

CITY OF YUBA CITY
STAFF REPORT

Date: July 21, 2015
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation By: Darin E. Gale, Economic Growth & Public Affairs

Summary

Subject: Expanded Infill development impact fee program

Recommendation: Adopt a resolution expanding the Infill Map, update the City's Infill Impact Fee Definition and expand the 50% impact fee reduction program for Infill Development to include all City AB 1600 Impact Fees excluding the Flood Control Fee

Fiscal Impact: On a multi-family residential project of 10 units the approximate Impact Fee would be \$188,390.50, which is a reduction of \$13,705 from the current Infill Fee program

Purpose:

To review and amend the City's Infill Impact Fee definition

Background:

At the November 18, 2014 City Council meeting, the Council authorized a temporary reduced impact fees for all residential impact fee categories through the end of 2015, expanded the area that qualified for Infill Impact Fees and included multi-family residential projects in the infill definition. Staff has since determined that adjustments to the definition of infill Projects would be appropriate. As a result on June 2, 2015 Council held a workshop and directed staff to draft an updated infill impact fee for consideration

Analysis

Infill impact fees were originally adopted by the City Council in 2007 and provide a 50% reduction in fees for: water/sewer (pipeline only); transportation; and parks. A number of cities provide a reduction for infill development for a number of reasons including many of those listed below.

- Better utilization of existing infrastructure
- Reduces the need and expenses to expand infrastructure
- Minimizes the loss of agricultural land
- Eliminates unsightly vacant fields that attract illegal dumping and vagrancy
- Offers economic revitalization of older neighborhoods
- Land assemblage can be difficult and expensive
- Neighborhood concerns require costly mitigation due to perceived incompatible uses

In 2007 Infill projects were identified as projects located within the City's former Redevelopment boundaries. The purpose for using a location map versus a formal definition for Infill was that there are a variety of factors that contribute to a project being considered Infill that may not always be met. By utilizing the former Redevelopment boundary, it was assumed that projects within that boundary qualified as Infill projects since there was already city infrastructure and services in those locations. The challenge with this approach is that the former Redevelopment boundary does not capture all areas within the community that could be considered Infill.

To accommodate this type of occurrence, staff is recommending a modification to the Infill provision for impact fees. Staff recommends expanding the Infill Map as proposed in Attachment B which was formed based upon reviewing current development and land uses and including the following Infill Property Definition.

Infill Property Definitions
(Proposed)

1. Land that was bypassed by suburban development and remains vacant or under-utilized
and
 - A. The property has readily available access to City utilities
 - B. Seventy-Five percent of its adjacent properties are developed
 - C. The properties is not within a specific plan (except the Central City Specific Plan) or master plan or is not anticipated to be within a specific plan or master plan per City Council Resolution 05-049
 - D. All development and/or reimbursement agreements are properly executed and funded
 - E. The property is located within the boundaries of the adopted infill map

Currently Infill Development receives a 50% reduction for Roads, Parks and the line portion of Sewer and Water Fees. As part of this review the City reviewed all City AB 1600 Impact Fees and staff proposes the City reduce all AB 1600 Impact Fees 50% except the City's Flood Control fee. This proposal includes a reduction in all of the following AB 1600 fee categories: Roads, Parks, Police, Fire, Civic Center, Corporation Yard and Library. The City met with the Sutter Butte Flood Control Agency (Agency) and they requested the City not reduce the Flood Control fee. The Agency is currently still pursuing funding to complete the West Feather River Levee Improvement project and a reduction could put into jeopardy grant funding.

Fiscal Impact:

On a multi-family residential project of 10 units the approximate Impact Fee would be \$188,390.50, which is a reduction of \$13,705 from the current Infill Fee program

Recommendation:

Adopt a resolution expanding the Infill Map, update the City's Infill Impact Fee Definition and expand the 50% reduction fee impact program for Infill Development to include all City AB 1600 Impact Fees excluding the Flood Control Fee

Alternative Recommendations:

1. Expand Infill Map and Infill Impact Fee Definition but do not include the additional AB 1600 Impact Fees

2. Expand the Infill Map to include all properties within the current City limit, update the City's Infill Impact Fee Definition and expand the program to include all City AB 1600 Impact Fees excluding the Flood Control Fee

Attachments

- A. Resolution
- B. Expanded Infill Boundary Map
- C. Multi-Family Infill Impact Fee Calculation

Prepared By:

/s/ Darin Gale

Darin Gale
Economic Growth and Public Affairs

Submitted By:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed By:

Finance

City Attorney

/s/RB

/s/TH (e-mailed)

RESOLUTION NO. __

**A RESOLUTION AUTHORIZING AN EXPANDED INFILL IMPACT FEE
DEFINITION FOR RESIDENTIAL MULTI-FAMILY RESIDENTIAL UNITS**

WHEREAS, the City Council approved an Infill Impact Fee Definition on October 16, 2007; and,

WHEREAS, the City Council approved an expanded Infill definition on November 18, 2014 to include both single family and multi-family projects and expanded the boundaries of Infill Map to include properties outside the City's former Redevelopment Agency; and,

WHEREAS, Infill development better utilizes existing infrastructure and reduces the need and expense of expanding infrastructure; and

WHEREAS, Infill development minimizes the loss of agricultural land and eliminates unsightly vacant and blighted properties; and

WHEREAS, the Council desires to refine the Infill definition and expand the Infill Map to encourage infill development; and

WHEREAS, the City of Yuba City expects this new definition will result in job retention and new secondary commerce throughout the community as a result of boundaries of the new infill development and construction activity stimulated by the fee reduction.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

SECTION 1.

- A. The expanded Infill Map as described in the attached Attachment B is hereby adopted.
- B. And such projects must meet the following criteria:
 - a. The property has readily available access to City utilities
 - b. Seventy-Five percent of its adjacent properties are developed
 - c. The properties is not within a specific plan (except the Central City Specific Plan) or master plan or is not anticipated to be within a specific plan or master plan per City Council Resolution 05-049
 - d. All development and/or reimbursement agreements are properly executed and funded
 - e. The property is located within the boundaries of the adopted Infill Map

The foregoing Resolution was duly and regularly introduced, passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 21st day of July, 2015:

AYES:

NOES:

ABSENT:

John Dukes, Mayor

ATTEST

Terrel Locke, City Clerk