

Mayor

Patrick Slayter

City Council

Neysa Hinton, Vice Mayor

Michael Carnacchi


Una Glass

Sarah Glade Gurney



City of Sebastopol

Agenda Report Reviewed by:

City Manager/City Attorney 

City Manager/City Attorney

Larry McLaughlin

City Clerk

Mary Gourley

Meeting Date:

Meeting of February 20, 2018

To:

Mayor and City Council

From:

Kenyon Webster, Planning Director

Subject:

Resolution Modifying Selected Housing Impact Fees

Recommendation:

Adopt Resolution

Funding:

Currently Budgeted: ___ Yes ___ No X N/A

Introduction:

This report recommends that the Council adopt a resolution modifying selected housing development impact fees. No new fees would be created, and no fees would be increased.

The resolution responds to Council direction to reconfigure fees based on unit size, so as to not unduly impact smaller housing units.

This is a revised scope from previously-proposed fee modifications. The Council considered a broader modification of fees in late 2017, including creating a temporary reduction in selected fees to assist in recovery from the 2017 Sonoma County fire disaster as well as to facilitate general housing production; payment of housing impact fees at Occupancy Permit; and elimination of impact fees for situations where a new dwelling unit is created within existing homes. The Council wished to consider these other changes in the context of housing-related Zoning Ordinance modifications.

The current proposed fee resolution would therefore only adjust fees based on square footage, with other change to be considered at a later date.

Background:

The City's Housing Element (Action G-8) calls for reducing fees for smaller types of housing, and to review fee structures based on square footage, number of bedrooms, or valuation to ensure that such fee structures are equitable. Discussions at the meetings of the City Council's Housing Subcommittee also supported such an approach, and at the November 21 Council meeting, the City Council provided general direction to move forward with consideration of modifications.

New impact fees cannot be created, and existing fees cannot be increased except through a comprehensive nexus study that relates development project impacts to the need for capital improvements. The attached fee resolution does not create any new housing impact fees, and does not increase any fees. Fees for smaller units would be reduced.

Due to the structure of existing impact fees, some of the fee modifications are based on whole units, while others vary by number of bedrooms.

The full existing impact fees would only be assessed for units above a certain square footage; smaller units would be charged their percentage of such square footage. For example, a 1,500 sq. ft. unit would pay a full (100%) fee, while a 750 sq. ft. unit would pay a 50% fee. Through this approach, smaller units would be subject to lower applicable fees than at present.

While the resolution may help spur housing projects that would not otherwise occur, the modifications may reduce the City's impact fee revenues, which are used for capital improvements for the circulation system, parks, and utilities.

Need for Impact Fee Update

Separate from consideration of the proposed resolution, it is recommended that the City Council consider funding a comprehensive review and update of all of the City's impact fees in the FY 2018-19 Budget. Some impact fees have not been updated for decades. There are specific State legal requirements for establishing and updating fees. This project would require outside consulting services.

Recommendation:

It is recommended that the City Council adopt the attached resolution modifying selected housing impact fees.

Attachment:

Fee resolution
List of existing impact fees

City of Sebastopol

Resolution No. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL MODIFYING CALCULATION OF
SELECTED HOUSING IMPACT FEES**

WHEREAS, the City of Sebastopol has adopted a number of 'impact fees' assessed on new development projects to ensure that such development fairly contributes to the cost of capital improvements needed to support and serve such development; and

WHEREAS, as documented by the General Plan Existing Conditions Report and other analyses, Sebastopol and the Bay Area region face significant housing affordability and availability issues, and the City's Housing Element contains a number of policies to work at addressing these issues; and

WHEREAS, the City's Housing Element Action G-8 specifically calls for reducing fees for smaller types of housing, and to review fee structures based on square footage, number of bedrooms, or valuation to ensure that such fee structures are equitable; and discussions at the meetings of the City Council's Housing Subcommittee supported such an approach; and at the November 21, 2017 Council meeting, the City Council provided general direction to move forward with consideration of modifications; and

WHEREAS, smaller dwelling units have a lesser environmental impact, and providing incentives for their development promotes the City's environmental objectives; and

WHEREAS, it is appropriate that the City consider modifications to the calculation of impact fees to appropriately assess housing development projects, including smaller housing units that may have lesser impacts; and

WHEREAS, new or increased impact fees would require a comprehensive nexus study prior to their adoption, and at this time the City of Sebastopol does not propose to increase such fees, nor to create new such fees, and will maintain existing fees established by prior City Council resolutions Numbers 4840, 4841, 5352, 5356, and 5485, but will reduce selected fees for specified types of housing projects as set forth herein.

NOW, THEREFORE, BE IT RESOLVED that the City of Sebastopol:

1. For the Wastewater Retrofit Impact Fee, assess the full specified fee for single family and multi-family dwellings of 1,500 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,500 square feet of floor area) times (full fee).
2. For Traffic Impact Fees,

- a. Assess the full specified fee for single family and multi-family 1- or fewer bedroom dwellings of 800 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (800 square feet of floor area) times (full fee).
 - b. Assess the full specified fee for single family and multi-family 2- bedroom dwellings of 1,100 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,100 square feet of floor area) times (full fee).
 - c. Assess the full specified fee for single family and multi-family 3- or more bedroom dwellings of 1,500 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,500 square feet of floor area) times (full fee).
3. For Park In-Lieu Fees,
 - a. Assess the full specified fee for multi-family 0-bedroom dwellings of 600 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (600 square feet of floor area) times (full fee).
 - b. Assess the full specified fee for single family and multi-family 1-bedroom dwellings of 800 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (800 square feet of floor area) times (full fee).
 - c. Assess the full specified fee for single family and multi-family 2-bedroom dwellings of 1,100 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,100 square feet of floor area) times (full fee).
 - d. Assess the full specified fee for single family and multi-family 3- or more bedroom dwellings of 1,500 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,500 square feet of floor area) times (full fee).
4. For Water Connection Charges: Residential – Single Family, Duplexes, Triplexes, and Multi-Family Residential: assess the full specified fee for dwellings of 1,500 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,500 square feet of floor area) times (full fee).
5. For Fire Sprinkler System Connection Charge: assess the full specified fee for dwellings of 1,500 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,500 square feet of floor area) times (full fee).
6. For Sewer Connection Charges for Each Additional Dwelling Unit Category:
 - a. Assess the full specified fee for single family and multi-family 1-bedroom dwellings of 800 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (800 square feet of floor area) times (full fee).

- b. Assess the full specified fee for single family and multi-family 2-bedroom or greater dwellings of 1,100 square feet of floor area or greater, with dwellings of smaller square footage required to pay an amount equal to: (project square feet of floor area) divided by (1,100 square feet of floor area) times (full fee).
- 7. City staff are hereby directed to prepare an impact fee schedule consistent with this Resolution.

IN COUNCIL DULY APPROVED AND ADOPTED this 20th day of February, 2018.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Approved: _____
Mayor

Attest _____
Mary Gourley, City Clerk



City of Sebastopol

Incorporated 1902

IMPACT AND ANNEXATION FEE SCHEDULE

Important Note: Information is correct as of: 06.12.17; however, all amounts listed are subject to change. Other fees may apply. Please contact the appropriate City Department to verify current fees for any particular project.

Number in brackets [] indicates City Council Resolution by which fee was established.

I. IMPACT FEES

SCHOOL IMPACT FEES:	
By law, you must provide a receipt from the local school district showing payment of the school impact fee before the Building Department can issue your Building Permit. The fee can vary; please call the local District Office at 824-6402 for the correct amount.	
RESIDENTIAL	Per square foot, \$2.41
COMMERCIAL	Per square foot, \$0.38
COMMERCIAL – for Hotel/Motel uses only	Per square foot, \$0.33
WASTEWATER RETROFIT IMPACT FEE	
Single Family Residential	\$2,040.00 per unit
Multi Family Residential	\$1,040.00 per unit
HOUSING LINKAGE FEE	
Commercial	Per square foot, \$2.08
Industrial	Per square foot, \$2.15
Retail	Per square foot, \$3.59
TRAFFIC IMPACT FEES [4824]	
Single-Family Residences, per unit [1 Bedroom]	\$2,601.00
Single-Family Residences, per unit [2 Bedroom]	\$3,278.00
Single-Family Residences, per unit [3+ Bedroom]	\$4,040.00
Multi-Family Residences, per unit [1 Bedroom]	\$2,314.00
Multi-Family Residences, per unit [2 Bedroom]	\$3,118.00
Multi-Family Residences, per unit [3+ Bedroom]	\$3,921.00
Offices uses, each 1,000 square feet	\$2,711.00
Office Park, each 1,000 square feet	\$1,258.00
Industrial uses, each 1,000 square feet	\$1,920.00
Mini-warehouses, per unit	\$91.00
Motel w/Restaurant, per room	\$366.00
Motel w/o Restaurant, per room	\$391.00
Shopping Center, each 1,000 square feet	\$5,369.00
Hardware Center, each 1,000 square feet	\$1,341.00
Downtown Retail, per 1,000 square feet	\$990.00
Specialty Retail, per 1,000 square feet	\$1,303.00
Drive-thru Restaurant, per 1,000 square feet	\$22,318.00
High Turnover Restaurant, per 1,000 square feet	\$11,489.00
Quality Restaurant, per 1,000 square feet	\$6,481.00

PARK IN LIEU FEES (Applies to residential developments only)	
Single-Family Detached 3+ Bedroom	\$6,500.00
Single-Family Detached 2 Bedroom	\$5,200.00
Single-Family Detached 1 Bedroom	\$3,900.00
3+ Bedroom Multi Family	\$5,580.00
2 Bedroom Multi Family	\$3,900.00
1 Bedroom Multi Family	\$3,250.00
0 Bedroom Multi Family	\$2,600.00
Mobile Home Pad	\$3,900.00
Motel or Motel Room	\$2,600.00

II WATER AND SEWER CONNECTION FEES AND CHARGES

WATER METER INSTALLATION (Installation of meter by Public Works)

5/8" x 3/4" Meter	\$65.00
1" Meter	\$155.00
1-1/2" Meter	\$430.00
2" Meter	\$615.00
Larger than 2" Meter	Cost +40%

WATER LATERAL INSTALLATION (Installed by licensed contractor at developer's expense)

WATER CONNECTION CHARGES: RESIDENTIAL – SINGLE FAMILY, DUPLEXES, TRIPLEXES

Meter Size		
3/4"	Single Family Residence or First Dwelling Unit	\$3,970.00
3/4"	Each additional dwelling unit on same connection, same lot (<i>includes Accessory Dwelling Units</i>)	\$1,070.00
ADD:		
Additional charge for each connection outside City Limits		\$1,070.00

WATER CONNECTION CHARGES: COMMERCIAL, INDUSTRIAL & MULTI-FAMILY RESIDENTIAL

Meter Size	Capital Connection Charge	Distribution System Charge	Total
5/8" x 3/4"	\$1,070.00	\$2,900.00	\$3,970.00
1"	\$1,790.00	\$2,900.00	\$4,690.00
1-1/2"	\$3,565.00	\$2,900.00	\$6,465.00
2"	\$5,705.00	\$2,900.00	\$8,605.00
3"	\$12,490.00	\$2,900.00	\$15,390.00
4"	\$17,840.00	\$2,900.00	\$20,740.00
ADD:			
For each additional dwelling unit (on same meter)			\$1,070.00
For each transient occupancy of lodging unit (including motel and motel rooms)			\$268.00
Additional charge for each connection outside City Limits			\$1,070.00

FIRE SRINKLER SYSTEM CONNECTION CHARGE \$1,070.00
 (Fee for connecting residential fire sprinklers to City's water system)

SEWER CONNECTION CHARGES: (inside City Limits)

Water Meter Size	Capital Connection Charge	Treatment Capital Charge	Collection System Charge	Total
5/8" x 3/4"	\$660.00	\$2,700.00	\$3,000.00	\$6,360.00
1"	\$1,102.00	\$2,700.00	\$3,000.00	\$6,802.00
1-1/2"	\$2,198.00	\$2,700.00	\$3,000.00	\$7,898.00
2"	\$3,518.00	\$2,700.00	\$3,000.00	\$9,218.00
3"	\$7,702.00	\$2,700.00	\$3,000.00	\$13,402.00
4"	\$11,002.00	\$2,700.00	\$3,000.00	\$16,702.00

ADD:	
For each additional dwelling unit (<i>includes accessory dwelling units</i>)	
1 Bedroom	\$4,755.00
2 Bedrooms or more	\$5,700.00
For each transient lodging unit	\$1,425.00
Additional charge for each connection outside of City Limits	\$660.00

SEWER LATERAL INSTALLATION (Installed by licensed contractor at developer's expense)

ANNEXATION FEES	
Prior Water improvements by City, per acre	\$5,688.00
Prior Sewer improvements by City, per acre	\$6,184.00
Prior Fire Service improvements by City, per acre	\$1,800.00
Prior Police Service improvements by City, per acre	\$1,400.00
Total per-acre annexation fee for Prior Capital Improvements	\$15,072.00