



Board Agenda Item 46

DATE: January 8, 2019

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Development Fees within the Sphere of Influence of the City of Clovis

RECOMMENDED ACTION(S):

Conduct second hearing and take action to:

- 1. Approve proposed amendments to Fresno County Ordinance Code, Title 17 - Divisions of Land, Chapter 17.92 - Clovis Development Fees Applicable within the Sphere of Influence of the City of Clovis, and a Schedule of Fees; and,**
- 2. Waive reading of the Ordinance in its entirety, and adopt the proposed Ordinance.**

Approval of the recommended actions will continue to execute Sections 4.1.3 and 4.1.4 of Article IV - Development within, adjacent to and near City's Sphere of Influence of the Amended and Restated Memorandum of Understanding (MOU) with the City of Clovis (City). The MOU provides that the County is to charge city development fees for any discretionary development applications approved by the County within the City's sphere of influence (SOI). With your Board's approval, individuals submitting discretionary development applications for projects within the City's SOI will be subject to the revised development fees, similar to those assessed in the City limits. This item pertains to locations in Districts 2, 3 and 5.

ALTERNATIVE ACTION(S):

There is no viable alternative action.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The development fees collected are used by the City to fund construction of facilities needed to serve new development such as sewer, water, community sanitation infrastructure, parks, major streets, fire department facilities, police department facilities, and the undergrounding of overhead utilities, and for the City to provide a source of funding to the County for a County library within the boundary limits of the City that is necessary to serve new development. Under the County's current discretionary application process, all discretionary proposals located within the City's SOI are routed to the City for review and comment. The City has the opportunity to identify applicable City fees associated with the development proposal during this review process. The information is then provided to the project applicant for payment of fees directly to the City. The County requires evidence of payment prior to the issuance of a Building Permit or at the time of final map approval.

DISCUSSION:

On December 4, 2018, your Board conducted the first hearing, waived the reading of the proposed Ordinance in its entirety, and set a second hearing for adoption of the proposed Ordinance for January 8, 2019.

The recommended actions will continue to execute Sections 4.1.3 and 4.1.4 of Article IV - Development within, adjacent to and Near City's Sphere of Influence of the Amended and Restated MOU. In August 2014, the City began to update its Master Plans for sewer, water, and recycled water systems shortly after the City Council adopted its updated General Plan. As a change from prior fee calculation, City staff proposed a new City ordinance section. The section allows all the rates in the Development Impact Fee program to be adjusted for the twelve-month period preceding December by a percentage equal to the Engineering News Record Index for the California Cities (CCI) or by an evaluation of actual construction and acquisition costs.

In August 2017, City staff commenced public meetings for its fee re-evaluation. According to the City, meetings were held with the Building Industry Association, Fresno Metropolitan Flood Control District, Clovis Unified School District, and several local commercial developers. The July 2, 2018 City Council Report, included as Attachment A with City Council Resolution No. 2018-91 and City Ordinance 18-16, further describes the City's outreach process. The changes to individual fee types varied, with the majority subject to increase.

- Water Major Facilities Fee increases averaged approximately 50%.
- Recycled water, levied by a Non-Potable Water System Fee, resulted in fee increases of approximately 290%.
- Density residential development of two or less units per acre received a fee reduction of approximately 47%.
- Density residential development from 2.1 to 2.5 units per acre received a reduction of approximately 24%.
- Fee increases for the Water Major Facilities Fee were largest for Commercial Retail and Professional Office uses, which increased from \$1.54 to \$3.42 per square foot and from \$1.38 to \$3.42 per square foot, respectively.
- The Park Acquisition and Development Fee increased by 30%, although some of this increase occurred due to increased construction costs, the majority was associated with land acquisition.
- The Fire Department Fee is calculated by estimating costs to acquire, construct, and equip a typical fire station. Based on City staff's re-evaluation of costs in 2018, it determined a 44% increase in the fee rate was appropriate.
- Although a wastewater impact fee study (Willdan) was undertaken and published January 2018, the City determined that sewer major facilities fee should continue to be based on existing methodology that assigned a fee based on each land use. Because of reduced flow rates, the overall rate decreased by approximately 20%.

The existing Ordinance limits the applicability of new fees to discretionary development applications in the County, defined in the MOU as General Plan Amendments, Rezoning, Tentative Tract Maps, Tentative Parcel Maps, Conditional Use Permits, Director Review and Approvals, and Variance Applications. Existing uses or uses permitted as a matter of right (agricultural, rural residential, and associated uses) would continue to be permitted without being subjected to these fees.

The City transmitted Resolution No. 2018-91 and Master Development Fee Schedule to the County for the adoption on October 2, 2018, Attachment A. The proposed Ordinance provides that your Board rely upon such City Council findings in its adoption, including the Schedule of Fees, by which your Board would satisfy the relevant State law and the MOU.

California Government Code, Section 66017 allows the legislative body to impose a development fee 60 days after holding an open and public meeting. Notice of the hearing was published in the Fresno Business Journal on November 2, 2018 and was published for the second reading on December 7, 2018.

OTHER REVIEWING AGENCIES:

A copy of this Board report, including the proposed Ordinance, was provided to the City of Clovis.

REFERENCE MATERIAL:

BAI #7, December 4, 2018
BAI #65, September 22, 2015
BAI #29, April 29, 2014
BAI #43, December 6, 2011
BAI #36, October 21, 2008
BAI #18, September 11, 2007
BAI #22, September 12, 2006
BAI #20, August 16, 2005

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Sonia M. De La Rosa