to allow collection of additional or a "catch-up" of Fund 780 development impact fees when there has been an increase in the fees within 6 months following the date of issuance of a building permit.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

This ordinance amendment relating to North Natomas Financing Plan Area Development Impact Fees provides a mechanism to allow collection of additional or a catch-up of Fund 780 development impact fees. This will occur when there has been an increase in the fees within six months following issuance of a building permit.

Certain North Natomas landowners, voluntarily and for various reasons pertinent to their projects, pay their North Natomas development impact fees (Fund 780), and are issued building permits. If the fees are scheduled for upward revision, there is an incentive to pay fees early to avoid needed increases. To avoid this inequitable result, this ordinance establishes that the fees due from a developer are the fees in place at the time of issuance of the building permit, plus any increase occurring within 6 months following building permit issuance. This is known as a "catch-up" provision. The ordinance contains a "sunset" provision, which will cause it to expire automatically six months from its adoption. The ordinance is designated as an emergency ordinance because fee increases are eminent and the protection afforded by a catch up provision will eliminate incentives to pay fees early to escape the needed increase.

FINANCIAL CONSIDERATIONS:

There is no impact to the general fund. All North Natomas development impact fees (Fund 780) are paid by landowners or developers. However, approval of the attached Council action will provide the City the ability to collect a catch-up increment of the fees.

ENVIRONMENTAL CONSIDERATIONS:

The attached ordinance relates solely to clarification of existing procedure under existing City ordinance, and is itself therefore, not a project for the purpose of the California Environmental Quality Act.

POLICY CONSIDERATIONS:

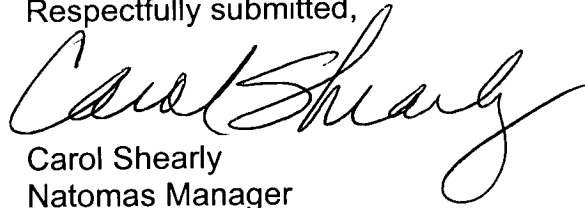
Adoption of the catch-up fee is consistent with the 1994 Financing Plan and Nexus Study and as amended in 1999. This is also consistent with the City's Strategic Plan in preserving and enhancing the City's quality of life.

City Council
Ordinances Amending Section of the City Code Regarding Catch Up Fees for NNFP
May 28, 2002

ESBD:

None. No goods or services are being purchased.

Respectfully submitted,



Carol Shearly
Natomas Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

ORDINANCE NO. 2002-018

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AN ORDINANCE AMENDING AS AND URGENCY MEASURE SECTION 18.24.110 OF THE
SACRAMENTO CITY CODE RELATING TO NORTH NATOMAS PLANNING AREA
DEVELOPMENT IMPACT FEES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 18.24.110 of the Sacramento City Code is hereby amended to read as follows:

(a) Except as otherwise provided in subsection (b) below, or in any measures adopted by the city council as provided under Section 18.24.120 of this chapter pertaining to deferral of payment of fees, the fees established by this chapter shall be paid for the property on which a development project is proposed at the time of the issuance of any required building permit relating to such development or, in the case of a drainage fee, at the time of their recordation of a final master parcel map, parcel map, or subdivision map, or at the time of approval of a special permit, whichever is sooner, relating to development. With respect to development projects completed or commenced as of the effective date of this chapter, the director may enter into agreements with landowners regarding the amount, time, and manner of payment of fees payable with respect to such development projects.

(b) In the event that the fee, or any portion thereof, is increased within six (6) months following issuance of a building permit, the development project proponent shall pay the difference between the fees paid at the time of building permit issuance and the revised fee amount. This additional fee increment shall be known as the "catch-up" fee, and shall be payable in full within thirty (30) days of the effective date of the revised fees. This "catch up" fee is to be a one-time fee and expire six (6) months after adoption.

(c) Subject to subsection (b) above, nothing in this Section shall prohibit the prepayment of the fees established by this chapter; provided, however, in the event the fees have increased as of the date any lawfully issued grading permit or notice to proceed with grading is issued relating to such development, the prepaying landowner shall be additionally liable for the difference between

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DATE ADOPTED: _____

the amount of the prepaid fees and the amount of the fees as of the date that the grading permit or notice to proceed is issued. No grading permit or notice to proceed shall be issued unless all such additional fees have been paid in full.

SECTION 2.

This ordinance is an emergency ordinance, to take effect immediately upon its adoption. The facts constituting the emergency are that the North Natomas Public Facilities Fee and Transit Fee are schedule for increases in the very near future. Those increases are needed in order to fully fund needed infrastructure in North Natomas as development proceeds. The fee increases are driven by rising cost estimates, building density changes, and a host of other factors. If Landowners are allowed to pay their Public Facilities Fee and Transit Fee without paying those fees at the increased rate, inequities to those developing later will result, because fees will have to be increased further at a later date to account for the loss of the escaped fee increases.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

ATTEST:

MAYOR

CITY CLERK

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DATE ADOPTED: _____