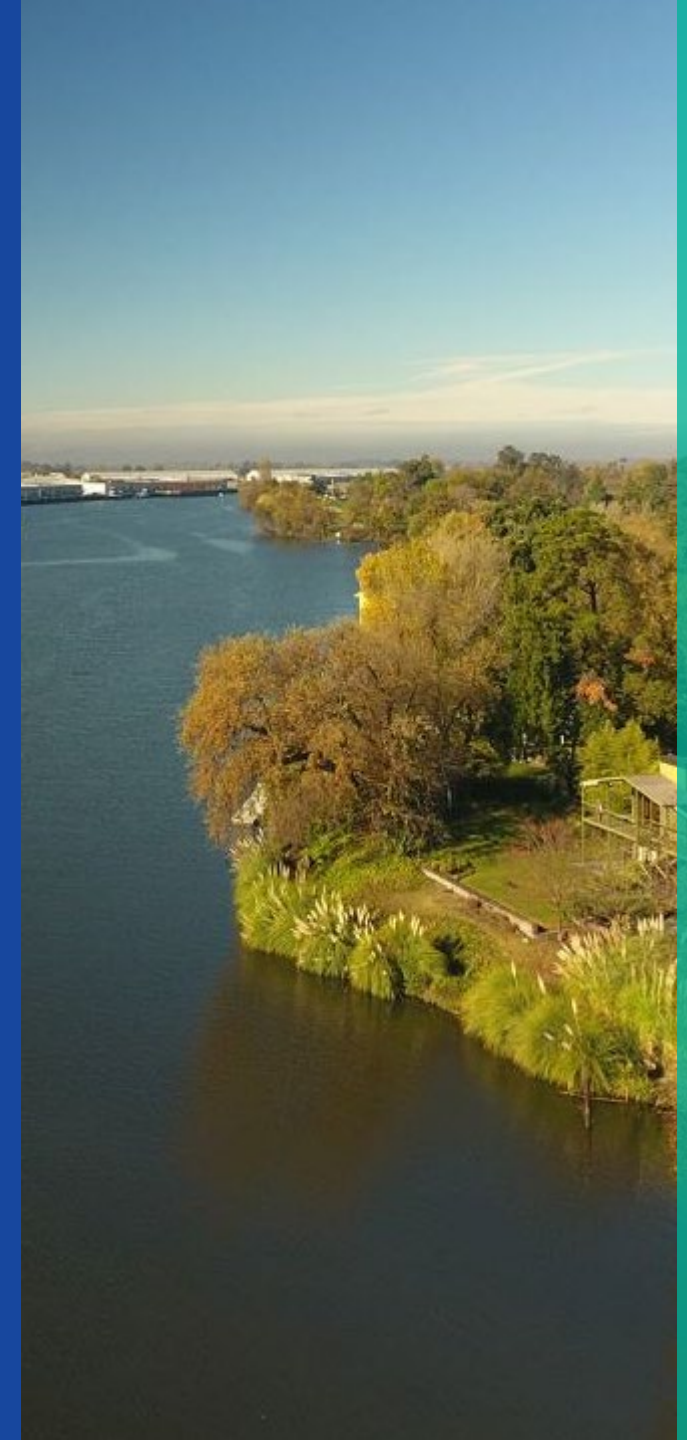




**Public Hearings
Mossdale Tract Area
Regional Urban Level of Flood Protection
Development Impact Fee Program**

**City of Lathrop City Council Meeting
September 12, 2022**

Item: 5.2 & 5.3



Recommendation

- **Conduct two separate Public Hearings**
- **Receive staff's presentation and any public comments regarding the Mossdale Tract Regional Levee Impact Fee Nexus Study Update and Proposed Fee**
- **Upon conclusion of 1st Public Hearing Adopt a Resolution:**
 - Approving the Nexus study
 - Delegating authority to the City Council's designee to execute an amended collection agreement with SJAFCA and its member land use agencies
- **Upon conclusion of 2nd Public Hearing:**
 - Adopt a Resolution establishing the Mossdale Tract Regional Levee Impact Fee

Background on Update

- **Current Regional Fee Program adopted November 8, 2018**
- **Since 2018, fee program has generated more than \$8.9 Million**
- **Key factors necessitating update**
 - Overall Program Costs
 - EIFD funding approach
 - Updated development projections
- **Update needs to comply with new Impact Fee Law (AB 602)**
 - Required noticed Public Hearing on the Nexus Study
 - Nexus Study Content – address existing and new level of service
 - Address basis upon which fee is calculated
- **Following adoption of Resolution approving the Nexus Study Update**
 - Adopt a Resolution establishing the Mossdale Tract Regional Levee Impact Fee

Updated Program Costs

SJAFCA's Mossdale ULOP Project

- Improvements now inclusive of SJAFCA's adopted Climate Adaptation Policy

Project Cost Updated from 2018 Nexus Study (Million \$'s)

	<u>Total Project Cost</u> (Nominal\$'s)	<u>Discounted Cost</u> for Fee	<u>Net Fee</u> Funded Portion
2018 Study	\$176.50	\$150.8 (2018\$'s)	\$64.15
2022 Update	\$270.70	\$235.5 (2021\$'s)	\$88.61

Fee Funded Portion = \$88.61 Million (2021\$'s)

- Balance of costs to be funded from other sources
- \$88.6 million includes EIFD reimbursements to the Agencies as described in the Nexus Study (approx. \$30.1 Million more than the \$58.5 noted previously)

Approach for funding the overall program currently being updated

- Updated Nexus Study / increased fee is contemplated as part of the update. In other words, update to the Fee is a no regrets action.

Update to Planned Development

- Fee calculation reflects – all planned development receiving flood protection from the ULOP Project expected over the next 30 – years
- Fee would be collected over 30-year period

Jurisdiction	Gross Acreage 2018 Study	Gross Acreage 2022 Update
Lathrop	2,455	2,195
Manteca	1,015	1,712
Stockton	231	458
Unincorporated SJ County	370	561
Total	4,071	4,926

Incorporation of EIFD Payments

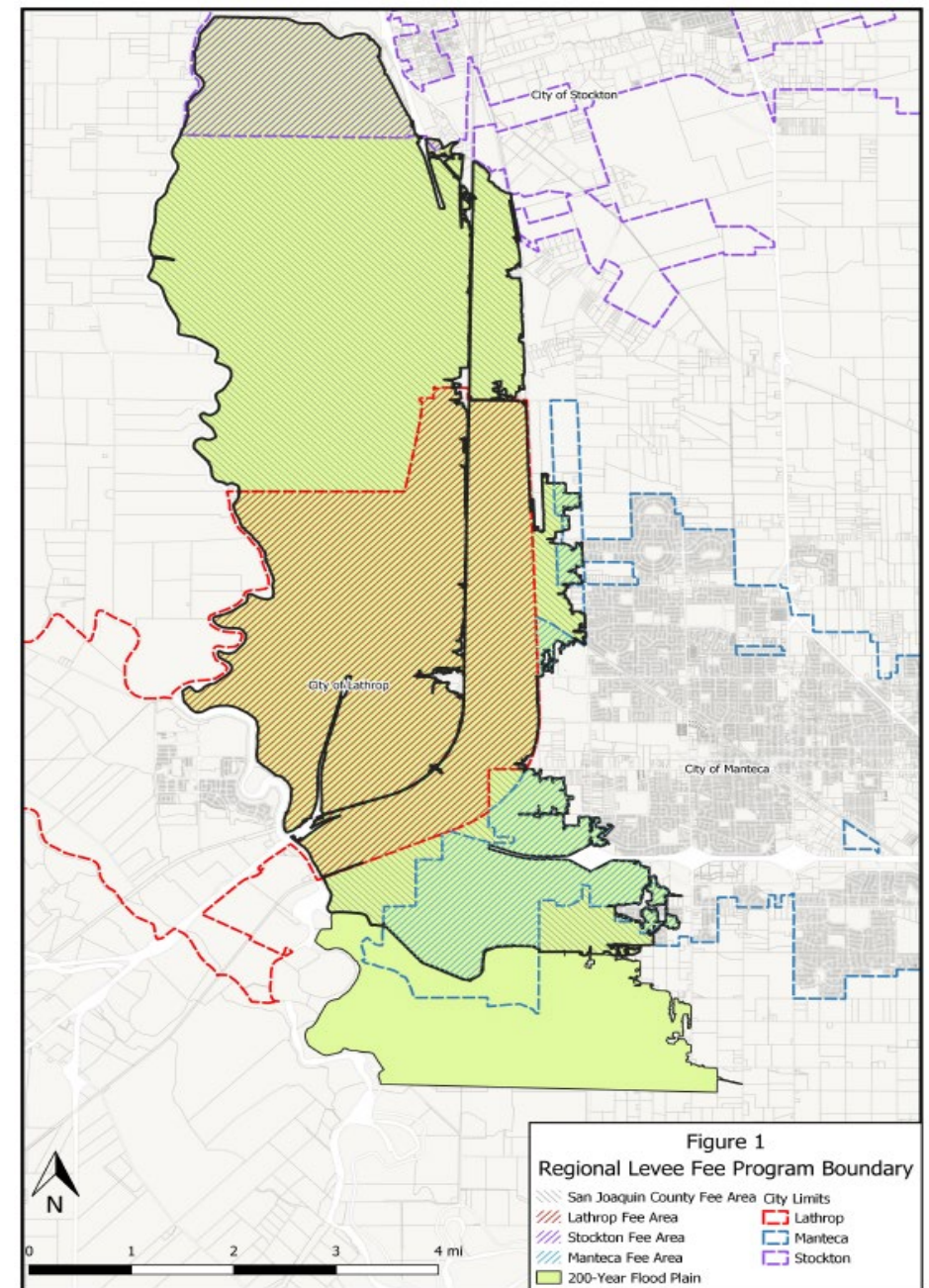
- Participation in the EIFD results in land use agency general funds fiscal impacts.
- Fee revenues collected after the completion of the project can help mitigate fiscal impacts.
- The Study Update reflects the use of fee revenues collected after completion of the ULOP Project in 2029, to provide payments to the Agency’s to mitigate EIFD impacts. Repayment provisions are incorporated into the Collection Agreement.

ULOP Project Construction Anticipated to run through 2029 (Initial Years)			
Entities	<u>%</u> (flat rate)/Initial Base Rates	Additional EIFD Contribution/Property Tax Increment	Total
City of Lathrop	10%	-	10%
City of Manteca	5%	-	5%
City of Stockton	1%	-	1%
San Joaquin County	10%	37%	47%*

**This additional contribution would be subject to priority repayment, with interest, by SJAFCA from future Mossdale Tract Area Regional Levee Impact Fee revenues collected after 2029.*

Regional Fee Boundary

- All development within the area benefiting from ULOP is to be charged the Fee.
- No change to the current Fee Boundary
- Consistent with EIFD Boundary and area receiving and Urban Level of Flood Protection



Fee Rate Summary

Proposed Rates for Adoption

Land Use	Fiscal Year 20/21 Regional Fee Rates (Per GDA)	Updated Regional Fee Rates (Per GDA)	Change from Current Rate
Single Family Residential	\$19,428	\$22,106	14%
Multi-Family Residential	\$17,691	\$20,686	17%
Commercial	\$18,399	\$20,916	14%
Industrial	\$15,309	\$16,384	7%

Demonstrative Rates on Per Unit Basis

Land Use	Basis	Fiscal Year 20/21 Regional Fee Rates	Updated Regional Fee Rates	Change from Current Rate
Single Family Residential [1]	Per Unit	\$3,169	\$3,770	19%
Multi-Family Residential [2]	Per Unit	\$922	\$1,095	19%
Commercial [3]	Per 1,000 SF	\$1,442	\$1,713	19%
Industrial [4]	Per 1,000 SF	\$1,113	\$1,053	-5%

Development Impact Fee Administration

- Fee charged prior to issuance of building permit.
- Fee will apply to all Development in the Mossdale Tract Area that creates a flood protection impact.
- Based on Map's/Parcel's Gross Developable Acreage (GDA as defined in the updated Nexus Study).
- Fee collection would be deferred consistent with any jurisdiction-wide fee collection deferral program (or a deferral program approved by the Land Use Agency and SJAFCA)
- SJAFCA may provide credit toward the fee for:
 - Advance funding of levee improvements
 - Construction and dedication of facilities by a developer
 - Credit would be subject to the terms of a fee crediting agreement
 - Fee Crediting & Reimbursement Principles are included in the Amended Fee Collection Agreement to ensure consistency and equity among the member agencies.

Amended Fee Collection Agreement

Agreement between SJAFCA and all the Land Use Member Agencies

Terms are primarily the same as the original agreement except for:

- Timing - commence collection of the updated DIF as soon as it is effective within all of the agencies.
 - **Note:** 60 day period before a new fee is effective after adoption.
- Terms related to EIFD Payments added
 - Payments to County for additional EIFD Contributions paid on a priority basis (100% of Fees until the cumulative amount is paid with interest.)
 - Fees received after priority County payments are allocated based on EIFD participant's proportionate share of cumulative contributions during initial years plus contributions made after 2029.
- Duration of the impact fee payments to the agencies is yet to be determined. Is a function of how long the Impact Fee program is in place *after* project completion (contemplated 30 years). Term can be addressed during required 5-Year Impact Fee Update processes. SJAFCA member agencies should weigh in on duration of the impact fee program and associated EIFD Payments.

Recommendations & Next Steps

- **Receive public comment**
- **Conclude 1st public hearing and approve a resolution:**
 - Approving the Nexus Study
 - Delegating Authority to the City Council's designee to execute an amended collection agreement with SJAFCA and its member land use agencies
- **Conclude 2nd public hearing:**
 - Adopt a Resolution approving the Mossdale Regional Levee Impact Fee

Questions & Discussion