



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

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File ID: 2019-00593

September 10, 2019

Consent Item 10

Title: (Pass for Publication) Proposed Amendment to City Code Section 18.24.110 and Deletion of Article IV from City Code Chapter 18.24 Relating to North Natomas Planning Area Development Fees

Location: District 1

Recommendation: 1) Review an Ordinance amending City Code section 18.24.110 and deleting article IV of City Code chapter 18.24 relating to North Natomas Planning Area Development Fees; and 2) pass for publication the ordinance title per City Charter section 32(c), with adoption on September 24, 2019.

Contact: Mary Jean Rodriguez, Program Specialist, (916) 808-1980; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:

1-Description/Analysis

2-Ordinance Amending § 18.24.110 and Deleting Article IV of Chapter 18.24 (Clean)

3-Ordinance Amending § 18.24.110 and Deleting Article IV of Chapter 18.24 (Redline)

Description/Analysis

Issue Detail: On March 26, 2019, the City Council approved a Settlement Agreement between the City, Alleghany Properties, LLC, and Beazer Homes Holdings, LLC regarding the allocation of drainage fees collected within North Natomas Drainage Basin 6 (the Agreement). The Agreement also contemplates amending City Code section 18.24.110 to allow landowners within Basin 6 to pay their drainage fees when they first apply for building permits. Under section 18.24.110 as it currently reads, development-impact fees established by City Code chapter 18.24 are paid at the time of the issuance of building permit except for drainage fees, which are due at time of map recordation or approval of a conditional use permit. Amending section 18.24.110 to allow payment of drainage fees at the time of the issuance of building permit will provide flexibility for developers and staff.

Approval of the proposed ordinance will also delete article IV of City Code chapter 18.24. Article IV established an interim habitat conservation fee and, by its own terms, became inapplicable on August 7, 1997, when the City Council adopted Ordinance No. 97-046, which added chapter 18.40 (former chapter 84.10) to the City Code. Chapter 18.40 establishes a permanent habitat conservation fee to implement the Natomas Basin Habitat Conservation Plan.

Policy Considerations: The proposed ordinance is consistent with the City's goals and policies as established in the General Plan, including the policies that promote a complete and adequate infrastructure system to support future development. It is also consistent with the North Natomas Finance Plan adopted in 1994 and updated in 1999, 2002, 2005, 2009, and 2017.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): Adoption of the proposed ordinance is not a "project" subject to CEQA because (a) it has no potential to cause a significant effect on the environment; (b) pertains to a government-funding mechanism not involving a commitment to a specific project that may result in a potentially significant physical impact on the environment; and (c) involves an administrative activity that does not constitute a project and is therefore exempt from review. (14 Cal. Code Regs. §§ 15061(b)(3), 15378(b)(2), and 15378(b)(4).)

Sustainability: Not applicable.

Commission/Committee Action: On September 3, 2019, the proposed Ordinance was reviewed by the Law and Legislation Committee and forwarded to City Council for consideration.

Rationale for Recommendation: The proposed ordinance supports development in North Natomas by providing consistency in the collection of development impact fees and flexibility, where possible, for the development community.

Financial Considerations: The fees and interest earnings are accounted for in North Natomas Finance Plan Drainage Fee Fund (Fund 3205) and are restricted by state law and the Agreement. The proposed ordinance has no impact on the General Fund.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO. 2019-_____

Adopted by the Sacramento City Council
_____, 2019

AN ORDINANCE AMENDING SECTION 18.24.110 AND DELETING ARTICLE IV OF CHAPTER 18.24 OF THE SACRAMENTO CITY CODE, RELATING TO NORTH NATOMAS PLANNING AREA DEVELOPMENT 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:

18.24.110 Time of payment of fee.

- A. Except as otherwise provided in subsection B of this section or in any resolution the city council adopts under section 18.24.120, the fees established by this chapter must be paid when any required building permit is issued for a development project. Any building permit issued before the fees due at issuance have been paid in full is void.
- B. At the election of the director of finance or the director's designee, a drainage fee established by this chapter may be paid when a final master parcel map, parcel map, or subdivision map is recorded for the development project or when a conditional use permit is approved for the project. Drainage fees not so paid must be paid in accordance with subsection A of this section.
- C. If a fee paid in accordance with subsection A of this section is increased within six months after issuance of the building permit, then the project proponent must pay the difference between the fee paid when the building permit was issued and the increased fee within 30 days after the effective date of the increased fee. Any certificate of occupancy issued or final inspection and approval completed before the additional fee amount has been paid in full is void.

SECTION 2.

Article IV (Interim Habitat Conservation Fee) of chapter 18.24 of the Sacramento City Code is hereby deleted.

ORDINANCE NO. 2019-_____

Adopted by the Sacramento City Council
_____, 2019

AN ORDINANCE AMENDING SECTION 18.24.110 AND DELETING ARTICLE IV OF CHAPTER 18.24 OF THE SACRAMENTO CITY CODE, RELATING TO NORTH NATOMAS PLANNING AREA DEVELOPMENT 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:

18.24.110 Time of payment of fee.

A. Except as otherwise provided in subsection ~~(B) below,~~ of this section or in any resolution measures adopted by the city council as provided adopts under section 18.24.120 ~~of this chapter pertaining to deferral of payment of fees,~~ the fees established by this chapter ~~must shall~~ be paid when any required building permit is issued for ~~the property on which a~~ development project. Any building permit issued before the fees due at issuance have been paid in full is void.

~~B. At the election of the director of finance or the director's designee, 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 established by this chapter may be paid when, at the time of their recordation of a final master parcel map, parcel map, or subdivision map, is recorded for the development project or when at the time of approval of a conditional use permit is approved for the project. Drainage fees not so paid must be paid in accordance with subsection A of this section., 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.~~

~~CB. In the event that the fee, or any portion thereof, if a fee paid in accordance with subsection A of this section~~ is increased within six

months ~~after following~~ issuance of ~~the a~~-building permit, ~~then~~ the ~~development~~-project proponent ~~must shall~~ pay the difference between the fees paid ~~when at the time of~~ building permit ~~was issued issuance~~ and ~~the increased fee within 30 days after the effective date of the increased fee.~~ ~~Any certificate of occupancy issued or final inspection and approval completed before the revised fee amount. This additional fee amount has been paid in full is void.~~ ~~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 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 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.

Article IV (Interim Habitat Conservation Fee) of chapter 18.24 of the Sacramento City Code is hereby deleted.