



REPORT TO THE CITY COUNCIL OF THE CITY OF GUADALUPE
Agenda of January 23, 2024

Philip Sinco & Wendy Stockton

Prepared by:
Philip F. Sinco, City Attorney
and Wendy Stockton, Assistant City Attorney

Todd Bodem

Approved by:
Todd Bodem, City Administrator

SUBJECT:

1. Impact Fee Nexus Study for Public Safety Facilities
2. Ordinance Establishing Development Impact Fee for Public Safety Facilities
3. Making a finding that the Study and the Ordinance are exempt from CEQA

RECOMMENDATION:

That the City Council take the following actions:

1. Hold a combined public hearing for the Study and Ordinance. Consider all evidence including testimony, evidence, staff reports, and the "CITY OF GUADALUPE PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY DATED OCTOBER 6, 2023;" and
2. Approve Resolution No. 2024-08, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, APPROVING THE CITY OF GUADALUPE PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY DATED OCTOBER 6, 2023;" and
3. Introduce and conduct the first reading by title only, waiving further reading, of Ordinance No. 2024-514, AMENDING TITLE 13 OF THE GUADALUPE MUNICIPAL CODE TO ESTABLISH A PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE; and
4. Make the finding that the approval of the Study and the Ordinance are exempt from CEQA.

BACKGROUND:

History. Over the past five decades, cities have faced increasing practical and legal barriers to obtaining funds to defray the cost of providing public services. Under the Mitigation Fee Act (Government Code §§66000 and following), the City has authority to establish impact fees to be imposed on Guadalupe developers. An impact fee defrays the capital cost to develop and equip public facilities needed because of new development. Staff is recommending that the City establish its first development impact fee, for public safety facilities.

Mitigation Fee Act Requirements. The Mitigation Fee Act places important initial and continuing obligations on a city that wishes to collect development impact fees. Initially, the city must cause a study to be prepared that justifies the fee as discussed below. For fees, including the public safety facilities fee, not specifically identified in the law, the city must also prepare capital facilities plan for approval. (Government Code §66002.) The city must hold a noticed public hearing and verify that the study contains information to support findings for the fee before approving the study and capital facilities plan. (Government Code §66016.5.) Before establishing the fee itself, the city must hold a noticed public hearing and make statutory findings. (Government Code §§66004, 66018 and 66001.) The fee becomes effective 60 days after second reading of the fee ordinance. (Government Code §66017.) The substance of the fee ordinance must meet numerous statutory requirements. (Government Code §66007.)

The staff recommendation, if followed by the Council, will result in compliance with the foregoing requirements of the Mitigation Fee Act; however, in the event the Council follows the recommendation, the City will have significant continuing obligations under the Mitigation Fee Act. Briefly, these consist of:

- Accounting separately for fee proceeds collected (Government Code §§66001 and 66006);
- If requested, conducting an audit and providing mailed notice of meetings regarding impact fees, as well as a website link (Government Code §66023);
- Annual reporting at a noticed, regular meeting of specific information for each development impact fee fund (Government Code §66006);
- Annual update of capital improvement plan (Government Code §66002);
- Making required findings every five years regarding fees collected (Government Code §66001);
- Identifying an approximate construction date for the facilities within 180 days of collecting the needed funds (Government Code §66001);
- Updating the nexus fee study at least once every eight years, from the period beginning on January 1, 2022 [Government Code §66016.5(8)]; and
- Providing notice of the fee to developers (Government Code 66020).

A procedural or substantive misstep along the way can result in expensive litigation followed by a court order to refund fees.

DISCUSSION:

1. Environmental Consideration. The recommended actions are adoption of a supporting study and enacting an ordinance establishing a development impact fee. City staff has evaluated the potential environmental impacts of taking the recommended actions. Staff has determined that pursuant to Section 15273(a)(4) of the California Environmental Quality Act (“CEQA”) Guidelines, there is no requirement for review under CEQA because the actions would merely approve a study, plan, and charges to obtain funds. A notice of exemption will be filed to document this finding for the resolution and ordinance. (See Attachment 1.)

2. Public Hearing. The Mitigation Fee Act requires public hearings be held before approving a fee study and before approving a fee ordinance. For simplicity and clarity, staff recommends that the Council hold both public hearings at once.

3. Nexus Study. Willdan Financial Services has prepared a “City of Guadalupe Public Safety Facilities Development Impact Fee Nexus Study Dated October 6, 2023” (“Study”) for the Council’s consideration. **The Study is an attachment to the draft Resolution.** That Study includes a comprehensive nexus analysis that identifies the maximum development fee levels for public safety facilities that can be justified, using existing inventory to estimate future facility needs. Table E.1, found on Page 2 of the Study, contains that fee schedule:

Land Use	Fee per Square Foot
Residential Dwelling Units	\$ 2.92*
Nonresidential Commercial	\$ 3.80
Nonresidential Office	\$ 5.82
Nonresidential Industrial	\$ 2.07

*Fees for Accessory Dwelling Units are to be charged as a percentage of this fee. See Page 6 of the Study.

Willdan arrived at these fees by first identifying demand for services based on Guadalupe information from 2019 to 2021. Then, Willdan used the existing standard approach to calculate what land, buildings, vehicles and equipment would be needed in the future. Using replacement cost and service population, Willdan developed a facility standard. After projecting revenue, Willdan calculated a per-square-foot fee which includes recouping City administrative costs of complying with the Mitigation Fee Act.

This method of identifying permissible impact fees is designed to comply with the requirements of 2022 legislation now found in Government Code §66016.5.

In the Study, Willdan also developed a capital facilities plan for the City’s proposed public safety facilities. The plan consists of the initial public safety facilities projected to be needed as a result of new development. This plan is found in Table 3.4 at Page 12 of the Study. The plan includes 2,801 building square feet, .19 acres of land, 3.2 police vehicles, .53 fire apparatus and 1.33 fire vehicles.

Staff recommends that the Council consider the Study as well as this staff report and all evidence and testimony offered in the public hearing, and adopt a resolution approving the Study and capital facilities plan.

4. Ordinance. Staff has prepared an ordinance establishing a public safety facilities development impact fee. If enacted, the ordinance would become Chapter 13.28 of the Guadalupe Municipal Code.

As required by the Mitigation Fee Act, the ordinance begins with factual findings to bridge the gap between the evidence in the Study and the fee to be established by the ordinance. The proposed findings:

- Identify the purpose of the fee (new development pays its way for public safety facilities);

- Identify the use of the fee (build and equip public safety facilities in Guadalupe as identified in the Study);
- Relate the use of the fee to type of development (noting that all new development requires public safety facilities at the level of service enjoyed by existing development);
- Relate the need for the fee to new development (calculated using a weighted standard based on projected new residents and workers);
- Relate the amount of the fee to costs attributable to specific new development (based on size or increased population).

The ordinance continues in typical format. A purpose and intent statement is followed by definitions and fee provisions. The Planning Director or designee calculates the fee based on the square footage and type of project, and notifies the applicant. Flexibility provisions allow the Planning Director/designee to reduce or exempt the fee in appropriate circumstances. The proposed ordinance provides for appeal to the Planning Director and Council. As required by law, the ordinance also includes a pay-under-protest provision.

The ordinance also references restrictions on use of fees and accounting and reporting requirements. The City must comply with these requirements in order to proceed with a development impact fee program.

FISCAL IMPACT:

The recommended actions would create the legal structure needed to collect developer impact fees, which are designed to defray the cost of public service facilities necessitated by new development.

If the Council establishes a development impact fee, significant soft costs would be incurred to comply with the requirements of the Mitigation Fee Act. The fee identified by the Study includes a component to recover a two percent charge to defray administrative overhead for legal, accounting, other departmental and administrative support, and fee program administrative costs.

ATTACHMENTS:

1. Notices of Exemption
2. Resolution No. 2024-08, with Study attached
3. Ordinance No. 2024-514

Notice of Exemption

Exhibit 1

To: County Clerk
County of Santa Barbara
123 E. Anapamu Street
Santa Barbara, CA 93101

From: City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Project Title: Impact Fee Nexus Study – Guadalupe Public Safety Department

Project Applicant: City of Guadalupe

Project Location-Specific: Citywide

Project Location-City: Guadalupe

Project Location-County: Santa Barbara County

Description of Nature, Purpose, and Beneficiaries of Project:

Resolution adopting preparation of an Impact Mitigation Fee Study (Willdan, 10-6-23) to assess new residential, commercial and industrial construction that impacts city services.

Name of Public Agency Approving Project: Guadalupe City Council

Name of Person or Agency Carrying Out Project: Michael Cash, Public Safety Director

Exempt Status: (check one)

- Ministerial (Sec. 15268);
- Declared Emergency (Sec. 15269(a));
- Emergency Project (Sec. 15269(b)(c));
- Categorical Exemption. State type and section number:
- General Exemption (Section 15061(b)(3));
- Statutory Exemption: Public Resources Code Section 21080.17

Reasons why project is exempt:

CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of obtaining funds for capital projects, necessary to maintain service within existing service areas.

Contact Person: Larry Appel (Area Code) Phone Number/Ext: (805) 598-8385

Signature: _____ Title: Contract Planning Director

Date received for filing at County Clerk's Office: _____

To: County Clerk
County of Santa Barbara
123 E. Anapamu Street
Santa Barbara, CA 93101

From: City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Project Title: Impact Fee Ordinance – Municipal Code Chapter 13.28

Project Applicant: City of Guadalupe

Project Location-Specific: Citywide

Project Location-City: Guadalupe

Project Location-County: Santa Barbara County

Description of Nature, Purpose, and Beneficiaries of Project:

Addition of Chapter 13.28 to Guadalupe Municipal Code to add a Development Impact Fee that addresses new construction for residential, commercial and industrial projects.

Name of Public Agency Approving Project: Guadalupe City Council

Name of Person or Agency Carrying Out Project: Michael Cash, Public Safety Director

Exempt Status: (check one)

- Ministerial (Sec. 15268);
- Declared Emergency (Sec. 15269(a));
- Emergency Project (Sec. 15269(b)(c));
- Categorical Exemption. State type and section number:
- XX** General Exemption (Section 15061(b)(3));
- Statutory Exemption: Public Resources Code Section 21080.17

Reasons why project is exempt:

There is no requirement to review the impact fee ordinance under CEQA because it would merely approve charges to obtain funds for capital projects needed to maintain levels of public safety service in existing service areas. CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of obtaining funds for capital projects, necessary to maintain service within existing service areas, per CEQA Section 15273 (a)(4).

Contact Person: Larry Appel (Area Code) Phone Number/Ext: (805) 598-8385

Signature: _____ Title: Contract Planning Director

Date received for filing at County Clerk's Office: _____

RESOLUTION NO. 2024-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, APPROVING THE CITY OF GUADALUPE PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY DATED OCTOBER 6, 2023

WHEREAS, the City of Guadalupe (“City”) has authority, based on the Mitigation Fee Act (Government Code §§66000 and following) to establish and implement impact fees to assure that new development pays capital facilities costs associated with growth; and

WHEREAS, due to the changing fiscal landscape in California over the past five decades, which has undercut tax proceeds, reduced popular support for bond measures, and steeply reduced federal and state financial assistance for local public facilities, the City must require development to pay its own way via development impact fees in order to maintain current standards for public safety capital facilities; and

WHEREAS, in order to legally proceed with charging impact fees for public safety (police and fire) facilities, the City has caused a Public Safety Facilities Development Impact Fee Nexus Study (“Study”), dated October 6, 2023, to be prepared by Willdan Financial Services; and

WHEREAS, the Study projects the needs for and costs of the initial public safety facilities to be funded through impact fees, forecasting moderate growth in Guadalupe with a planning horizon of 2050, using the existing inventory approach; and

WHEREAS, based on these projections, the Study calculates a per-square-foot fee for residential, accessory dwelling unit, and various categories of nonresidential development, which fairly assigns the cost of growth to these categories of new development; and

WHEREAS, the Study contains a capital improvement plan for identified public safety facilities as required by Government Code Sections 66002 and 66016.5; and

WHEREAS, the Study contains information that supports the findings that the Mitigation Fee Act requires the City to make before establishing a development impact fee; and

WHEREAS, on January 23, 2024, the City Council held a duly noticed public hearing, took testimony, and considered evidence regarding the Study; and

WHEREAS, City staff has evaluated the potential environmental impacts of adoption of this resolution, and staff has determined that pursuant to Section 15273(a)(4) of the California Environmental Quality Act (“CEQA”) Guidelines, there is no requirement to review the resolution under CEQA because it would merely provide support for approving charges to obtain funds for capital projects needed to maintain levels of public safety service in existing service areas; and

NOW, THEREFORE, the City Council does hereby resolve and order:

SECTION 1. The recitals set out above are true and correct and are the findings of the City Council.

SECTION 2. The City of Guadalupe Public Safety Facilities Development Impact Fee Nexus Study Dated October 6, 2023, attached hereto and hereby incorporated, which contains capital facilities plan for public safety facilities, is hereby approved.

SECTION 3. The City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained in doing so, and the City Clerk shall consult with the City Attorney and City Administrator concerning any changes deemed necessary.

SECTION 4. Staff is hereby directed to prepare and file a Notice of Exemption with the County of Clerk of Santa Barbara pursuant to CEQA Guidelines Section 15273(a)(4) within 5 days of the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED at a regular meeting on the 23rd day of January 2024 by the following vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

I, Amelia M. Villegas, City Clerk of the City of Guadalupe DO HEREBY CERTIFY that the foregoing Resolution, being **Resolution No. 2024-08**, has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held January 23, 2024, and that same was approved and adopted.

ATTEST:

Amelia M. Villegas, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Philip Sinco, City Attorney

CITY OF GUADALUPE

PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY

FINAL DRAFT
OCTOBER 6, 2023



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Executive Summary

This report summarizes an analysis of the need for public safety facilities and capital improvements to support future development within the City of Guadalupe through 2050. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee. The facilities and improvements included in this analysis are classified as public safety facilities.

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to document a comprehensive nexus analysis that identifies the maximum justified development impact fee levels to impose on new development to maintain the City's existing facilities standards for public safety facilities. This means that the City plans to expand facilities to add capacity to meet the needs of new development, as opposed to providing maintenance on existing facilities. The City should review and update this report and the calculated fees at least every eight years as required by law to incorporate the best available information.

The City can impose development impact fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the Act for adoption of the public safety facilities development impact fees presented in the fee schedules contained herein.

All development impact fee-funded capital projects should be programmed through the City's Capital Improvement Plan (CIP). Using a CIP can help the City identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Facility Standards and Costs of Growth

This fee analysis uses the **existing inventory** approach to estimate future facility needs and costs associated with new development. This approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process and/or completion of a new facility master plan.

Fee Schedule Summary

Table E.1 summarizes the schedule of maximum justified public safety facilities fees based on the analysis contained in this report. The City may adopt any fee up to those shown in the table.

Table E.1: Maximum Justified Public Safety Facilities Impact Fee Schedule

Land Use	Fee per Square Foot	
<i>Residential Dwelling Units</i>	\$	2.92
<i>Nonresidential</i>		
Commercial	\$	3.80
Office		5.82
Industrial		2.07

Source: Table 3.6.

1. Introduction

This report presents an analysis of the need for public safety facilities to accommodate new development in the City of Guadalupe. Public safety facilities include facilities and capital assets associated with the City's Police and Fire Departments. This chapter explains the study approach and summarizes results under the following sections:

- ◆ Background and Study Objectives
- ◆ Public Facilities Financing in California
- ◆ Study Methodology
- ◆ Impact Fees for Accessory Dwelling Units
- ◆ Organization of the Report

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to determine the appropriate development impact fee levels to impose on new development to maintain the City's facilities standards for public safety facilities. The City should review and update this report and the calculated fees at least once every eight years to incorporate the best available information.

The City imposes development impact fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code Sections 66000 et seq.* Currently, the City of Guadalupe does not charge impact fees to fund public safety facilities. This report provides the necessary findings required by the Act for adoption the public safety facilities development impact fees presented in the fee schedules contained herein.

The City of Guadalupe is forecast to experience moderate growth through this study's planning horizon of 2050. This growth will create an increase in demand for public services and the public facilities required to deliver them. The City has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to calculate a development impact fee schedule for public safety facilities, to fund new development's fair share of future fire facilities.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have adopted a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing taxpayers onto new development. This funding shift has been accomplished primarily through the imposition

of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- ♦ *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- ♦ *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- ♦ *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **existing inventory method**, the **planned facilities method**, and the **system plan method**. The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process, possibly after completion of a new facility master plan. **This approach is used to calculate the impact fees in this report.**

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is a portion of a roadway that has been identified as necessary to mitigate the impact from new development through traffic modeling analysis. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. This approach is not used in this report.

System Plan Method

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities} + \text{Cost of Planned Facilities}}{\text{Existing} + \text{New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in General Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency

required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is not used in this report.

Impact Fees for Accessory Dwelling Units

The California State Legislature recently amended requirements on local agencies for the imposition of development impact fees on accessory dwelling units (ADU) with Assembly Bill AB 68 in 2020. The amendment to California Government Code §65852.2(f)(2) stipulates that local agencies may not impose any impact fees on ADU less than 750 square feet. ADU greater than 750 square feet can be charged impact fees in proportion to the size of the primary dwelling unit.

Calculating Impact Fees for Accessory Dwelling Units

For ADUs greater than 750 square feet, impact fees can be charged as a percentage of the single family public safety facilities impact fee. The formula is:

$$\frac{ADU \text{ Square Feet}}{Primary \text{ Residence Square Feet}} \times Single \text{ Family Impact Fee} = ADU \text{ Impact Fee}$$

In the case of an 800 square foot ADU and a 1,600 square foot primary residence, the public safety facilities impact fees would be 50 percent (800 square feet / 1,600 square feet = 50%) of the fee calculated for the primary dwelling unit on the parcel.

Organization of the Report

The determination of a development impact fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis and are summarized in Chapter 2.

Chapter 3 is devoted to documenting the maximum justified development impact fees for public safety facilities.

Chapter 4 describes how this report complies with the recently implemented requirements of AB602.

Chapter 5 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code Section 66016*.

The five statutory findings required for adoption of the proposed development impact fees in accordance with the *Mitigation Fee Act (codified in California Government Code Sections 66000 through 66025)* are summarized in Chapter 6.

2. Demographic Assumptions

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2023 base year and a planning horizon of 2050.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2023 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2050 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth.
- Estimates of growth from 2023 through 2050 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use classifications. The land-use types used in this analysis are defined below.

- ♦ **Residential Dwelling Units:** All residential dwelling units including detached and attached one-unit dwellings (Includes single family homes and townhomes) and attached multifamily dwellings including duplexes and condominiums. Fees charged per square foot.
- ♦ **Commercial:** All commercial, retail, educational, and hotel/motel development.
- ♦ **Office:** All general, professional, and medical office development.
- ♦ **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multifamily uses. In these cases, the development impact fees would be calculated separately for each land-use type.

The City should have the discretion to impose the development impact fee based on the specific aspects of a proposed development regardless of the zoning designation where the project will be located. Should the project be located in an area that is not zoned as any of the above stated land use types, the guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot, to determine which fee will be charged. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Guadalupe, both in 2023 and in 2050. The base year estimate of residents comes from the California Department of Finance. The projection of residents is based on the City’s estimate of the potential increase in new dwelling units multiplied by the average residents per dwelling unit in the City today.

Base year employees were estimated based on the latest data from the US Census’ OnTheMap application and exclude local government (public administration) employees.¹ Total projected workers in 2050 were identified in the Santa Barbara County Association of Governments (SBCAG) 2050 Regional Growth Projection.

Table 2.1: Growth Forecasts

	Residents ¹	Workers ²
Existing (2023)	8,515	1,168
New Development (2023-2050)	<u>1,943</u>	<u>542</u>
Total (2050)	10,458	1,710

¹ Current population from California Department of Finance. Projection based on an estimated increase of 521 residential dwelling units within the planning horizon, assuming 3.73 residents per dwelling unit.

² Current estimates of primary jobs from the US Census’ Bureau’s OnTheMap Application. Estimated by adjusting 2020 estimate to 2023 by annual average growth rate needed to meet SBCAG 2050 projection. Excludes public administration employees. Projection for 2050 from the SBCAG Regional Growth Projection.

Sources: California Department of Finance, Table E-5, 2023; Regional Growth Projection 2050 Santa Barbara County, SBCAG; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2020); City of Guadalupe; Table 2.2, Willdan Financial Services.

Service Population

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapter 3, a specific service population is identified for public safety facilities to estimate total demand for these types of facilities. The service population weights residential land use types against nonresidential land uses based on the relative demand for services between residents and workers.

¹ Local government employment is excluded from estimates of demand for public safety services and facilities because local government workers are only in the City to meet the demand for City services from residents and other workers in the City. Consequently, demand for public safety services from local government workers, is actually driven by City residents and workers, not from local government itself.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and the amount of the fee. Developers pay the fee based on the number of additional housing units or building square feet of non-residential development, so the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in **Table 2.2**.

The residential occupant density factor is derived from the U.S Census Bureau, 2021 American Community Survey (ACS) **Tables B25024** and **B25033**. **Table B25024** provides total housing units by land use designation. **Table B25033** documents the total population residing in occupied housing. Total residents are divided by total units to estimate average persons per dwelling unit Citywide.

The nonresidential occupancy factors are derived from the latest data from the Institute of Traffic Engineers (ITE) Trip Generation Manual, 11th Edition. The City does not track nonresidential occupancy statistics, so the ITE data was used instead. Aside from its typical use in trip generation studies, the ITE data is a common source for estimating nonresidential occupant density for nexus studies, as it draws from a large, national, detailed database of land uses, trip generation, site characteristics and employment counts.

Table 2.2: Occupancy Density Assumptions

<i>Residential Dwelling Unit</i>	3.73	Persons per dwelling unit
<i>Nonresidential</i>		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

3. Nexus Analysis

The purpose of the fee is to ensure that new development funds its fair share of public safety facilities. A fee schedule is presented based on the existing standard of public safety facilities in the City of Guadalupe facilities to ensure that new development provides adequate funding to meet its needs.

Service Population

Public safety facilities serve both residents and businesses. Therefore, demand for services and associated facilities is based on the City’s service population including residents and workers.

Table 3.1: Service Population shows the estimated service population in 2023 and 2050. It is reasonable to assume that residential and nonresidential locations have varying amounts of demand for these services. To calculate the service population for public safety facilities, residents are weighted at 1.00.

The use of a worker demand factor of 1.44 for workers in Guadalupe is based on an analysis of fire department incidents, categorized by land use, in the City from 2019 to 2021. Average annual incidents at residential land uses were divided by the average residential population from 2021 to 2023 to yield an average annual incidents-per-capita factor. Dividing average annual incidents at nonresidential areas by average annual employment in the City yielded a comparable per-capita factor. The ratio of the worker per capita factor to the resident per capita factor is the worker demand factor used in the analysis. See **Appendix Table A.1** for a detailed worker weighting analysis.

Table 3.1: Service Population

	A	B	C	D = A + (B x C)
	Residents	Workers	Worker Demand Factor ¹	Service Population
Existing (2023)	8,515	1,168	1.44	10,198
New Development (2023-2050)	<u>1,943</u>	<u>542</u>	<u>1.44</u>	<u>2,722</u>
Total Development (2050)	10,458	1,710	1.44	12,920

¹ Workers are weighted at 1.44 of residents based on an analysis of calls for service within the City. Refer to Table A.1 for further detail.

Sources: Table 2.1, Willdan Financial Services.

Facility Inventories, Plans & Standards

This study uses an existing standard approach to calculate fees for public safety facilities. The City of Guadalupe is currently served by three fire stations, accompanying vehicles, apparatus, and equipment. As more people live and work in Guadalupe, new development will create additional demand for public safety services and the facilities needed to deliver those services. The existing standard approach maintains the existing facility standards in terms of quantity of facilities to service population as new development adds demand for facilities.

Table 3.2 shows the existing building and land values by facility. The unit cost per acre of land is based on an analysis of sales comparisons of undeveloped land in Guadalupe since 2014 as reported by CoStar. The assumed station replacement cost of \$769 per square foot is conservatively estimated based on Willdan's experience with other clients in California. Appendix Tables A.2 and A.3 contain detailed inventories of police and fire vehicles and equipment, respectively.

Table 3.2: Existing Facility Inventory

	Amount	Unit Cost	Replacement Cost
<i><u>Police Station</u></i>			
Land	0.60 acres	\$ 739,200	\$ 443,520
Building	6,345 sq. ft.	769	4,879,305
Vehicles (See Appendix Table A.2)			750,000
Equipment (See Appendix Table A.2)			556,015
Subtotal			\$ 6,628,840
<i><u>Fire Station 1</u></i>			
Land	0.06 acres	\$ 739,200	\$ 44,352
Station	1,360 sq. ft.	769	1,045,840
Butler Building	560 sq. ft.	769	430,640
Subtotal			\$ 1,520,832
<i><u>Fire Station 2</u></i>			
Land	0.06 acres	\$ 739,200	\$ 44,352
Station	1,388 sq. ft.	769	1,067,372
Building	840 sq. ft.	769	645,960
Subtotal			\$ 1,757,684
<i><u>Fire Protection Vehicles and Equipment</u></i>			
Vehicles (See Appendix Table A.3)			\$ 1,967,000
Equipment (See Appendix Table A.3)			540,050
Subtotal			\$ 2,507,050
Total Value Existing Facilities			\$ 12,414,406

Sources: City of Guadalupe Police and Fire Departments; CoStar; Willdan Financial Services.

Table 3.3 quantifies existing demand standards for the City's public safety facilities. The existing standards are expressed as quantities of facilities per 1,000 service population.

Table 3.3: Existing Facility Standards

	Quantity	Existing Service Population	Existing Facility Standard per 1,000 Service Population
Building Square Feet	10,493	10,198	1,028.93
Land Acres	0.72	10,198	0.07
Police Vehicles	12	10,198	1.18
Fire Apparatus	2	10,198	0.20
Fire Vehicles	5	10,198	0.49

Sources: Tables 3.1 and 3.2.

Table 3.4 identifies the quantities and costs of future facilities that will be needed to maintain the City’s facility standards as it grows. The amount of facilities needed to maintain the standards are calculated by multiplying the existing facility standards from the prior table by the growth in 1,000s of service population. The unit costs used to value the replacement cost of the existing facilities inventory are used again to estimate the cost of future planned facilities.

Table 3.4: Public Safety Facilities Capital Improvement Plan

Description	Facility Standard per 1,000 Service Population	Projected Service Population Growth	Amount of Facilities Needed to Maintain Standards	Unit Cost	Total Cost
Building Square Feet	1,028.93	2,722	2,801 Sq. ft.	\$ 769	\$ 2,153,769
Land Acres	0.07	2,722	0.19 Acres	739,200	142,059
Police Vehicles	1.18	2,722	3.20 Vehicles	62,500	200,186
Fire Apparatus	0.20	2,722	0.53 Apparatus	690,000	368,343
Fire Vehicles	0.49	2,722	1.33 Vehicles	117,400	156,679
Total					\$ 3,021,036

Source: Tables 3.1 and 3.3.

Facility Standard

Table 3.5 shows the calculation of the existing per capita cost standard for public safety facilities. This standard is calculated by dividing the replacement cost of existing facilities by the existing service population. The value per capita is multiplied by the worker weighting factor of 1.44 to determine the existing facility standard per worker.

Table 3.5: Public Safety Facilities - Existing Standard

Existing Fire Facilities	\$ 12,414,406
Existing Service Population	<u>10,198</u>
Facility Standard per Capita	\$ 1,217
Cost per Resident	\$ 1,217
Cost per Worker ¹	1,752

¹ Worker weighting factor applied to cost per resident.

Sources: Tables 3.1 and 3.2.

Projected Revenue

The City plans to use public safety facilities fee revenue to construct improvements to add to the system of public safety facilities to serve new development. While the City plans to construct the facilities in Table 3.4, the costs in that table do not drive the fee calculation. **Table 3.6** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1 and the existing facility standard identified in Table 3.5.

Table 3.6: Projected Public Safety Facilities Impact Fee Revenue

Existing Facility Standard per Capita	\$ 1,217
Service Population Growth (2023-2050)	<u>2,722</u>
Projected Fee Revenue	\$ 3,312,700

Sources: Tables 3.1 and 3.5.

Fee Schedule

Table 3.7 shows the maximum justified public safety facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space) shown in Table 2.2. The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2) percent administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 3.7: Maximum Justified Public Safety Facilities Impact Fee Schedule

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D	E / Average
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹	Fee per Sq. Ft. ³
<i>Residential Dwelling Unit</i>	\$ 1,217	3.73	\$ 4,539	\$ 91	\$ 4,630	\$ 2.92
<i>Nonresidential - Fee per 1,000 Sq. Ft.</i>						
Commercial	\$ 1,752	2.12	\$ 3,722	\$ 74	\$ 3,797	\$ 3.80
Office	1,752	3.26	5,703	114	5,817	5.82
Industrial	1,752	1.16	2,029	41	2,070	2.07

¹ Fee per average sized dwelling unit (residential) or per 1,000 square feet (nonresidential).

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

³ Assumes an average of 1,587 square feet per dwelling unit in Guadalupe, based on an analysis of building permits from 2021 to 2023.

Sources: Tables 2.2 and 3.5.

4. AB 602 Requirements

On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Three key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602.

66016.5. (a) (2) - Level of Service

The fees calculated in this study use the existing standard methodology which assumes no increases in the currently provided level of service. The fees are calculated such that new development funds facilities at the existing level of service. The existing level service in terms of the demand standards are shown in Table 3.3 and the existing facility cost per capita standard is shown in Table 3.5.

66016.5. (a) (4) – Review of Original Fee Assumptions

This study is the first public safety facilities impact fee nexus study completed in Guadalupe, so there are no prior fee study assumptions to review.

66016.5. (a) (5) – Residential Fees per Square Foot

Fees for residential land uses are calculated per square foot and comply with AB 602.

66016.5. (a) (6) – Capital Improvement Plan

The Capital Improvement Plan for this nexus study is comprised of the identified planned facilities in Table 3.4. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study. Additional facilities will need to be identified to maintain the existing standard of facilities through the planning horizon. Note that the CIP does not drive the fee calculation. The fee calculation is driven by the existing facility standards used to determine the cost per capita.

5. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the California Government Code section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public meeting. Fourteen days mailed public notice is required for those registering for such notification. Per AB602, this impact fee nexus study must be adopted by the City Council with 30 days' notice before the public hearing. Legal counsel can inform the City of any other procedural requirements and provide advice regarding adoption of an enabling ordinance and/or a resolution. After adoption, there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an annual inflation adjustment to the fee schedule. The fees can be adjusted based on the City's recent capital project experience or can be adjusted based on any reputable construction cost index, such as the California Construction Cost Index (CCCI). Inflationary adjustments to the development impact fee schedule require adoption by the City Council.

Fee Accounting

The City should deposit public safety impact fee revenues into a restricted account. Fee revenue can only be spent on capacity expanding public safety facilities. Fee revenue cannot be spent on operations and maintenance costs.

Programming Revenues and Projects with the CIP

The City should integrate the public safety facilities CIP from this study into its Citywide CIP. That document should program fee revenue to specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. Fee revenues can legitimately be used to fund system planning to further identify needed facilities.

The City may decide to alter the scope of the planned projects or to substitute new projects. This is acceptable if the modified or new projects continue to be for facilities necessary to serve the needs of new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

Fees collected must be spent or allocated to specific projects within five years. In compliance with the requirements of the Act, the City should allocate existing fund balances and projected fee revenues to specific projects in the CIP accordingly within the five-year time period. Note that the City can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

Reporting Requirements

The City will comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. **Table 5.1** summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 5.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements ¹	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

¹ Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §6601 and §6606.

6. Mitigation Fee Findings

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the Mitigation Fee Act (Act) with Assembly Bill 1600 in 1987 and subsequent amendments. The Mitigation Fee Act, contained in California Government Code §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Mitigation Fee Act requires local agencies to document five statutory findings when adopting fees.

The five findings in the Act required for adoption of the maximum justified fees documented in this report are: 1) Purpose of Fee, 2) Use of Fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout the rest of this report.

Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

We understand that it is the policy of the City that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development to fund public safety facilities to serve that development. The fees advance a legitimate City interest by enabling the City to provide municipal services to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be available to fund expanded public safety facilities to serve new development. Facilities funded by these fees are designated to be located within the City.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

The City plans to restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, apparatus, and services used to serve new development in the City of Guadalupe. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with future residential and nonresidential land use development. The fees calculated in this report will fund only the expansion of public safety facilities like those currently owned by the City and listed in Chapter 3 to maintain the current level of service for all future development. Under the Act, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue to provide additional facilities and services to meet the service demands that will be created by new residential and nonresidential land use classifications that will be subject to the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. The service populations are established based upon the number of residents and workers, which correlate to demand for public safety facilities.

For public safety facilities, demand is measured by a single facility standard that can be applied across land-use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted differently than one resident based on estimates of the relative use demand between residential and non-residential development.

Chapter 2, Demographic Assumptions provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of each facility fee category chapter.

Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increases in service population. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See Chapter 2, Demographic Assumptions, or the Service Population section in Chapter 3 for a description of how service population is determined for different types of land uses. See the Fee Schedule section of Chapter 3 for a presentation of the maximum justified public safety facilities fee schedule.

Appendix

Appendix Table A.1: Worker Weighting Factor

Category	Incidents	Population or Employees	Calls per Capita
Residential	940	8,515	0.11
Nonresidential	186	1,168	0.16
Other	179		
Worker Weighting Factor ¹			1.44

¹ Nonresidential calls per capita / residential calls per capita.

Sources: Guadalupe Fire Department; Willdan Financial Services.

Appendix Table A.2: Police Vehicle and Equipment Inventory

	Quantity	Unit Cost	Total Replacement Cost
<i><u>Vehicles</u></i>			
Ford interceptor police vehicle	8	\$ 65,000	\$ 520,000
Ford Crown Vic police vehicle	1	65,000	65,000
Support Vehicle (Escape)	1	45,000	45,000
Chevrolet police tahoe	1	60,000	60,000
Ford F-150 pick-up police vehicle	1	60,000	60,000
Subtotal			\$ 750,000
<i><u>Equipment</u></i>			
Officer police Balistic vest	11	\$ 1,000	\$ 11,000
Officer outer vest Carrier	11	650	7,800
Hand held radar	2	3,500	3,500
Motorola handheld police radio	11	8,950	98,450
Tasers	15	2,500	37,500
Patrol vehicle decal	8	200	2,000
Patrol vehicle MDC computer/Panasor	7	3,995	27,965
Digital cameras	8	100	800
Patrol Dash Cam	8	3,500	28,000
Patrol Car Radios	8	8,000	10,000
Axon Officer cameras	20	700	20,000
Patrol camera data storage system	7	1,000	28,000
Less Lethal Shotguns	9	1,000	2,000
Patrol Long rifles	9	2,000	22,000
Area Search Drone w/thermal	1	8,500	8,500
Speed radar/Message board	1	7,000	9,000
Light Tower	2	10,000	20,000
Glock45	17	750	17,000
Portable radios	15	135,000	180,000
In-Car Radar unit	8	2,500	20,000
Station Equipment			
Dispatch Computer System	1	2,500	2,500
Subtotal			\$ 556,015
Total - Vehicles and Equipment			\$ 1,306,015

Source: Guadalupe Police Department.

Appendix Table A.3: Fire Vehicle and Equipment Inventory

	Quantity	Unit Cost	Total Replacement Cost
<i><u>Vehicles and Apparatus</u></i>			
Pierce Saber Type 1 Engine	1	\$ 690,000	\$ 690,000
Hi-Tech Type 1 Engine	1	690,000	690,000
Ford F-350 4x4 w/ Utility Box	1	135,000	135,000
Chevy Silverado 3500 4x4 Dually w/ Ut	1	200,000	200,000
RV Fifth wheel Command Trailer	1	210,000	210,000
16' Goose Neck Trailer	1	25,000	25,000
Light Tower	1	17,000	17,000
Subtotal			\$ 1,967,000
<i><u>Equipment</u></i>			
Firefighter Turnout Gear	12	\$ 3,500	\$ 42,000
Wildland Gear	12	650	7,800
SCBA Packs	10	9,800	98,000
SCBA Compressor	1	40,500	40,500
Radios	15	7,500	112,500
Vehicle Extrication Equip.	3	16,250	48,750
Thermal Imager	1	8,500	8,500
PPV Fans	2	3,500	7,000
Station Equipment			
Station Alerting System			150,000
All Stations and Shop	Varies		25,000
Subtotal			\$ 540,050
Total - Vehicles and Equipment			\$ 2,507,050

Source: Guadalupe Fire Department.

ORDINANCE NO. 2024-514

AN ORDINANCE OF THE CITY OF GUADALUPE, CALIFORNIA, AMENDING TITLE 13 OF THE GUADALUPE MUNICIPAL CODE TO ESTABLISH A PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE

WHEREAS, the City of Guadalupe (“City”) has authority, based on the Mitigation Fee Act (Government Code §§66000 and following) to establish and implement impact fees to assure that new development pays capital facilities costs associated with growth; and

WHEREAS, the City after duly noticed public hearing has adopted a resolution approving the “CITY OF GUADALUPE PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY DATED OCTOBER 6, 2023;” and

WHEREAS, on January 23, 2024, the City held a duly noticed public hearing regarding proposed establishment of a public safety facilities development impact fee; following receipt of all staff reports, public testimony and other evidence, the public hearing was closed; and

WHEREAS, City staff has evaluated the potential environmental impacts of adoption of this Ordinance, and staff has determined that pursuant to Section 15273(a)(4) of the California Environmental Quality Act (“CEQA”) Guidelines, there is no requirement to review the ordinance under CEQA because it would merely approve charges to obtain funds for capital projects needed to maintain levels of public safety service in existing service areas; and

WHEREAS, the City hereby makes the following findings, in compliance with the Mitigation Fee Act:

- (1) The purpose of the fee is to accommodate the public safety facility needs of new growth by requiring developers to pay for those facilities.
- (2) Funds collected will be used to finance and equip public safety facilities made necessary by projected new growth in Guadalupe. The initial facilities to be financed are identified in the City’s capital improvement plan as specified in Government Code Section 66002; the City adopted that plan as part of approving the “CITY OF GUADALUPE PUBLIC SAFETY FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY DATED OCTOBER 6, 2023.” New facilities will be located in Guadalupe.
- (3) There is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed because the fee all new development requires service by public safety personnel, who operate from public safety facilities. The proposed fees are intended to fund only acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, apparatus, and services used to serve new development in the City of Guadalupe at the existing level of service.

(4) There is a reasonable relationship between the need for the identified public facilities and the types of development project on which the fee is imposed because the amount of fees collected pursuant to this ordinance are limited to the cost of public safety facilities necessary to mitigate impacts attributable to new development. Need is calculated based on weighted, per-capita standards that represent the demand for new facilities generated by new development, using projected number of residents and workers. The standards can be applied across land-use types to yield a fee that relates the facilities reasonably to the development.

(5) There is a reasonable relationship between the amount of the fees and the cost of facilities attributable to specific developments because each fee is based on the estimated new development growth the project will accommodate in size or increased population. Larger projects receive higher fees because they can result in a higher increase service population relative to smaller projects.

NOW, THEREFORE, the City Council of the City of Guadalupe does hereby ordain as follows:

SECTION 1. Chapter 28 is hereby added to Title 13 of the Guadalupe Municipal Code to read as follows:

13.28.010 Purpose and Intent.

A. New residential and non-residential development in the City has attracted and will continue to attract employees and residents to the City, and there is a causal connection between such development projects and the increased need for public safety facilities.

B. Failure to enhance the ability of the City's public safety facilities system to accommodate additional service calls will make it more difficult for residents, employers, and employees to obtain the public safety services they need.

C. Sources of city revenue other than public safety facilities development impact fees, including tax revenues that will be paid by new residential and non-residential development, will be needed for many public purposes and therefore will not be sufficient to offset the burdens on public safety facilities created by new development.

D. It is the intent of the City to require persons or organizations that develop land to mitigate the impacts of that development on the City's police facilities system. The City may therefore require developers to mitigate public safety facilities impacts caused by their development and to pay a public safety facilities development impact fee that will be used to mitigate those impacts by constructing public safety facilities pursuant to the most current capital improvement plan, or the annual budget process, as applicable.

E. The amount of public safety facilities development impact fees collected pursuant to this chapter shall be limited to the cost of public safety facilities necessary to mitigate the impact attributable to new development. The amount of public safety facilities development impact fees

collected shall not include the cost of public safety facilities necessary to address the impacts of existing development.

13.28.020 Definitions.

As used in this Chapter:

- A.** “Certificate of occupancy” means a document issued by the proper authority allowing the occupancy or use of a building and certifying that the structure, building or development conforms to all the applicable provisions of this Code, ordinances, and conditions of approval.
- B.** “Fee” means a monetary exaction other than a tax or special assessment, charged by the City to the applicant of a development project in connection with its approval, for the purpose of defraying all or a portion of the cost of public facilities related to the development project.
- C.** “Final building inspection” means the physical inspection of the building by the Planning Department of the City for compliance with all applicable building codes and the issuance by all applicable city, county, regional, state, and federal agencies of their respective clearances for occupancy.
- D.** “Nonresidential” means commercial, office, or industrial.
- E.** “Public facilities” includes public improvements, public services, and community amenities.

13.28.030. Fees Required.

A. Residential Public Facilities Fee.

1. Timing. The applicant of a residential development project shall pay a lump-sum fee for public facilities on the date the first dwelling in the development or development phase receives its final building inspection, or certificate of occupancy, whichever occurs first.

2. Amount. The amount of the fee is:

i. \$2.92 per square foot for residential dwelling units that are not accessory dwelling units; and

ii. For accessory dwelling units less than 750 square feet, no fee;

iii. For accessory dwelling units greater than 750 square feet, a fee determined

by the following formula:

$$\frac{\text{accessory dwelling unit square feet}}{\text{primary residence square feet}} \times \text{residential impact fee} = \text{accessory dwelling unit fee}$$

B. Nonresidential Public Facilities Fee.

1. Timing. The applicant of a nonresidential development project shall pay a lump-sum fee for public facilities on the date a building permit is issued for the project.

2. Amount. The amount of the fee is:

- i. \$3.80 per square foot for commercial projects
- ii. \$5.82 per square foot for office projects
- iii. \$2.07 per square foot for industrial project

3. Adjustment of Amount Based on California Construction Cost Index. Annually, on the anniversary of the effective date of this Ordinance, the Planning Director, or his or her designee, shall adjust the amount of the fee for each category of development in accordance with the change in the California Construction Cost Index. Adjusted fee amounts take effect 60 days after the Planning Director, or his or her designee, make the adjustments.

4. Calculation and Notice of Fee.

i. The Planning Director, or his or her designee, shall be responsible for calculating the amount of the required fee for each project based on the applicable land use category and specified fee rate. In making the calculation, the Planning Director shall use the fee rate that is assigned to the land-use category most applicable to the development project.

ii. Should the City Council amend the amount of the fee owing during the time a project is pending, the applicant must pay the amount in effect when the fee becomes due.

iii. At the time when a fee is imposed, the Planning Director, or his or her designee, shall provide written notice to the applicant of the amount of fees and identify the public improvement that the fee will be used to finance.

D. Exemption. The following may be exempted from payment of the fee:

- 1. Any residential development that does not increase the number of permanent housing units on the parcel;
- 2. Accessory dwelling units as described above;
- 3. Remodeling or rebuilding of an existing nonresidential structure, provided none of the following occur:

i. Increase the structure's square footage more than 50 percent above that of the previously existing structure;

ii. Change the use to which the property or structure is to be put; or

iii. Increase the average daily vehicle trips generated from the property above the amount generated by a prior use of the property.

4. Publicly owned facilities;

5. Facilities serving the public health and safety.

E. Fee reduction. The Planning Director may approve a partial or complete reduction of the fee when:

1. The applicant enters into a development agreement which obligates the developer to provide payments or install improvements for public safety facilities as identified in the most current capital facilities plan or City budget; or

2. The applicant constructs public safety facilities improvements as identified in the most current capital facilities plan or City budget; or

3. The development is located in an assessment district that has been formed to construct public safety facilities pursuant to the most current capital facilities plan or City budget.

In the case of any subsequent change or intensification of use of the property, or any expansion of structures, the Planning Director shall calculate, and the applicant shall pay, the fee in effect at the time of the change, less any amount previously paid.

13.28.040. Appeal.

A. Upon receiving a fee calculation, the applicant may apply in writing to the Planning Director or his/her designee to appeal imposition of the fee. The appeal procedure is separate from the fee protest procedure in Section 66020 of the Mitigation Fee Act. The appeal application shall:

1. Be in writing; and
2. Be filed prior to the issuance of a building permit for the project; and
3. Contain a factual showing, based on substantial evidence:
 - i. That the project will have a lesser impact on public safety facilities level of service; or
 - ii. That another land-use category is more appropriate as the basis of the fee for the particular development.

B. The Planning Director, or his or her designee, shall make a decision on the appeal application within 30 calendar days after filing of the application. Notice of the decision shall be mailed to the applicant.

C. Appeal to City Council.

1. The applicant may appeal in writing to the City Council within 15 days after mailing of the Planning Director/designee's decision on the applicant's appeal. The appeal shall be filed with the City Clerk. At a minimum, the appeal to City Council shall contain all of the information required in subsection A.3, above.

2. The City Council shall consider the appeal at a public hearing within 60 calendar days after the appeal application has been filed. The decision of the City Council shall be final.

3. The City Clerk shall mail notice of the City Council's decision to the applicant.

4. If a fee exemption, reduction, or land-use category adjustment is granted pursuant to this section, any subsequent change or intensification of use of the property, or any expansion of structures, will invalidate the grant, and the applicant will be subject to the fee in effect at the time of the change, less any amount previously paid.

5. If a fee exemption, reduction, or land-use category adjustment is not granted pursuant to this section, then upon payment of the required fee, the City shall provide the applicant a written notice of the amount of fee owing and shall also provide notification that a 90-day protest period has begun, pursuant to Government Code Section 66020.

13.28.050. Accounting and Use of Fee Proceeds

Pursuant to Government Code Section 66006, all public safety impact fees paid and collected under this chapter shall be placed into one or more separate accounts established for the fee. The City shall invest, account for, and expend the fees according to Section 66006. Fees collected shall be used solely for the purpose of constructing public safety facilities improvements as shown in the most current capital improvement plan or annual budget.

13.28.060. Reporting.

A. Annual Review Required. For each fee account established, the City shall, within 180 days after the last day of each fiscal year, make available to the public the information required by Government Code 66006(b)(1).

B. Annual Public Meeting Required. At the next regularly scheduled public meeting 15 days or more after the City makes the information required by Government Code §66006 available to the public, the City shall review the information. The City shall provide mailed notice of the time and place of the meeting and the address where information may be reviewed as required by Section 66006.

C. Findings Required Every Five Fiscal Years Following First Deposit. The City shall make the findings required by Section 66001(d) every five years following receipt of the first deposit of fees. The City's findings shall be made in connection with the required annual review.

D. Identification of Completion Date and Other Actions Required. Upon collection of sufficient funds to complete financing on incomplete public safety improvements for which fees have been charged, as determined under Government Code Section 66006(1)(b)(F), the City shall take the actions required by Government Code Section 66001(e) and (f).

SECTION 2. This Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA), and the CEQA guidelines, and has been found to be exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15273 (a)(4) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the ordinance would create charges for capital projects to maintain service levels within existing service areas, to which CEQA does not apply.

SECTION 3. The City Council hereby directs City staff to prepare and file a Notice of Exemption with the County Clerk pursuant to CEQA Guidelines Section 15062 within five (5) days of the date that this Ordinance is adopted.

SECTION 4. The City Council declares that each section, subsection, paragraph, subparagraph, sentence, clause, and phrase of this Ordinance is severable and independent of every other section, subsection, paragraph, subparagraph, sentence, clause, and phrase of this Ordinance. If any section, subsection, paragraph, subparagraph, sentence, clause, or phrase of this Ordinance is held invalid, the City Council declares it would have adopted the remaining provisions of this Ordinance irrespective of the portion held invalid, and further declares its express intent that the remaining portions of this Ordinance should remain in effect after the invalid portion has been eliminated.

SECTION 5. The City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the City Clerk shall consult with the City Administrator and City Attorney concerning any changes deemed necessary.

SECTION 6. Within 15 days of its passage and adoption, the City Clerk is hereby directed to post a copy of this ordinance in three public places in the City.

SECTION 7. This ordinance will become effective sixty days after its approval on second reading.

INTRODUCED at a regular meeting of the City Council on the 23rd day of January 2024, by the following roll call vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

PASSED AND ADOPTED at a regular meeting of the City Council on the 13th day of February 2024, by the following roll call vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Amelia Villegas, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Phillip F. Sinco, City Attorney