

# City of Sacramento

## Legislation Text

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**File #:** 2019-00778, **Version:** 1

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**Title:**

**(Pass for Publication) Proposed Delta Shores Impact Fee (DSIF) Ordinance**

File ID: 2019-00778

**Location:** Districts 7 and 8

**Recommendation:**

1) Review an Ordinance adding article X to chapter 18.56 of the Sacramento City Code creating a new Delta Shores impact fee and deleting chapter 18.38 of the City Code to eliminate the old Delta Shores Planning Area Regional Infrastructure Fee; and 2) pass for publication the ordinance title per Sacramento City Charter Article III, section 32(c) for adoption on September 24, 2019.

**Contact:** Arwen Wacht, Program Specialist, (916) 808-7535; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Background

3-Delta Shores Impact Fee Ordinance and Article

**Description/Analysis**

**Issue Detail:** On April 3, 2015, the City Council adopted the 2035 General Plan (General Plan), including policies and implementation measures to prepare and adopt citywide and sub-area development impact fee programs. These programs would ensure new development pays its fair share of needed infrastructure improvements to support projected growth and development, including infill. The General Plan also provides direction to identify new funding mechanisms for infrastructure, such as new sub-area finance plans.

On January 13, 2009, the City Council approved the Delta Shores Planned Unit Development (PUD) and associated finance plan that identified the infrastructure required for buildout and potential

financing mechanisms. The finance plan is being updated to reflect current costs and add a nexus study to provide the legally required findings necessary for the establishment of a Delta Shores Impact Fee (DSIF). Establishment of the DSIF will provide approximately \$125 million of the estimated \$225 million needed for the facilities and infrastructure identified in the finance plan for the Delta Shores area. The remaining \$100 million (estimate) needed for facilities and infrastructure will be funded through state/federal grants, city fee programs, enterprise funds and other sources as identified in the finance plan for Delta Shores. This fee program will also be used to allocate a proportionate share of applicable improvement costs to the adjacent Stone-Boswell site. When Stone-Boswell moves forward with development, fees will provide reimbursement to the Delta Shores master developer for the advance-funding of backbone infrastructure and certain public facilities. Therefore, staff is proposing the Delta Shores Impact Fee will be divided into two distinct subareas: Delta Shores area and Stone-Boswell area, with attendant components and subcomponents based on the facilities benefiting each site.

On August 9, 2012, the City Council added Chapter 18.38 to the City code and established the Delta Shores Planning Area Regional Infrastructure Fee (Regional Fee) which provides for the reimbursement to the Delta Shores master developer the costs related to the construction of the I-5 Interchange and Cosumnes River Boulevard extension. The DSIF includes the interchange and extension as one of the fee components and replaces the Regional Fee.

With Council's adoption of the DSIF Ordinance, Chapter 18.56 of Title 18 of the Sacramento City Code will be updated with a new article and Chapter 18.38 will be deleted. A draft Updated Delta Shores Public Facilities Financing Plan will be included as an attachment to the public hearing report to provide fee specific details regarding the fee nexus and fee administration.

**Policy Considerations:** The proposed ordinance has been guided by the City's goals and policies as established in the General Plan, including the policies that promote a complete and adequate infrastructure system to support future development.

**Economic Impacts:** None.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The City prepared an environmental impact report (EIR) that evaluated the environmental effects of the Delta Shores project (P06-197). The EIR was certified by the City Council on January 13, 2009 (Resolution No. 2009-030). The Planning and Design Commission later certified the EIR and an addendum for the commercial development portion of the Delta Shores project (P14-025) on April 16, 2015. The Stone-Boswell area will be evaluated when a formal project application is submitted to the city, and at that time the impacts related to the project and its infrastructure will be analyzed.

The proposed ordinance is not subject to the provisions of CEQA, consistent with section 15378(b)(4) of the CEQA Guidelines, which provides that the creation of government funding mechanisms or other governmental fiscal activities that do not involve any commitment to any specific project are not subject to CEQA review.

**Sustainability:** The proposed ordinance, corresponding updated finance plan and fee program support new residential and non-residential development needed to meet the population growth projections outlined in the General Plan. The proposed DSIF framework ensures that the City is not taking the full cost of infrastructure to support new development, but rather that new growth pays for its fair share of infrastructure costs, thereby allowing the City to develop in a sustainable manner.

**Commission/Committee Action:** On July 23, 2019, the proposed Ordinance was reviewed by the Law and Legislation Committee and forwarded to the City Council for consideration.

**Rationale for Recommendation:** The DSIF program provides consistency and certainty for developers and staff, provides funding for needed infrastructure, and offers financial incentives for developers.

**Financial Considerations:** The DSIF program provides a mechanism to ensure that new development pays for the public infrastructure need induced by the effects of new growth. The DSIF framework also includes an administrative fee component to recoup staff time required to administer the DSIF program. Revenues derived from the DSIF program will be deposited in a separate fund. The DSIF Program will not have an impact on the General Fund.

**Local Business Enterprise (LBE):** Not applicable.