

Sample Analysis
CITY OF SACRAMENTO
June 2003, HE Section 3.6 p16

Development Fees and Exactions

6.6 DEVELOPMENT FEES AND EXACTIONS

Many variables affect the total amount of development fees charged by the City for a particular housing project. Some of these variables include the following: the total size of the project, lot sizes, sizes of the individual units, the necessity of housing planning entitlements, capital improvements and assessment districts, engineering services, and housing type.

1. Development permit fees fall into three categories: Processing fees charged to cover direct City services.
2. Development impact fees and special taxes charged to finance the cost of capital improvements or mitigate project impacts
3. Fees collected by the City for other governmental agencies

Standard exactions related to housing development may include park land dedication, as a result of the Quimby Act, or school site dedication.

To illustrate the potential fees charged for residential development located outside the North Natomas Community Plan area (which has special assessments to finance infrastructure and mitigation programs), two hypothetical scenarios have been developed. The first is for a 100-lot single family project (1300 s.f. 3 bedroom, 2 bath home) and the second is for a five acre, 100-unit multi-family project (875 s.f. units). These are shown in Tables 6.5 and 6.6. Both tables are based on the 2001 fee schedule for the city of Sacramento. Based on the current fee schedule, including total planning, engineering, and building fees, the estimated cost is \$12,100 for a standard single family unit and \$7,100 for a multi-family unit. These fees do not include any off-site improvements or special assessments that may be required as a condition of approval.

A comparison of current (2001) residential entitlement fees between the City and the County of Sacramento is shown in Table 6-7. While there are similarities between the jurisdictions planning processes, the environmental review and public works department roles vary considerably and are not noted. The table compares the fees charged by the city and county planning departments for typical entitlements required for residential development. The City's planning fees have not been updated since 1999 and are generally lower than Sacramento County.

2001 fee comparisons were developed by Economic Planning Systems for single family and multi-family developments in the City of Sacramento and other areas in the Sacramento region. Caution should be exercised in using these comparisons because the infrastructure items paid for by fees and special taxes versus private capital may be different for the various projects. The costs represent estimates to be used for general planning and comparison purposes only.

Table 6-8, also Figure 6-1, provides a summary of fees and bond debt comparisons for single family development in selected areas, including North Natomas. Based on this analysis, the city's processing fees, development impact fees, school mitigation fees, special taxes and assessments range from approximately \$31,100 per unit (Willowcreek) to approximately \$36,100 per unit (North Natomas) for a 1800 s.f. single family home. These development costs are within the range of fees charged for comparable similar development in new growth areas in Sacramento and Placer County, which range from a low of \$28,821 (Laguna West) to a high of \$44,112 (North Roseville).

Table.6-9, also Figure 6-2, provides a comparison for multiple family development in selected areas, including North Natomas. Based on the EPS analysis, the city's processing fees, development impact fees, school mitigation fees, special taxes and assessments average approximately \$17,100 for a 850 s.f. rental unit in North Natomas. These development costs are within the range of fees charged for comparable development in new growth areas, which range from a low of \$9,400 in the City of Sacramento (without a finance district) to a high of \$19,000 in Rocklin.

A project applicant in the City of Sacramento could request a 25% reduction of planning fees for projects promoting infill development. Any other proposal to waive or reduce fees must take into account the impacts associated with these actions. Waiver or reduction of fees necessary to cover direct departmental expenses would likely result in a reduction of staff and an increase in processing time for permits and entitlements. Reduction of other fees would likely result in a decrease in the level of capital improvements, a decrease in the ability to provide essential property related services, or an inability to mitigate significant project impacts.

Under the City's Zoning Ordinance, the Planning Director may waive planning fees for projects serving low income households. The City also adopted and provides a fee reduction plan where applied to the Mixed-Income Housing Ordinance.

Park Acquisition Fees in the Central City

Based on the State Subdivision Map Act, the City's Subdivision Ordinance requires the dedication of land for park acquisition when land is subdivided for residential purposes. For smaller residential projects, a developer may pay in-lieu fees instead of dedicating land. (These are also known as Quimby fees) The in-lieu fees are based on costs of acquiring land in the area in which the residential project is located. Due to the cost of land in the central city, the Quimby fees in the central city tend to be several orders of magnitude higher than anywhere else in the city. For instance, this fee is typically about \$7,000 per unit in North Natomas, but up to \$10,000 to \$20,000 per unit in the central city.

While the City's goal is to support additional owner-occupied housing, due to the desired densities in the area this typically requires that a project be developed as townhomes or condominiums, with some limited opportunities for detached single family homes. These kinds of developments legally require subdivision of land and therefore are subject to Quimby fees. Since apartments in the central city can usually build without subdividing land, they are usually not subject to Quimby fees.

**Table 6.5
2001 Government Fees Collected for a Single Family Vacant Infill Total Fee
Amounts (100 Unit Subdivision)**

Fee Type	In-Fill
Processing Fees	Single Family
Planning	
Negative Declaration	\$3,700
Tentative Map	\$5,000
Design Review	\$1,080
Public Works Review	\$950
Total	\$10,730
Public Works	\$3,250
Tree Planting	\$11,000
Survey Monumentation	\$0
Plan Check/Inspection	\$7,750
Material Testing	\$0
Streetlight Design	\$12,601
Total	\$34,601
Utilities	
Water Service w/Meter	\$34,000
Water Usage	\$5,052
Total	\$39,052
Building Inspections	
Plan Check	\$17,214
Building Permit	\$100,300
Technology Surcharge	\$4,674
Total	\$122,188
Total Processing Fees	\$206,571
Per Unit	\$2,066
Impact Fees and Taxes	
Quimby Fees	\$178,800
Business Operations Tax	\$3,560
Water Development Fee	\$0
Sewer Development Fee	\$12,400
Regional Sanitation Fee	\$350,000
Strong Motion Instrumentation	\$890
Residential Construction Tax	\$38,500
Major Street Construction Tax	\$71,209
School Impact Fee	\$223,600
Park Development Fee	\$125,900
Flood Control -SAFCA, CIEF	\$0
Habitat Conservation Fee	\$0
Public Facilities Fees	\$0
Transportation Fees	\$0
Drainage Fees	\$0
Channel Fees	\$0
Land Acquisition Fees	\$0
Regional Park Land Acquisition	\$0
Total Impact Fees and Taxes	\$1,004,859
Per Unit	\$10,049
Total Fees	\$1,211,430
Total Fees Per Unit	\$12,114

Assumptions

1. 1300 Sq. Ft. homes 6000 Ft. 7 du/nu
2. 75% 3 Bedroom, 25% 4 Bedroom, attached garage
3. \$120,000 acre land value

Notes

1. Base Fee, staff fee @ 95 hourly as needed may be added
2. Fee varies from 1.72 to 4.15, contingent upon which of seven school districts serve the project

**Table 6-6
2001 Government Fees Collected for Multi-Family Vacant Infill
Total Fee Amounts**

Fee Type	In-Fill Multi-family
Processing Fees	
Planning	
Negative Declaration	\$1,400
R-Review	\$3,000
Design Review	\$1,100
Public Works Review	\$0
Total	\$5,500
Public Works	
Grading	\$300
Landscape	\$50
Survey Monumentation	\$0
Engineering	\$2,000
Material Testing	\$0
Streetlight Design	\$0
Total	\$2,350
Utilities	
Water and Sewer Service	\$7,434
Water Supply Report	\$90
Engineering	\$1,000
Total	\$8,524
Building Inspections	
Plan Check	\$16,429
Building Permit	\$49,013
Fire Review	\$3,325
Technology Surcharge	\$2,618
Total	\$71,385
Total Processing Fees Per Unit	\$87,759 \$878
Impact Fees and Taxes	
Quimby Fees	\$88,000
Business Operations Tax	\$2,747
Water Development Fee	\$2,747
Sewer Development Fee	\$620
Regional Sanitation Fee	\$231,000
Strong Motion Instrumentation	\$622
Residential Construction Tax	\$28,250
Major Street Construction Tax	\$49,722
School Impact Fee	\$150,500
Park Development Fee	\$76,100
Flood Control -SAFCA, CIEF	\$0
Habitat Conservation Fee	\$0
Public Facilities Fees	\$0
Transportation Fees	\$0
Drainage Fees	\$0
Land Acquisition Fees	\$0
Regional Park Land Acquisition	\$0
Total Impact Fees and Taxes Per Unit	\$627,561 \$6,276
Total Fees	\$715,320
Total Fees per Unit	\$7,153

Assumptions

1. 5.0 acre site
2. Units average 875 GSF
3. Unit Mix 50%, 1 Bedroom, 2 Bedroom
4. Five twenty-unit buildings, One-hundred units total
5. Building Valuation \$6,265,875 Land Value \$100,000.

Notes

1. Site is zoned to allow Multi Family development. 'R' review addresses on-site planning issues
2. Base fee, Staff fee @ \$95 hourly as needed may be added for projects in PUD's or Design Review areas (not paid if project located in R Review Area)
3. Tree planting addressed under general landscaping Re:on-site development criteria
4. Ibid
5. Assumes the street frontage improvements are in place. Service provided via 4" infrastructure.
6. Total reflects capital investments equalization fee @ 752 per unit.
7. Fee varies from \$1.72 to 4.15, contingent upon which of seven school districts serve the project

Table 6-7
SELECTED RESIDENTIAL PLANNING APPLICATION FEE COMPARISON 2001

<u>Entitlement</u>	<u>City of Sacramento Review & Entitlement Processing Fees</u>	<u>County of Sacramento Planning and Hearing Fees</u>
General Plan Amendment	8500	10,357
Additional Fees:		
Res to Comm. Ind.		1848
Ag. to Urban		2021
200-500 ac.		
500 + ac.		
Community Plan Amendment	7,000	7110
Rezone	8,000(+10/parcel)	7999
Variance (P.D/ZA)	500-1600	2376
Variance (P.C./BS)	1,600	3008
Variance (Fence ZA)		0
Development Plan Review		
Early Preliminary Review		
/Dev Plan Review	1,600	1056 - 2905
PC,CC/BS "R" Review	2,400	3465
Special Permits		
PD/ZA	1,600	2376
CPC/Project	3,300	4099
Condominium Conversion	7,800	5740
Time Extension CC	2,000	4002
Tentative Map CPC/CC-PC/BS	5,000	5190
Appeal to Legislative Body.	250-1000	2009
Post Subdivision Modification!		
Subdivision Resubmission	2,000(\$10/parcel)	2641 -3583
Lot/Boundary Line Adjustment	500	528
Cert. of Nonconforming Use	259	528
Development Agreement	7,700+ Direct Cost	5128
Dev. Agreement Annual Review	N/A	875

- Notes:**
1. City entitlement designations are listed first.
 2. City fees do not include miscellaneous related environmental or Public Works fees.
 3. County fees do not include miscellaneous related environmental, Public Works, or Regional Transportation fees.
 4. The following land use designation abbreviations are used:
Res.-Residential Comm.-Commercial Ind.-Industrial Ag.-Agricultural
 5. The following abbreviations refer to the appropriate hearing bodies:
P.D. - City Planning Director Z.A. - County or City Zoning Administrator
P.C. - City Planning Commission C.C. - City Council
B.S. - County Board of Supervisors
 6. Where specific entitlements are not available, the most similar entitlements and processes are compared.

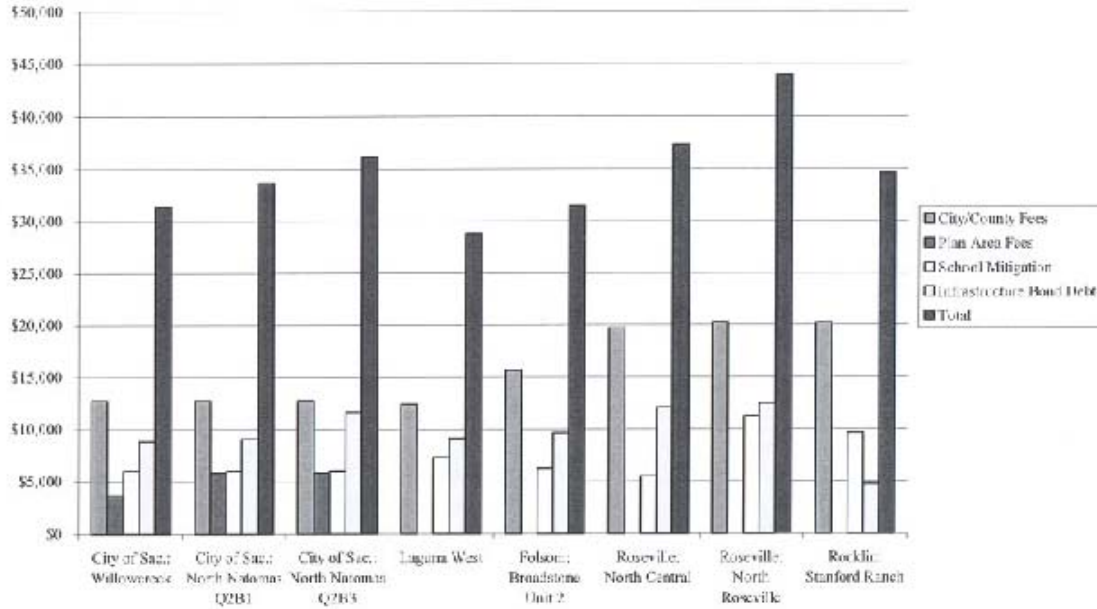
**Table 6-8
Comparison of Single Family Development Fees 2001
City of Sacramento and Outlying Jurisdictions**

	City of Sac.: Willowcreek	City of Sac.: North Natomas Q2BI	City of Sac.: North Natomas Q4B8c	Laguna West	Folsom: Broadstone Unit 2	Roseville: Central SP	Roseville: North Roseville SP	Rocklin: Stanford Ranch
City/County Fees	\$12,733	\$12,733	\$12,733	\$12,389	\$15,633	\$ 19,703	\$ 20,246	\$20,219
Plan Area Fees	\$3,733	5,806	\$5,806	\$0	\$0	\$0	\$0	\$0
School Mitigation	\$6,030	\$6,030	\$6,030	\$7,314	\$6,210	\$5,476	\$11,245	\$9,649
Infrastructure	\$8,853	\$9,114	\$11,569	\$9,117	\$9,634	\$12,097	\$12,442	\$4,776
Total	\$31,119	\$33,683	\$36,138	\$28,821	\$31,476	\$37,276	\$44,112	\$34,645

**Table 6-9
Comparison of Multiple Family Development Fees 2001
City of Sacramento and Outlying Jurisdictions**

City/County Fees	\$7,672	\$8,173	\$8,173	\$8,173	\$8,295	\$11,189	\$13,419	\$12,664
Plan Area Fees	\$0	\$1,275	\$2,663	\$2,663	\$0	\$0	\$0	\$0
School Mitigation	\$1,743	\$2,848	\$2,848	\$2,848	\$3,616	\$2,933	\$1,709	\$3,421
Infrastructure	\$0	\$2,215	\$3,425	\$3,004	\$1,937	\$2,047	\$2,728	\$424
Total	\$9,414	\$14,511	\$17,108	\$16,688	\$13,847	\$16,169	\$17,856	\$16,509

**Figure 6-1
Comparison of Single Family Fees**



**Figure 6-2
Comparison of Multiple Family Fees**

