City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: August 24, 2004

TO: City Council

VIA: Dennis R. Halloway, City Manager

FROM: Diana De Anda, Finance Director

SUBJECT: Approve the Master Facilities Plan and Adopted Council Bill #R-2004-40 – Establishing Development Impact Fees and Repealing Resolutions 2301, 1842, and 1716.

RECOMMENDATION

Staff recommends City Council approve the Master Facilities Plan and adopt Council Bill #R-2004-40 pertaining to the Development Impact Fees based on the Master Facilities Plan (MFP), and the Development Impact Fee (DIF) Calculation and Nexus Report prepared by Revenue & Cost Specialists (RCS).

BACKGROUND

In 1989, California passed legislation commonly referred to as AB1600 (Government Code Section 66000, the Mitigation Fee Act) for the purpose of regulating the formulation of development impact fees. Basically, the law requires that the fees not exceed the estimated reasonable cost of the public facility improvements necessitated by the new development. A reasonable relationship or nexus must exist between the need for the public facility improvements, the type of development, and the fees imposed.

In order to establish a nexus between anticipated development, planned improvements, and fees, an extensive analysis was conducted. The City contracted Revenue & Cost Specialists to prepare the Master Facilities Plan and the Development Impact Fee Calculation and Nexus Report. Over the last six months RCS and staff have identified the City's capital projects and capital acquisitions (presented in the MFP) that would be necessary in order to maintain the current Level of Service provided to the community with consideration for the projected level of development. The capital costs were then used to calculate the development impact fees proposed in schedule 2.1, page 26 of the DIF report. The combination of both reports is the documentation supporting the proposed changes to the current development impact fees, and addition of Public Meeting Facilities and Public Library Facilities fees.

ANALYSIS

Staff and RCS had identified over $256.0 million in capital projects and capital acquisitions necessary to preserve the existing Level of Service currently provided to the community. The detail of the capital projects and capital acquisitions is presented in the Master Facilities Plan document. The Master Facilities Plan incorporates the General Plan, other official documents and recommendations by RCS into one document which identifies future infrastructure needs through projected General Plan build-out.

The Development Impact Fees Calculation and Nexus Report present two possible schedules for adoption: Schedule 2.1, Maximum Development Impact Fee (Fair Share) and Schedule 2.2, Minimum Development Impact Fee (Marginal Needs). The Maximum DIF is calculated with consideration for equity or excess capacity built into the current infrastructure systems, allowing for the recoupment of prior excess investment in the system. The Minimum DIF only considers covering the current cost of the new capital acquisition with no consideration for existing equity in the system. The recommendation is for adoption of the Maximum Development Impact Fee, which requires future residents and businesses to contribute an equivalent amount or fair share toward the completion of the infrastructure systems necessary.

Under the recommended Maximum DIF (fair share) approximately $157.6 million could potentially be raised to finance about 61.6% of the $256 million in capital facilities identified in the MFP. The remaining financing would come from existing fund balance of almost $9 million (3.5%), other sources (grants, taxes, etc.) of $78.6 million (30.7%) and unfunded City contributions of $10.8 million (4.2%). If City Council elected to adopt the Minimum DIF (marginal needs,) given no change to the existing fund balance and other sources, potential development fees would be reduced by $13.4 million bringing the unfunded City contribution to $24.2 million or 9.5%.

A detailed explanation of the calculation requirements, assumptions and findings is presented in the Development Impact Fee Calculation and Nexus Report provided for your review.

ENVIRONMENTAL

None

FINANCIAL IMPACT

Adoption of the Maximum DIF could potentially provide up to $157.6 million to finance identified development-generated infrastructure through General Plan build-out, minimizing the impact on general government resources.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA, CALIFORNIA, ESTABLISHING A SCHEDULE OF DEVELOPMENT IMPACT FEES TO FINANCE CAPITAL FACILITIES NECESSITATED BY NEW DEVELOPMENT AND REPEALING RESOLUTIONS NUMBERED 1716, 1842, 2191, AND 2301.

WHEREAS, the City of Loma Linda has conducted an extensive and exhaustive analysis of its potential development, anticipated capital improvements, the costs reasonable borne of providing those improvements, the beneficiaries of those improvements, current population and estimated growth; and

WHEREAS, the City wishes to comply with AB 1600, now identified as Chapter 5, Section 66000 of the California Government Code; and

WHEREAS, the City intends to implement these development impact fees for every development to install the necessary facilities, pay for future facilities or reimburse another developer or the City for installing facilities in the past; and

WHEREAS, the master facilities plan indicate the need for the following capital projects attributable to new development, general government facilities, parkland and open space acquisition, public meeting facilities, public library facilities, fire suppression facilities, circulation systems (streets, signals, and bridges), storm drainage facilities, and wastewater collection system, and water generation, storage and distribution; and

WHEREAS, development impact fees can be used to fund only capital costs of new facilities, not facility maintenance or operations, nor capital improvements to serve existing infrastructure; and

WHEREAS, it is the intention that the fees be allocated proportionally to new and existing development; and

WHEREAS, pursuant to Government Code Section 66000 et seq. the specific fees to be charged for services must be adopted by the City Council by Resolution, after providing notice and holding a public hearing; and

WHEREAS, notice of public hearing has been provided per Government Code Section 6062a, oral and written presentation made and received, and the required public hearing held, and;

WHEREAS, pursuant to California Government Code Section 60623a, a general explanation of the hereinafter contained schedule of fees and charges has been published as required; and

WHEREAS, all requirements of California Government Code Section 66000 et seq. are hereby found to have been complied with;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Development Impact Fees shall be charged and collected for the following facilities and equipment. Such fees shall be due and paid upon recordation of Final Map for subdivisions or otherwise prior to issuance of any Building Permits or Certificates of Occupancy unless otherwise defined by Government Code Section 66007.

The Development Impact Fee Calculation and Nexus Report and accompanying Master Facilities Plan, conducted by the firm of Revenue & Cost Specialists, LLC, dated August 2004 on file in the Office of the City Clerk, shall be adopted and shall serve as the basis for various development impact fee calculations. The Studies provide a listing of necessary planned capital improvements and commensurate costs and establish a relationship between such improvements and the resultant establishment of fees.

1. **Fire Suppression Facilities, Vehicles and Equipment.**

Development Type	Fees Per Unit
Detached Dwelling Units	$ 570.00
Attached Dwelling Units	$ 377.00
Mobile Home Units	$ 576.00
Assisted Care Units	$1,151.00
Commercial Lodging	$ 286.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 0.938
Industrial Uses	$ 0.161
Medical Office Uses	$ 0.426

2. **Circulation System (Streets, Signals and Bridges).**

Development Type	Fees Per Unit
Detached Dwelling Units	$3,308.00
Attached Dwelling Units	$2,208.00
Mobile Home Units	$1,730.00
Assisted Care Units	$ 478.00
Commercial Lodging	$2,294.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 6.584
Industrial Uses	$ 1.272
Medical Office Uses	$ 3.557

3. **Storm Drainage Facilities.**

Development Type	Fees per Unit
Detached Dwelling Units	$1,929.00
Attached Dwelling Units	$ 388.00
Mobile Home Units	$ 490.00
Assisted Care Units	$ 134.00
Commercial Lodging	$ 133.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 0.356
Industrial Uses	$ 0.207
Medical Office Uses	$ 0.269

4. **Water Generation, Storage and Distribution**.

Development Type	Fees per Unit
Detached Dwelling Unit	$5,348.00
Attached Dwelling Units	$3,951.00

Mobile Home Units	$3,627.00
Assisted Care Units	$1,752.00
Commercial Lodging	$2,628.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 0.524
Industrial Uses	$ 0.524
Medical Office Uses	$ 1.852

5. **Sanitary Sewage Collection Facilities.**

Development Type	Fees per Unit
Detached Dwelling Unit	$1,051.00
Attached Dwelling Units	$ 777.00
Mobile Home Units	$ 713.00
Assisted Care Units	$ 344.00
Commercial Lodging	$ 517.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 0.103
Industrial Uses	$ 0.103
Medical Office Uses	$ 0.364

6. **General Government Facilities, Vehicles and Equipment.**

Development Type	Fees per Unit
Detached Dwelling Unit	$2,745.00
Attached Dwelling Units	$2,745.00
Mobile Home Units	$2,745.00
Assisted Care Units	$ 176.00
Commercial Lodging	$ 176.00

Development Type	Fees per Square Foot
Commercial/Office Uses	$ 0.333
Industrial Uses	$ 0.333
Medical Office Uses	$ 0.333

7. **Public Library Facilities.**

Development Type	Fees per Unit
Detached Dwellings	$ 260.00
Attached Dwellings	$ 192.00
Mobile Home	$ 176.00

8. **Public Meeting Facilities.**

Development Type	Fees per Unit
Detached Dwelling	$ 343.00
Attached Dwelling	$ 253.00
Mobile Home	$ 232.00

9. **Park and Open Space Land Acquisition and Parkland Development – Residential Uses.**

Development Type	Fees per Unit
Detached Dwelling	$8,003.00
Attached Dwelling	$5,912.00
Mobile Homes	$5,427.00
Assisted Care Units	$2,622.00

10. **Open Space Land Acquisition – Business Uses.**

Development Type	Fees per Unit
Hotel/Motel Rooms per Acre	$ 271.00

Development Type	Fees per Square Foot
Square Foot Pad per Commercial Acre	$ 0.666
Square Foot Pad per Industrial Acre	$ 0.389
Square Foot Pad per Medical Acre	$ 0.389

Section 2. BE IT FURTHER RESOLVED that Resolutions numbered 2301, 1842, and 1716 are hereby repealed.

PASSED, APPROVED AND ADOPTED this 24th day of August 2004 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Karen Gaio Hansberger, Mayor

ATTEST:

Pamela Byrnes-O'Camb, City Clerk