

TO: JAMES L. APPLICATION, CITY MANAGER

FROM: WARREN FRACE, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: REPORT FROM THE PLANNING COMMISSION AD HOC COMMITTEE ON THE
“CONSTRAINTS ON HOUSING INVENTORY” MEMORANDUM

DATE: APRIL 21, 2015

Needs: For the City Council to consider a memo from the Planning Commission recommending policy changes to reduce “Constraints on Housing Inventory.”

Facts:

1. At the Planning Commission meeting on December 9, 2014, the Commission established an Ad Hoc Committee to develop, “...creative, alternative solutions to remove or reduce constraints to housing development.”
2. The Ad Hoc Committee met during the months of December and January to brainstorm the scope of issues to consider, and to develop a letter that expresses their concerns. City staff attended three of their meetings.
3. On January 23, 2015, the Ad Hoc Committee submitted their memo to the City for consideration by the Planning Commission. To facilitate policy background information and context, and in some cases to clarify or respond to items, staff has prepared an analysis as a companion to the Ad Hoc Committee’s letter (Attachment 2).
4. On March 10, 2015, the Ad Hoc Committee presented its memo and findings to the Planning Commission during a regular meeting. The Planning Commission, on a 6-0 vote, agreed to forward the Committee’s findings and recommendations to the City Council for consideration (Attachment 1).
5. The recommendations appear to be based on a view that City fees limit housing development, and that housing construction is good for both the economy and City revenues.

- However, the recommendations did not appear to fully consider:
 - 1990-2014 county-wide housing construction activity indicates fewer housing starts during periods of, and time following, economic recession, but no clear correlation to fees. [Exhibits 2 & 3];
 - Recession era impacts on demand and pricing for housing;
 - Other cost variables including land, labor, building materials, financing, and builder overhead/profit;

- City Council action just last year modifying (non-utility) development impact fees including:
 - Eliminating major public projects including Performing Arts Center, Charolais Rd. River Crossing, Aquatics Center, and modifying future City Hall construction to lease.
 - Independent professional re-examination and justification of all project cost estimates;
 - Non-Utility Fees that are equal to, or less than, 2009.
 - If development does not pay for its impacts, taxpayers must.
 - A 2003 independent fiscal analysis indicates that new housing results in an on-going, deficit of \$663 -\$1000 per house per year (Attachment 5).
6. In 2003, the City Council adopted resolution 03-232 approving the 2003 General Plan with the findings that specific plans would be used to plan and entitle new growth areas and that new development would need to be fiscally neutral to the City.
 7. The City of Paso Robles' 2003 General Plan sets a build out population of 44,000 that includes 4,976 new housing units and approximately 4,394,000 square feet of new industrial and commercial development. These future residents and new employees will create additional demand for public facilities.
 8. General Plan Policy LU-2G requires the approval of specific plan and allocates development density to accommodate most of the anticipated new housing units.
 9. The growth areas need to be master planned, in order to ensure orderly development and quality neighborhoods with an equitable distribution of the cost of streets, utilities, and parks.
 10. The majority of the new housing units are proposed on the eastern edge of town with limited existing infrastructure. Furthermore, the City is bisected by major circulation barriers. The Salinas River / US 101 / UPRR form a 1000 foot wide barrier running north-south through the middle of the community. In addition, Highway 46 East and Huer Huero Creek runs east-west through town, creating a significant barrier to local traffic circulation.
 11. To accommodate the planned growth, new water and wastewater facilities and systems are required and are currently under construction.
 12. Central General Plan policies include:
 - Ensure adequate resources to accommodate growth and development

- Provide adequate infrastructure to support growth and development
 - Phase/meter/manage growth and development in relation to infrastructure capacity
 - Assure that development, especially residential, provide revenues that equal or exceed the cost of providing facilities and services
13. In 1988, the State established law (AB 1600) that provides the authority to establish fees to cover the cost of public facilities needed to serve new development.
 14. Under AB 1600, impacts fees are limited to new development's share of an impact, which means fees cannot be charged to fund an existing infrastructure deficiency. Consequently, the current Development Impact Fees allocate 39.38% of the cost of new facilities to development. The remaining 60.62% of facility costs are the City / tax payer's responsibility (Attachment 3).
 15. General Plan Policy LU-4A. Action Item 2: Require new development in annexation areas and/or specific plan areas to establish funding mechanisms to pay for the construction, maintenance, and operation of required City services and facilities on an on-going basis: (1) at current levels; or (2) per adopted City standards, as well as in compliance with state and federal mandates; and/or (3) as deemed necessary during the environmental review and/or the fiscal impact review process.
 16. Development Impact Fees are a tool to implement the General Plan policy that new development will pay for its impacts.
 17. Development Impact Fees reflect policy adopted in the Economic Strategy to "establish stable, long-term funding for infrastructure."
 18. The City Council has adopted the 2014 Development Impact Fees (DIF), 2009 Water Connection Fees and 2011 Wastewater Facility Charges to fund the necessary facilities to accommodate the planned growth.
 19. The Development Impact Fees Needs List identifies the facilities to be financed by the impact fee program (Attachment 3). The List includes projects and building improvements in transportation, public safety (police and fire), general government facilities, park and recreation facilities, and library facilities.
 20. Development Impact Fees Needs List projects are supported by council policy and goals. Conversely, goals and projects contained in plans and policies adopted by Council are reflected in the impact fee program.
 21. On April 25, 2013, the Council reviewed and confirmed the Development Impact Fees Needs List pursuant to the General Plan. On April 1, 2014, the City Council adopted Resolution No. 14-035, adopting a Justification Study that calculated

estimated project costs and allocated portions of the costs to new development to offset its impact and establishing the current Development Impact Fee schedule.

22. In accordance with City Council Resolution No. 09-032, water connection and capacity charges are established to pay for the planned improvements in the 2007 Integrated Water Resources Plan and Capital Improvement Program; including, Nacimiento supply and treatment capital costs.
23. In accordance with City Council Resolution No. 11-133, wastewater facility charges are necessary for compliance with the Regional Water Quality Control Board's Time Schedule Order No. R3-2011-0213 and other requirements.
24. Council Resolution 03-232 and General Plan policy LU-4A. Action Item 3: Require a fiscal impact analysis for new development in annexation areas and/or specific plan areas and condition projects accordingly so as to ensure that they will be fiscally neutral and not result in a net loss for the City.
25. The November 11, 2003 Fiscal Impact Summary by David Taussig & Associates found that new single-family residential development created a \$663 - \$1000 negative fiscal impact per unit on the City of Paso Robles once the cost of all services was compared against the long term revenues from property tax, sales taxes, license fees, gas taxes and State funding sources. Build out of the remaining 5,000 homes (allowed under the General Plan) that would be \$3,250,000 - \$5,000,000 deficit per year. [Exhibit 5]
26. The City uses Community Facilities Districts to off-set the cost of services for new residential development. The most recent Community Facilities District annexation set the per dwelling cost to the City at -\$827.68 per year.

Analysis and

Conclusion:

The Planning Commission has forwarded a memo dated March 10, 2015 (**Attachment 1**) that raises the concern that housing development in the City has not kept pace with the economic recovery. The Committee warns this trend will negatively impact the ability of the City to meet the housing needs in the community. This in turn will impact the ability of the City to attract new business investment and hinder economic development. The Committee also suggests the lack of opportunity to build in Paso Robles limits the housing industry's (contractors, developers, and realtors) contribution to the local economy.

The purpose of the City's Housing Element is to ensure an adequate housing supply to meet the housing needs of the community. Additionally, as provided in the City's 2006 Economic Strategy, having an adequate housing supply is identified as fundamental to economic development and the City's ability to attract business investment.

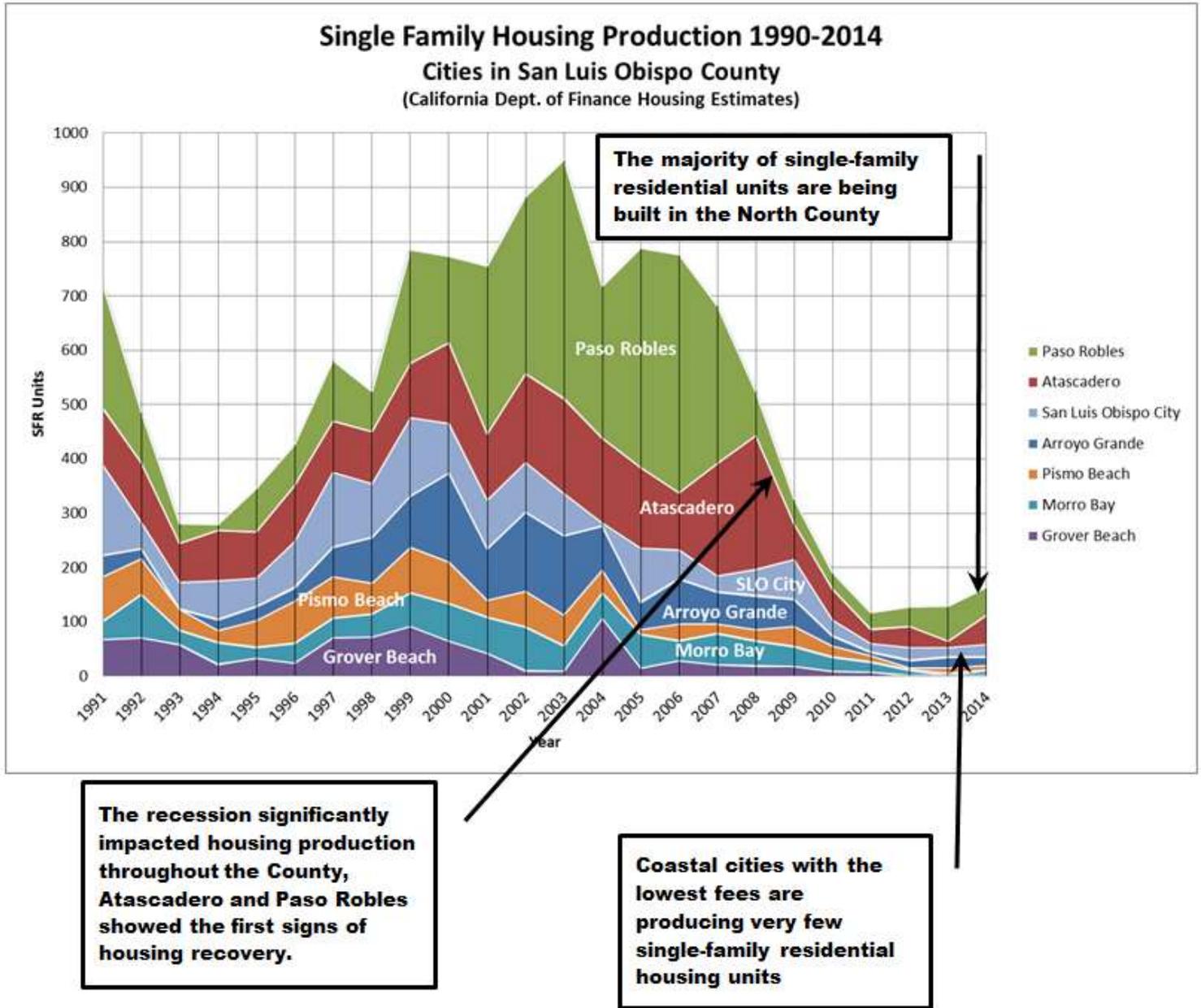
The Committee's memo makes five recommendations to the City Council:

1. Creation of a joint Council and Commission Ad Hoc Committee, to further develop solutions to the Committee's issues and recommendations; and,
2. Encourage new "workforce" housing by reducing obstacles to development, expediting processing of development plans, and commitment to economic development to ensure demand for housing; and,
3. Implement a zero-cost baseline model for all development impact fees and perform a complete review of the cost estimates for all projects defined as part of the impact fee; and,
4. Review the City fees and capacity charges to validate costs and to creatively determine options for reducing and incentivizing costs; and,
5. Review the current specific plans and consider modifying or eliminating the Plans to more closely match the needs of the City, developers, and home buyers.

Staff has provided the Planning Commission with a technical analysis of the points raised by the Ad Committee (**see Attachment 2**). The Committee's recommendation addresses a number of complicated policy, technical and budgetary issues, therefore the staff analysis is lengthy.

The Commission argues that City fees inhibit housing. Historical housing construction and fee data for every City in SLO County for the past 25 years suggests that recession impacts, not fees, negatively impact housing (refer to figure 1 and 3).

Figure 1: single-family residential housing production 1990-2014 (cities in San Luis Obispo County)



The City of Paso Robles is planning for more housing units than Arroyo Grande, Atascadero, Grover Beach, Morro Bay and Pismo Beach combined. Based on current trends, SLOCOG projects that Paso Robles may build more housing units than the City of San Luis Obispo by 2035 (2014 RTP/SCS scenario 1 – see figure 2).

Figure 2: 2014 RTP/SCS scenario 1

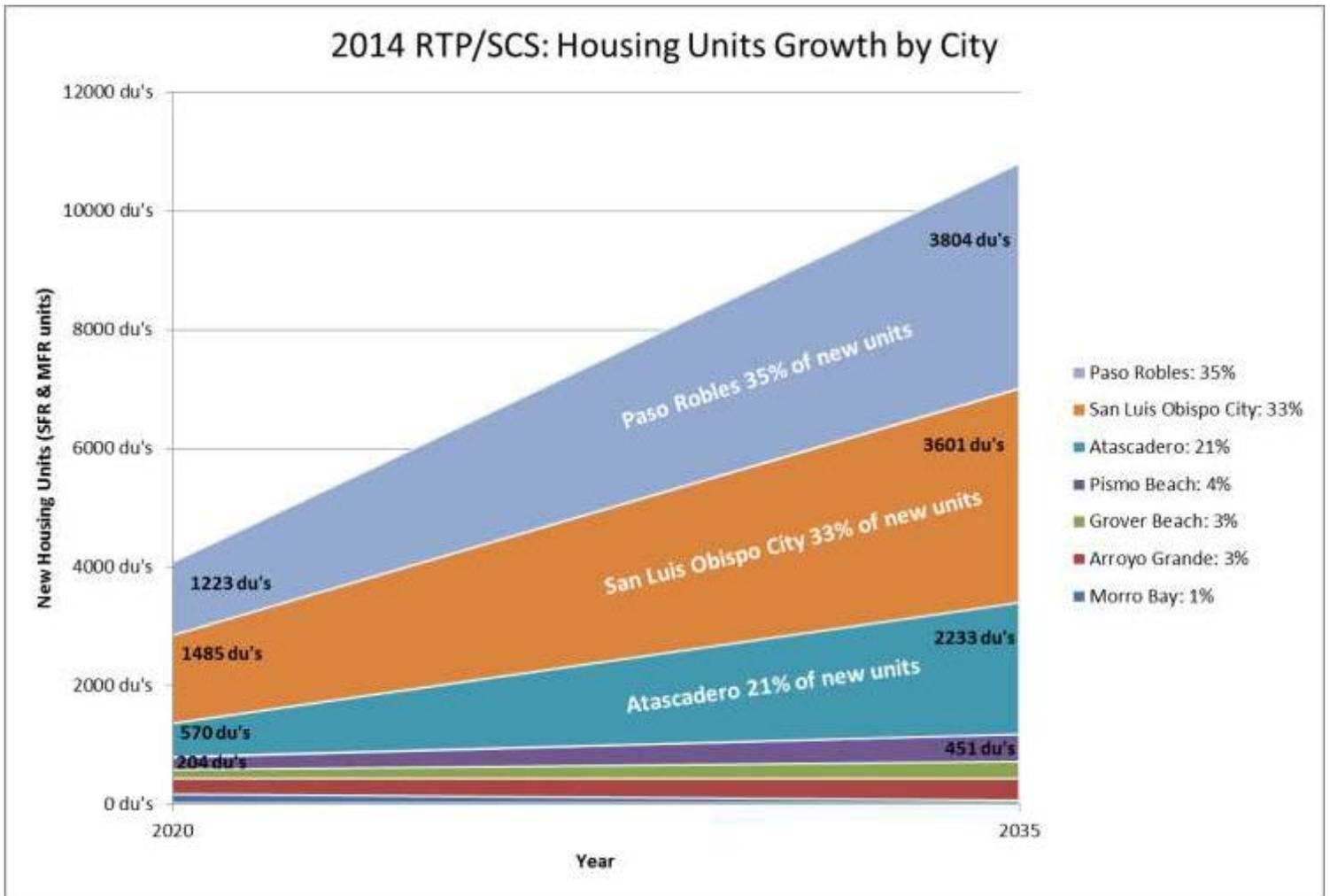
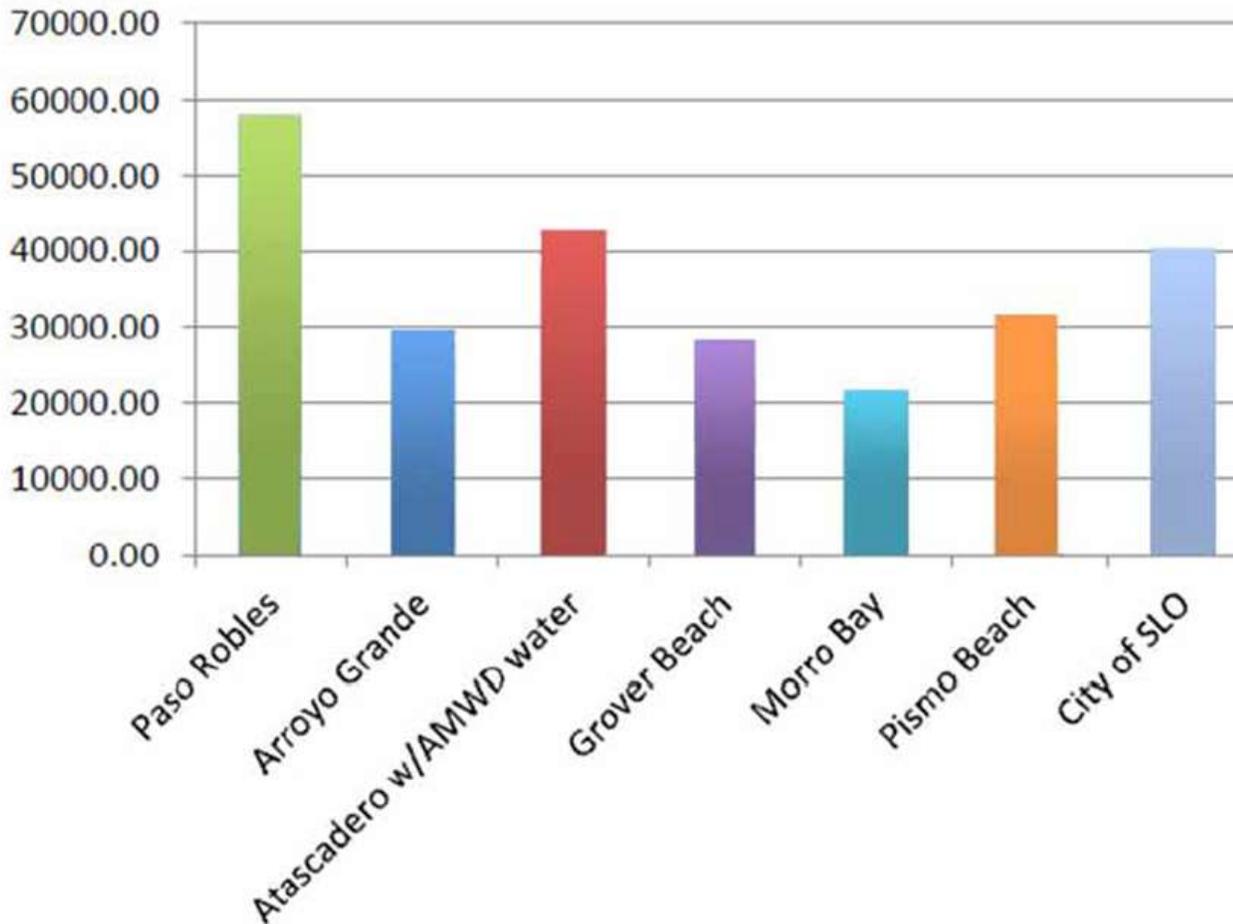


Figure 3: Planning Commission fee comparison chart (source - Al Garcia)

Comparative Permits & Development Impact Fees for Single Family Residences as of 2014



The Commission urges re-examination of the development impact project list and each project's estimated cost. The City Council commissioned and completed the review of and re-estimation of cost for, development impact projects, shares, and fees just one year ago (April 2014 – Attachment 4).

The Commission further argues that housing provides jobs and an economic multiplier of 3:1. An independent fiscal impact analysis revealed that the City experiences an on-going annual operating deficit of \$663-\$1,000 per house.

In summary, the Planning Commission's arguments that reducing City fees would spur housing development and yield lasting economic gain presumes facts not in

evidence. A reduction of fees would, however, result in taxpayers paying to off-set the impacts created by new development.

Policy

Reference: 2003 General Plan - Land Use and Housing Elements, Zoning Ordinance, CEQA, State Planning Laws, 2014 Housing Element, 2011 Circulation Element, 2006 Paso Robles Economic Strategy, Resolution 14-035: Development Impact Fee Study, Resolution 11-133: Wastewater Facility Charges, Resolution 09-032: Water Connection and Capacity Charges, 2014 Draft RTP/SCS (SLOCOG).

Fiscal

Impact: None.

Options: After consideration of a report by the Planning Commission and any public testimony the City Council may consider the following options:

- a) Receive and file the memorandum; or
- b) Direct staff to prepare additional analysis of Planning Commission's recommendations; or,
- c) Amend, modify or reject the foregoing options.

Attachments

1. 3/10/15 Planning Commission Memorandum to City Council: Constraints on Housing
2. Staff Analysis of Ad Hoc Committee Memo
3. 4/1/14 Development Impact Fee Program - Public Facilities Needs List and Map
4. 2014 Development Impact Fee Justification Study (David Taussig & Associates)
5. 2003 Fiscal Impact Study (David Taussig & Associates)

Planning Commission

Ad Hoc Committee

Date: 3/10/15

From: Planning Commission

To: Mayor Steve Martin and City Council Members

Subject: Constraints on Housing

Dear Sirs:

Per California Gov Code 65040 the Planning Commission is tasked with investigating and making recommendations to the City Council regarding reasonable and practical means of implementing the General Plan, as well as reporting on the City progress in the effort to remove governmental constraints to the production of housing for all income groups. The Planning Commissioners view with great concern the housing situation in the City of Paso Robles. As the economy has begun its recovery from the recession, new home construction in the City has remained stalled and we believe that the impact of this situation is threefold:

- The lack of adequate housing impacts the current employed residents of the City as they find it difficult to find appropriate housing.
- The lack of new or newer housing impacts the economic growth of the City as new businesses may find that the limited housing inventory cannot support an influx of families.
- The lack of opportunity to build prevents the construction industry, developers, and realtors from contributing to the local economy

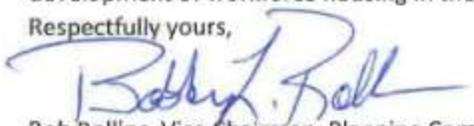
We propose that the City Council approve the review of four recommendation that, today, inhibit the development of new housing in the City. Each of these recommendations has an attachment to this letter that more fully describes the thoughts of the Planning Commission:

- Workforce Housing—establish a proactive policy encouraging the development and construction of workforce housing.
- Reduce Development Impact Fees—revalidate the restriction on development impact fees collected for a new City Hall and other City projects that may no longer be plausible.
- Reduce or Incentivize Permit Fees—revalidate or reduce government fees and eliminate a one-size-fits-all fee structure
- Modification/Elimination of East Side Specific Plans—consider eliminating the Beechwood, Olsen, and Chandler Ranch Specific Plans completely or reducing the scope of the plans to a smaller footprint.

We urge the creation of an ad hoc working group consisting of City Council, two Planning Commissioners, City Staff, and appropriate functional experts from industry to review the above policies and to develop creative solutions to each of the recommendations.

The Planning Commission Ad Hoc Committee will be pleased to meet with the Council and Staff to answer questions, discuss ideas and solutions, and assist in any way possible to encourage the development of workforce housing in the City in the near term.

Respectfully yours,



Bob Rollins, Vice Chairman, Planning Commission

Attachments

- 1 Background and constraints
- 2 Recommendation 1: Workforce Housing Development
- 3 Recommendation 2: Reduce Development Impacts
- 4 Recommendation 3: Reduce or Incentivize Permit Fees
- 5 Recommendation 4: Modify/Eliminate East Side Specific Plans

References:

- 1 2006 Economic Strategy – City of Paso Robles
- 2 Paso Robles General Plan – Housing Element

Facts

“State Housing Policy:

- a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- d) Local and state governments have a responsibility to use their powers to facilitate the improvement and development of housing to meet the needs of residents at all economic levels.
- e) The Legislature recognizes that in carrying out this, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and cooperate with other local governments and the state in addressing regional housing needs.”

“City Housing Goals:

a. Goals (bolded for emphasis)

H-1. Develop a range of housing types, densities, and affordability levels to meet the diverse needs of the community, maintaining a balanced supply of ownership and rental units.

H-2. Preserve the City’s inventory of housing that is affordable to low income households.

H-3. Preserve the City’s neighborhoods in a safe and decent condition and eliminate the causes and spread of blight.

H-4. Mitigate or remove potential governmental constraints to housing production and affordability.

H-5. Ensure choice of housing types and locations to all persons regardless of race, creed, age, or sex.

H-6. Design neighborhoods, subdivisions, sites, and housing units to effectively manage natural resources.”

Background and Constraints

Background

The purpose of this letter is to highlight our concerns as well as to offer possible suggestions to eliminate, or alleviate constraints upon the housing situation. While the Housing Element of the Paso Robles General Plan meets statutory requirements for content, it is very general in nature. The 2006 Economic Strategy quoted in the Housing Element highlights the housing objectives:

- a) Maintain safe, healthy, and attractive physical environment.
- b) Establish cohesive, compact, and livable community for individuals and families.
- c) Encourage community development in live/work, mixed use, and compact, pedestrian-oriented forms to accommodate all income levels and lifestyles.
- d) Increase labor force residents within City (limits).
- e) Preserve energy and natural resources.

Perceived Barriers and Constraints

- State laws and regulations drive costs for developers (EIRs, CEQA, etc) and may not serve a useful purpose in certain situations.
- The City's General Plan may not be flexible enough to meet changing economic conditions that affect the housing market, both single-family and multi-family units.
- Specific plans that were originated years ago that were and still are expensive to create and update, particularly EIRs, changing environmental regulations, and changing market-based development requirements. A realization that large development projects may not be optimal for all developments and there may be a need for smaller developments crafted to meet housing needs in a shorter time period/horizon.
- A litigious environment that causes government and private business to make decisions based on fear of legal challenges.
- The lack of consistency in the planning system that affects stable costs, changing processes and rules, and agreements that are abrogated.
- The overall time that is required to begin a new project.
- Administrative and planning time—working with developers on specific plans and on smaller projects facilitating all projects to successful completion.
- The overall cost of City fees and charges inhibit development.
- Permit Costs—developing solutions for faster permitting processes, how to reduce costs.
- Capacity Connection Charges—developing cost solutions that better match developer needs while ensuring validated City costs are recouped.
- Development Impact Fees—developing cost solutions that better match developer needs while ensuring City validated costs are recouped.

Overview of Possible Solutions

Creative and innovative solutions must be sought out by the City and private industry such that housing element objectives are satisfied and constraints are removed for housing at all economic levels.

Some thoughts include:

- Obviously, for the City to remove all barriers to development under its control.
- Reducing the amount of up-front permit and connection fees to the developer.
- City “financing”, in effect, the development costs over a period of time and ensuring cost recovery in the long term similar to Oak Park.
- Examining the basis for the costs and matching the basis more closely to the size of the housing unit—square footage, bedrooms, lot size, etc.
- Offering quantity fee and connection discounts for various housing developments.
- Developing specific incentives for workforce and management level housing to attract new businesses to the City.
- Examining other cities and how they handle these costs and identifying best practices.

Furthermore, we respectfully propose that the City Council approve an ad hoc or blue ribbon committee of two Councilmen, two Planning Commissioners, appropriate City Staff, and specific additional skills (developers, bankers, realtors) to develop options and solutions to reduce or eliminate constraints.

Assumptions

- Economic development in the City of Paso Robles is a clear goal of the City Council and will be supported to pursue commercial and industrial companies that will offer head-of-household jobs.
- Economic development creates head-of-household jobs resulting in a direct demand that will afford the purchase of workforce housing in the City.
- There is a multiplier effect with economic development of at least 3:1 that results from head-of-household jobs, from the construction of new homes to the daily expenses of living.
- Permit fees and impact development fees are considered, validated, and implemented under the jurisdiction of the City Council.
- The costs of building workforce housing are understood and there are metrics for cost estimates available (sample shown next page).

Total Costs of Constructing a Home

Below is an illustration of how costs are allocated for developed homes. Government fees, impacts, and charges can be structured to incentivize development of smaller units and projects. While the allocation percentage may not be typical for custom homes, because the risks are different, and there may be differences among developers, projects, or scale of projects, the approach of describing the cost allocation is useful in viewing overall costs. Clearly “one-size-does-not-fit-all” in costs, because not all homes are the same size or cost. Workforce housing should not pay the same in government fees as a more expensive or larger home.

Categories	Risk	Allocation/ unit	\$350K/unit	\$450K/unit	\$600K/unit
Cost of land (4000-7000 sq ft lot)	Stable	10%	\$35,000	\$45,000	\$60,000
Professional fees (architects, landscape, soils, etc)	Variable	10%	\$35,000	\$45,000	\$60,000
Government fees (permits, impacts, water, sewer)	Stable	10%	\$35,000	\$45,000	\$60,000
Below grade (grading, utilities, foundations, site prep)	Variable	20%	\$70,000	\$90,000	\$120,000
Above grade (housing materials and construction)	Stable	30%	\$105,000	\$135,000	\$180,000
Financial (financing, legal, accounting, marketing, sales)	Variable	10%	\$35,000	\$45,000	\$60,000
Developer profit (for development projects)	Variable	10%	\$35,000	\$45,000	\$60,000
Totals		100%	\$350,000	\$450,000	\$600,000

Notes for Above Chart:

“Categories” are one way of looking at the costs per unit of a development project

“Risk” is understood as “Stable” which means that costs can be well known at the beginning of a project and are not likely to change significantly. “Variable” risk are those cost which can vary with changes in project scope, unforeseen changes, changing market conditions, or external pressures affecting the project.

“Allocation/unit” refers to commonly accepted costs and how they are allocated in the estimation for the project.

“\$350K/unit, \$450K/unit, and \$600K/unit” are examples of workforce and lower end management price points for market rate housing.

Source: (Mr. Garcia to provide)

Recommendation 1: Workforce Housing Development

We recommend the City Council establish a policy that strongly encourages the development of workforce housing in Paso Robles and will take appropriate measures to ensure the construction of such housing complements the effort to attract new business to the City. Economic development in the City requires that there be housing available for the employees of new companies opening their doors for business.

In the past 15 years, there were an average of 200 permits per year and during the housing boom around 2003 and 2004, there were over 400 permits issued each year for new home construction. That fell to fewer than 50 permits per year during the economic downturn years from 2008 to 2014 even with City offered incentives. During that same time Development Impact Fees increased 650% and overall permit fees increased 100%. Higher than normal unemployment, the lack of head-of-household jobs, and high number of foreclosed or distressed homes on the market caused the new home construction business to decline precipitously. As a result, today the inventory of new homes and re-sales in the City is very limited. With the construction of workforce housing in Atascadero and Templeton, it is quite possible that Paso Robles will lose potential residents to other communities.

Although this recommendation is obvious, the complexity is that there is limited space in the City for developing new housing except in the three Specific Plan areas (Chandler Ranch, Beechwood, and Olsen). Because those three specific plans are still in the City approval process, the likelihood of any action in the near term seems unlikely. Similarly, as the three specific plans establish the infrastructure for over 3000 housing units, it should be a Council consideration that the likelihood of demand for 3000 units within the planning horizon should be reviewed for appropriateness. If housing demand is linked to economic development, then a level of demand in the range of 200 units per year may be more useful. A more realistic demand for housing could change water and sewer connections and funding for new capacity, and it could change the need for large, 1000-unit specific plans.

A strong policy statement by the Council encouraging new housing development would include commitments to reducing obstacles to development, expediting processing of development plans, and commitment to economic development to ensure demand for housing.

Recommendation 2: Reevaluate Development Impact Fees

Looking at the city budget from 2014, a significant amount of funds are set aside for a new city hall and other municipal facilities, yet the funds are not sufficient to fund these facilities. In addition, the rate of growth is insufficient to forecast any near term projects in the mid or long term. It may make more sense to stop collecting for these facilities and to return collected funds if possible. While the concept of building these funds was valid in the past, perhaps not so much any longer.

We recommend that the City Council implement a zero-cost-baseline model for all development impact fees and perform a complete review of cost estimates for all projects defined as part of the impact fees. With an estimate of \$270 million total required and \$83 million as the development impact fee component, it would be useful to perform a detailed review (one more time) of the projects, what purpose they are to solve, their costs, and the likelihood of actually being funded within the next 20 years or planning horizon. While there may be valid rationale for including all the possible projects, it is a daunting list that does not seem plausible within the next 10-20 years. Therefore, it would seem logical to divide the projects into three categories:

1. Projects which are critical to economic development and housing development and are within a realistic planning horizon
2. Projects which are desirable, but not critical to either economic development or housing
3. Projects which are unlikely to occur, because of their size and cost, their relationship to other projects, their reliance on outside funds, and they are not needed in the foreseeable future.

In addition, in consonance with permit and connection fees, there should be a cap on the total amount of fees that should be collected for each unit. That could be done as a percentage of the cost or sales price of the housing unit and the fees collected could be apportioned among permit fees, impact fees, and water and sewer capacity charges based on a formula.

Recommendation 3: Reevaluate City Fees

We recommend the City Council review the City fees and capacity charges to validate costs and to creatively determine options for reducing or incentivizing costs. The cost of building affordable workforce housing during an economy that does not provide wages commensurate with the cost of buying a home keeps many working Americans from achieving the dream of owning a home or renting a house or condo. Without the capability of affording suitable housing, the workforce cannot have the quality of life desired by all Americans.

The cost of housing is driven not only by land, labor, materials, and profits, but also by government imposed fees and costs. The builders have control over their costs of land, construction, and profitability, but they have little control over governmental costs. It is appropriate to review fees, funding, and permits imposed by local governments. What can be done to reduce costs? These government costs add to the cost of a home from a low of \$3,000 to a high of \$65,000. The wide variance in government costs is a function of geography, infrastructure costs, and City processes. While some percentage of a new home should be government imposed costs, there should be some level of equality among local governments. The wide variance in costs imposes a penalty in development projects that affects economic development.

Creativity is needed to develop alternative solutions that reduce government imposed costs:

- No grass installed by builder– water connection fee reduce 5% based that developer will not install grass in front or back yards.
- Recognize “one-size-fits-all” government fee structure as smaller projects and should not be penalized..
- Unit square footage based on 2000 sq ft home – reduce permit and connection fees by similar ratios as above (1/2000 per sq ft smaller and larger).
- Build permit and water and sewer connection rate structure for housing based on square footage, number of bedrooms, number of toilets in order to equalize “granny” units, 1 BRs, 2BRs, etc.
- Don’t charge additional plan check fees on the use of stock tract plans. Housing targeted for workforce and management price points (~\$350K to \$500K), then have a “rebate” for all fees and connection costs, perhaps 1 or 2 percent
- Develop payment structure for fees and capacity charges that reduces up-front costs for developers and collects fees and charges at percentage completion points or when unit is sold, etc (33-33-34%) or (25-25-50%) to make bank financing easier
 - Sewer capacity charges are collected at Certificate of Occupancy
 - Water meter and usage charges are paid during construction; however water capacity charges are collected at Certificate of Occupancy

Recommendation 4: Reevaluate the Use of Specific Plans

We recommend that the City Council review the current Specific Plans and consider modifying or eliminating the Plans to more closely match the needs of the City, developers, and home buyers. When the Chandler Ranch and Beechwood-Olsen specific plans were initially required and developed, 1000 unit projects made a lot of sense. The realities of slower growth in the city and the economics of developing large projects in a small economy cause a re-evaluation of the validity of the specific plan concept. Understanding the city planning and growth perspective, it would be useful to reconsider the value in having large specific plans weighing upon developments. It might be more appropriate to have smaller specific plan area with smaller footprints. Water, sewer, and street footprints could be modified to smaller growth patterns. The cost of development would not be so burdensome to a developer causing the developer to balk at the "numbers".

The challenge for the developer of any project is risk and time. Risk is related to all the factors involved in bringing a project to fruition, including planning, financing, construction, sales, and profitability. Time, as the old adage goes, is money. The longer a project takes, the more money is involved and the risks increase. The above mentioned specific plans offer a case in point of the risks in making the plans a reality, their costs, and the length of time needed. While the economic downturn clearly contributed to the situation, it is also apparent that much time was lost because of the City's "sequence of plans" policy.

It certainly appears that local developers are interested in smaller projects (50-200 homes) and not developing large 1000 home projects. Depending on the success of the City's economic development program and depending on how many jobs are brought into Paso Robles, the housing requirement favors the smaller developers, especially those that want to move fast with a simplified planning and permitting process, reduced impact fees, and reduced water and sewer fees. The developer's reduced risk (time and money) make this type of project feasible for implementation.

Attachment 1: 3/10/15 Planning Commission PowerPoint presentation (Al Garcia)

Planning Commission Memo Attachment 1:
3/10/15 Planning Commission PowerPoint presentation (Al Garcia)

Constraints on Work Force Housing

A Letter to the City Council from the Planning Commission
Ad Hoc Committee: Vince Vanderlip, John Donaldson, Al Garcia

Request for Consideration

- Planning Commission is very concerned about housing in Paso Robles
 - Lack of work force housing impacts employed Paso Roblans
 - Lack of newer housing impacts economic growth
 - Lack of opportunity to build prevents housing industry from growing
- Policies affecting work force housing need in-depth review by the City Council, validation of the policies and their underlying principles and costs, and development/consideration of innovative changes to policies to provide for housing development

Background

City Housing Goals from the General Plan Housing Element:

"a. Goals

H-1. Develop a range of housing types, densities, and affordability levels to meet the diverse needs of the community, maintaining a balanced supply of ownership and rental units.

H-2. Preserve the City's inventory of housing that is affordable to low income households.

H-3. Preserve the City's neighborhoods in a safe and decent condition and eliminate the causes and spread of blight.

H-4. Mitigate or remove potential governmental constraints to housing production and affordability.

H-5. Ensure choice of housing types and locations to all persons regardless of race, creed, age, or sex.

H-6. Design neighborhoods, subdivisions, sites, and housing units to effectively manage natural resources."

Planning Commission Task

- Section 65400 of the Government Code requires that the Planning Commission shall do the following:
- (a) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

Barriers and Constraints

- State laws, regulations, court cases, Paso Robles General Plan
- Specific plans and large developments
- City fees, capacity charges, development impact fees
- Time
- Risk
- Relationship between Time and Risk impacts business decisions

Assumptions

- Economic development is a major City goal
- Economic development creates head-of-household jobs
- The multiplier effect is at least 3:1
- City fees and costs will be validated by the City Council
- Housing costs are understood

Planning Commission Memo Attachment 1:
 3/10/15 Planning Commission PowerPoint presentation (Al Garcia)

Example Costs of Constructing a Home

	Risk	Allocation /unit	\$350K/unit	\$450K/unit	\$600K/unit
Cost of land (4000-7000 sq ft lot)	Stable	10%	\$35,000	\$45,000	\$60,000
Professional fees (architects, landscape, soils, etc)	Variable	10%	\$35,000	\$45,000	\$60,000
Government fees (permits, impacts, water, sewer)	Stable	10%	\$35,000	\$45,000	\$60,000
Below grade (grading, utilities, foundations, site prep)	Variable	20%	\$70,000	\$90,000	\$120,000
Above grade (housing materials and construction)	Stable	30%	\$105,000	\$135,000	\$180,000
Financial (financing, legal, accounting, marketing, sales)	Variable	10%	\$35,000	\$45,000	\$60,000
Developer profit (for development projects)	Variable	10%	\$35,000	\$45,000	\$60,000
Totals		100%	\$350,000	\$450,000	\$600,000

Paso Robles Government Fees are approximately \$62,000 regardless of house size

Cost of Home with Fee Costs

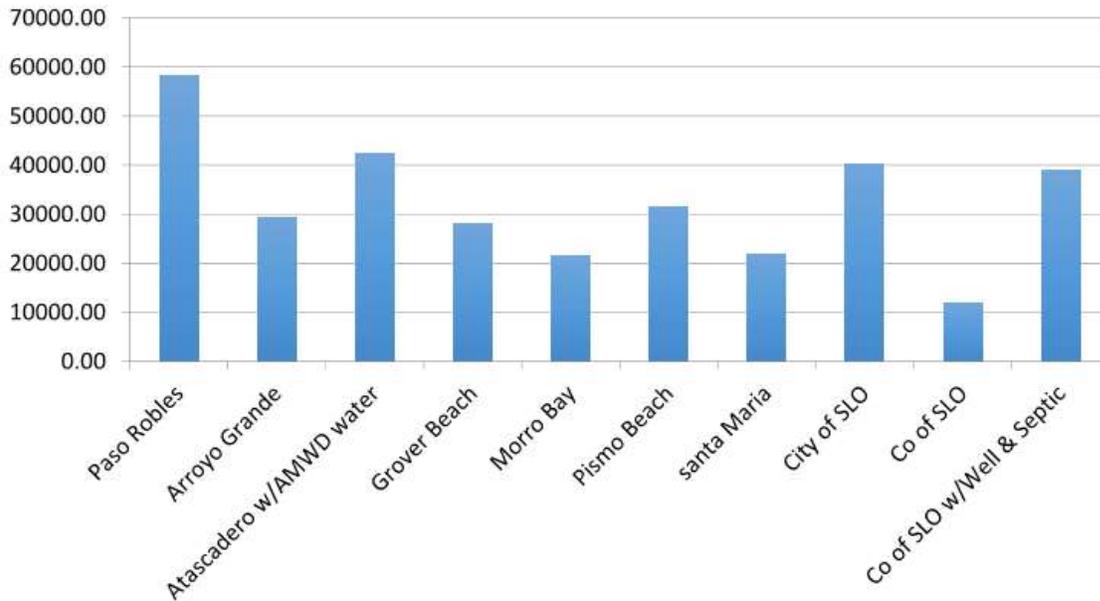
Assumptions

- Standard cost of Paso Robles fees (permits, capacity charges, impact fees) is about \$62K
- Three home examples: “granny unit”, workforce housing on 4,000 sq ft lot, luxury home on 10,000 sq ft lot



	900 sq ft - \$200,000	1800 sq ft - \$350,000	3000 sq ft - \$600,000
Fee cost/sq ft	\$62K/900= \$69/sq ft	\$62K/1800= \$34/sq ft	\$62K/3000= \$21/sq ft
Fee as % of home cost	\$62K/\$200K= 31%	\$62K/\$350K= 18%	\$62K/\$600K= 10%
Desired goal of 10-12%	\$9K to \$10K	\$35 to \$40K	\$65K

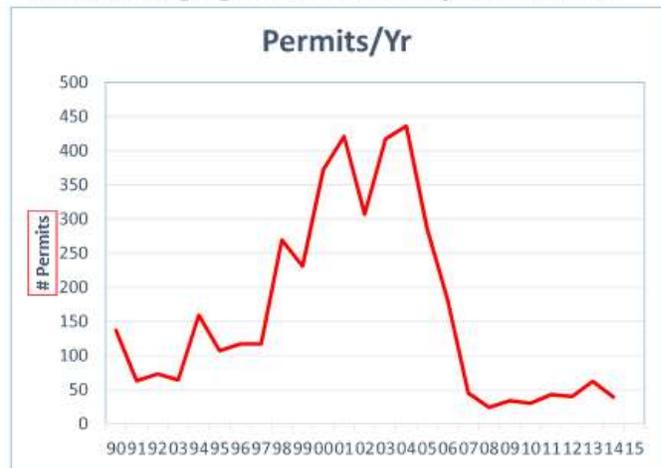
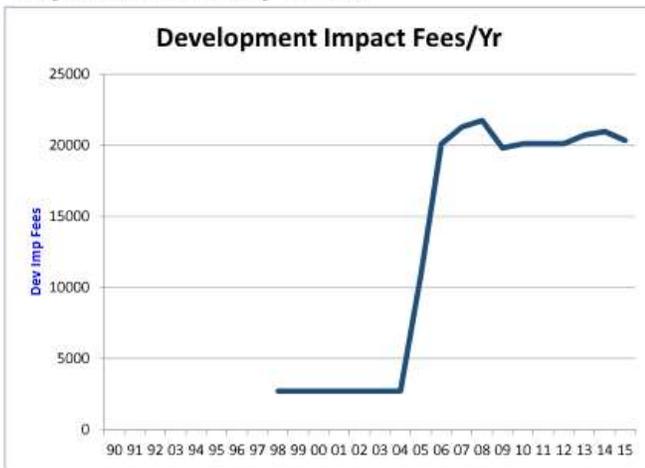
Comparative Permits & Development Impact Fees for Single Family Residences as of 2014



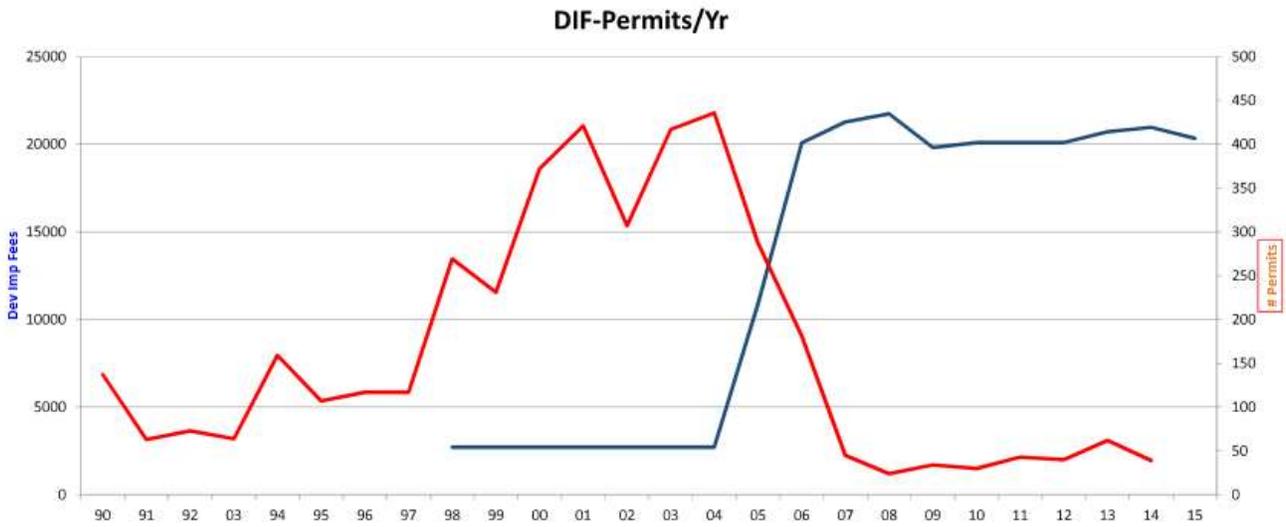
Paso Robles Development Impact Fees vs Residential Permits

DIFs grew dramatically from \$2,711 to \$20,000 in 2005 and 2006 and have been adjusted annually since.

Permits averaged 227/yr in the past 24 years, with large increase in 2000-2005 and downturn since, averaging fewer than 40/yr since 2007.



Development Impact Fees and Residence Permits



Planning Commission Concerns

- Is the fee structure fair to all concerned? Compared to other cities?
- Does the fee structure help or hinder economic development?
- Should the Paso Robles fee structure be examined and validated?
- What can be done to improve the permit process, reduce the fee structure, ensure fairness, and assess the validity of all costs?

Recommendation 1: Workforce Housing Development

- Strengthen policy to encourage workforce housing
- Not just the right words, but the right actions
- Establish an ad hoc committee with 2 Councilmen, 2 Planning Commissioners, City staff, and stakeholders/experts from the development, financial, and real estate functions

Recommendation 2: Reduce Development Impact Fees

- Realistic impact fee projects
- Nexus of developer dollars to projects
- Prioritized projects
 - **Priority 1:** Projects critical to economic development and housing development, are within a realistic planning horizon, and are needed
 - **Priority 2:** Projects desirable, but not critical to either economic development or housing
 - **Priority 3:** Projects unlikely to occur, because of their size and cost, their relationship to other projects, their reliance on outside funds, and they are not needed in the foreseeable future.

Recommendation 3: Reduce or Incentivize Permit/Capacity Fees

- Cap city costs and cover costs with volume....
- Change percentage of costs relative to cost of housing....
- Help developers finance the costs....(i.e. water and sewer fees at CofO)
- Incentivize developers if water and energy use is reduced....

Recommendation 4: Modify/Eliminate East Side Specific Plans

- Take a fresh look at the Specific Plans
- Are they needed?
- Can they be “downsized”?
- What do developers need to develop?

Conclusion

- Planning Commission has deep concerns about the housing inventory, especially work force housing needed to attract new business
- Economic development is critical to the future of our City, and housing is a critical element to attracting new business
- Paso Robles has justifiable pride in its “Can Do” heritage...we should look forward and develop new ideas and solutions to achieve economic development and provide good housing for all residents
- Let’s bring down the barriers and eliminate constraints!

Attachment 2: Staff analysis of Planning Commission memorandum to City Council

Staff has numbered the Committee's comments which are shown in **bold** text. Staff's analysis is shown in *italics*.

Ad Hoc Committee - Identified Barriers & Constraints

- 1. State laws and regulations drive costs for developers (EIRs, CEQA, etc.) and may not serve a useful purpose in certain situations.**

While staff agrees that State laws undoubtedly add to the cost of projects, there is little the City can do to address this concern. The City is required to follow and enforce State laws and regulations, including the California Environmental Quality Act (CEQA), Endangered Species laws, California Planning laws, the California Building Code and Regional Water Quality Control Board storm water regulations. City staff attempts to implement these requirements in the most expeditious and cost effective manner while maintaining legal standards.

- 2. The City's General Plan may not be flexible enough to meet changing economic conditions that affect the housing market, both single-family and multi-family units.**

The Committee indicated this item refers to: (1) the General Plan, Land Use Element requirement for Specific Plans in growth areas; and (2) that the General Plan planning horizon is very long-term, and that it is cumbersome to "get around," should a developer want to modify General Plan provisions.

All cities are required by State law (Gov't Code §65300) to adopt a comprehensive General Plan to provide a long-term plan for the physical development of each City. State law includes an in-depth list of mandatory requirements for General Plans, and requires it to be used as a basis for local government decision-making. The General Plan provides a bridge between community values, visions, and objectives, and physical decisions on land use development, zoning and public works projects. General Plans are intended to include a vision of future improvements, development patterns, and resource management, and therefore must look into the future. State law limits General Plan amendments to four times per year, so that jurisdictions carefully consider the implications of amending its long-term vision and plan. Amendments to a General Plan are required to be considered in a transparent public hearing process that provides citizens with opportunities to participate in how it might affect their community.

The issue of Specific Plan requirements is discussed in detail in one of the major points below, however, in brief, the General Plan's "Specific Plan" policies are intended to ensure that new development in areas under large property holdings are comprehensively planned. With the adoption of the 2003 General Plan, the Council adopted resolution 03-232 which established

numerous findings that specific plan's would be used to master plan and mitigate the impacts of new residential development. The goal of the Specific Plan policy is:

- 1. Ensure that "piecemeal" development does not occur, and that infrastructure is designed to seamlessly connect with existing and future networks;*
 - 2. Comprehensively address wider-scale environmental impacts and provision of services;*
 - 3. Establish funding mechanisms that can be shared by all development in a specific plan area to address future, costly improvements; and,*
 - 4. Provide flexible development standards that allow project specific development solutions, instead of adhering to strict standards that may not result in the most beneficial design solutions,*
- 3. Specific plans that were originated years ago, were and still are, expensive to create and update, particularly EIRs, changing environmental regulations, and changing market-based development requirements. A realization that large development projects may not be optimal for all developments and there may be a need for smaller developments crafted to meet housing needs in a shorter time period/horizon.**

Specific Plans are a step below the General Plan in the land use approval hierarchy. The purpose of a specific plan is to coordinate land use, zoning, environmental review, design guidelines, phasing, infrastructure, and financing in a single master plan. A primary benefit of a specific plan is that a single CEQA document (typically an EIR) can cover all future projects and phases.

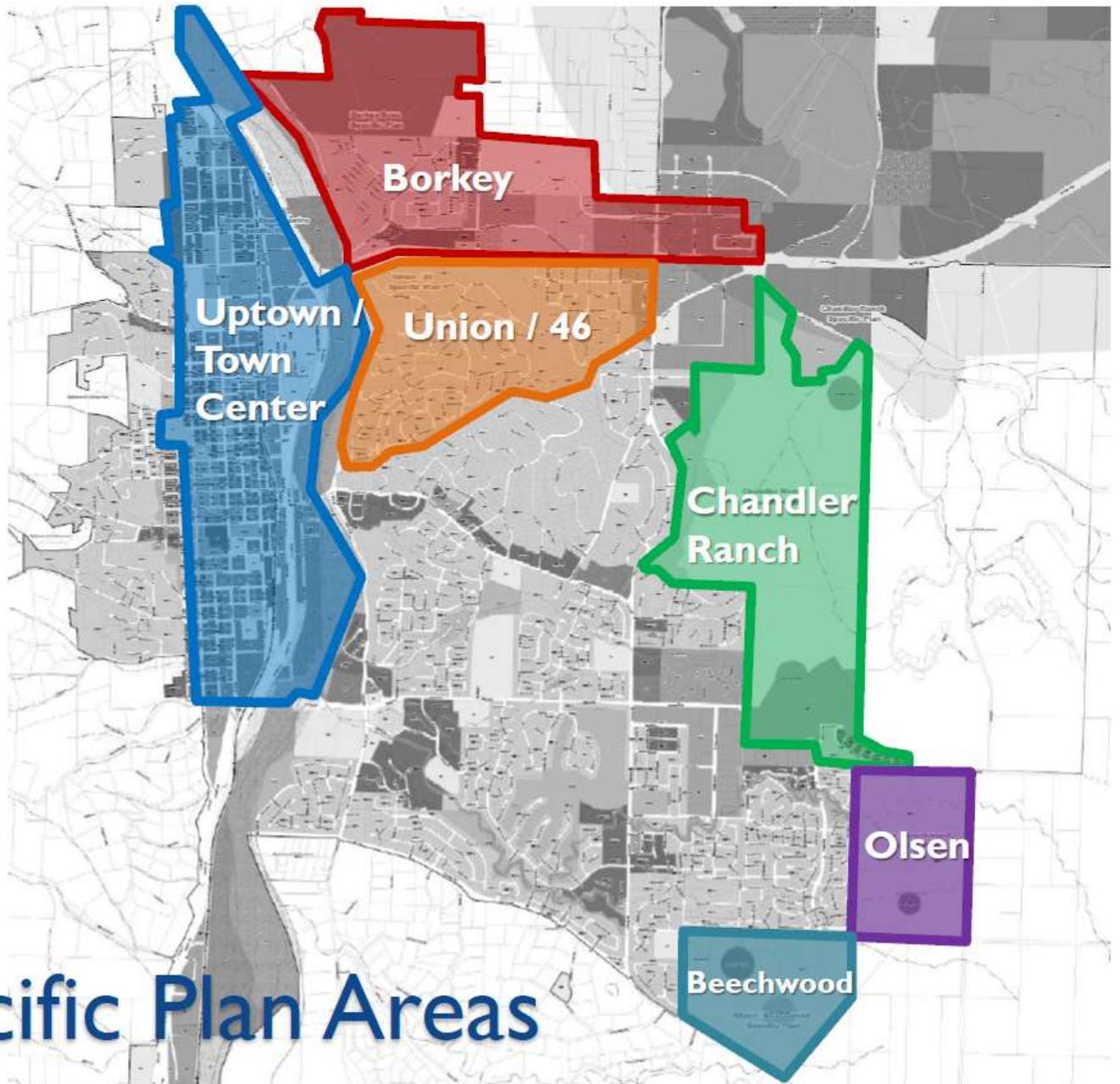
The City has successfully used specific plans to guide development since the 1980's including the Union/46 Specific Plan, the Borkey Area Specific Plan (BASP) and most recently the Uptown / Town Center Specific Plan (UTSP) (refer to Figure 1).

Specific plans do not require development of subdivisions of any particular size or scale. Most development in specific plan areas are implemented in phases and at a scale chosen by the developer. The Union/46 Specific Plan and Borkey Area Specific Plan have developed over the years in smaller phases by multiple developers. While a specific plan can entitle 1,000 units or more; it is expected that development will occur in smaller phases of 10, 20 or 100 unit tracts.

In 2003, the City Council adopted resolution 03-232 approving the 2003 General Plan with the findings that specific plans would be used to plan and entitle new growth areas and that new development would need to be fiscally neutral to the City. Consistent with the policy, the General Plan identified three future specific plan areas: Beechwood, Olsen and Chandler Ranch and assigned a build-out density. As the Beechwood and Olsen areas were annexed the City relied on the specific plans policy as part of the annexation pre-zoning process. The Chandler Ranch was required to complete a Specific Plan as early as 1988. This requirement was removed in the early 1990's; however, due to the poor quality of development subsequently proposed. The City Council reinstated this requirement for completion of a Specific Plan in 2001.

It is acknowledged that these specific plans have been delayed in completion; however, there are very specific, unique issues that occurred over time for each of these plans that has delayed adoption of these specific plans. The City is currently working with each planning areas' representatives to restart the entitlement process. Staff has not heard from any of the property owners or prospective property buyers of these projects about a desire to remove the specific plan requirement.

Figure 1: General Plan Specific Plan Areas



Specific Plan Areas

- 4. A litigious environment that causes government and private business to make decisions based on fear of legal challenges.**

Legal challenges to development projects are always a possibility and can significantly delay a project. The best way to address these issue is with a robust planning and public participation process that follows General Plan policy, identifies issues, and provides equitable solutions for the project and public. Projects are most vulnerable to legal challenges during the CEQA certification process. A major benefit of the specific plan process is the ability to rely on a single EIR. Once the City Council certifies the specific plan EIR, there is a 30 day window to file a legal challenge. After 30 days, the EIR cannot be challenged and the entire specific plan area and all future maps and development plans are protected from legal challenge. This would not be the case with smaller, piecemeal development, where each individual project would require a separate CEQA document that could be challenged.

- 5. The lack of consistency in the planning system that affects stable costs, changing processes and rules, and agreements that are abrogated.**

This item is in reference to the River Oaks II development proposal, which is a significant amendment to the Borkey Area Specific Plan changing agricultural zoned land to residential. The project will require a General Plan, Specific Plan, and Zoning Map amendment to change the land use designation from Agricultural to Residential. In addition a development plan and tentative tract map will need to be approved for 271 single-family residential homes. The amendment is currently in process and has not completed the environmental and public review processes.

The underlying Borkey Area Specific Plan was adopted over 25 years ago, and has been amended numerous times since then, with several updated environmental reassessments over time. The City has recently provided the applicant with an outline of the process to complete the environmental review process.

- 6. The overall time that is required to begin a new project.**

The timing of a development project depends on the scope and scale of the project. Projects that are consistent with the General Plan and zoning can move through the permitting process fairly quickly. Larger projects with General Plan amendments and EIR's are more complex entitlements, which add time to the overall process to approve projects.

The building permit process is also a timing consideration. The City's is currently in the process of reorganizing and re-staffing the building department to improve permit review and issuance timelines. This process is being overseen by a separate Council Ad Hoc committee.

7. Administrative and planning time—working with developers on specific plans and on smaller projects facilitating all projects to successful completion.

The City endeavors to expedite the planning review process to the maximum extent possible. However, many of the larger specific plan projects are impacted by complex circulation and environmental constraints that require significant staff and applicant time to address. See item #6 above.

8. The overall cost of City fees and charges inhibit development.

There are four distinct fee categories that account for the majority of fees collected for a construction permit:

- *Plan Check / Inspection fees:* *Staff Time cost recovery fee*
- *Development Impact Fees:* *AB1600 fees for capital improvements - roads, parks, library, police and fire facilities.*
- *Water Connection and Capacity Charges :* *Water system including Nacimiento Pipeline and water treatment plant*
- *Wastewater Facility Charges:* *Sewer system including new waste water treatment plant*

These fees are collected consistent with General Plan Policy LU-4A / Action Item 2 which requires new development in annexation areas and/or specific plan areas to pay for the full cost of construction, maintenance, and operation of required City services and facilities.

By State law, all of these fees are based on the actual cost of the City providing the service or facility and the project’s actual share of the impact. The City is not permitted to make a profit from these fees nor use them for a different purpose. The City’s building permit fees and development impact fee rates are based upon fee justification studies approved by the City Council. The Development Impact Fee was just updated in April of 2014 and identifies \$349,334,454 in new facilities to support General Plan buildout. The Development Impact Fees assigns 39.38% of the cost (\$128,755,475) of future circulation and City facilities to new development. The remaining 60.62% of facilities costs (\$220,568,979) will need to be paid for by tax payers (Attachment 3).

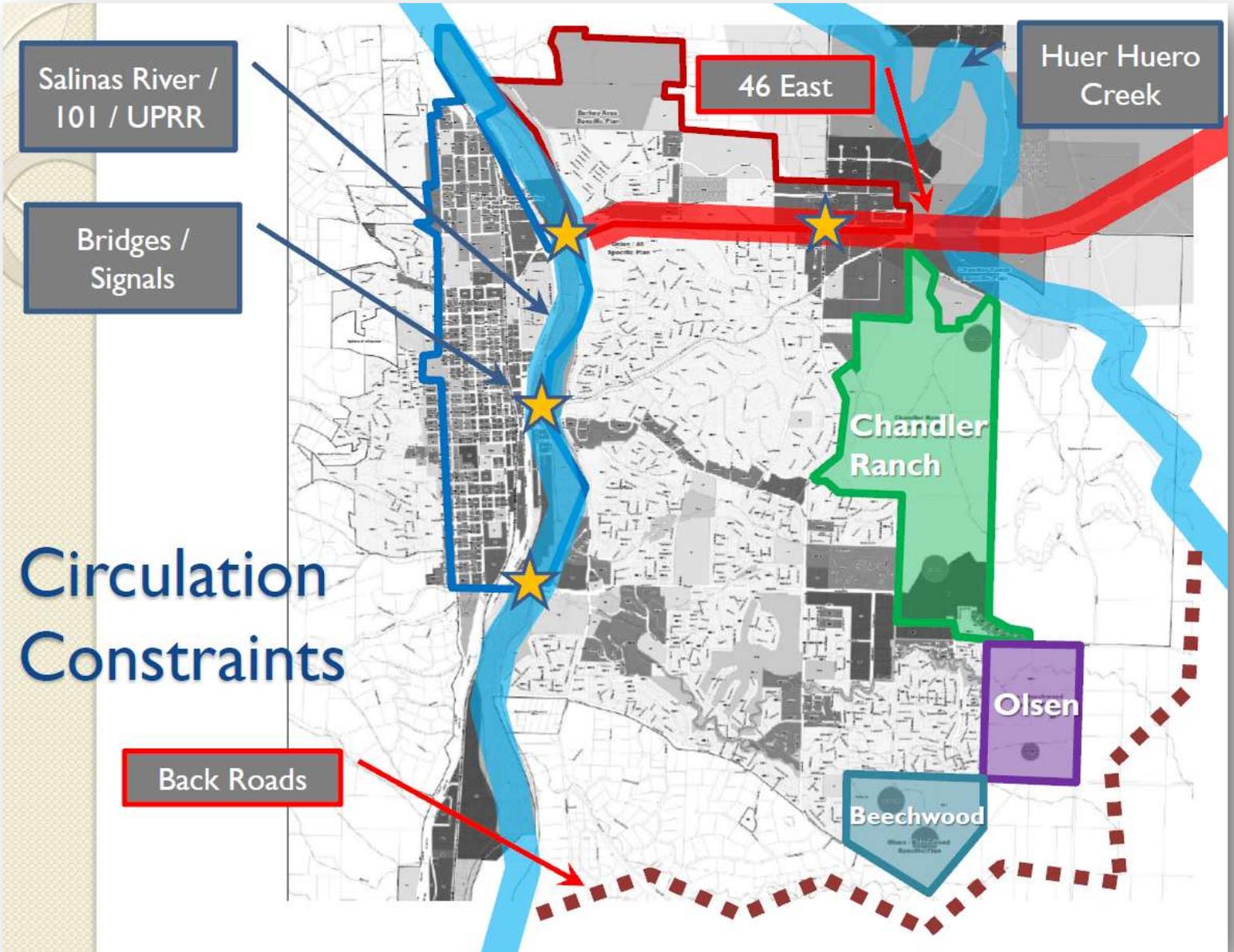
For an average single-family residential permit, the estimated fees would be as follows:

• <i>Plan Check / Inspection fees</i>	<i>\$ 9,500±</i>
• <i>Development Impact Fees</i>	<i>\$20,000±</i>
• <i>Water Connection and Capacity Charges</i>	<i>\$23,500±</i>
• <i>Wastewater Facility Charges</i>	<i>\$10,000±</i>
<hr/>	
<i>Total</i>	<i>\$63,000±</i>

As pointed out by the Committee, Paso Robles' fees are higher than those in surrounding communities. The primary reason for this difference is the City's more aggressive growth plans and the circulation barriers created by the Salinas River, Huer Huero Creek and Highway 46 East (refer to Figure 2). Because the City is planning for an additional 4,976 housing units, a new water system, a new waste water treatment plant and a new east side circulation system will be required. Approximately \$53,000 in the permit fees is attributed to paying for these facilities (refer to figure 3, figure 4 and Attachment 3).

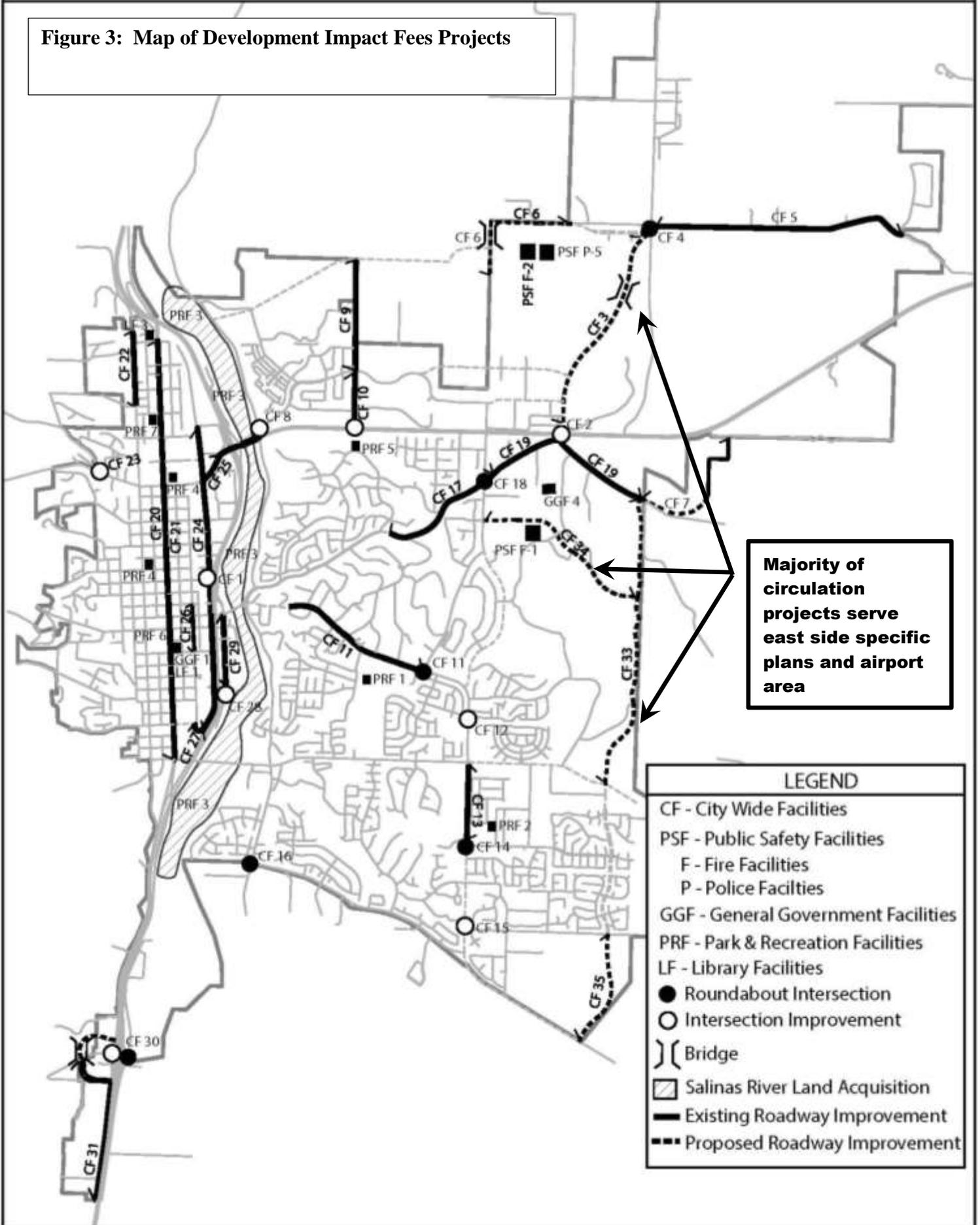
The City Council reviewed the Development Impact Fees project list recently and adopted a reduced fee schedule on April 1, 2014. Currently a consultant has been hired by the City to review the Water and Wastewater fees.

Figure 2: Paso Robles Circulation Constraints



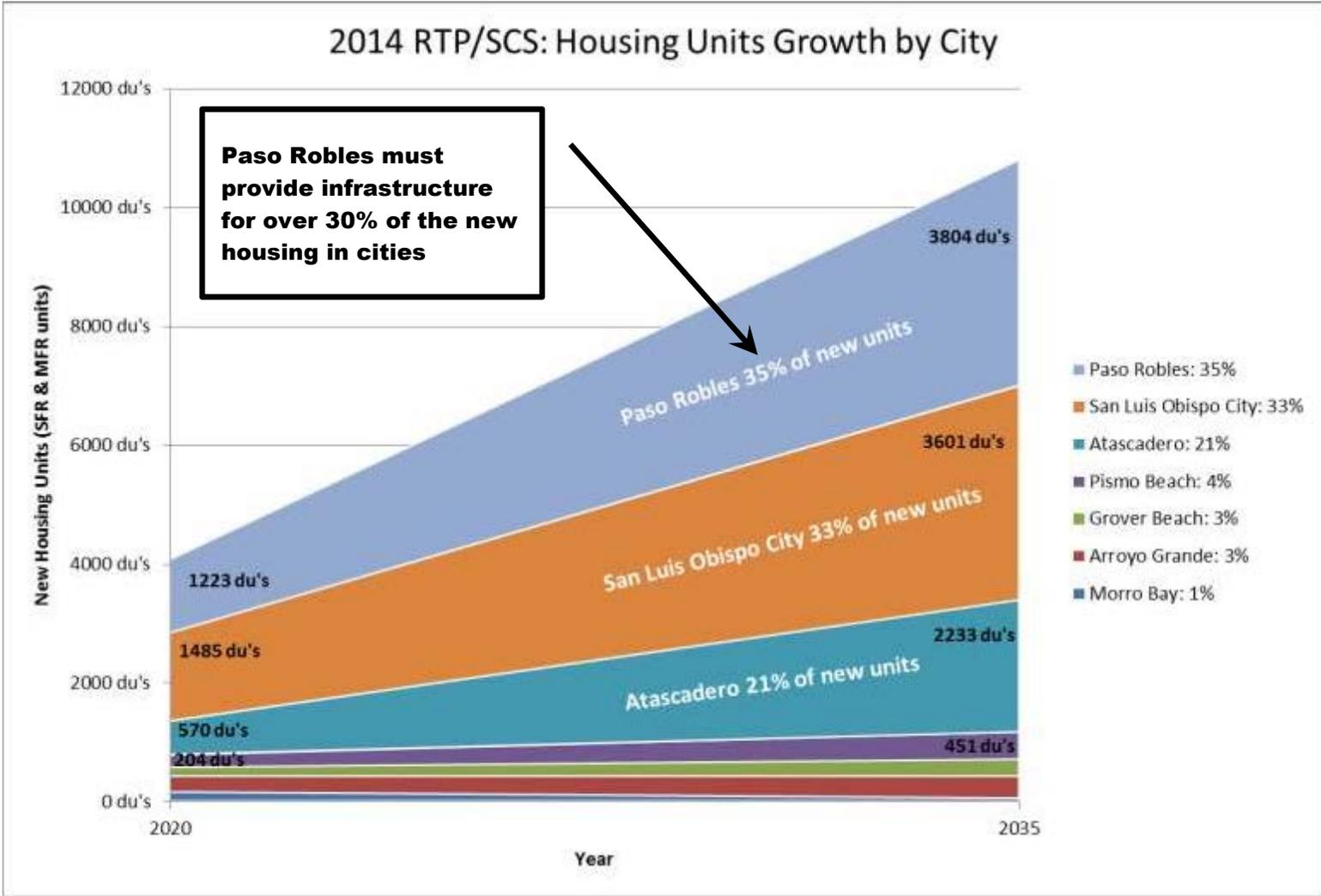
2014 DEVELOPMENT IMPACT FEE (DIF)
PUBLIC FACILITIES NEEDS LIST PROJECTS

Figure 3: Map of Development Impact Fees Projects



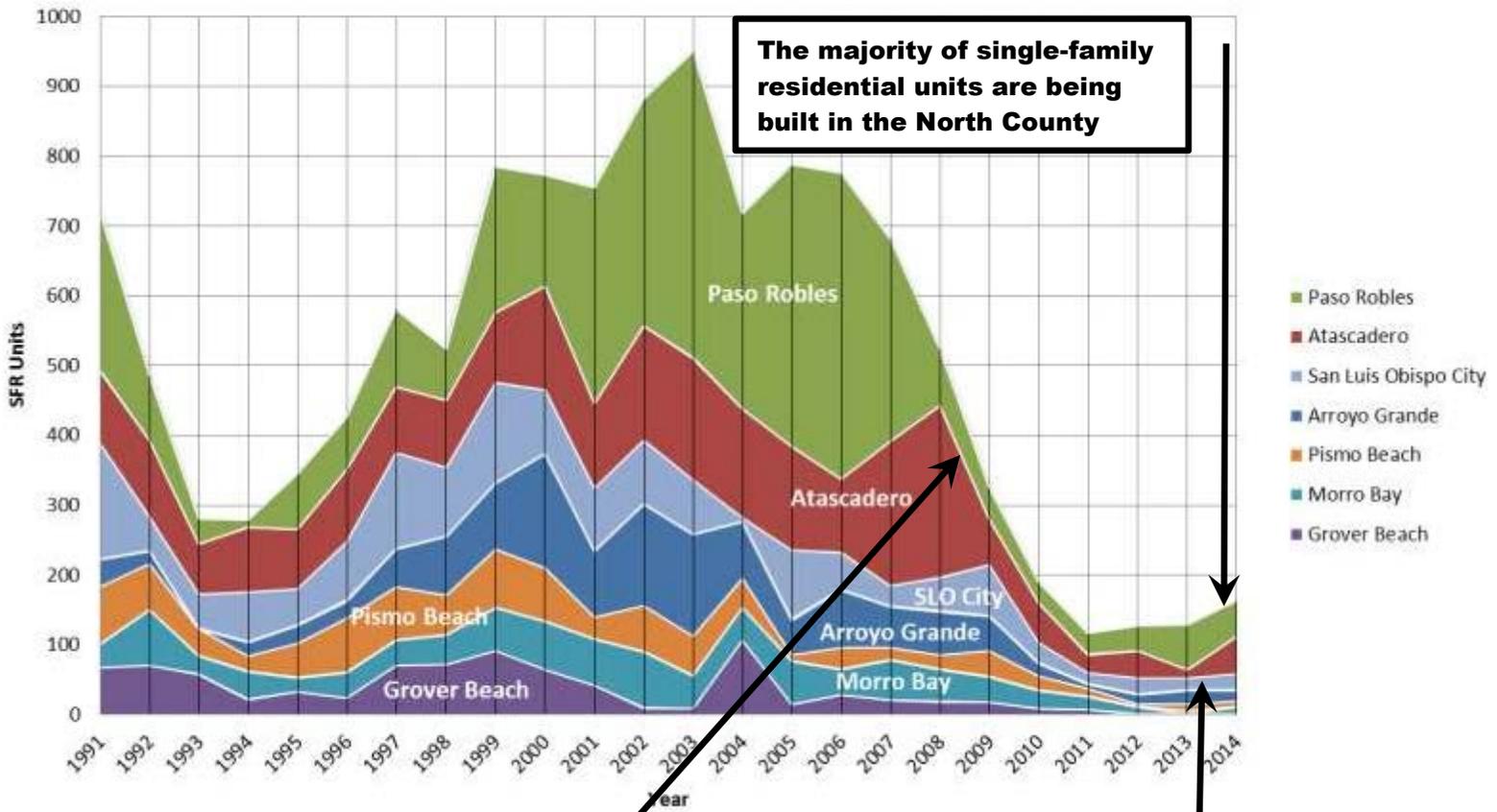
LEGEND	
CF	City Wide Facilities
PSF	Public Safety Facilities
F	Fire Facilities
P	Police Facilities
GGF	General Government Facilities
PRF	Park & Recreation Facilities
LF	Library Facilities
●	Roundabout Intersection
○	Intersection Improvement
⌋⌋	Bridge
▨	Salinas River Land Acquisition
—	Existing Roadway Improvement
- - -	Proposed Roadway Improvement

Figure 4: SLOCOG's 2014 Housing Growth Projections



**Figure 5: Single-family residential Housing Production 1990-2014
San Luis Obispo County Cities**

Single Family Housing Production 1990-2014
Cities in San Luis Obispo County
 (California Dept. of Finance Housing Estimates)



The majority of single-family residential units are being built in the North County

The recession significantly impacted housing production throughout the County, Atascadero and Paso Robles showed the first signs of housing recovery.

Coastal cities with the lowest fees are producing very few single-family residential housing units

9. Permit Costs—developing solutions for faster permitting processes, how to reduce costs.

Consistent with General Plan Policy LU-4A / Action Item 2 which requires new development to pay its full costs, City policy requires the Building Division to be 100% funded by permit fees. During the recession, Building Division staff were significantly reduced as permit fees declined. As the economy recovered, the limited building staff has been challenged to keep up with increasing permitting activity. The City has recently reorganized the building department and added new staff to handle the increased activity. The Building Official is preparing a report for the Council Ad Hoc Committee that will outline a strategy to speed up the plan check and permitting process. As part of the re-staffing program, the Council adopted resolution 14-111 on August 5, 2014 reaffirming the requirement that Building Division is self-funding and increased department's hourly billing rate. This will improve the processing times for building permits; however, permit fees will increase.

10. Capacity Connection Charges—developing cost solutions that better match developer needs while ensuring validated City costs are recouped

Consistent with General Plan Policy LU-4A / Action Item 2 which requires new development to pay its full costs, sewer and water capacity charges are based upon the cost of fundamental infrastructure needed to support development through implementation of build-out. Larger projects such as the Nacimiento pipeline and the wastewater treatment plant are financed. Capacity charges must be established that are adequate to pay these debts. On November 18, 2014, the City Council awarded a new rate and capacity charge study to Kennedy-Jenks. The Council will have an ad-hoc committee oversee this process.

11. Development Impact Fees—developing cost solutions that better match developer needs while ensuring City validated costs are recouped

The AB 1600 Development Impact Fees Needs List is the basic underlying document from which Development Impact Fees are calculated (Attachment 3) and identifies the facilities needed to build-out the General Plan. It is organized by departments with projects listed under transportation, public safety facilities (police and fire), general government facilities, parks and recreation facilities, and library facilities.

The 2011 City Council Ad Hoc Committee was established for purposes of a comprehensive review of the Development Impact Fees List and review of supporting policy issues including: General Plan language regarding development and acquisition of parks and open space, the bikeway master plan, the updated Circulation Element, transit services, maintenance and depreciation of facilities, and the uncollected revenue associated with the discount of commercial and industrial fees in the 2006 program.

The 2012 Ad Hoc Committee was formed to refine cost estimates and to review Taussig's allocation formulas to new development. The committee recommended to Council the retention

of a civil engineering consultant to prepare construction cost estimates of the items in the transportation section. The 2012 Committee also reviewed the Town Centre Plan priorities to be consistent with the Needs List, ultimately resulting in the Council adopting Town Centre Plan updates.

The letter from the Committee suggests that the City Council has included projects on the Needs List that “are desirable, but not critical to either economic development or housing; or projects that are unlikely to occur because of their size and cost, their relationship to other projects, their reliance on outside funds, and are not needed in the foreseeable future.” The Committee did not identify projects fitting these descriptions, with the exception of City Hall.

The Needs List identifies the policy and/or background of every item whether it be General Plan policy, Circulation Element mitigation or Council Goal. The Needs List projects are necessary to accommodate the impacts that will occur with new development. If new development occurs without these projects, the quality of life for existing residents will be diminished by increased traffic congestion and a lack of adequate park, library and emergency service facilities. The community’s share of many of these projects will primarily occur through grants. Grants typically require matching funds. Any project eliminated from the list will not be eligible for matching funds from the program.

Ad Hoc Committee - Possible Solutions

The Committee memo provided a list of solutions to make housing production more feasible, thereby satisfying Housing Element objectives, and supported these with underlying assumptions, and information on home construction costs and risks.

12. Obviously, for the City to remove all barriers to development under its control.

The Council Ad Hoc Committee is working with the Building Division on evaluating the City’s plan check processes. The Building Division will be initiating new, streamlined procedures to reduce plan check processing time for certain types of building permits.

Development Impact Fees (DIFs) are charged based General Plan Policy LU-4A / Action Item 2 which requires new development to pay its full costs and have been reassessed by the City Council on a regular basis. The DIF was recently updated in April 2014, which resulted in adjustments to the AB1600 list of projects. Additionally, the Uptown/Town Center Specific Plan (UP/SP), was amended in October 2012, whereby the City Council eliminated numerous capital improvement projects linked to the City’s AB1600 list. Eliminated projects were determined to be too expensive to construct, and/or had such a low priority for accomplishment, that they warranted removal from the plan.

Planning staff strives to review discretionary development projects under the lowest possible review authority to the extent possible, while complying with codes, regulations, and laws. Some regulations such as CEQA, do not provide for discretion.

13. Reducing the amount of up-front permit and connection fees to the developer.

City policy requires the payment of permit fees, water connection fees and wastewater connection fees at time of permit issuance. The Development Impact Fees are deferred until the permit is final thereby reducing a portion of the upfront permit fees. Deferral of additional connection fees could be considered by the Council if it were found that the impacts did not occur until after the permit was final. Water is used throughout the construction process, so collection upon issuance of permit is appropriate. However, it may be reasonable to consider collecting the sewer capacity charges upon occupancy, since that impact does not occur until final occupancy.

14. City “financing”, in effect, the development costs over a period of time and ensuring cost recovery in the long term.

The City has not considered financial incentives such as “financing” permit fees or Development Impact Fees for market-rate conventional development. The only circumstances where the City has made an exception were for very low-income housing projects, such as the Oak Park Redevelopment Project, where there would be direct social benefits to low-income residents. The Council found that these projects would help the City meet its low-income housing needs set forth in the 2011 Housing Element. Furthermore, the Oak Park project addressed significant community blight and social issues. For the Oak Park project phases I and II, the City has agreed to two separate 30 year loan at a 3.75% interest rate, that deferred the payment of Development Impact Fees, water connection and sewer connection fees. The phase I loan was for \$871,000 (resolution 12-182) and the phase II loan was for \$889,000 (resolution 14-019).

It is not possible for the City to provide similar loans to market rate housing in the community. The City must have cash on hand to construct the hundreds of millions of dollars of new infrastructure that will be required to accommodate new development (Attachment 3).

15. Examining the basis for the costs and matching the basis more closely to the size of the housing unit – square footage, bedrooms, lot size, etc.

The Development Impact Fees and connection fees are based on technical studies that averaged impacts based on land use. These studies implement General Plan Policy LU-4A / Action Item 2 which requires new development to pay its full costs. As a result, there are specific fees for single-family residential, multi-family residential, commercial and industrial uses. There may be an option to consider additional fee categories for very small units, such as mixed use studios, live/work units, and second units where it can be demonstrated that the costs to serve these types of units are less than a standard sized home. However, as fees are reduced for one type of development, the fees will need to be increased for another category of development to off-set the short-fall. This issue is scheduled to be reviewed on a future City Council agenda.

As stated above, the City Council has established development impact fees based upon General Plan policies, mitigation of Circulation Element impacts, and specific Council objectives. Offering rebates or discounts, or attempting to align fees with current real estate market conditions would undermine the City's long term goals and facilities needs and would be inconsistent with General Plan Policy LU-4A.

Furthermore, creating a sliding scale to match fees with the size of homes raises legal questions with regard to nexus. For example, can any reasonable case be made that transportation or park impacts are higher for a larger, higher value, single family residence, than a smaller, more affordable single family residence?

It may be possible to establish a nexus to charging higher water capacity charges on larger sized lots and larger single family houses. This nexus could possibly be extended to sewer capacity charges based on the number of fixture units in a home. However, the overall cost of the water and sewer systems are fixed, and as fees are reduced for some units, fees will need to be equally raised for other units.

Additionally, it is important to consider the unintended consequences of size-related fee criteria. For instance, if there is a different cost for a 2,000 s.f. unit versus a 1,999 s.f. unit, a future home addition would be hard to track and monitor to ensure the next level of fees are applied. There is also a likelihood that whatever the cost and size threshold is, that developers will intentionally seek homes just under the threshold to avoid paying additional costs, yet result in the same cost and impacts to City services resulting in under-funding service obligations. Also the calculation of area is complicated; are garages, attics, lofts and decks part of the size criteria or excluded? As fees become more complicated to calculate the permit issuance process will slow down.

16. Offering quantity fee and connection discounts for various housing developments.

As mentioned previously, under AB1600 fees must be based on a nexus for the impact created by the project. Construction of multiple units by a single entity does not reduce overall impact and therefore would not justify a discount.

17. Developing specific incentives for work-force and management level housing to attract new businesses to the City.

Housing affordability is based on median income in a community and categorized by the State as follows:

<i>Income Category</i>	<i>Max Income</i>	<i>Max 3 bed house price (San Luis Obispo County)</i>
<i>Extremely Low Income</i>	<i><30% of median income</i>	<i>\$68,000</i>
<i>Very Low Income</i>	<i><50% of median income</i>	<i>\$129,000</i>
<i>Lower Income</i>	<i><80% of median income</i>	<i>\$189,000</i>
<i>Moderate Income</i>	<i><120% of median income</i>	<i>\$367,000</i>
<i>Workforce Income</i>	<i><160% of median income</i>	<i>\$509,000</i>



Affordable Housing Standards

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

County Government Center San Luis Obispo, California 93408 Telephone (805) 781-5600

This bulletin summarizes the county's affordable housing standards including maximum household incomes, home purchase prices and rents. It applies to new projects in both the Coastal and Inland portions of the County.

Income limits:

The state defines family income groups as follows: "**Extremely Low Income**" is defined by Health and Safety Code Section 50106 as 30% of county median income; "**Very Low Income**" is defined by Health and Safety Code Section 50105 as 50% of county median income; "**Lower Income**" is defined by Health and Safety Code Section 50079.5 as 80% of county median income; "**Moderate Income**" is defined by Health and Safety Code Section 50093 as 120% of county median income; "**Workforce**" is defined by Title 22 of the County Code as 160% of county median income. The following income limits are effective as of February 28, 2014.

Sample maximum sales prices: (see footnotes)

Unit Size (Bedrooms)	Extremely Low Income	Very Low Income	Lower Income	Moderate Income	Workforce
Studio	\$40,000	\$83,000	\$125,000	\$250,000	\$349,000
1	\$49,000	\$98,000	\$147,000	\$289,000	\$403,000
2	\$58,000	\$113,000	\$168,000	\$328,000	\$456,000
3	\$68,000	\$129,000	\$189,000	\$367,000	\$509,000
4	\$75,000	\$141,000	\$206,000	\$398,000	\$552,000

The City has limited resources to assist with the financing of housing projects. The City has focused its support on extremely low, very low and low income housing due to the difficulty of constructing and financing these types of units such as Oak Park. In addition to City support, low income housing also requires a subsidized housing program such as Tax Credits and/or State & Federal Grant programs. The City has not determined that market-rate workforce and management level housing requires incentives or that subsidized programs are necessary. As discussed in #14 above, it would not be possible for the City to fund fee reductions or incentives for the 1000's of planned market rate units.

If there is interest in providing affordable housing, collection of in-lieu fees for low-income housing is a common tool used by San Luis Obispo County and other cities in the County to help fund housing for their workforce. For example, this type of funding may have been helpful in assisting Habitat for Humanity with their project on Vine Street.

18. Examining other cities and how they handle these costs and identifying best practices.

Reviewing the development and fee policies in surrounding communities is a sound method to assess City's processes. Benchmarking against other communities would be a prudent process to consider.

Ad Hoc Committee - Major Policy Recommendations

19. Recommendation 1: Workforce Housing Development

The City of Paso Robles General Plan has the most aggressive growth projections of any City in San Luis Obispo County. As of July 1, 2013, 4,976 new housing units and approximately 4,394,000 square feet of new industrial and commercial development remained to be built in accordance with the General Plan. As the Committee points out, most of these units would be built in the Chandler, Olsen and Beechwood specific plan areas. Most of these units would be market rate units that would be defined as “workforce housing” (<160% of median income = \$509,000 max sales price for a three-bedroom unit).

Moving forward with completion of these specific plans as well as an amendment of the Borkey Area Specific Plan should be City priorities.

20. Recommendation 2: Reducing the cost of permits and development impact fees

As pointed out by the Committee, Paso Robles’ Development Impact Fees and connection fees are higher than those in surrounding communities. The primary reason for this difference is the City’s more aggressive growth plans and the circulation barriers created by the Salinas River, Huer Huero Creek and Highway 46 East. Because the City is planning for an additional 4,976 housing units, a new water system, new waste water treatment plant and new east side circulation system will be required. Consistent with General Plan Policy LU-4A / Action Item 2 which requires new development to pay its full costs, approximately \$53,000 in the permit fees is attributed to paying for these facilities required to serve new development.

The City Council reviewed the Development Impact Fees project list and reduced fees in 2009, 2012 and again in 2014. In addition, a consultant has been hired by the City and is currently reviewing the Water and Wastewater fees.

A new, zero-cost baseline fee update process would be a lengthy process that would consume significant staff resources and require special consultants. Staff time spent on this effort would reduce the ability to expedite specific plan processing and building permit streamlining.

The Committee also raises the issue of the beneficial multiplier effect of single-family residential construction. While there are numerous broad social and economic benefits that result from a strong housing sector, due to increasing State diversions of local taxes and elimination of redevelopment agencies, few of these dollars come to the City of Paso Robles. Although local residents pay significant property taxes, sales taxes and gas taxes, only a fraction of this money comes to the City. In general the City receives 17% ± of property tax and 1.5% of retail sales. At the same time, to serve the residents, the City must provide a fully staffed and equipped Fire Department and Police Department 24 hours per day, 365 days per year. The City is also responsible for the operation and maintenance of 130± miles of streets, 105 acres of parks,

swimming pools and a Library. Consequently, the City's limited revenue sources are quickly exhausted by the services demands of residential development.

*In 2003, the City contracted with David Taussig & Associates to prepare a fiscal impact analysis of new development. The November 11, 2003 Fiscal Impact Summary found that new single-family residential development created a \$663 - \$1000 **negative** fiscal impact per unit per year on the City of Paso Robles once the cost of all services was compared against the long term revenues from property tax, sales taxes, license fees, gas taxes and State funding sources. As a result, the City General Plan includes Policy LU-4, Action Item 3, which requires all new specific plan areas to be fiscally neutral to the City.*

In 2005, the City created a Community Facilities District (CFD) to off-set the cost of new residential development. The CFD is an on-going annual assessment that is paid with the County property taxes. The CFD revenues are dedicated to meet increased demands placed upon the City by new development.

21. Recommendation 3: Reduce or Incentivize Permit Fees

As discussed in item #15, fees are required to be set and collected based on the AB1600 nexus standards. Although technically possible, creating a sliding scale fee structure would have to be nexus based, and reductions for one type of unit would result in increased fees for another type of unit. Creation a sliding scale fee structure or incentives for certain categories of development would require a significant fee analysis process and consume staff resources. Providing specific incentives or fee reductions (items #16 & #17) for market rate housing would have to pass the nexus test and would result in increased fees for other types of developments such as commercial.

22. Recommendation 4: Modify/Eliminate Specific Plans

As discussed in items #2, #3, and #4, the City has a long history of successfully using specific plans for master planning large residential developments. The specific plan policy underlies the 2003 General Plan and provides significant environmental and legal benefits once adopted. Specific plans are mentioned over 80 separate times in the General Plan Land Use Element. Changing the specific plan policy now, would be a significant change in City policy and require a major amendment to the General Plan with CEQA . It appears that the best use of staff resources would be to complete the Chandler and Beechwood/Olson specific plans rather than stop and start from scratch on a new master planning policy and process. Staff is currently in contact with all of the specific plan area proponents, and expects most, if not all, of the specific plans to resume processing.

Attachment 3: April 1, 2014 Development Impact Fee Program - Public Facilities Needs List.

**DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025**

Facility Name	(1)	(2)	(3)	(4)	(5)	(6)
	Facilities Costs to City	Off-Setting Revenues	Net Costs to City	Percent of Costs Allocated to New Development	Costs Allocated to New Development	Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
1 Highway 101/46E- Dual Left- 17th Street Ramps	\$12,440,000	\$0	\$12,440,000	33.15%	\$4,124,283	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	33.15%	\$9,946,021	Circulation Element
3 Connection Road - 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	33.15%	\$8,296,312	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	33.15%	\$986,964	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	33.15%	\$2,562,175	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	33.15%	\$6,103,898	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	33.15%	\$932,963	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	33.15%	\$349,816	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	33.15%	\$436,412	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	33.15%	\$438,603	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	33.15%	\$5,394,462	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	33.15%	\$819,074	Circulation Element
13 Creston Road - Mblisk Road to Scott Street	\$5,704,224	\$0	\$5,704,224	33.15%	\$1,891,144	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	33.15%	\$1,017,631	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	33.15%	\$1,218,452	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	33.15%	\$2,063,274	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	33.15%	\$3,274,117	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	33.15%	\$2,155,688	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	33.15%	\$1,737,150	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,500	\$0	\$9,909,500	33.15%	\$3,285,363	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	33.15%	\$83,881	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	33.15%	\$174,865	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	33.15%	\$45,075	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	33.15%	\$2,393,565	Town Centre-Uptown Plan
25 24th Street - Ysabel Avenue to Riverside Avenue	\$1,000,000	\$0	\$1,000,000	33.15%	\$331,534	Council Objective
26 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	33.15%	\$776,117	Town Centre Plan
27 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	33.15%	\$5,412,513	Circulation Element
28 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	33.15%	\$1,603,286	Circulation Element
29 Paso Robles Street	\$902,921	\$0	\$902,921	33.15%	\$300,429	Town Centre Plan
30 Highway 101/46W Interchange (City's Allocation)	\$23,816,000	\$0	\$23,816,000	33.15%	\$7,895,814	Circulation Element
31 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	33.15%	\$679,777	Circulation Element
32 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	33.15%	\$5,627,127	Circulation Element
SPECIFIC PLAN FACILITIES						
33 Airport Road - Union Road to Linne Road	\$4,363,192	\$0	\$4,363,192	33.15%	\$1,446,547	Circulation Element
34 Chandler East - West Road	\$364,137	\$0	\$364,137	33.15%	\$127,355	Circulation Element
35 Airport Road - Meadowlark Road to Creston Road	\$1,500,000	\$0	\$1,500,000	33.15%	\$497,301	Circulation Element
Transportation Facilities Revenues/Grants Allocated to Existing						
36 Development:	NA	\$ (13,460,227)	(\$13,460,227)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$254,039,049	(\$13,460,227)	\$240,578,822	33.01%	\$84,222,588	

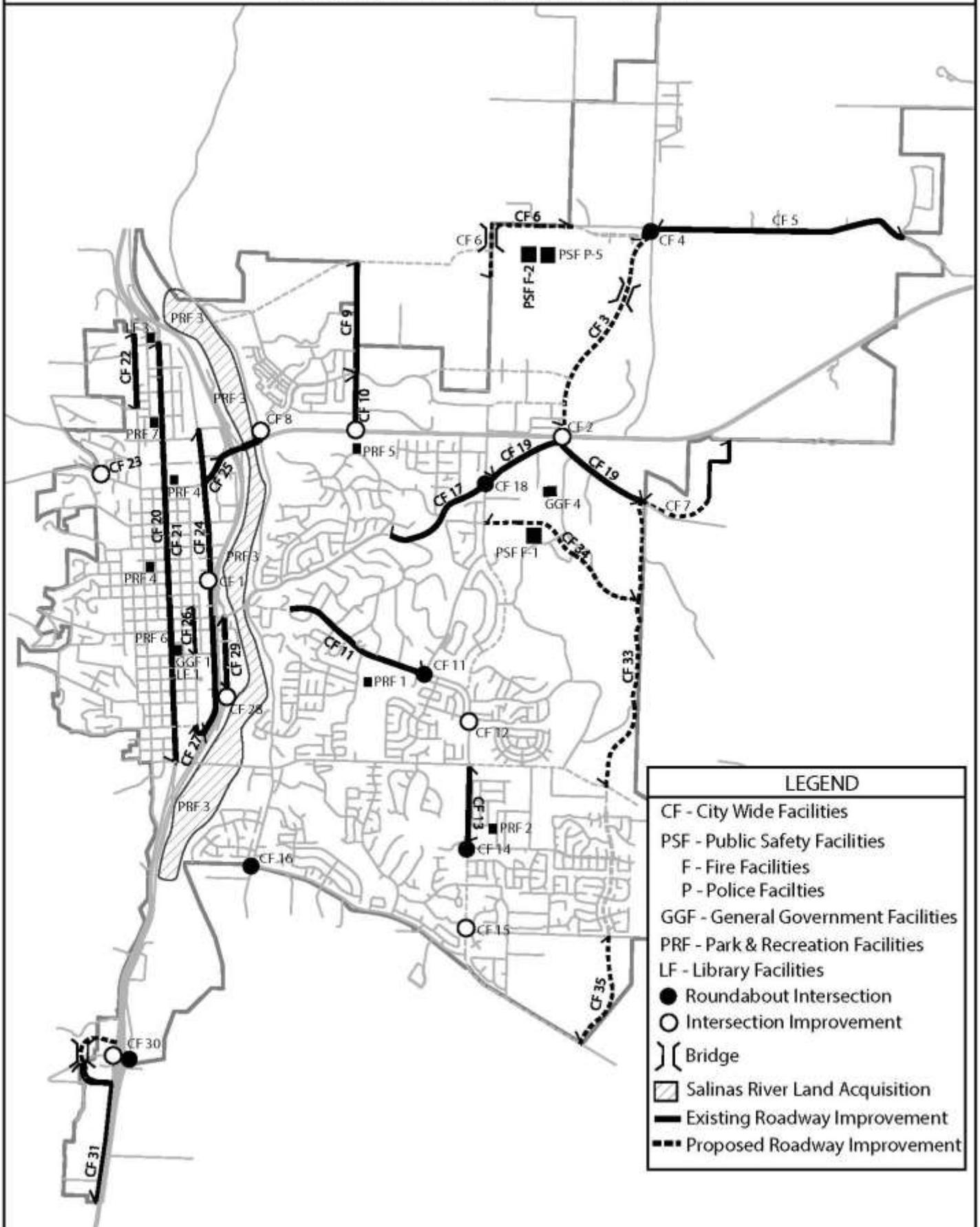
DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

	(1)	(2)	(3)	(4)	(5)	(6)
Facility Name	Facilities Costs to City	Off-Setting Revenues	Net Costs to City	Percent of Costs Allocated to New Development	Costs Allocated to New Development	Policy Background or Objective
B. PUBLIC SAFETY FACILITIES						
1. Police Facilities						
1 Patrol/Detective/Specialty Vehicles	\$420,900	\$0	\$420,900	100.00%	\$420,900	General Plan
2 Assigned (Additional) Officer Equipment	\$100,200	\$0	\$100,200	75.87%	\$76,028	General Plan
3 Computers and Communication Equipment	\$225,000	\$0	\$225,000	98.67%	\$222,018	General Plan
4 Multi-Channel Portable Radios	\$36,000	\$0	\$36,000	100.00%	\$36,000	General Plan
5 Shooting Range	\$416,240	\$0	\$416,240	34.89%	\$144,961	General Plan
6 Police Facilities Revenues Not Yet Committed	NA \$	(\$132,539)	(\$132,539)	100.00%	(\$132,539)	NA
<i>subtotal</i>	<i>\$1,198,340</i>	<i>(\$132,539)</i>	<i>\$1,065,801</i>	<i>72.00%</i>	<i>\$767,369</i>	
2. Fire Facilities						
1 Station (3,200 SF Apparatus Bay/3,660 SF Living Quarters) & Equipment	\$6,406,790	\$0	\$6,406,790	100.00%	\$6,406,790	Growth Management Plan
2 Fire Training Facility	\$3,381,375	\$0	\$3,381,375	31.77%	\$1,074,161	Growth Management Plan
3 Type I Fire Engine	\$500,000	\$0	\$500,000	100.00%	\$500,000	Growth Management Plan
4 Fire Facilities Revenues Not Yet Committed	NA \$	(\$1,606,538)	(\$1,606,538)	100.00%	(\$1,606,538)	NA
<i>subtotal</i>	<i>\$10,290,165</i>	<i>(\$1,606,538)</i>	<i>\$8,683,627</i>	<i>73.83%</i>	<i>\$6,376,419</i>	
TOTAL PUBLIC SAFETY FACILITIES	\$11,488,505	(\$1,739,077)	\$9,749,428	78.27%	\$7,143,776	
C. GENERAL GOVERNMENT FACILITIES						
1 City Hall - LEASE	\$14,250,000	\$0	\$14,250,000	31.77%	\$4,526,795	Council Objective
2 Public Meeting Facility	\$2,565,000	\$0	\$2,565,000	31.77%	\$814,823	Council Objective
3 Downtown Parking	\$14,800,000	\$0	\$14,800,000	31.77%	\$4,701,514	Council Objective
4 Consolidated Corporate Yard	\$8,428,045	\$0	\$8,428,045	100.00%	\$8,428,045	Council Objective
5 General Government Revenues Not Yet Committed	NA \$	(\$4,619,206)	(\$4,619,206)	0.00%	\$0	NA
TOTAL GENERAL GOVERNMENT FACILITIES	\$40,043,045	(\$4,619,206)	\$35,423,839	52.14%	\$18,471,177	
D. PARK AND RECREATION FACILITIES						
1 Centennial Park Amphitheatre	\$300,000	\$0	\$300,000	29.84%	\$89,535	Parks and Recreation Element
2 Sherwood Park Land Improvements	\$10,009,600	\$0	\$10,009,600	29.84%	\$2,987,350	Parks and Recreation Element
3 Salinas River Land Acquisition	\$4,680,000	\$0	\$4,680,000	29.84%	\$1,396,739	Parks and Recreation Element
4 Uptown Park Development	\$8,748,495	\$0	\$8,748,495	29.84%	\$2,610,975	Uptown Plan, Parks and Recreation
5 Montebello Park Acquisition and Development	\$4,750,000	\$0	\$4,750,000	100.00%	\$4,750,000	Uptown Plan, Parks and Recreation
6 Town Centre Park Redevelopment	\$4,629,760	\$0	\$4,629,760	29.84%	\$1,381,745	Town Centre Plan
7 Aquatic Facility per Uptown Plan	\$5,800,000	(\$391,479)	\$4,608,521	29.84%	\$1,375,406	Uptown Plan
8 Park and Recreation Revenues Not Yet Committed	NA \$	(\$1,236,131)	(\$1,236,131)	29.84%	(\$368,921)	NA
TOTAL PARKS AND RECREATION FACILITIES	\$38,117,855	(\$1,627,610)	\$36,490,245	38.98%	\$14,222,827	
E. LIBRARY FACILITIES						
1 Remodel Existing Library Upstairs	\$4,200,000	\$0	\$4,200,000	100.00%	\$4,200,000	Council Objective
2 Library Resources	\$1,196,000	\$0	\$1,196,000	100.00%	\$1,196,000	Council Objective
3 Study Center and Branch Library	\$250,000	\$0	\$250,000	100.00%	\$250,000	Council Objective
4 Library Facilities Revenues not yet Committed	NA \$	(\$950,893)	(\$950,893)	NA	(\$950,893)	NA
TOTAL LIBRARY FACILITIES	\$5,646,000	(\$950,893)	\$4,695,107	100.00%	\$4,695,107	
TOTAL ALL FACILITIES	\$349,334,454	(\$22,397,013)	\$326,937,441	39.38%	\$128,755,475	

[a] April 25, 2013 Council Reviewed Needs List Working Document.

[b] City Council requests that all projects conceived should be reflected on the Needs List as actions associated with specific plans/goals adopted by Council.

2014 DEVELOPMENT IMPACT FEE (DIF)
PUBLIC FACILITIES NEEDS LIST PROJECTS



LEGEND	
CF	City Wide Facilities
PSF	Public Safety Facilities
F	Fire Facilities
P	Police Facilities
GGF	General Government Facilities
PRF	Park & Recreation Facilities
LF	Library Facilities
●	Roundabout Intersection
○	Intersection Improvement
⌋	Bridge
▨	Salinas River Land Acquisition
—	Existing Roadway Improvement
- - -	Proposed Roadway Improvement

Attachment 4

4/21/15 City Council Staff report
Constraints on Housing Inventory - PC Memorandum
Originally part of Council Resolution 14-035

**DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY
CITY OF EL PASO DE ROBLES**



MARCH 20, 2014

Prepared by:

DAVID TAUSSIG & ASSOCIATES, INC.
5000 BIRCH STREET, SUITE 6000
NEWPORT BEACH, CALIFORNIA 92660
(800) 969-4382

Public Finance
Public Private Partnerships
Urban Economics

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

RESOLUTION NO. 14-035

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
ADOPTING THE DEVELOPMENT IMPACT FEE CALCULATION AND JUSTIFICATION STUDY
AND SUBSEQUENT DOCUMENTATION ACCOMPANYING SUCH REPORT AND
ESTABLISHING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENT WITHIN THE CITY
OF EL PASO DE ROBLES

WHEREAS, the Land Use Element of the City's General Plan has as a policy that new development mitigate its share of the impacts to the natural and built environment and to be fiscally neutral and not result in a net loss for the City; and

WHEREAS, in accordance with policies established in the 2003 General Plan update, the City Council has directed staff to conduct a comprehensive review of the City's development impact fees to determine whether those fees are adequate to defray the cost of public facilities related to the development project; and

WHEREAS, the City contracted with David Taussig & Associates, Inc to provide a comprehensive evaluation of the City's existing development impact fees; and

WHEREAS, David Taussig & Associates, Inc. prepared a report, entitled *Development Impact Fee Justification Study*, dated March 20, 2014, attached to this resolution as Exhibit "B", that establishes amounts of the City's development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the *Development Impact Fee Justification Study* has been available for public review and comment; and

WHEREAS, the *Development Impact Fee Justification Study* substantiates the need for development impact fees amongst five different categories of services and facilities provided by the City; and

WHEREAS, the City has imposed development impact fees, including fees for transportation, park development, public safety, public facilities, and library since the adoption of Resolution 06-188; and

WHEREAS, the City Council desires to adopt new development impact fees, in accordance with the nexus calculations and recommendations in the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. in March, 2014; and

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 *et seq.*), the City Council held noticed public hearings on the proposed development impact fees on February 18, 2014, and March 18, 2014, and April 1, 2014 to solicit public input on the proposed development impact fees;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings pursuant to Government Code section 66001.

The City Council finds and determines that the *Development Impact Fee Justification Study* prepared by David Taussig & Associates, Inc. and dated March 20, 2014, complies with California Government Code section 66001 by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the *Study*:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 2. Fees for Uses Consistent with the *Study*.

The City Council hereby determines that the fees collected pursuant to this resolution shall be used to finance the public facilities described or identified in the *Development Impact Fee Justification Study*, the Master Facilities Plan or other such facility master plans as may from time to time be adopted by the City Council.

SECTION 3. Approval of Items in *Development Impact Fee Justification Study*.

The City Council has considered the specific project descriptions and cost estimates identified in the *Development Impact Fee Justification Study* and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan.

The City Council finds that the projects and fee methodology identified in the *Development Impact Fee Justification Study* are consistent with the City's General Plan which calls for development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

SECTION 5. Differentiation Among Fees.

The City Council finds that the fees recommended in the *Development Impact Fee Justification Study* are separate and different from other fees the City may impose through the implementation of a Specific Plan or as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time. Specific Plan fees or fees imposed pursuant to the Subdivision Map Act and/or the Quimby Act and as determined by the environmental impacts of any given land development entitlement shall be credited for the deposit of Development Impact Fees as specified in Appendix A to the extent that the fees imposed are specifically identified to be used to fund the same project or facility as listed in Table 4-2 of the *Development Impact Fee Justification Study*.

In addition, this resolution shall not be deemed to affect the imposition or collection of the water and sewer connection fees authorized by section 14.04.020 and 14.16.020 of the Municipal Code.

SECTION 6. CEQA Finding.

The adoption of the *Development Impact Fee Justification Study* and the development impact fees are categorically exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act Guidelines. The intent of the *Study* and development impact fee is to provide one way to fund projects and services that have been identified in environmental analyses of other planning efforts, including the General Plan EIR, and various City master plans, among others.

SECTION 7. Adoption of Report.

The *Development Impact Fee Justification Study* is hereby adopted.

SECTION 8. Timing of Fee.

A development impact fee shall be imposed and paid upon occupancy of a building permit, or at such earlier time as permitted by law, as set forth in Government Code section 66007. A "development permit" means any permit or approval from the City including, but not limited to, subdivision map, revised final planned development, building permit or other permit for construction or reconstruction.

The fees as identified in attached Exhibit "A" shall take effect thirty (30) days following adoption of this resolution by the City Council with the following exceptions:

- (a) All residential building permit applications on properties west of the Salinas River that are, or were received by the City Building Division on or before September 1, 2014, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City's standard policies and practices shall be subject to the Transportation development impact fees that applied pursuant to Resolution No. 06-188, prior to adoption of this resolution;
- (b) All commercial building permit applications that are, or were received by the City Building Division on or before September 1, 2014, and based upon the submissions made by that date have been deemed by the City to be accepted for review to determine their compliance with City requirements, shall be processed on a first-come, first-served basis, in accordance with the City's standard policies and practices shall be subject to the development impact fees that applied pursuant to Resolution No. 06-188, prior to adoption of this resolution;
- (c) Except as provided in subparagraphs (a) and (b) above, the fees adopted by this resolution shall take effect on April 2, 2014.

SECTION 9. Amount of Fee.

The City Council hereby approves and adopts the development impact fees as set forth in Exhibit "A" to this resolution, attached hereto and incorporated herein. Exhibit "A" sets forth the aggregate amount imposed as a development impact fee for both residential and non-residential land uses and also sets forth the breakdown of each development impact fee by type of facility or service. The development impact fees set forth in Exhibit "A" are consistent with the Report. The amount of the development impact fees shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index as reported for the twelve month period ending in April of each year.

SECTION 10. Use of fee.

The development impact fees shall be solely used for (1) the purposes described in the *Development Impact Fee Justification Study*; (2) reimbursing the city for the development's fair share of those capital improvements already constructed by the City; or (3) reimbursing developers who have already constructed public facilities described in the *Development Impact Fee Justification Study* or the Master Facilities Plan or other facility master plans adopted from time to time by the City Council, where those facilities exceed mitigation of the impacts of the developers' project or projects.

A developer that has been required by the City to construct any facilities or improvements (or a portion thereof) described in Table 4-2 of the *Development Impact Fee Justification Study* as a condition of approval of a development entitlement may request an in-lieu credit from the Development Impact Fee fund. This credit may only be for the portion of the specific development impact fees attributable to the specific improvement project described in the *Study* and constructed in conjunction with the subject development. Upon request, an in-lieu credit of fees shall be granted for that portion of the facilities or improvements that exceed the mitigation of the need that is attributable to and reasonably related to the development as determined by the Community Development Director.

When an applicant is required, as a condition of approval of a development entitlement, to construct any facility or improvement listed in Table 4-2 of the *Development Impact Fee Justification Study*; which improvement is determined by the Community Development Director to exceed the need and mitigation of the development entitlement, the applicant may request in writing that a reimbursement agreement with the City be presented to the City Council for consideration. The amount reimbursed shall be that portion of the estimated cost of the improvement or facility that exceeds the need or mitigation attributable to the development.

Fees collected pursuant to Resolution 03-31 for Aquatic Facilities and for Public Meeting Facilities shall be used exclusively for those purposes and accounts for these fees shall remain in effect and shall be maintained by the Director of Administrative Services.

Fees collected under any of the five categories listed A through E in Table 4-2 of the *Development Impact Fee Justification Study* may be used to finance the construction or implementation of any project listed in those categories to the extent that use of the fees may not exceed the percentage allocated to new development of all of the projects listed in the category, or sub-category as shown on Table 4-2.

SECTION 11. Fee Determination by Type of Use.

A. Residential Development.

Development impact fees for residential development shall be based upon the type of unit constructed. The development impact fee categories as shown in Exhibit "A" generally correspond to the City's land use designations in the land use element of the City's general plan.

B. Nonresidential Land Uses.

Development impact fees for nonresidential land uses shall be based upon the square footage of the building. The development impact fee categories as shown in Exhibit "A" generally correspond to the City's land use designations in the land use element of the City's general plan.

C. Uses Not Specified.

In the event that there are land uses not specified in Exhibit "A", the development impact fee for such use shall be determined by the City's Community Development Director or his or her designee who shall determine such fee based on an analysis of the public service impacts of the proposed use in relation to other uses shown in Exhibit "A".

SECTION 12. Prior Resolutions and Ordinances Superseded.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and shall supersede previously adopted resolutions that set the amounts of development impact fees, including Resolution No. 06-188.

SECTION 13. Severability.

If any action, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any project described in the Report or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution that can be given effect without the invalid provisions or application of fees.

SECTION 14. Effective Date.

Consistent with California Government Code section 66017(a), the fees as identified in attached Exhibit "A" adopted by this resolution shall take effect thirty (30) days following the adoption of this resolution by the City Council.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of April 2014 by the following vote:

AYES: Hamon, Strong, Martin, Steinbeck, Picanco
NOES:
ABSENT:
ABSTAIN:



Duane Picanco, Mayor

ATTEST: 

Caryn Jackson, Deputy City Clerk

Exhibit "A" - Resolution 14-035 Development Impact Fees Summary

Construction Type	Transportation	Police	Fire	General Governmental	Park and Recreation	Library	Total
Single Family per unit	\$11,653	\$74	\$1,008	\$2,920	\$2,855	\$942	\$19,452
Multiple Family per unit	\$8,031	\$87	\$1,008	\$2,920	\$2,855	\$942	\$15,843
Lodging Motel/Hotel per room	\$2,582	\$88	\$416	\$87	No Fee	No Fee	\$3,173
RV Parks & Campgrounds per site	\$2,153	\$88	\$416	\$87	No Fee	No Fee	\$2,744
Commercial per sq. ft.	\$10.54	\$0.11	\$0.37	\$1.06	NA	NA	\$12.08
Industrial per sq. ft.	\$2.96	\$0.03	\$0.20	\$0.58	NA	NA	\$3.77

NOTES:

Single Family Residential:

Includes single family detached homes, town homes, condominium units, mobile homes, and pre-fabricated homes

Multi-Family Residential:

Includes buildings comprised of two or more attached dwelling units under common ownership, including apartments

The following uses are allowed in commercial zones under Conditional Use Permits.

Buildings constructed for these uses shall be considered Industrial for the purposes of Development Impact Fees.

Recycling

Wholesale and Storage

Mini-Storage

Warehousing

Manufacturing and Processing, including:

Apparel, Chemical Products, Electrical Equipment, Food and Kindred Products, Furniture and Fixtures,

Glass Products, Cabinet Shops, Prefabricated Walls and Tusses, Machinery, Metal Fabrication, Mobile Home Manufacturing

Paper Products, Plastics, Fiberglass, Rubber, Jewelry, Stone, Structural Clay and Pottery, Testing Laboratories

TABLE OF CONTENTS

SECTION	PAGE
<hr style="border: 1px solid black;"/>	
EXECUTIVE SUMMARY	i
I. INTRODUCTION.....	1
II. LEGAL REQUIREMENTS TO JUSTIFY DEVELOPMENT IMPACT FEES	3
III. DEMOGRAPHICS	10
IV. THE NEEDS LIST	14
V. METHODOLOGY UTILIZED TO CALCULATE FACILITIES IMPACT FEE	18
A. TRANSPORTATION FACILITIES	20
B. PUBLIC SAFETY FACILITIES	22
C. GENERAL GOVERNMENT FACILITIES.....	25
D. PARK AND RECREATION FACILITIES.....	27
E. LIBRARY FACILITIES.....	31
VI. SUMMARY OF FEES	34
 APPENDIX A FEE DERIVATION WORKSHEETS	
APPENDIX B EBU & EDU CALCULATION WORKSHEET	
APPENDIX C DEPARTMENT CONTACT LIST	

EXECUTIVE SUMMARY

In order to adequately plan for new development and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. ("DTA") was retained by the City of El Paso de Robles (the "City") to update the existing impact fee program by preparing a new AB 1600 Fee Justification Study (the "Fee Study"). The Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development ("Future Facilities") and determining the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will finance transportation, police, fire, general government, park and recreation, and library facilities at levels identified by the various City departments as being necessary to meet the needs of new development through General Plan buildout in 2025. The Future Facilities and associated construction costs are identified in the Needs List, which is included in Section IV of the Fee Study. A description of the methodology used to calculate the fees is included in Section V. All new development may be required to pay its "fair share" of the cost of the new infrastructure through the development fee program.

ORGANIZATION OF THE REPORT

Section I of this report provides an introduction to the study including a brief description of City surroundings, and background information on development fee financing. Section II provides an overview of the legal requirements for implementing and imposing the fee amounts identified in the Fee Study. Section III includes a discussion of projected new development and demand variables such as future population and employment, assuming current growth trends in housing, commercial, and industrial development extrapolated through General Plan buildout in 2025. Projections of future development are based on data provided by the City, the City's 2003 General Plan¹, including the amendment to the Land Use Element adopted by City Council in October 2012 (together the "General Plan"). Section IV includes a description of the Needs List, which identifies the facilities needed to serve new development through General Plan buildout in 2025 that are eligible for funding by the impact fees. The Needs List provides the total estimated facilities costs, offsetting revenues, net costs to the City and costs allocated to new development for all facilities listed in the Needs List. This list is a compilation of projects and costs identified by various City departments. Section V discusses the findings required under the Mitigation Fee Act and requirements necessary to be satisfied when establishing, increasing or imposing a fee as a condition of new development, and satisfies the nexus requirements for each facility included as part of this study. Section V contains the description of the methodology used to determine the fees for all facility types. Section VI includes a summary of the proposed fees justified by this Fee Study. Appendix A includes the calculations used to determine the various fee levels. Appendix B includes the calculations used to determine the equivalent dwelling unit and equivalent benefit unit (both as defined in this Fee

¹ City of El Paso de Robles, General Plan. December 2003. Rincon Consultants, Inc.

Study) projections utilized in the fee derivation worksheets included as Appendix A. Appendix C provides a list of the City officials responsible for selecting the facilities on the Needs List, as well as contact information for these officials.

IMPACT FEE SUMMARY

The total fee amounts required to finance new development’s share of the costs of facilities identified in the Needs List are summarized in Table ES-1 below. Fees within this Fee Study reflect the maximum fee levels that may be imposed on new development.

**TABLE ES-1
DEVELOPMENT IMPACT FEE SUMMARY**

Facility	Residential Development		Non-Residential Development	
	Single Family (\$ per unit)	Multi-Family (\$ per unit)	Commercial (\$ per 1,000 SF)	Industrial (\$ per 1,000 SF)
A. Transportation Facilities	\$11,653	\$8,031	\$10,543	\$2,959
B. Public Safety Facilities				
Police Facilities	\$74	\$87	\$112	\$28
<u>Fire Facilities</u>	<u>\$1,008</u>	<u>\$1,008</u>	<u>\$365</u>	<u>\$199</u>
Subtotal Public Safety Facilities	\$1,082	\$1,095	\$477	\$227
C. General Government Facilities	\$2,920	\$2,920	\$1,057	\$576
D. Park and Recreation Facilities	\$2,855	\$2,855	NA	NA
E. Library Facilities	\$942	\$942	NA	NA
Total Impact Fees	\$19,452	\$15,843	\$12,077	\$3,762
<i>(S per BSF for Non-Residential)</i>	<i>NA</i>	<i>NA</i>	<i>\$12.077</i>	<i>\$3.762</i>

I. INTRODUCTION

As background, the City of El Paso de Robles (the “City”), or “Pass of the Oaks,” is situated at the Northern San Luis Obispo County–Southern Monterey County line. Approximately midway between Los Angeles and San Francisco, the City is nestled in the coastal mountain range of central California at the southern end of the fertile Salinas River Valley. With a population of over 31,000, the community makes excellent use of its close proximity to mountains, beaches, and deserts, as it boasts a unique climate suitable for growing a variety of crops. Previously known as the “Almond City,” the City has since reinvented itself by cultivating its own niche in the wine-growing industry. Offering the charm of a rural community with all the amenities of family life, including attractive and affordable housing, the City also understands the importance of staying relevant and has thus placed a high priority on maintaining ample City services, state-of-the-art recreational facilities, easy access retail shopping, excellent public schools, and safe neighborhoods.

In order to adequately plan for new development through General Plan buildout in 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City to update the existing impact fee program by preparing a new AB 1600 Fee Justification Study (the “Fee Study”). The need for this Fee Study is driven by changes in demographics, facility requirements, and time inflated facility costs.

The Fee Study is intended to comply with Section 66000 *et. seq.* of the Government Code, which was enacted by the State of California in 1987, by identifying additional public facilities required by new development (“Future Facilities”) and determining the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will finance facilities at levels identified by various City departments as being necessary to meet the needs of new development through General Plan buildout in 2025. The Future Facilities and associated construction costs are identified in the Needs List, which is included in Section IV of the Fee Study. All new development may be required to pay its “fair share” of the cost of the new infrastructure through the development fee program.

Currently the City expects to generate approximately 13,250 new residents within the City limits at General Plan buildout in 2025, representing an approximate 43% increase in the current population. The City will need to expand its services and facilities to accommodate this new growth. The levy of impact fees in conformance with AB 1600 legislation will help finance new projects, including transportation, public safety, general government, park and recreation, and library facilities, which are all needed to mitigate the impacts of this expected new growth. The steps followed in the Fee Study include:

1. **Demographic Assumptions:** Identify future growth that represents the increased demand for facilities.

2. **Facility Needs and Costs:** Identify the amount of public facilities required to support the new development and the costs of such facilities. Facilities costs and the Needs List are discussed in Section IV.
3. **Cost Allocation:** Allocate costs per equivalent dwelling unit.
4. **Fee Schedule:** Calculate the fee per residential unit or per non-residential square foot.

II. LEGAL REQUIREMENTS TO JUSTIFY DEVELOPMENT IMPACT FEES

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources.

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development. A fee is “a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project...” (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee typically occurring prior to the beginning of construction of a dwelling unit or non-residential building. Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance. However, Assembly Bill (“AB”) 2604 (Torrico) which was signed into law in August 2008, encourages public agencies to defer the collection of fees until close of escrow to an end user in an attempt to assist California’s troubled building industry.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on “constitutional and decisional law.” Development impact fees (“DIFs”) were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the “Act” or “AB 1600”).

AB 1600 defines local governments to include cities, counties, school districts, special districts, authorities, agencies, and other municipal corporations. Fees governed by the Act include development fees of general applicability, and fees negotiated for individual projects. The Act does not apply to user-fees for processing development applications or permits, fees governed by other statutes (e.g. the Quimby Act), developer agreements, or penalties, or fees specifically

excluded by the Act (e.g. fees collected pursuant to agreements with redevelopment agencies or various reimbursement agreements).

Public facilities that can be funded with impact fees are defined by the Act as “public improvements, public services, and community amenities.” Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts. In combination, these provisions effectively restrict the use of most impact fees to public capital improvements.

For general information, please see:

- ❖ “Exactions and Impact Fees in California: A Comprehensive Guide to Policy, Practice, and the Law,” edited by William Abbott, et al., Solano Press Books, 2012 Third Edition.

The City has identified the need to levy impact fees to pay for transportation, public safety, general government, park and recreation, and library facilities. The fees presented in this study will finance facilities on the Needs List at levels identified by the City as appropriate for new development. Upon the adoption of the Fee Study and required legal documents by the City Council, all new development will be required to pay its “fair share” of the cost of facilities on the Needs List through these fees.

In 2006, Government Code Section 66001 was amended to clarify that a fee cannot include costs attributable to existing deficiencies, but can fund costs used to maintain the existing level of service or meet an adopted level of service that is consistent with the general plan. This Fee Study for the City is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Section 66000 et seq. of the Government Code requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of new development:

1. Identify the purpose of the fee. (Government Code Section 66001(a)(1))
2. Identify the use to which the fee will be put. (Government Code Section 66001(a)(2))
3. Determine that there is a reasonable relationship between the fee’s use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3))
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4))

5. Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Identifying these items will enable an impact fee to meet the nexus and rough proportionality requirements established by previous court cases. This section presents each of these items as they relate to the imposition of the proposed fees in the City. Current state financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

A. Purpose of the Fee (Government Code Section 66001(a)(1))

Population, housing, and employment estimates prepared for the Fee Study project 13,252 new residents living in 4,982 new Single Family and Multi-Family units through General Plan buildout in 2025. During that same time period, approximately 4,394,000 building square feet of new commercial and industrial development are expected to generate approximately 7,152 employees.¹ The future residents and employees will create an additional demand for transportation, public safety, and general government facilities that existing public facilities cannot accommodate. In order to accommodate new development in an orderly manner, while maintaining the current quality of life in the City, the facilities on the Needs List (Section IV, Table 4-2) will need to be constructed.

It is the projected direct and cumulative effect of future development that has required an update to the City's existing fee program. Each new development will contribute to the need for new public facilities. Without future development, new public facilities would often not be necessary, as the existing facilities are adequate for the City's present population.

The proposed impact fee will be charged to all future development, irrespective of location, in the City. Even future "in fill" development projects contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. First, the property owners and/or the tenants associated with any new development in the City regularly utilize and benefit from transportation, public safety, general government, park and recreation, and library facilities. Second, these property owners and tenants are dependent on and, in fact, may not have chosen to move into their new homes or new non-residential

¹ Reference is made to Section III for further information regarding the development projections.

development, except for residential, retail, employment and recreational opportunities located nearby on other existing and future development. Third, the availability of residents, employees and customers throughout the City has a growth-inducing impact without which some of the “in-fill” development would not occur. As a result, all development projects in the City contribute to the cumulative impacts of development.

The impact fees will be used for the acquisition, installation, and construction of public facilities identified on the Needs Lists and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City.

The discussion in this section of the Fee Study sets forth the purpose of the impact fees as required by Section 66001(a)(1) of the California Government Code.

B. THE USE TO WHICH THE FEE IS TO BE PUT (GOVERNMENT CODE SECTION 66001(A)(2))

The fee will be used for the acquisition, installation, and construction of the public facilities identified on the Needs List included in Section IV of the Fee Study and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City. The fee will provide a source of revenue to the City to allow for the acquisition, installation, and construction of public facilities, which in turn will both preserve the quality of life in City and protect the health, safety, and welfare of the existing and future residents and employees.

The discussion presented in this section of the Fee Study identifies the use to which the fee is to be put as required by Section 66001(a)(2) of the California Government Code.

C. DETERMINE THAT THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE’S USE AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (BENEFIT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(3))

As discussed in Section A above, it is the projected direct and cumulative effect of future development that has prompted the update to the City’s impact fee program. Each development will contribute to the need for new public facilities. Without future development, the City would have no need to construct additional public facilities on the Needs List. For all other facilities, the costs have been allocated to both existing and new development based on their level of benefit. Even future “in fill” development projects, which may be adjacent to existing facilities, contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. Consequently, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth.

As set forth in Section V of the Fee Study, the fees will be expended for the acquisition, installation, and construction of the public facilities identified on the Needs List (included in Section IV), as that is the purpose for which the Fee is collected. As previously stated, all new development creates either a direct impact on public facilities or contributes to the cumulative impact on public facilities. Moreover, this impact is generally equalized among all types of development because it is the increased demands for public facilities created by the future residents and employees that create the impact upon existing facilities.

For the foregoing reasons, there is a reasonable relationship between the acquisition, construction, and installation of the facilities on the Needs Lists and new development as required under Section 66001(a)(3) of the Mitigation Fee Act.

D. **DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR THE PUBLIC FACILITY AND THE TYPE OF DEVELOPMENT PROJECT UPON WHICH THE FEE IS IMPOSED (IMPACT RELATIONSHIP) (GOVERNMENT CODE SECTION 66001(A)(4))**

As set forth in part F below, as well as throughout Section V, all new development contributes to the direct and cumulative impacts on public facilities and creates the need for new facilities to accommodate growth. As previously stated, all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth. Without future development, the facilities on the Needs Lists would not be necessary.

For the reasons presented herein and in Section V, there is a reasonable relationship between the need for the public facilities included on the Needs List and all new development within the City as required under Section 66001(a)(4) of the Mitigation Fee Act.

E. **THE RELATIONSHIP BETWEEN THE AMOUNT OF THE FEE AND THE COST OF THE PUBLIC FACILITIES ATTRIBUTABLE TO THE DEVELOPMENT UPON WHICH THE FEE IS IMPOSED ("ROUGH PROPORTIONALITY" RELATIONSHIP) (GOVERNMENT CODE 66001(A))**

As set forth above, all new development in the City impacts public facilities. Moreover, each individual development project and its related increase in population and employment, along with the cumulative impacts of all development in the City, will adversely impact existing facilities. Thus, imposition of the fee to finance the public facilities on the Needs Lists is an efficient, practical, and equitable method of permitting development to proceed in a responsible manner.

New development impacts facilities directly and cumulatively. In fact, without any future development, the acquisition, construction, and/or installation of the public facilities on the Needs Lists would not be necessary as existing City facilities are

generally adequate. Even new development located adjacent to existing facilities will utilize and benefit from public facilities on the Needs List.

As set forth in part F below, as well as throughout Section V and Appendix A of the Fee Study, the proposed fee amounts are roughly proportional to the impacts resulting from new development. Thus there is a reasonable relationship between the amount of the fee and the cost of the facilities.

F. AB 1600 NEXUS TEST AND APPORTIONMENT OF FACILITIES COSTS

Section 66000 of the Government Code requires that a reasonable relationship exist between the need for public facilities and the type of development on which a fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the equivalent dwelling units (“EDUs”) generated by a particular land use type.

Based on the City’s zoning designations, and as further set forth in Section III, DTA established fees for the following four land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program easier to implement. The City will develop a table of general plan land use designations that link to the land use classifications used in this study for clarification and consistency with City zoning. This table will be made a part of the ordinance or resolution that will be adopted for the purpose of implementing this fee program.

TABLE 2-1

Land Use Classification for Fee Study
Single Family Residential (“SFR” or “Single Family”)
Multi-Family Residential (“MFR” or “Multi-Family”)
Commercial (“C” or “Commercial”)
Industrial (“I” or “Industrial”)

The EDU concept was utilized to determine whether there is a reasonable relationship between the need for a public facility and the land use type of the development on which a fee for an individual facility is imposed. The service factor utilized to determine the EDUs for a specific land use type varies depending upon the type of facility being analyzed. In general, while many EDUs are based on the population or the number of employees associated with a specific land use designation, other EDUs are based on service factors that reflect the nature of a particular type of public improvement, e.g. call generation. This report uses EBU (equivalent benefit unit), instead of EDU, for park and recreation facilities where the service factor is based on recreation hours.

The costs associated with facilities needed to serve new development are identified in the Needs Lists. The facilities cost per EDU/EBU is the total cost of the facility divided by the total number of EDU/EBUs. After the cost per EDU/EBU is determined, the facility fee amount for each land use category is the product of the EDU/EBU factor for each land use category and the cost per EDU/EBU. Transportation costs are allocated to the various land use groups by average daily trips (“ADTs”) generated. Section V presents the nexus test for each fee element (i.e. transportation, public safety, general government, park and recreation, and library facilities) and the analysis undertaken to apportion costs for each type of public facility on the Needs List.

III. DEMOGRAPHICS

In order to determine the public facilities needed to serve new development as well as establish fee amounts to fund such facilities, the City provided DTA with projections of future population and development within the City through General Plan buildout in 2025. DTA categorized developable residential land uses as Single Family and Multi-Family. Developable non-residential land uses within the City's commercial and industrial zones are categorized as Commercial or Industrial respectively, details are included in the table below. Based on these designations, DTA established fees for the following four land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program implementable.

Land Use Classification for Fee Study	Definition
Single Family Residential	Includes single family detached homes, town homes, condominium units, mobile homes, and pre-fabricated homes.
Multi-Family Residential	Includes buildings comprised of two or more attached dwelling units under common ownership, including apartments.
Commercial	Includes, but is not limited to, buildings used as the following (each as further defined in Table LU-4 of the General Plan): <ul style="list-style-type: none"> • Neighborhood Commercial • Office Professional • Community Commercial • Regional Commercial • Commercial Service
Industrial	Includes, but is not limited to, buildings used as the following (each as further defined in Table LU-4 of the General Plan): <ul style="list-style-type: none"> • Business Parks, • Manufacturing, fabrication, assembly, research and development, • Industrial services, warehousing, wholesale distribution • Convenience commercial uses, particularly those supporting industrial uses • Outside storage and auto repair

Information provided by the City, and generally confirmed by the City's 2003 General Plan¹, including the amendment to the Land Use Element adopted by City Council in October 2012 (together the "General Plan"), was used to estimate the number of housing units and non-residential building square feet to be built through General Plan buildout in 2025.

Future residents and employees will create additional demand for facilities that existing public facilities cannot accommodate. In order to accommodate new development in an orderly

¹ City of El Paso de Robles, General Plan. December 2003. Rincon Consultants, Inc.

manner, while maintaining the current quality of life in the City, the public facilities on the Needs List (Section IV) will need to be constructed.

For those facilities that are needed to mitigate demand from new development, facility costs have been allocated to new development only. In those instances when it has been determined that the new facilities will serve both existing and new development, facility costs have been allocated based on proportionate benefit (see Equivalent Dwelling Unit discussion in Section V).

The following sections summarize the existing and future development figures that were used in calculating the impact fees.

1. EXISTING POPULATION FOR LAND USE CATEGORIES

According to information provided by City staff, and generally confirmed by the General Plan, there are 7,437 existing Single Family units and 4,274 existing Multi-Family units located within the City.

According to the U.S. Census, the household size has averaged 2.66 persons between 1980 and 2010. The General Plan now (2012) assumes that each dwelling unit will be occupied with an average 2.66 persons. DTA has used this demographic information and estimated the number of existing residents assuming a resident per unit factor of 2.66 per single family unit and multi-family unit. Therefore, the Citywide population is generally comprised of approximately 31,151 residents living in 11,711 Single Family and Multi-Family homes.

Table 3-1 below summarizes the existing demographics for the residential land uses.

**TABLE 3-1
RESIDENTIAL DEVELOPMENT
EXISTING RESIDENTS**

Residential Land Use	Existing Residents	Existing Housing Units	Average Household Size
Single Family Residential	19,782	7,437	2.66
Multi-Family Residential	11,369	4,274	2.66
Total/Average	31,151	11,711	2.66

For non-residential land uses, the General Plan was used to determine the existing building square footage for Commercial and Industrial areas within the City. DTA then estimated the number of existing employees in the City by multiplying the existing Commercial and Industrial building square footage by a factor of 1.927 employees per

1,000 BSF and 1.049 employees per 1,000 BSF, respectively.² The results of these projections are presented in Table 3-2.

**TABLE 3-2
NON-RESIDENTIAL DEVELOPMENT
EXISTING EMPLOYEES**

Non-Residential Land Use	Existing Building Square Feet	Employees per 1,000 BSF	Existing Employees
Commercial	4,044,000 BSF	1.927	7,792
Industrial	2,093,000 BSF	1.049	2,196
Total	6,137,000 BSF	NA	9,988

2. FUTURE POPULATION FOR NEW LAND USE CATEGORIES

According to information provided by City staff, and generally confirmed by the General Plan, there are projected to be 2,553 future Single Family units and 2,429 future Multi-Family units developed within the City through General Plan buildout in 2025.

DTA then projected the number of future residents assuming the same resident per unit factor of 2.66 per Single Family unit and Multi-Family unit utilized in estimating the current population. Therefore, it is projected that there will be an additional 13,252 residents living in 4,982 future Single Family and Multi-Family units through General Plan buildout in 2025.

Table 3-3 below summarizes the future demographics for the residential land uses.

**TABLE 3-3
RESIDENTIAL DEVELOPMENT
PROJECTED FUTURE RESIDENTS**

Residential Land Use	Expected Residents	Expected Housing Units	Average Household Size
Single Family Residential	6,791	2,553	2.66
Multi-Family Residential	6,461	2,429	2.66
Total/Average	13,252	4,982	2.66

For non-residential land uses, the General Plan was used to determine the potential building square footage for Commercial and Industrial areas within the City that will be

² Employees per 1,000 building square feet determined by David Taussig & Associates, Inc.

developed through General Plan buildout in 2025. DTA then projected the number of future employees in the City using the same factors of 1.927 and 1.049 employees per 1,000 building square feet of Commercial and Industrial, respectively, used in estimating the current number of employees. The results of these projections are presented in Table 3-4.

**TABLE 3-4
NON-RESIDENTIAL DEVELOPMENT
PROJECTED FUTURE EMPLOYEES**

Non-Residential Land Use	Building Square Feet Projected to be Developed	Employees per 1,000 BSF	Future Employees
Commercial	2,896,000 BSF	1.927	5,580
Industrial	1,498,000 BSF	1.049	1,572
Total	4,394,000 BSF	NA	7,152

3. EQUIVALENT DWELLING UNIT (EDU) AND EQUIVALENT BENEFIT UNIT (EBU) PROJECTIONS

Equivalent Dwelling Units (EDU) are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. Since the facilities proposed to be financed by the levy of impact fees will serve both residential and non-residential property, DTA projected the number of future EDUs based on the number of residents or employees generated by each land use class. For other facilities, different measures, such as number of trips and/or potential hours available for recreation, more accurately represent the benefit provided to each land use type, in which case DTA projected the Equivalent Benefit Unit (EBU). The EDU/EBU projections for each facility are shown in the fee derivation worksheets in Appendix A (See Appendix B “EBU & EDU Calculation Worksheet” for further details of this data).

IV. THE NEEDS LIST

Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. "Public Facilities" per Government Code 66000 includes "public improvements, public services, and community amenities."

Government Code 66000 requires that if impact fees are going to be used to finance public facilities, those facilities must be identified. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (CIP) or Capital Improvement Plan. DTA has worked closely with City staff to develop the list of facilities to be included in the Fee Study ("the Needs List"). For purposes of the City's fee program, the Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a development impact fee on new development in the City. The Needs List is organized by facility element (or type) and includes a cost section consisting of five columns, which are listed in Table 4-1 below:

**TABLE 4-1
CITY OF EL PASO DE ROBLES NEEDS LIST
EXPLANATION OF COST SECTION**

Column Title	Contents	Source
Facilities Costs to City	The total estimated facility cost including construction, land acquisition, and equipment (as applicable) allocable to City.	City Departments
Off-Setting Revenues	Any funds on hand that are allocated for a given facility, such as funds from previous DIF programs earmarked for facilities identified on this needs list. This column does not include potential funding from Federal & State sources that cannot be confirmed.	Calculated by DTA based on input from City staff
Net Costs to City	The difference between the Facilities Costs to City and the Off-Setting Revenues (column 1 minus column 2)	Calculated by DTA
Percent of Costs Allocated to New Development	Percentage of facility cost allocated to new development as calculated in Appendix A	Calculated by DTA
Costs Allocated to New Development	Dollar amount representing the roughly proportional impact of new development on the needed facilities.	Calculated by DTA

DTA surveyed City staff to determine what public facilities would be needed to meet increased demands resulting from new development in the City. The survey included the project description, justification, public benefit, estimated costs, and project financing for each proposed facility. Through discussions between DTA and City staff, the Needs List has gone through a series of revisions to fine-tune the needs, costs, and methodologies used in allocating the costs for each facility. For purposes of the fee program, it was determined that a planning horizon through 2025 would be appropriate. The Needs List (Table 4-2) identifies those facilities needed to serve future development through General Plan buildout in 2025.

City Council approved a similar version of the current Needs List at a public workshop on April 25, 2013 as a precursor to the preparation of this Fee Study. With the exception of a few changes in transportation facilities, an increase to the fire station facilities costs, and an increase to the city hall facilities costs, which were made based on input from the City Engineer and through discussions between DTA and City staff, the remainder of the facilities on the Needs List has been previously approved by the City Council. Furthermore, a modified version of the Needs List was reviewed and approved by City Council on February 18, 2014 at a public hearing.

DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facilities Costs to City	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
A. TRANSPORTATION FACILITIES						
CITY-WIDE FACILITIES						
7 Highway 101/46East-Dual Left- 17th Street Ramps	\$12,440,000	\$0	\$12,440,000	33.15%	\$4,124,283	Circulation Element
2 Union Road - Highway 46E Interchange	\$30,000,000	\$0	\$30,000,000	33.15%	\$9,946,021	Circulation Element
3 Connection Road 46E to Airport Road, bridge over Huer Huero Road	\$25,005,917	\$0	\$25,005,917	33.15%	\$8,290,312	Circulation Element
4 Airport Road - Dry Creek Road Roundabout	\$2,976,962	\$0	\$2,976,962	33.15%	\$986,964	Circulation Element
5 Dry Creek Road - Airport Road to Aerotech Center Way	\$7,728,241	\$0	\$7,728,241	33.15%	\$2,562,175	Circulation Element
6 Huer Huero Bridge Dry Creek Road to Golden Hill Road	\$18,411,076	\$0	\$18,411,076	33.15%	\$6,103,898	Circulation Element
7 Connection Road - Mill Road to Union Road	\$2,812,872	\$0	\$2,812,872	33.15%	\$932,563	Updated SOI
8 River Oaks Drive - N. River Road	\$1,055,145	\$0	\$1,055,145	33.15%	\$349,816	Circulation Element
9 Buena Vista Drive - Cuesta College Frontage	\$1,316,341	\$0	\$1,316,341	33.15%	\$436,412	Circulation Element
10 Buena Vista Drive - Highway 46E	\$1,322,951	\$0	\$1,322,951	33.15%	\$438,603	Circulation Element
11 Creston Road - River Road to Rolling Hills Road	\$16,271,218	\$0	\$16,271,218	33.15%	\$5,394,462	Circulation Element
12 Creston Road - Lana Street	\$2,470,559	\$0	\$2,470,559	33.15%	\$819,074	Circulation Element
13 Creston Road - Niblick Road to Scott Street	\$5,704,224	\$0	\$5,704,224	33.15%	\$1,891,144	Circulation Element
14 Creston Road - Scott Street Roundabout	\$3,069,462	\$0	\$3,069,462	33.15%	\$1,017,631	Circulation Element
15 Creston Road - Meadowlark Road	\$3,675,194	\$0	\$3,675,194	33.15%	\$1,218,452	Circulation Element
16 Charolais Road - S. River Road Roundabout	\$6,223,415	\$0	\$6,223,415	33.15%	\$2,063,274	Circulation Element
17 Union Road - Kleck Road to Golden Hill Road	\$9,875,660	\$0	\$9,875,660	33.15%	\$3,274,117	Circulation Element
18 Union Road - Golden Hill Road Roundabout	\$6,502,163	\$0	\$6,502,163	33.15%	\$2,155,688	Circulation Element
19 Union Road - Golden Hill Road to East City Limits	\$5,239,735	\$0	\$5,239,735	33.15%	\$1,737,150	Circulation Element
20 Spring Street - 1st to 36th Streets	\$9,909,580	\$0	\$9,909,580	33.15%	\$3,285,363	Town Centre-Uptown Plan
21 Spring Street Traffic Signal Coordination	\$253,008	\$0	\$253,008	33.15%	\$83,881	Circulation Element
22 Vine Street - 32nd to 36th Streets	\$527,443	\$0	\$527,443	33.15%	\$174,865	Uptown Plan
23 24th Street - Mountain Springs Road	\$135,958	\$0	\$135,958	33.15%	\$45,075	Council Objective
24 Riverside Ave - 4th Street to Black Oak Drive	\$7,219,661	\$0	\$7,219,661	33.15%	\$2,393,563	Town Centre-Uptown Plan
25 24th Street - Ysabel Avenue to Riverside Avenue	\$1,000,000	\$0	\$1,000,000	33.15%	\$331,534	Council Objective
26 Railroad Street - 10th Street to 14th Street	\$2,340,988	\$0	\$2,340,988	33.15%	\$776,117	Town Centre Plan
27 4th Street - Pine Street to Riverside - 101 Ramps	\$16,325,665	\$0	\$16,325,665	33.15%	\$5,412,513	Circulation Element
28 Paso Robles Street Off-Ramp	\$4,835,961	\$0	\$4,835,961	33.15%	\$1,603,286	Circulation Element
29 Paso Robles Street	\$302,921	\$0	\$302,921	33.15%	\$100,429	Town Centre Plan
30 Highway 101/46W Interchange (City's Allocation)	\$23,816,000	\$0	\$23,816,000	33.15%	\$7,895,814	Circulation Element
31 Theatre Drive to South City Limits	\$2,050,400	\$0	\$2,050,400	33.15%	\$679,777	Circulation Element
32 Bike Master Plan Facilities	\$16,973,000	\$0	\$16,973,000	33.15%	\$5,627,127	Circulation Element
SPECIFIC PLAN FACILITIES						
33 Airport Road - Union Road to Linne Road	\$4,363,192	\$0	\$4,363,192	33.15%	\$1,446,547	Circulation Element
34 Chandler East - West Road	\$384,137	\$0	\$384,137	33.15%	\$127,355	Circulation Element
35 Airport Road - Meadowlark Road to Creston Road	\$1,500,000	\$0	\$1,500,000	33.15%	\$497,301	Circulation Element
36 Transportation Facilities Revenues/Grants Allocated to Existing Development	NA \$	(13,460,227)	(\$13,460,227)	0.00%	\$0	NA
TOTAL - TRANSPORTATION FACILITIES	\$254,039,049	(\$13,460,227)	\$240,578,822	35.01%	\$84,222,588	

DEVELOPMENT IMPACT FEE PROGRAM TABLE 4-2
CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH 2025

Facility Name	(1) Facilities Costs to City	(2) Off-Setting Revenues	(3) Net Costs to City	(4) Percent of Costs Allocated to New Development	(5) Costs Allocated to New Development	(6) Policy Background or Objective
B. PUBLIC SAFETY FACILITIES						
1. Police Facilities						
1 Patrol/Detective/Specialty Vehicles	\$420,900	\$0	\$420,900	100.00%	\$420,900	General Plan
2 Assigned (Additional) Officer Equipment	\$100,200	\$0	\$100,200	75.87%	\$76,023	General Plan
3 Computers and Communication Equipment	\$225,000	\$0	\$225,000	98.67%	\$222,018	General Plan
4 Multi-Channel Portable Radios	\$36,000	\$0	\$36,000	100.00%	\$36,000	General Plan
5 Shooting Range	\$416,240	\$0	\$416,240	34.83%	\$144,961	General Plan
6 Police Facilities Revenues Not Yet Committed	NA	\$ (132,539)	\$ (132,539)	100.00%	\$ (132,539)	NA
<i>subtotal</i>	<i>\$1,198,340</i>	<i>(\$132,539)</i>	<i>\$1,065,801</i>	<i>72.00%</i>	<i>\$767,363</i>	
2. Fire Facilities						
1 Station (3,200 SF Apparatus Bay/3,460 SF Living Quarters) & Equipment	\$6,408,790	\$0	\$6,408,790	100.00%	\$6,408,790	Growth Management Plan
2 Fire Training Facility	\$3,381,375	\$0	\$3,381,375	31.77%	\$1,074,161	Growth Management Plan
3 Type I Fire Engine	\$500,000	\$0	\$500,000	100.00%	\$500,000	Growth Management Plan
4 Fire Facilities Revenues Not Yet Committed	NA	\$ (1,606,538)	\$ (1,606,538)	100.00%	\$ (1,606,538)	NA
<i>subtotal</i>	<i>\$10,290,165</i>	<i>(\$1,606,538)</i>	<i>\$8,683,627</i>	<i>73.43%</i>	<i>\$6,376,413</i>	
TOTAL PUBLIC SAFETY FACILITIES	\$11,488,505	(\$1,739,077)	\$9,749,428	73.27%	\$7,143,776	
C. GENERAL GOVERNMENT FACILITIES						
1 City Hall - LEASE	\$14,250,000	\$0	\$14,250,000	31.77%	\$4,526,795	Council Objective
2 Public Meeting Facility	\$2,565,000	\$0	\$2,565,000	31.77%	\$814,823	Council Objective
3 Downtown Parking	\$14,800,000	\$0	\$14,800,000	31.77%	\$4,701,514	Council Objective
4 Consolidated Corporate Yard	\$8,428,045	\$0	\$8,428,045	100.00%	\$8,428,045	Council Objective
5 General Government Revenues Not Yet Committed	NA	\$ (4,619,206)	\$ (4,619,206)	0.00%	\$0	NA
TOTAL GENERAL GOVERNMENT FACILITIES	\$40,043,045	(\$4,619,206)	\$35,423,839	52.14%	\$18,471,177	
D. PARK AND RECREATION FACILITIES						
1 Centennial Park Amphitheatre	\$300,000	\$0	\$300,000	29.84%	\$89,535	Parks and Recreation Element
2 Sherwood Park Land Improvements	\$10,009,600	\$0	\$10,009,600	29.84%	\$2,987,350	Parks and Recreation Element
3 Salinas River Land Acquisition	\$4,680,000	\$0	\$4,680,000	29.84%	\$1,396,739	Parks and Recreation Element
4 Uptown Park Development	\$8,748,495	\$0	\$8,748,495	29.84%	\$2,610,975	Uptown Plan, Parks and Recreation
5 Montebello Park Acquisition and Development	\$4,750,000	\$0	\$4,750,000	100.00%	\$4,750,000	Union-46 Specific Plan, Parks and Recreation
6 Town Centre Park Redevelopment	\$4,629,760	\$0	\$4,629,760	29.84%	\$1,381,745	Town Centre Plan
7 Aquatic Facility per Uptown Plan	\$5,000,000	\$ (391,479)	\$4,608,521	29.84%	\$1,375,406	Uptown Plan
8 Park and Recreation Revenues Not Yet Committed	NA	\$ (1,236,131)	\$ (1,236,131)	29.84%	\$ (368,921)	NA
TOTAL PARKS AND RECREATION FACILITIES	\$38,117,855	(\$1,627,610)	\$36,490,245	38.98%	\$14,222,827	
E. LIBRARY FACILITIES						
1 Remodel Existing Library Upstairs	\$4,200,000	\$0	\$4,200,000	100.00%	\$4,200,000	Council Objective
2 Library Resources	\$1,196,000	\$0	\$1,196,000	100.00%	\$1,196,000	Council Objective
3 Study Center and Branch Library	\$250,000	\$0	\$250,000	100.00%	\$250,000	Council Objective
4 Library Facilities Revenues not yet Committed	NA	\$ (950,893)	\$ (950,893)	NA	\$ (950,893)	NA
TOTAL LIBRARY FACILITIES	\$5,646,000	(\$950,893)	\$4,695,107	100.00%	\$4,695,107	
TOTAL ALL FACILITIES	\$349,334,454	(\$22,397,013)	\$326,937,441	39.38%	\$128,755,475	

[a] April 25, 2013 Council Reviewed Needs List Working Document.

[b] City Council requests that all projects conceived should be reflected on the Needs List as actions associated with specific plans/goals adopted by Council.

V. METHODOLOGY UTILIZED TO CALCULATE FACILITIES IMPACT FEE

Pursuant to the nexus requirements of Government Code 66000, a local agency is required to “determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.” It is impossible to accurately determine the impact that a specific new residential unit, commercial project, or industrial development will have on existing facilities. Predicting future residents’ or employees’ specific behavioral patterns, park and transportation, and health and welfare requirements is extremely difficult, and would involve numerous assumptions that are subject to substantial variances. Recognizing these limitations, the Legislature drafted AB 1600 to specifically require that a “reasonable” relationship be determined, not a direct cause and effect relationship.

There are many methods or ways of calculating fees, but they are all based on determining the cost of needed improvements and assigning those costs equitably to various types of development. Fees for the facilities analyzed in this study have been calculated utilizing the methodologies discussed below. The methodologies are similar in that they employ the concept of an Equivalent Dwelling Unit (“EDU”), or Equivalent Benefit Unit (“EBU”), to allocate benefit among the four land use classes. EDUs are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. For many of the facilities considered in this Fee Study, EDUs are calculated based on the number of residents and/or employees (“Persons Served”) generated by each land use class. Notably, “Persons Served” equals residents plus 50% of employees, and is common customary industry practice designed to capture the reduced levels of service demanded by employees. For other facilities, different measures, such as number of service calls or potential hours available for park use, more accurately represent the benefit provided to each land use class. This type of benefit measure is expressed as EBU in this study as a means of quantifying different land uses in terms of their equivalence to a common benefit. Additionally, fees for transportation facilities have been calculated utilizing an average daily trip (“ADT”) methodology.

Methodologies Used

One global assumption utilized within this Fee Study for the allocation of costs between existing and new development relates to the allocation of costs based on service standards. For example, 100% of the costs of fire facilities and library facilities (other than the fire training facility which is inadequate in its current form and will be abandoned once the new fire training facility is in place) were allocated to new development because the levels of service requested by City staff for new development were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In these cases, there is no reason for existing development to subsidize new development’s fair share of future facility costs. As for the fire training facility, applicable costs were allocated between existing and future development

based on their relative Equivalent Dwelling Units, as explained in Section V.B below and in Appendix A.

In a similar vein, when the level of service being requested for new development by City department heads was above the existing service level for a specific type of facility, the cost of the new facilities was carefully apportioned between existing and new development in the following manner:

1. New development was assigned 100% of the cost for a level of service that is equivalent to the existing level of service within the City.
2. The cost of the incremental difference between the new, higher level of service being requested by the City and the existing level of service was then allocated between existing development and new development, based on the relative number of equivalent dwelling units (“EDUs”) assigned to existing development and new development.

Table 5-1 below lists existing and projected EDU and EBU data, by facility type, used throughout Section V.

**TABLE 5-1
CITY OF EL PASO DE ROBLES
EQUIVALENT DWELLING UNITS**

Facility Type	Service Factor	Existing EDUs/EBUs	Projected EDUs/EBUs	Total*
Transportation Facilities	Average Daily Trips	110,171	54,641	164,811
Police Facilities	Residents and Employees	19,348	10,339	29,687
Fire Facilities	Persons Served	13,588	6,326	19,915
General Government Facilities	Persons Served	13,588	6,326	19,915
Park Facilities	Residential Park Usage Hours	11,711	4,982	16,693
Library Facilities	Residents	11,711	4,982	16,693

* Totals may not sum due to rounding.

The following sections present the reasonable relationship for benefit, impact, and rough proportionality tests for each fee element (i.e., transportation, police, fire, general government, park and recreation, and library facilities) and the analysis undertaken to apportion costs for

each type public facility on the Needs List. More detailed fee calculation worksheets for each type of facility are included in Appendix A.

A. TRANSPORTATION FACILITIES

The Circulation Element of the General Plan includes facilities necessary to provide safe and efficient vehicular access throughout the City. In order to meet the transportation demands of new development through General Plan buildout in 2025, the City updated this list to include various roadway improvements including rights of way, signalization, widening of roads, paving, and bridges as shown in the Needs List.

1. Nexus Requirement of AB 1600

**TABLE 5-2
TRANSPORTATION FACILITIES
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Transportation Improvements
Identify Use of Fee	Various roadway improvements including rights of way, signalization, widening of roads, paving, and bridges
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional residents and employees who will create additional vehicular and non-vehicular traffic. Bridges and interchanges will have to be constructed to meet the increased demand and provide for city-wide circulation. Traffic signals, interchanges, bridges and roads will have to be improved or extended to meet the increased demand resulting from new development. Thus there is a relationship between new development and the need for new transportation facilities. Fees collected from new development will be used exclusively for transportation facilities on the Needs List.

2. Apportionment of Transportation Facilities Costs

Roads, traffic signals and bridges will benefit residents and employees by providing safe and efficient vehicular access to properties. Road, traffic signals and bridge fees were calculated for each of the four land use categories based on the number of (“ADTs”) generated by each land use. Total average ADTs were calculated by applying these trip rates to the various dwelling unit counts and non-residential square feet identified in the demographics section of this report. The total facilities cost was then divided by the total number of ADTs to establish a uniform cost per ADT. This unit cost was then applied to the various land uses and their respective trip generation rates to determine the proposed fees. Expected revenue from new development was also calculated as a check,

insuring that collected fees match the calculated cost responsibility of new development.

All of the transportation facilities were sized to meet the needs of both existing and future residents and employees. Therefore, the costs of these facilities have been allocated between existing development and new development based on their percentage of build out EDUs. Hence, 66.85% of the costs will be allocated to existing development and 33.15% of the costs will be allocated to new development. In total, \$84,222,588 out of \$254,039,049 in gross transportation facilities costs would be covered by impact fees on new development (\$1,541.39 per ADT).

Fee amounts to finance the roads, traffic signals, and bridge facilities on the Needs List are presented in Table 5-3 below. Details regarding the analysis related to transportation facilities are included in Appendix A-1.

**TABLE 5-3
TRANSPORTATION FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Trip Generation Rate per Unit / per 1,000 Non-Res SF	Number of Future Units / Non-Res SF	Total Future ADTs	Development Impact Fee per Unit / per 1,000 Non-Res SF	Transportation Facilities Costs Financed by Fees
Single Family	7.56	2,553	19,301	\$11,653	\$29,749,932
Multi-Family	5.21	2,429	12,655	\$8,031	\$19,506,466
Commercial	6.84	2,896,000	19,809	\$10,543	\$30,532,898
Industrial	1.92	1,498,000	2,876	\$2,959	\$4,433,293
Total			54,641		\$84,222,588
Gross Costs Allocated to Existing Development					\$169,816,461
Total Gross Transportation Facilities Costs					\$254,039,049

The total expected revenues from development fees are \$84,222,588. If development takes place as projected in Section III, the fee amounts presented in Tables 5-3 are expected to finance 35.01% of the net costs of the transportation facilities identified on the Needs List. The remaining 64.99% of the net costs of transportation facilities will be funded through other sources.

B. PUBLIC SAFETY FACILITIES

The Public Safety element includes those facilities used by the City to protect life and property. In order to serve new development through General Plan buildout in 2025, the City identified the need for one new fire station. The fire station, and the equipment required to service this fire station, is needed to serve new development exclusively and will be funded 100% by new development. Additionally, there is a need for patrol/detective/specialty vehicles, officer equipment, computers and communication equipment and multi-channel portable radios, fire fighter equipment, and one fire engine which will be sized to serve projected new development only.

In addition, a police shooting range and a 7,200 square foot fire training facility has been identified and has been sized to serve projected new and existing development, as both the existing police shooting range and fire training facility within the City are inadequate in their current form and will be abandoned once the new aforementioned facilities are in place. Therefore, the costs of these facilities have been allocated between existing development and new development based on their percentage of build out EDUs.

Police facilities fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-2, and fire facilities fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-3. Each of the land use categories (Single Family, Multi-Family, Commercial, and Industrial) is assigned an EDU factor derived from (i) for police facilities - number of calls for police services generated by each of the land use categories, and (ii) for fire facilities - the number of persons per household (for residential units) or the number of employees per 1,000 Square Feet of non-residential development.

1. NEXUS REQUIREMENT OF AB 1600

**TABLE 5-4
PUBLIC SAFETY FACILITIES
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Police and Fire Facilities
Identify Use of Fee	Construction and acquisition of public safety facilities and equipment including fire stations, vehicles, and equipment.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional residents and employees who will require additional service calls increasing the need for trained police and fire personnel. Buildings and vehicles used to provide these services will have to be expanded, constructed or purchased to meet this increased demand. Thus a reasonable relationship exists between the need for public safety facilities and the impact of residential and non-residential development. Fees collected from new development will be used exclusively for public safety purposes, as identified on the Needs List.

2. Apportionment of Public Safety Facilities Costs

Calculation Methodology

As identified in the Police Facilities Fee Calculation worksheet included as Appendix A-2, 100% of the costs of patrol/detective/specialty vehicles and multi-channel portable radios were allocated to new development because the levels of service requested by City staff for new development for such facilities were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In this case, there is no reason for existing development to subsidize new development's fair share of future patrol/detective/specialty vehicles and multi-channel portable radios costs. As for the other police facilities, applicable costs were allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-2.

Fee amounts for police fees were calculated for both residential and non-residential land uses as detailed in Appendices A-2. Police fees were derived based on the number of calls for police services generated by each of the land use categories (Single Family, Multi-Family, Commercial, and Industrial) during a typical calendar year. Since these calls for service by land use are an average, they were used to project number of additional calls that could be expected by multiplying the calls per residential unit or per 1,000 square feet for non-residential development by the number of anticipated new residential dwelling units or non-residential building square footage. As an example, the data collected indicates that on average a Single Family unit will generate just over 1.40 calls per year, which equates to a total of 10,397 calls based on the existing Single Family development, and a total of 3,569 additional calls based on the projected Single Family development assumptions outlined in Section III.

As identified in the Fire Facilities Fee Calculation worksheet included as Appendix A-3, 100% of the costs of the new fire station, the equipment required to service this fire station, and one fire engine were allocated to new development because the levels of service requested by City staff for new development for such facilities were below the existing service levels within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in current service levels, and new development is paying for fewer facilities than could be justified based on existing services levels. In this case, there is no reason for existing development to subsidize new development's fair share of the new fire station, the equipment required to service this fire station, and the fire engine costs. As for the fire training facility, applicable costs were

allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-3.

Fee amounts for fire fees were calculated for both residential and non-residential land uses as detailed in Appendix A-3. Each land use classification (i.e. Single Family, Multi-Family, Commercial, and Industrial) was assigned an EDU factor which was derived from the number of Persons Served, which again is defined as the persons per household (for residential units) and 50% of the number of employees per 1,000 building square feet of each category of non-residential development as presented in Table 5-6.

Fee Amounts

Tables 5-5 and 5-6 below present a summary of the derivation of EDUs, fee amounts and the costs financed by fees for police and fire facilities on the Needs List. Calculation details are presented in Appendices A-2 and A-3.

**TABLE 5-5
POLICE FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Calls per Unit / per 1,000 Non-Res. SF	Number of Future Units / Non-Res SF	Total Future Calls	Development Impact Fee per Unit / per 1,000 Non-Res SF	Police Facilities Costs Financed by Fees
Single Family	1.40	2,553	3,569	\$74	\$189,489
Multi-Family	1.65	2,429	3,997	\$87	\$212,209
Commercial	2.11	2,896,000	6,108	\$112	\$324,255
Industrial	0.52	1,498,000	780	\$28	\$41,410
Total			14,454		\$767,363
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$298,438
Total Net Police Facilities Costs					\$1,065,801

Based on the development projections in Section III, the fee amounts presented in Table 5-5 are expected to finance 72.00% of the net costs of the police facilities on the Needs List. The remaining 28.00% of the net costs of the police facilities will be funded through other sources on behalf of existing development.

**TABLE 5-6
FIRE FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents/ Employees per Unit / per 1,000 Non-Res. SF	EDUs per per Unit / per 1,000 Non- Res. SF	Number of Future EDUs	Development Impact Fee per Unit / per 1,000 Non- Res SF	Fire Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$1,008	\$2,573,211
Multi-Family	2.66	1.00	2,429	\$1,008	\$2,448,229
Commercial	0.96	0.36	1,049	\$365	\$1,057,168
Industrial	0.52	0.20	295	\$199	\$297,805
Total			6,326		\$6,376,413
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$2,307,214
Total Net Fire Facilities Costs					\$8,683,627

Based on the development projections in Section III, the fee amounts presented in Table 5-6 are expected to finance 73.43% of the net costs of the fire facilities on the Needs List. The remaining 26.57% of the net costs of the fire facilities will be funded through other sources on behalf of existing development.

C. GENERAL GOVERNMENT FACILITIES

The general government facilities include those facilities used by the City to provide basic governmental services and public facilities maintenance services, exclusive of public safety services. In order to serve future development through General Plan buildout in 2025, the City identified the need for new public works and government facilities. The City Hall on the Needs List is a new facility that will replace the existing City Hall. The City has also identified a need for a public meeting facility (e.g., community center), a downtown parking structure and expansion of the City Yard. Such general government facilities, excluding the expansion of the City Yard that is needed to serve new development exclusively and will be funded 100% by new development, are expected to benefit both existing and new development in the City and the costs will be allocated based on total EDUs at General Plan buildout in 2025.

1. Nexus Requirement of AB 1600

TABLE 5-7
GENERAL GOVERNMENT FACILITIES
AB 1600 NEXUS TEST

Identify Purpose of Fee	General Government Facilities
Identify Use of Fee	Acquisition and construction of facilities used to provide general government and public maintenance services of City facilities.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees who will increase the demand for City services including public works and general government functions. Population and growth has a direct impact on the need for government services and facilities, thus a reasonable relationship exists between new development and the public works/general government facilities, which will have to be acquired to meet the increased demand. Fees collected from new development will be used exclusively for general government facilities on the Needs List.

2. Apportionment of General Government Facilities Costs

Calculation Methodology

As identified in the General Government Facilities Fee Calculation worksheet included as Appendix A-4, 100% of the costs of the consolidated City Yard were allocated to new development because the level of service requested by City staff for new development for such facility was below the existing service level within the City. This assignment of all costs to new development makes sense because there is no existing deficiency in the current service level, and new development is paying for fewer facilities than could be justified based on the existing service level. In this case, there is no reason for existing development to subsidize new development's fair share of the costs of the consolidated City Yard. As for the other general government facilities, applicable costs were allocated between existing and future development based on their relative Equivalent Dwelling Units, as detailed in Appendix A-4.

Fee amounts for this element were calculated for both residential and non-residential land uses as detailed in Appendix A-4. Each land use classification (i.e. Single Family, Multi-Family, Commercial, and Industrial) was assigned an EDU factor which was derived from the number of Persons Served, which again is defined as the persons per household (for residential units) and 50% of the number of employees per 1,000 building square feet of each category of non-residential development as presented in Table 5-8.

Fee Amounts

Table 5-8 represents a summary of the derivation of EDUs, fee amounts and the costs financed by fees for the general government facilities. A total of \$18,471,177 is needed to fund new development's share of a new City Hall, public meeting facility (e.g., a community center), a downtown parking structure and expansion of the City Yard. The details of the fee calculation are presented in Appendix A-4.

**TABLE 5-8
GENERAL GOVERNMENT FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents/ Employees per Unit / per 1,000 Non- Res. SF	EDUs per per Unit / per 1,000 Non-Res. SF	Number of Future EDUs	Development Impact Fee per Unit / per 1,000 Non- Res. SF	Government Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$2,920	\$7,454,070
Multi-Family	2.66	1.00	2,429	\$2,920	\$7,092,024
Commercial	1.927	0.36	1,049	\$1,057	\$3,062,402
Industrial	1.049	0.20	295	\$576	\$862,680
Total					\$18,471,177
Net Cost Allocated to Existing Development & Funded Through Other Sources					\$16,952,662
Total Net Government Facilities Costs					\$35,423,839

Based on the development projections in Section III, the fee amounts presented in Table 5-8 will finance 52.14% of the net costs of the general government facilities identified on the Needs List. The remaining 47.86% of the net costs of general government facilities will be funded through other sources on behalf of existing development.

D. PARK AND RECREATION FACILITIES

The Parks Facilities will serve the residents of the City by providing facilities for recreation while enhancing the community's appeal and quality of life. The Fee Study includes a component for the acquisition of approximately 117 acres for Salina River land acquisition, as well as new park facilities including an aquatic facility to serve new residential development through General Plan buildout in 2025. Such park facilities, excluding the Montebello Park facilities that are needed to serve new development exclusively and will be funded 100% by new development, are expected to benefit both existing and new development in the City and the costs will be allocated based on total EBUs at General Plan buildout in 2025.

Six park facilities are proposed in addition to the new aquatics facility. Salinas River, Centennial Park, Sherwood Park, Uptown Park, Town Centre Park and Montebello Park represent a mix and match of active and passive park usage, of new land acquisition, and expansion of City currently owned park acquisitions. Table 5-9 below identifies the facilities proposed to be funded in whole or in part with the fees. Acquisition costs and improvement costs were provided by City staff. City staff and the City Council are sensitive to the rising costs of both land acquisition and construction costs, supported by recent and ongoing right of way negotiations by the City, as well as construction inflation indices such as the Engineering News Record.

**TABLE 5-9
PARK FACILITIES AND FACILITIES COSTS**

Facility	Facility Unit	Acres	Facilities Costs
Salinas River Land Acquisition	Acre	117	\$4,680,000
Centennial Park Amphitheatre	Acre	16	\$300,000
Sherwood Park Land Improvements	Acre	28	\$10,009,600
Uptown Park Development	Acre	10	\$8,748,495
Town Centre Park Redevelopment	NA	NA	\$4,629,760
Montebello Park Acquisition & Development	3	3	\$4,750,000
Total Facilities Cost			\$33,117,855

Land acquisition costs for Salinas Corridor and Montebello Park are dependent on the real estate market at the time of acquisition. Location, demand for land, encumbrances, comparable acquisitions, and construction costs are a few of the many variables that play into appraisals and negotiations. Each park has its own location and improvement requirements. For instance, Centennial Park is an expansion of existing City owned park land and will have passive uses such as paths and open space. It is reasonable that the total cost per acre would be the lower of the six parks. In Contrast, Montebello Park, though only 3 acres, will need to be acquired in an area of higher demand for land, and the improvements will be active in nature, such as lighted sports fields, community structures and parking facilities, all contributing to a higher cost per acre of the six parks.

Parks and recreation improvements have been further divided into three groups. The first group consists of the park facilities required to serve new and existing development through General Plan buildout in 2025 and include the facilities identified in Table 5-9 above, excluding the Montebello Park facilities. In order to provide the same level of facilities for both existing and new development, the costs for such proposed park land and improvements have been allocated to both existing and new development based on total EBUs at General Plan buildout in 2025 as shown in Tables V(A) through V(C) of Appendix A-5. New development is assigned 29.84% of these facilities costs, as shown in Appendix A-5.

The second group of park facilities consists of the Montebello Park facilities that are needed to serve new development exclusively and will be funded 100% by new development.

The third group consists solely of the new aquatic facility. As there is no existing facility, and therefore the existing level of service is zero, the new aquatic facility costs will be shared between existing and new development in proportion to the relative number of existing and future EBUs at General Plan buildout in 2025. New development is assigned 29.84% of this cost, as shown in Appendix A-5.

1. NEXUS REQUIREMENT OF AB 1600

**TABLE 5-10
PARK AND RECREATION ELEMENT
AB 1600 NEXUS TEST**

Identify Purpose of Fee	Park and Recreation Facilities
Identify Use of Fee	The construction and acquisition of parkland, open space, and aquatic facility.
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential development will generate additional residents and who will increase the demand for active and passive park and recreation facilities within the City. Land will have to be purchased and improved to meet this increased demand, thus a reasonable relationship exists between the need for park and open space facilities and the impact of residential development. Fees collected from new development will be used exclusively for park and open space facilities identified on the Needs List.

2. APPORTIONMENT OF PARK AND RECREATION FACILITIES COSTS

Calculation Methodology

Since the use of park facilities is generally limited to daytime hours, it is reasonable to assume that a non-working resident has a greater number of available hours for potential use per week than either a working resident or employee. In order to equitably allocate the costs between future residents, availability of use is measured in term of equivalent benefit units or (EBUs) with one (1) EBU representing the potential recreation usage of a single-family residential unit.

Equivalent Benefit Unit (EBU) Determination

As previously stated, EBUs for park and open space facilities are a function of the number of hours potentially available for use of the park facilities. Table 5-11 presents the assumptions used to determine the potential usage for a typical week.

**TABLE 5-11
PARK AND RECREATION FACILITIES
TOTAL HOURS OF POTENTIAL PARKS USAGE PER WEEK**

User of Facilities	Potential Recreation Hours Work Day	Number of Work Days per Week	Hours Per Weekend Day	Number of Weekend Days Per Week	Potential Recreation Hours Per Week Per Person
Resident, non-working	12	5	12	2	84
Resident, working	2	5	12	2	34

Tables 5-12 and 5-13 present the total potential hours available for recreation use for each residential land use classification (i.e. SFR, MFR). Fee amounts for park facilities were calculated for residential land uses as detailed in Appendix A-5.

**TABLE 5-12
PARK AND RECREATION FACILITIES
TOTAL POTENTIAL RECREATION HOURS PER WEEK
SINGLE FAMILY RESIDENTIAL**

Type of Resident	Residents Per Single Family Household	Potential Recreation Hours / Week per Person	Potential Recreation Hours / Week per Single Family Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

**TABLE 5-13
PARK AND RECREATION FACILITIES
TOTAL POTENTIAL RECREATION HOURS PER WEEK
MULTI-FAMILY RESIDENTIAL**

Type of Resident	Residents Per Multi-Family Household	Potential Recreation Hours / Week per Person	Potential Recreation Hours/Week per Multi-Family Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

Fee Amounts

Table 5-14 presents a summary of the derivation of equivalent benefit units (“EBUs”), fee amounts and costs to be financed by fees for park and recreation facilities. Appendix A-5 contains the fee derivation worksheet for park and recreation facilities (summarized in Table 5-14).

**TABLE 5-14
PARK AND RECREATION FACILITY IMPROVEMENTS
FEE DERIVATION SUMMARY**

Land Use Type	Potential Recreation Hour per Week per Unit	EBUs per Unit	Number of New EBUs	Development Impact Fee Per Unit	Park Facilities Costs Financed by Fees
Single Family	169	1.00	2,553	\$2,855	\$7,288,414
Multi-Family	169	1.00	2,429	\$2,855	\$6,934,413
Total	338				\$14,222,827
Cost Allocated to Existing Development & Funded Through Other Sources					\$22,267,418
Total Net Park and Recreation Facilities Costs					\$36,490,245

If development takes place as projected in Section III, the fee amounts presented in Table 5-14 are expected to finance 38.98% of the net costs of the park and recreation facilities on the Needs List. The remaining 61.02% of the net costs of the park and recreation facilities will be funded through other sources on behalf of existing development.

E. LIBRARY FACILITIES

The library facilities will serve the residents of the City by promoting literacy and learning, as well as, providing an improved quality of life. The Fee Study includes a component for expanding and remodeling the existing library facilities, including acquiring library books and materials for these facilities. The costs of the library facilities have been allocated to new residential development only.

1. Nexus Requirement of AB 1600

TABLE 5-15
LIBRARY AMENITIES
AB 1600 NEXUS TEST

Identify Purpose of Fee	Library Facilities
Identify Use of Fee	Expanding and remodeling of existing library facilities, including the acquisition of books and materials for these facilities
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	New residential development will generate additional residents who will become library patrons that will demand increased library services, remodeling of the library and addition of a study center and branch library. Collections will have expanded and additional volumes acquired to meet this increased demand. Fees collected from new development will be used for the remodeling/expansion of the existing library facilities, and the acquisition of books and materials

2. Apportionment of Library Facilities Costs

Calculation Methodology

Fee amounts for this element were calculated for residential land uses as detailed in Appendix A-6. Each of the land use categories (Single Family and Multi-Family) is assigned an EDU factor derived from the number of persons per household as presented in Table 5-16.

The City currently utilizes an approximate 20,610 square foot building for the branch library and a separate 1,920 square foot study center located at 3600 Oak Street. According to the City, the current level of services is adequate to serve the existing development within the City. The City has determined that an expansion and remodel of the existing library facilities, including acquiring library books and materials for these facilities, will be needed as a result of new development. Therefore, 100% of the costs will be allocated to new development.

**TABLE 5-16
LIBRARY FACILITIES
FEE DERIVATION SUMMARY**

Land Use Type	Residents per Unit	EDUs per Unit	Number of Future EDUs	Development Impact Fee per Unit	Library Facilities Costs Financed by Fees
Single Family	2.66	1.00	2,553	\$942	\$2,405,983
Multi-Family	2.66	1.00	2,429	\$942	\$2,289,124
Total			4,982		\$4,695,107
Cost Allocated to Existing Development & Funded Through Other Sources					\$0
Total Net Library Facilities Costs					\$4,695,107

Based on the development projections in Section III, the fee amounts presented in Table 5-16 are expected to finance 100% of the net costs of the library facilities on the Needs List.

VI. SUMMARY OF FEES

The total impact fee amounts to finance new development's share of the costs of facilities in the Needs Lists are summarized in Table 6-1.

**TABLE 6-1
DEVELOPMENT IMPACT FEE SUMMARY**

Facility	Residential Development		Non-Residential Development	
	Single Family (\$ per unit)	Multi-Family (\$ per unit)	Commercial (\$ per 1,000 SF)	Industrial (\$ per 1,000 SF)
A. Transportation Facilities	\$11,653	\$8,031	\$10,543	\$2,959
B. Public Safety Facilities				
Police Facilities	\$74	\$87	\$112	\$28
<u>Fire Facilities</u>	<u>\$1,008</u>	<u>\$1,008</u>	<u>\$365</u>	<u>\$199</u>
Subtotal Public Safety Facilities	\$1,082	\$1,095	\$477	\$227
C. General Government Facilities	\$2,920	\$2,920	\$1,057	\$576
D. Park and Recreation Facilities	\$2,855	\$2,855	NA	NA
E. Library Facilities	\$942	\$942	NA	NA
Total Impact Fees	\$19,452	\$15,843	\$12,077	\$3,762
<i>(S per BSF for Non-Residential)</i>	<i>NA</i>	<i>NA</i>	<i>\$12.077</i>	<i>\$3.762</i>

Appendix A
Fee Derivation Worksheets

Appendix A-1

City of El Paso de Robles

Transportation Facilities Fee Calculation

I. Existing Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Number of Units / Non- Res. SF	Total Daily Trips
Single Family Residential	7.56	7,437	56,224
Multi Family Residential	5.21	4,274	22,268
Commercial	6.84	4,044,000	27,661
Industrial	1.92	2,093,000	4,019
Total Existing Daily Trips			110,171

II. Projected Daily Trips Calculation

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Number of Units / Non- Res. SF	Total Daily Trips
Single Family Residential	7.56	2,553	19,301
Multi Family Residential	5.21	2,429	12,655
Commercial	6.84	2,896,000	19,809
Industrial	1.92	1,498,000	2,876
Total Projected Daily Trips			54,641

III. Proposed Transportation Facilities Costs

Facilities Type	Facilities Costs
City-Wide Transportation Facilities Costs	\$247,791,720
Offsetting Revenues - Total	(\$13,460,227)
Net City-Wide Transportation Facilities Costs	\$234,331,493
Plus: Specific Plan Facilities	\$6,247,329
Total Transportation Facilities Costs	\$240,578,822

IV. Allocation of City-Wide Transportation Facilities Costs (based on Daily Trips)

Development Description	Total Daily Trips	Percentage of Costs Allocated	Facilities Costs
Existing Development	110,171	66.85%	\$165,640,334
New Development	54,641	33.15%	\$82,151,386
Total City-Wide Transportation Facilities Costs	164,811	100.00%	\$247,791,720

Appendix A-1

City of El Paso de Robles

Transportation Facilities Fee Calculation

V. Allocation of Specific Plan Facilities Costs (based on Daily Trips)

Development Description	Percentage of Costs Allocated	Facilities Costs
Specific Plan Development	66.85%	\$4,176,127
New Development (Outside of Specific Plan)	33.15%	\$2,071,202
Total Specific Plan Facilities Costs	100.00%	\$6,247,329

VI. Allocation of Transportation Facilities Costs to New Development (based on Projected Daily Trips)

Facility Type	Projected Daily Trips	Facilities Costs Allocated to New Development	Facilities Cost Per Daily Trip
Transportation Facilities Costs	54,641	\$84,222,588	\$1,541.39
Transportation Facilities Costs Summary	54,641		\$1,541.39

VII. Development Impact Fee per Residential Unit / per 1,000 Non-Residential Bldg. SF

Land Use Type	Trip Generation Rate per Unit / per Non-Res. 1,000 S.F. (commercial pass- throughs deducted)	Transportation Facilities Cost per Unit / per Non- Res. 1,000 SF	Transportation Facilities Costs Financed by DIF
Single Family Residential	7.56	\$11,653	\$29,749,932
Multi Family Residential	5.21	\$8,031	\$19,506,466
Commercial	6.84	\$10,543	\$30,532,898
Industrial	1.92	\$2,959	\$4,433,293
Gross Allocation to New Development			\$84,222,588
Gross Allocation to Existing Development			\$169,816,461
Total Transportation Facilities Costs			\$254,039,049
Offsetting Revenues Not Yet Committed - Allocated to Existing Development			\$ (13,460,227)
Net Transportation Facilities Costs			\$240,578,822

Notes:

[1] Based on daily trip rates extrapolated from the Fehr & Peers Traffic Demand Forecast Model incorporated in the 2011 Circulation Element.

[2] Assumes allowance for diverted trips or pass-throughs: 75% for Commercial and 55% for Industrial. Based on direction received from Public Works Department.

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
Patrol and Specialty Vehicles	25	Each
Assigned Officer Equipment	33	Each
Computers & Comm Equipment	33	Each
Multi-channel Portable Radios	41	Each
Shooting Range	0	Each

II. Existing EDU Calculation

Land Use Type	[a] Number of Units/ Non-Res 1,000 SF	[b] Total Calls ¹¹⁾	[c] Calls per Unit/ Employees per Non-Res. 1,000 SF ¹¹⁾	[d] EDU's per Unit/ Non-Res. 1,000 SF	[e] Total Number of EDU's [a]*[d]
Single Family	7,437	10,397	1.40	1.00	7,437
Multi-Family	4,274	7,033	1.65	1.18	5,031
Commercial	4,044	8,529	2.11	1.51	6,101
Industrial	2,093	1,090	0.52	0.37	780
Total					19,348

III. Existing Service Standard

Facility	Quantity	Facility Units	Quantity per 1,000 EDU's
Patrol and Specialty Vehicles	25	Each	1.29
Assigned Officer Equipment	33	Each	1.71
Computers & Comm Equipment	33	Each	1.71
Multi-channel Portable Radios	41	Each	2.12
Shooting Range	0	Each	0.00

IV. Future EDU Calculations

Land Use Type	[a] Number of Units/ Non-Res 1,000 SF ¹²⁾	[b] Total Projected Calls	[c] Calls per Unit/ Employees per Non-Res. 1,000 SF ¹¹⁾	[d] EDU's per Unit/ Non-Res. 1,000 SF	[e] Total Number of EDU's [a]*[d]
Single Family	2,553	3,569	1.40	1.00	2,553
Multi-Family	2,429	3,997	1.65	1.18	2,859
Commercial	2,896	6,108	2.11	1.51	4,369
Industrial	1,498	780	0.52	0.37	558
Total					10,339

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDU's
Patrol and Specialty Vehicles	13	Each	\$420,900	1.26
Assigned Officer Equipment	28	Each	\$100,200	2.71
Computers & Comm Equipment	18	Each	\$225,000	1.74
Multi-channel Portable Radios	16	Each	\$36,000	1.55
Shooting Range	1	Each	\$416,240	0.10
Offsetting Revenues			(\$132,539)	
Total Cost of Police Facilities			\$1,065,801	

VI. Allocation of Police Facilities to Existing & New Development (based on total EDUs)

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
1.29	10,338.76	13.36	1.26	0.00	0.00	13.00

A.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

A.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of Vehicles	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	13.00	100.00%	\$420,900
Total	13.00	100.00%	\$420,900

B.1 Assigned Officer Equipment

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
1.71	10,338.76	17.63	2.71	1.00	10.37	28.00

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development					
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	19,348	65.17%	6.76	NA	6.76
New Development	10,339	34.83%	3.61	17.63	21.24
Total	29,687	100.00%	10.37		28.00

B.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	6.76	24.13%	\$24,177
New Development	21.24	75.87%	\$76,023
Total	28.00	100.00%	\$100,200

C.1 Computers and Communication Equipment						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
1.71	10,338.76	17.63	1.74	0.04	0.37	18.00

C.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated	
Existing	19,348	65.17%	0.24	NA	0.24	
New Development	10,339	34.83%	0.13	17.63	17.76	
Total	29,687	100.00%	0.37		18.00	

C.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.24	1.33%	\$2,982
New Development	17.76	98.67%	\$222,018
Total	18.00	100.00%	\$225,000

D.1 Multi-Channel Portable Radios						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
2.12	10,338.76	21.91	1.55	0.00	0.00	16.00

D.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development - Not Applicable

D.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	16.00	100.00%	\$36,000
Total	16.00	100.00%	\$36,000

E.1 Shooting Range						
[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development [3] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard [4] [b]*[e]	[g] Total Proposed New Facility Units [c]+[f]
0.00	10,338.76	0.00	0.10	0.10	1.00	1.00

E.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development					
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	19,348	65.17%	0.65	NA	0.65
New Development	10,339	34.83%	0.35	NA	0.35
Total	29,687	100.00%	1.00		1.00

**Appendix A-2
City of El Paso de Robles
Police Facilities Fee Calculation**

E.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.65	65.17%	\$271,279
New Development	0.35	34.83%	\$144,961
Total	1.00	100.00%	\$416,240

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Patrol and Specialty Vehicles	\$420,900	10,339	\$40.71
B.3	Assigned Officer Equipment	\$76,023	10,339	\$7.35
C.3	Computers & Comm Equipment	\$222,018	10,339	\$21.47
D.3	Multi-channel Portable Radios	\$36,000	10,339	\$3.48
E.3	Shooting Range	\$144,961	10,339	\$14.02
	Offsetting Revenues	(\$132,539)	10,339	(\$12.82)
Total		\$767,363		\$74.22

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$74	2,553	\$189,489
Multi-Family	1.18	\$87	2,429	\$212,209
Commercial	1.51	\$112	2,896	\$324,255
Industrial	0.37	\$28	1,498	\$41,410
Total Allocated to New Development				\$767,363
Outside Funding Responsibility				\$298,438
Total Police Facilities Costs				\$1,065,801

Notes:

[1] Estimated calendar year phone log, provided by City of El Paso de Robles.

[2] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.

[3] Allocates 100% to new development square feet/equipment or vehicles necessary to fund existing service standard for new residents.

[4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility Type	Quantity	Facility Units
Three Fire Stations	27,500	Square Feet
Rescue Unit	1	Each
Type I Fire Engine	3	Each
Aircraft Crash Response	1	Each
Staff Vehicle	4	Each

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Commercial	4,044	0.96	0.36	1,465
Industrial	2,093	0.52	0.20	413
Total				13,588

III. Existing Facility Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDU's
Three Fire Stations	27,500	Square Feet	2,023.77
Rescue Unit	1	Each	0.07
Type I Engine	4	Each	0.29
Aircraft Crash Response	1	Each	0.07
Staff Vehicle	4	Each	0.29

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees per Non-Res. 1,000 SF ⁽²⁾	EDUs per Unit/per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi Family	2,429	2.66	1.00	2,429
Commercial	2,896	0.96	0.36	1,049
Industrial	1,498	0.52	0.20	295
Total				6,326

V. Proposed Inventory, Cost, and Service Standard

Facility Type	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDU's
Fire Station	6,660	Square Feet	\$6,408,790	1,052.74
Type I Engine	1	Each	\$500,000	0.16
Fire Training Facility	7,200	Square Feet	\$3,381,375	1,138.10
Off-setting Revenues			(\$1,606,538)	
Total Cost of Fire Facilities			\$8,683,627	

VI. Allocation of Fire Facilities to Existing & New Development (based on total EDUs)

A.1 Fire Station							
[a]	[b]	[c]	[d]	[e]	[f]	[g]	
Existing SF Per 1,000 EDU's	Total Future EDU's	SF Allocated 100% To New Development ⁽¹⁾	Proposed Service Standard Per 1,000 EDU's	SF per EDU Beyond Existing [d]-[a]	SF Beyond Existing Service Standard ⁽⁴⁾ [b]*[e]	Total Proposed New SF [c]+[f]	
2,023.77	6,326.33	[a]*[b] 12,803.07	1,052.74	0.00	0.00	6,660.00	

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

A.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	6,660.00	100.00%	\$6,408,790
Total	6,660.00	100.00%	\$6,408,790

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development ^(b) [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard ^(a) [b] * [e]	[g] Total Proposed New Facility Units [c]+[f]
0.29	6,326.33	1.86	0.16	0.00	0.00	1.00

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

Facility Type	Total Number of Vehicles	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	1.86	100.00%	\$500,000
Total	1.86	100.00%	\$500,000

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development ^(b) [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EBU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard ^(a) [b] * [e]	[g] Total Proposed New Facility Units [c]+[f]
0.000	6,326.33	0.00	1,138.10	1138.10	7,200.00	7,200.00

Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated
Existing	13,588	68.23%	4,912.78	NA	4,912.78
New Development	6,326	31.77%	2,287.22	NA	2,287.22
Total	19,915	100.00%	7,200.00		7,200.00

Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	4,912.78	68.23%	\$2,307,214
New Development	2,287.22	31.77%	\$1,074,161
Total	7,200.00	100.00%	\$3,381,375

Appendix A-3
City of El Paso de Robles
Fire Facilities Fee Calculation

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Fire Station	\$6,408,790	6,326	\$1,013.03
B.3	Type I Engine	\$500,000	6,326	\$79.03
C.3	Fire Training Facility	\$1,074,161	6,326	\$169.79
	Offsetting Revenues	(\$1,606,538)	6,326	(\$253.94)
Total		\$6,376,413		\$1,007.92

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/ Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$1,008	2,553	\$2,573,211
Multi-Family	1.00	\$1,008	2,429	\$2,448,229
Commercial	0.36	\$365	2,896	\$1,057,168
Industrial	0.20	\$199	1,498	\$297,805
Total Allocated to New Development				\$6,376,413
Outside Funding Responsibility				\$2,307,214
Total Fire Facilities Costs				\$8,683,627

Notes:

- [1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.
- [2] Average Household Size Based on information obtained from the 2012 Land Use Element.
- [3] Allocates 100% to new development square feet or vehicles necessary to fund existing service standard for new residents.
- [4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
City Hall	14,815	Square Feet
Community Center	0	Square Feet
Performing Arts Center	0	Square Feet
Parking Structure	80,000	Square Feet
City Yard(s)	121,300	Square Feet

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Commercial	4,044	0.96	0.36	1,465
Industrial	2,093	0.52	0.20	413
Total				13,588

III. Existing Service Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDUs
City Hall	14,815	Square Feet	1,090.26
Community Center	0	Square Feet	0.00
Performing Arts Center	0	Square Feet	0.00
Parking Structure	80,000	Square Feet	5,887.35
City Yard(s)	121,300	Square Feet	8,926.69

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees Per 1,000 Non-Res. SF ⁽²⁾	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi Family	2,429	2.66	1.00	2,429
Commercial	2,896	0.96	0.36	1,049
Industrial	1,498	0.52	0.20	295
Total				6,326

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDUs
City Hall	15,185	Square Feet	\$7,212,875	2,400.29
Public Meeting Facility	6,000	Square Feet	\$2,565,000	948.42
Downtown Parking	40,000	Square Feet	\$14,800,000	6,322.78
Consolidated Corporate Yard	46,000	Square Feet	\$8,428,045	7,271.20
Offsetting Revenues			(\$4,619,206)	
Proposed New General Government Facilities Cost			\$28,386,714	
Plus: Proposed City Hall Facilities Costs Allocable to Existing Development			\$7,037,125	
Total General Government Facilities Costs			\$35,423,839	

VI. Allocation of General Government Facilities to Existing & New Development (based on total EDU's)

A.1 City Hall							
[a]	[b]	[c]	[d]	[e]	[f]	[g]	
Existing SF Per 1,000 EDU's	Total Future EDU's	SF Allocated 100% To New Development ⁽³⁾	Proposed Service Standard Per 1,000 EDU's	SF per EBU Beyond Existing	SF Beyond Existing Service Standard ⁽⁴⁾	Total Proposed New SF	
		[a]*[b]		[d]-[a]	[b]*[e]	[c]+[f]	
1,090.26	6,326.33	6,897.36	2,400.29	1,310.02	8,287.64	15,185.00	

**Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation**

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	SF Split Between New and Existing Development	SF Allocated 100% To New Development	Total SF Allocated	
Existing	13,588	68.23%	5,654.91	NA	5,654.91	
New Development	6,326	31.77%	2,632.73	6,897.36	9,530.09	
Total	19,915	100.00%	8,287.64		15,185.00	

A.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	5,654.91	37.24%	\$2,686,080
New Development	9,530.09	62.76%	\$4,526,795
Total	15,185.00	100.00%	\$7,212,875

B.1 Public Meeting Facility							
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development ^(b) [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EBU Beyond Existing [d]-[a]	[f] SF Beyond Existing Service Standard ^(d) [b]*[e]	[g] Total Proposed New SF [c]+[f]	
0.00	6,326.33	0.00	948.42	948.42	6,000.00	6,000.00	

B.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development						
Facility Type	Number of EDU's	Percentage of Total EDU's	SF Split Between New and Existing Development	SF Allocated 100% To New Development	Total SF Allocated	
Existing	13,588	68.23%	4,093.98	NA	4,093.98	
New Development	6,326	31.77%	1,906.02	0.00	1,906.02	
Total	19,915	100.00%	6,000.00		6,000.00	

B.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	4,093.98	68.23%	\$1,750,177
New Development	1,906.02	31.77%	\$814,823
Total	6,000.00	100.00%	\$2,565,000

C.1 Allocation of Downtown Parking Facilities Costs (based on total EDUs)						
Facility Type	Number of EDU's	Percentage of Total EDU's	Facility Units Split Between New and Existing Development	Facility Units Allocated 100% To New Development	Total Facility Units Allocated	
Existing	13,588	68.23%	27,293.21	NA	27,293.21	
New Development	6,326	31.77%	12,706.79	0.00	12,706.79	
Total	19,915	100.00%	40,000.00		40,000.00	

**Appendix A-4
City of El Paso de Robles
General Government Facilities Fee Calculation**

C.2 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	27,293.21	68.23%	\$10,098,486
New Development	12,706.79	31.77%	\$4,701,514
Total	40,000.00	100.00%	\$14,800,000

D.1 Consolidated Corporate Yard							
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development ^[a] [a]*[b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EBU Beyond Existing [d]-[a]	[f] SF Beyond Existing Service Standard ^[4] [b]*[e]	[g] Total Proposed New SF [c]+[f]	
8,926.69	6,326.33	56,473.17	7,271.20	0.00	0.00	46,000.00	

D.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

D.3 Cost Allocated Between Existing and New Development			
Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	46,000.00	100.00%	\$8,428,045
Total	46,000.00	100.00%	\$8,428,045

VII. Summary Cost Data

Section VI	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	City Hall	\$4,526,795	6,326	\$715.55
B.3	Public Meeting Facility	\$814,823	6,326	\$128.80
C.2	Downtown Parking	\$4,701,514	6,326	\$743.17
D.3	Consolidated Corporate Yard	\$8,428,045	6,326	\$1,332.22
	Offsetting Revenues	\$0	6,326	\$0.00
Total		\$18,471,177		\$2,919.73

VIII. Development Impact Fee per Unit or per 1,000 Non-Res. SF

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/ Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$2,920	2,553	\$7,454,070
Multi-Family	1.00	\$2,920	2,429	\$7,092,024
Commercial	0.36	\$1,057	2,896	\$3,062,402
Industrial	0.20	\$576	1,498	\$862,680
Total Allocated to New Development				\$18,471,177
Outside Funding Responsibility				\$16,952,662
Total General Government Facilities Costs				\$35,423,839

Notes:

- [1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element.
- [2] Average Household Size Based on information obtained from the 2012 Land Use Element.
- [3] Allocates 100% to new development square feet necessary to fund existing service standard for new residents.
- [4] Denotes proposed service standard in excess to that currently provided to existing residents.

Appendix A-5
City of El Paso de Robles
Park and Recreation Facilities Fee Calculation

I. Inventory of Existing Facilities

Facility	Size (Acre)
Parks	
Barney Schwartz Park	36.9
Casa Robles Park	0.36
Centennial Park	17.87
Creston Road Median	1.48
Downtown Civic Center Park	4.27
Family Park at 36th and Oak	1.00
Mandrella Park	0.65
Oak Creek Park	7.06
Pioneer Park	4.87
Robbins Baseball Field	2.50
Royal Oak Park	7.53
Scott Street Park	0.50
Sherwood Park	11.40
Sherwood Forest Playground	2.00
Turtle Creek Park	1.53
Subtotal	99.955
Recreation Amenities	
Aquatic Facility	NA
Total	99.96

II. Existing EBU Calculation

Land Use Type	Number of Residents	Residents Per Unit	Potential Recreation Hours/Week per Unit ⁽¹⁾	EBU per Unit	Number of Units	Total Number of EBUs
Single Family Residential	19,782	2.66	169	1.00	7,437	7,437
Multi Family Residential	11,369	2.66	169	1.00	4,274	4,274
Total	31,151					11,711

III. Existing Facility Standard

Facility Type	Facility Unit	Facility Units Per 1,000 Residents	Facility Units Per 1,000 EBUs
Parks	Acre	3.21	8.54

IV. Future EBU Calculation

Land Use Type	Number of Residents	Residents Per Unit	Potential Recreation Hours/Week per Unit ⁽¹⁾	EBU per Unit	Number of Units	Total Number of EBUs
Single Family Residential	6,791	2.66	169	1.00	2,553	2,553
Multi Family Residential	6,461	2.66	169	1.00	2,429	2,429
Total	13,252					4,982

Appendix A-5
City of El Paso de Robles
Park and Recreation Facilities Fee Calculation

V (A). Inventory of Proposed Park Facilities (Land Acquisition)

Facility	Total Acres	Facility Cost
Salinas River Land Acquisition	117	\$4,680,000
Parks Subtotal V (A). Land Acquisition	117	\$4,680,000

V (B). Inventory of Proposed Park Facilities (Land Improvements)

Facility	Total Acres	Facility Cost
Centennial Park Amphitheatre	16	\$300,000
Sherwood Park Land Improvements	28	\$10,009,600
Uptown Park Development	10	\$8,748,495
Town Centre Park Redevelopment	NA	\$4,629,760
Parks Subtotal V (B). Land Improvements	54	\$23,687,855
Parks Total	171	\$28,367,855

V (C). Allocation of Park Facilities to Existing and New Development (based on total EBUs)

Facility	Total Acres	Cost Per EBU	Facility Cost	Percentage of Cost Allocated
Existing Development	120	\$1,699.39	\$19,901,513	70.16%
New Development	51	\$1,699.39	\$8,466,342	29.84%
Total Recreation Cost	171		\$28,367,855	100.00%

VI. Inventory of Proposed Park Facilities Allocated to New Development

Facility	Total Acres	Facility Cost
Montebello Park Acquisition and Development	3	\$4,750,000
Parks Total	3	\$4,750,000

VII. Inventory of Proposed Recreation Facilities

Facility	Total Acres	Facility Cost
Aquatic Facility	10	\$5,000,000
Offsetting Revenues		(\$391,479)
Total Recreation Cost		\$4,608,521

VIII. Allocation of Recreation Facilities to Existing and New Development (based on total EBUs)

Facility	Total Acres	Cost Per EBU	Facility Cost	Percentage of Cost Allocated
Existing Development	7	\$276.08	\$3,233,115	70.16%
New Development	3	\$276.08	\$1,375,406	29.84%
Total Recreation Cost	10		\$4,608,521	100.00%

IX. Costs allocated to New Development for Parks and Recreation Facilities

Facility	Facility Unit	Cost Per Facility Unit	Facility Units Per 1,000 EBUs	Cost Per EBU
Parks	Acre	\$244,590	10.85	\$2,653
Recreation Facilities - (Aquatic Facility)	Acre	\$460,852.10	0.60	\$276
Total Facility Cost per EBU				\$2,929
Total Facilities Costs Allocated to New Development				\$14,591,748
Offsetting Revenues Not Yet Committed - New Development				(\$368,921)
Net Facilities Costs Allocated to New Development				\$14,222,827
Net Facility Cost per EBU				\$2,855

X. Development Impact Fee per Unit

Land Use Type	EBUs Per Unit	Fees Per Unit	Cost Financed by DIF
Single Family Residential	1.00	\$2,855	\$7,288,414
Multi Family Residential	1.00	\$2,855	\$6,934,413
Net Allocation to New Development			\$14,222,827
Net Allocated to Existing Development			\$23,134,628
Offsetting Revenues Not Yet Committed - Existing Development			(\$867,210)
Total Park and Recreation Facilities Costs			\$36,490,245

Notes:

[1] Please refer to "EBU & EDU Calculation Year to Build-Out" worksheet contained herein.

**Appendix A-6
City of El Paso de Robles
Library Facilities Fee Calculation**

I. Inventory of Existing Facilities

Facility	Quantity	Facility Units
Library & Other Improvements	22,530	Square Feet
Library Books/Materials	74,990	Each

II. Existing EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF	Residents per Unit/ Employees Per 1,000 Non-Res. SF	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	7,437	2.66	1.00	7,437
Multi-Family	4,274	2.66	1.00	4,274
Total				11,711

III. Existing Facility Standard

Facility Type	Quantity	Facility Units	Quantity per 1,000 EDU's
Library & Other Improvements	22,530	Square Feet	1,923.83
Library Books/Materials	74,990	Each	6,403.38

IV. Future EDU Calculation

Land Use Type	[a]	[b]	[c]	[d]
	Number of Units/ Non-Res. 1,000 SF ⁽¹⁾	Residents per Unit/ Employees Per 1,000 Non-Res. SF ⁽²⁾	EDUs per Unit/ Per 1,000 Non-Res. SF	Total Number of EDUs [a]*[c]
Single Family	2,553	2.66	1.00	2,553
Multi-Family	2,429	2.66	1.00	2,429
Total				4,982

V. Proposed Inventory, Cost, and Service Standard

Facility	Quantity	Facility Units	Facility Cost	Quantity per 1,000 EDUs
Library & Other Improvements	9,500	Square Feet	\$4,450,000	1,906.86
Library Books/Materials	11,530	Each	\$1,196,000	2,314.33
Offsetting Revenues			(\$950,893)	
Total			\$4,695,107	

**Appendix A-6
City of El Paso de Robles
Library Facilities Fee Calculation**

VI. Allocation of General Government Facilities to Existing & New Development (based on total EDU's)

A.1 Library Facility (Upstairs) and Study Center							
[a] Existing SF Per 1,000 EDU's	[b] Total Future EDU's	[c] SF Allocated 100% To New Development [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] SF per EDU Beyond Existing [d]-[a]	[f] SF Beyond Existing Service Standard ^[4] [b] * [e]	[g] Total Proposed New SF [c]+[f]	
1,923.83	4,982.00	9,584.53	1,906.86	0.00	0.00	9,500.00	

A.2 SF Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development - Not Applicable

A.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of SF	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	9,500.00	100.00%	\$4,450,000
Total	9,500.00	100.00%	\$4,450,000

B.1 Library Books/Materials

[a] Existing Facility Units Per 1,000 EDU's	[b] Total Future EDU's	[c] Facility Units Allocated 100% To New Development ^[3] [a] * [b]	[d] Proposed Service Standard Per 1,000 EDU's	[e] Facility Units per EDU Beyond Existing [d]-[a]	[f] Facility Units Beyond Existing Service Standard ^[4] [b] * [e]	[g] Total Proposed New Facility Units [c]+[f]
6,403.38	4,982.00	31,901.65	2,314.33	0.00	0.00	11,530.00

B.2 Facility Units Beyond Existing Service Standard Split Between New and Existing, plus SF allocated 100% to New Development -- Not Applicable

B.3 Cost Allocated Between Existing and New Development

Facility Type	Total Number of Facility Units	Percentage of Cost Allocated	Facility Cost
Existing	0.00	0.00%	\$0
New Development	11,530.00	100.00%	\$1,196,000
Total	11,530.00	100.00%	\$1,196,000

VII. Summary Cost Data

Section VII.	Facility Type	Cost Allocated to New Development	Total Future EDU's	Cost Per EDU
A.3	Library Facility/Study Center	\$4,450,000	4,982	\$893.22
B.3	Library Books/Materials	\$1,196,000	4,982	\$240.06
	Offsetting Revenues	(\$950,893)	4,982	(\$190.87)
Total		\$4,695,107		\$942.41

VIII. Development Impact Fee per Unit

Land Use Type	EDUs Per Unit/1,000 Non-Res. SF	Fees Per Unit/1,000 Non-Res. SF	Number of Units/Non-Res. 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$942	2,553	\$2,405,983
Multi-Family	1.00	\$942	2,429	\$2,289,124
Total Allocated to New Development				\$4,695,107
Outside Funding Responsibility				\$0
Total Cost of Library Facilities				\$4,695,107

Notes:

[1] Potential Housing Units based on City of El Paso de Robles, Revised 2012 Land Use Element

[2] Average Household Size Based on information obtained from the 2012 Land Use Element

[3] Allocates 100% to new development square feet or facility units necessary to fund existing service standard for new residents

[4] Denotes proposed service standard in excess to that currently provided to existing residents

Appendix B
EBU & EDU Calculation Worksheet

Appendix B
City of El Paso de Robles
EBU & EDU Calculation Worksheet

Existing EDU Calculation [1]

Service Factor (Residents and Employees)

Land Use Type	Number of Persons Served **	Residents per Unit/ Persons Served per 1,000 Non-Res. SF	EDUs per Unit/ per 1,000 Non-Res. SF	Number of Units/ Non-Res. SF	Total Number of EDUs
Single Family Residential	19,782	2.66	1.00	7,437	7,437
Multi Family Residential	11,369	2.66	1.00	4,274	4,274
Commercial	3,896	0.96	0.36	4,044,000	1,465
Industrial	1,098	0.52	0.20	2,093,000	413
Total	36,145				13,588

Source: David Taussig & Associates; City of El Paso de Robles, Revised 2012 Land Use Element.

** Persons Served = Residents plus 50% of Employees, customary industry practice designed to capture the reduced levels of service demanded by employees.

Future EDU Calculation [1]

Service Factor (Future Residents and Employees)

Land Use Type	Number of Persons Served **	Residents per Unit/ Persons Served per 1,000 Non-Res. SF	EDUs per Unit/ per 1,000 Non-Res. SF	Number of Units/ Non-Res. SF	Total Number of EDUs
Single Family Residential	6,791	2.66	1.00	2,553	2,553
Multi Family Residential	6,461	2.66	1.00	2,429	2,429
Commercial	2,790	0.96	0.36	2,896,000	1,049
Industrial	786	0.52	0.20	1,498,000	295
Total	16,828				6,326

Source: David Taussig & Associates; City of El Paso de Robles, Revised 2012 Land Use Element.

** Persons Served = Residents plus 50% of Employees, customary industry practice designed to capture the reduced levels of service demanded by employees.

EBU Calculation

I. Total Hours of Potential Parks Usage per Week.

User of Facilities	Potential Recreation Hours Work Day	Number of Work Days per Week	Hours Per Weekend Day	Number of Weekend Days Per Week	Potential Recreation Hours Per Week Per Person
Resident, non-working	12	5	12	2	84
Resident, working	2	5	12	2	34
Employee (comm/ind)	2	5	12	0	10

II a. Total Potential Recreation Hours per Week. (Single Family Residential)

Type Of Resident	Number Per Household	Potential Recreation Hours/ Week per Person	Potential Recreation Hours/ Week per Households
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

II b. Total Potential Recreation Hours per Week. (Multi-Family Residential)

Type Of Resident	Number Per Household	Potential Recreation Hours/ Week per Person	Potential Recreation Hours/ Week per Household
Resident, non-working	1.57	84	132
Resident, working	1.09	34	37
Total	2.66		169

Assume the potential recreation hours per single family residential detached dwelling unit equals 1 EBU

Notes:

[1] Applies to Fire, General Government, Park and Recreation, and Library facilities apportionment.

Appendix C
Department Contact List

Department Contact List

Transportation Facilities:

John Falkenstien, City Engineer
Telephone: (805) 237-3970
Email: JFalkenstien@prcity.com

Police Facilities:

Robert Burton, Police Chief
Telephone: (805) 237-6464
Email: PDChief@prcity.com

Fire Facilities:

Ken Johnson, Fire Chief
Telephone: (805) 227-7560
Email: KJohnson@prcity.com

Doug Monn, Public Works Director
Telephone: (805) 237-3861
Email: DMonn@prcity.com

General Government Services Facilities:

Jim App, City Manager
Telephone: (805) 237-3888
Email: JApp@prcity.com

John Falkenstien, City Engineer
Telephone: (805) 237-3970
Email: JFalkenstien@prcity.com

Park and Recreation Facilities:

John Falkenstien, City Engineer
Telephone: (805) 237-3970
Email: JFalkenstien@prcity.com

Library Facilities:

Julie Dahlen, Recreation Director
Telephone: (805) 237-3993
Email: LRSDDirector@prcity.com

Attachment 5

4/21/15 City Council Staff report

Constraints on Housing Inventory - PC Memorandum

Originally part of Council Resolution 04-233

Public Finance
Facilities Planning
Urban Economics

Newport Beach
Riverside
San Ramon

**FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES**

November 11, 2003

**FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES**

Prepared For

City of Paso Robles
1000 Spring Street
Paso Robles, California 93446
(805) 227-PASO

Prepared By

David Taussig & Associates, Inc.
1301 Dove Street, Suite 600
Newport Beach, California 92660
(949) 955-1500

EXECUTIVE SUMMARY

BACKGROUND

This executive summary describes a series of analyses of the potential fiscal impacts to the City of Paso Robles (the "City") expected to result from the future development of currently undeveloped and underdeveloped areas within the existing City limits and the proposed annexation areas under consideration as of October 14, 2003 as part of the 2003 General Plan Update. In preparing these analyses, David Taussig & Associates, Inc. ("DTA") relied on information provided by Rincon Consultants on the proposed General Plan Land Use Alternatives that are being reviewed and considered by the City. The fiscal analyses performed by DTA also used information from the City's 2003-04 Operating Budget (which has been reviewed for accuracy by the City's Administrative Services Director), as well as a series of interviews and discussions with the City's department heads.

PROJECT DESCRIPTION

DTA used three different approaches to project the fiscal impacts of new development on the City's General Fund.

- Evaluate fiscal impacts of buildout in accordance with the proposed General Plan within the current City boundaries (infill);
- Evaluate the fiscal impacts of buildout for just the proposed annexation areas;
- Evaluate the combination of infill and annexation development.

The first set of evaluations are based on anticipated future development within the existing City limits ("Buildout of Existing City"). Buildout of Existing City is expected to encompass 5,447 dwelling units and 4,525,825 building square feet of nonresidential development, with a total of 14,706 new residents and 8,565 new employees. Also, 968 new hotel rooms are expected to be constructed within the existing City limits by buildout.

The second set of evaluations focus on future development projected for all undeveloped land outside the existing City limits, but within the City's Sphere and expansion areas ("Buildout of Sphere & Expansion Areas"). Development within the potential annexation areas is expected to include 1,702 new dwelling units constructed on 509 newly annexed residential acres, but no nonresidential development. Buildout of Sphere & Expansion Areas is also expected to generate 4,595 residents, but no new employees. (There may be neighborhood commercial land uses provided but the amount and number of employees would not be significant.)

The third set of fiscal impact evaluations encompass future development on all undeveloped land both within the City's existing boundaries and within the City's Sphere and expansion areas ("Total Buildout"). The total development potential of the Draft 2003 General Plan Update is expected to include 7,149 new dwelling units, 4,525,825 building square feet of nonresidential development and 968 hotel rooms. The Total Buildout scenario is expected to generate 19,302 new residents and 8,565 new employees.

SCOPE AND METHODOLOGY

The fiscal impacts identified in this report include recurring municipal revenues and costs to the City that result from future development of currently undeveloped or underdeveloped properties. City revenues are generated from a variety of taxes, license and permit fees, fines, and other revenue sources, as listed in Figure 1. City expenditures are associated with a variety of services, such as police protection, fire protection, public works services, general government costs, community development costs, library costs, and recreation services.

Fiscal impacts have been estimated based on the level of development expected to have occurred by the year 2025, as assumed in the General Plan Alternatives. However, all fiscal projections are stated in constant / uninflated 2003 dollars, based on the assumption that the impacts of inflation on City revenues and costs will be identical through 2025.

The methodology employed in estimating the fiscal impacts for the analyses involved a combination of *Case Study* and *Per Capita Multiplier* methods for various cost and revenue categories, as formulated by City staff and DTA in the development of the fiscal impact model that provides the foundation for this analysis.

The three different approaches assuming buildout within the City, buildout outside the City, and the combined total buildout (as discussed above) were each analyzed at three separate levels of service for both police and fire protection (i.e., high, medium and low service levels). Specifically, high levels of service for police and fire protection were, respectively, 1.6 officers and 1.3 firefighters per thousand residents, and medium levels of service for police and fire protection were, respectively, 1.5 officers and 1.0 firefighter per thousand residents. Low levels of service for police and fire protection were, respectively, 1.4 officers and 0.8 firefighters per thousand residents.

CONCLUSIONS OF THE FISCAL IMPACT ANALYSES

Figures 4, 5, 6 and 7 depict the surplus/(deficit) of each buildout projection that was analyzed. The Buildout of Sphere & Expansion Areas analyses were characterized by the highest deficit levels, as a result of the fact that this scenario consists exclusively of residential development. As retail development generates direct sales tax, which is the largest source of City revenues, the absence of this type of development for a particular buildout projection causes the City General Fund to experience a negative fiscal impact, no matter what level of service is provided. For example, assuming that the City adopts high levels of service, Buildout of Sphere and Expansion Areas creates a deficit of services costs versus City revenues of \$2,207,542 per year. The annual deficit per dwelling unit for this scenario is forecasted at \$1,297 per year.

On the other hand, the best performing analysis from a fiscal impact perspective is the Buildout of Existing City, in which a combination of new residential and nonresidential development would generate a surplus for each level of service evaluated (high, medium and low). For example, based on low levels of service, the total surplus generated for the City under Buildout of Existing City is estimated at \$4,544,842 per year. Please note that this buildout projection assumes the successful development of 2,906,529 square feet of retail space and 968 new hotel rooms. As new residential development by itself would generate a deficit projected at \$663 per dwelling unit, the Buildout of Existing City would also create a deficit without retail and hotel development. However, the deficit per dwelling unit is lower for all three levels of service for the Buildout of Existing City versus the Buildout of Sphere and Expansion Areas as a result of limitations established by the County on the property tax revenues apportioned to the City under all future annexations.

The Total Buildout includes both the deficit from the Buildout of Sphere & Expansion Areas and the surplus from the Buildout of Existing City, so it provides a middle ground for the City's fiscal future. The Total Buildout creates a surplus of \$1,017,512 per year with high levels of service, a surplus of \$2,001,975 with medium levels of service, and a surplus of \$2,749,689 with low levels of service.

It is important to note that the costs associated with residential development may be somewhat overstated in these analyses because all police and fire protection costs were calculated based on the number of residents generated, and therefore were exclusively assigned to residential development. Should a share of these costs be apportioned to non-residential development, the positive fiscal impacts of future non-residential development would be reduced, while the fiscal impacts of future residential development on the City would be less negative than indicated herein. Also, these analyses assume that the City's current basic revenue and cost structures will remain the same indefinitely (e.g., assumes that Motor Vehicle In-Lieu Fees will not be reduced or eliminated, assumes that the "triple-flip" proposal regarding property tax and sales tax revenues will not be implemented, and assumes no changes in current laws). Finally, the expectation of 968 hotel rooms is expected to generate almost \$2.5 million in revenues for the Existing City and Total Buildout analyses. The relaxation of this assumption has a significant effect on the overall results for the Existing City and Total Buildout scenarios.

AB 7X and AB1766, otherwise known as the "Triple Flip" legislation, require that cities give up .5% of sales tax in their jurisdictions (1/2 of the sales tax they would receive without the legislation) to the State in exchange for an equal share of property tax. The Triple Flip allows cities to recoup their loss in sales tax via a State backfill property taxes that would ordinarily be directed to school districts as part of the Educational Revenue Augmentation Fund ("ERAF"). The provisions of the Triple Flip are expected to continue until all outstanding bonds/ancillary obligations issued to cover the State's current budget deficit have been paid/retired. The legislation will become effective in July, 2004; preliminary estimates of the effective window of this legislation are approximately five years. Unfortunately, there are concerns that due to the magnitude of the State's deficit, the State may unilaterally decide not to backfill local agencies, thereby causing a net loss to these agencies equal to one-half of their sales tax revenues. Figure 8 compares the total surplus/(deficit) for Existing City Buildout, Sphere & Expansion Buildout, and Total Buildout at medium levels of service assuming the scenario under which the State backfills 100% of the sales tax owed for reimbursement versus the scenario under which the State defaults on its backfill. Total Buildout and Buildout of Existing City stand to lose approximately \$2.8 million per year if the State defaults; Buildout of Sphere and Expansion Areas only stands to lose approximately \$62,000 per year if the State defaults, due to the lack of retail development planned for these areas. Please note, however, that this legislation is expected to be effective for only five years, whereas buildout is expected to occur in 2025. Therefore, if the State does default, the negative fiscal impacts of the Triple Flip will only affect the City for a five-year period.

A sample of the fiscal impact model for the Total Buildout – Medium Levels of Service is attached to this summary report to illustrate the factors utilized in the analyses.

K:\Clients2\PasoRobles\FIR SummaryV.doc

FIGURES 1-8
Fiscal Impact Analyses



FIGURE 1

City of Paso Robles

Recurring City Revenues

- Secured Property Tax
- Unsecured Property Tax
- Property Transfer Tax
- Sales Tax
- Safety Sales Tax
- Transient Occupancy Tax
- Franchise Fee Revenue
- Business License Revenue
- Licenses, Permits & Fines
- State Revenue
- Gasoline Tax / Traffic Congestion Relief
- Miscellaneous Revenue
- Investment Income Revenue

Recurring City Costs

- Police Protection
- Fire Protection
- Public Works
- General Government
- Community Development
- Library
- Recreation Services

FIGURE 2 – REVENUES FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE

City of Paso Robles

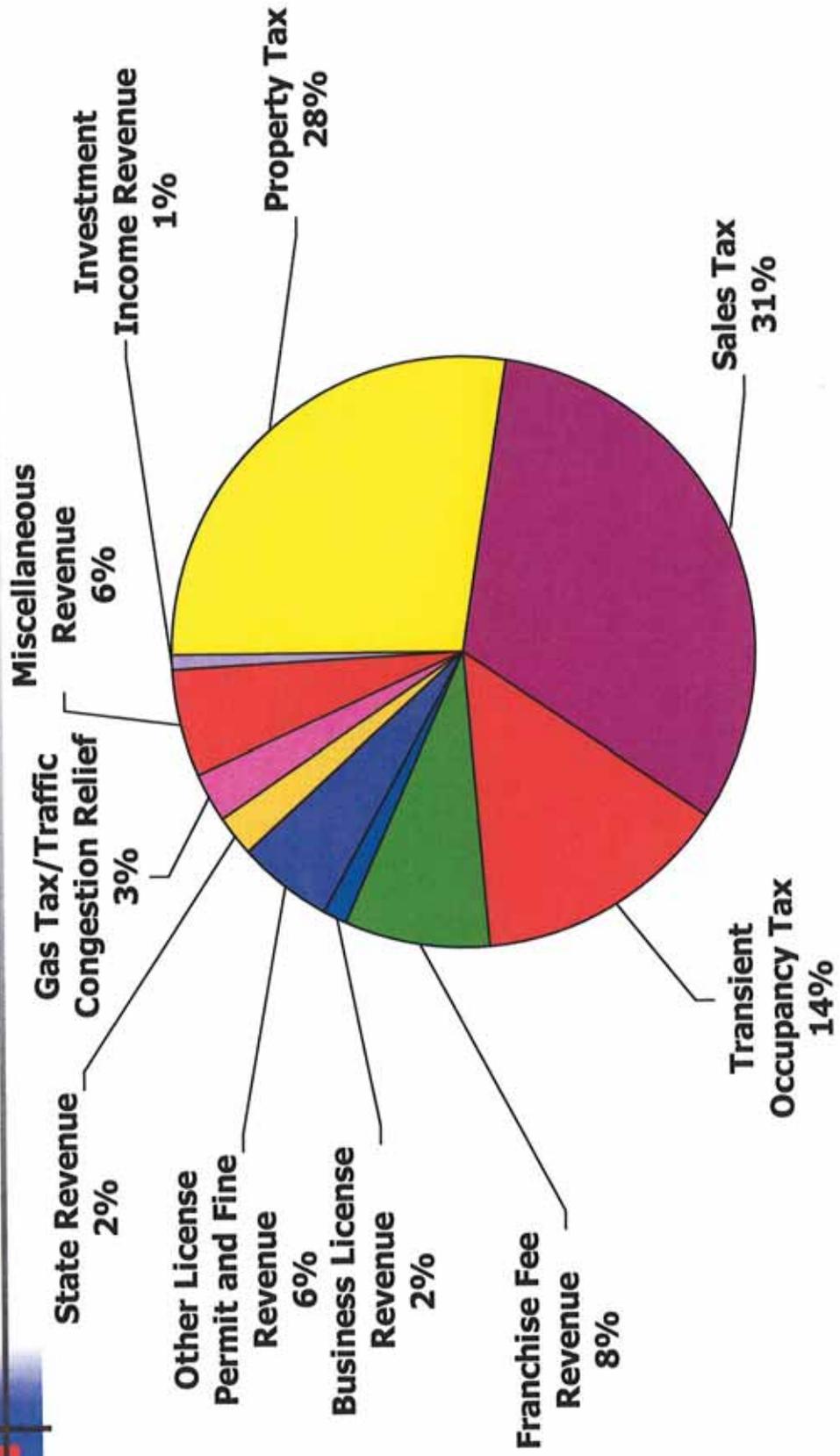
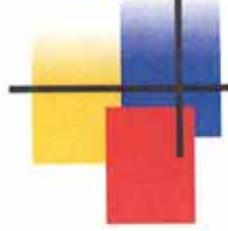


FIGURE 3 – COSTS FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE

City of Paso Robles

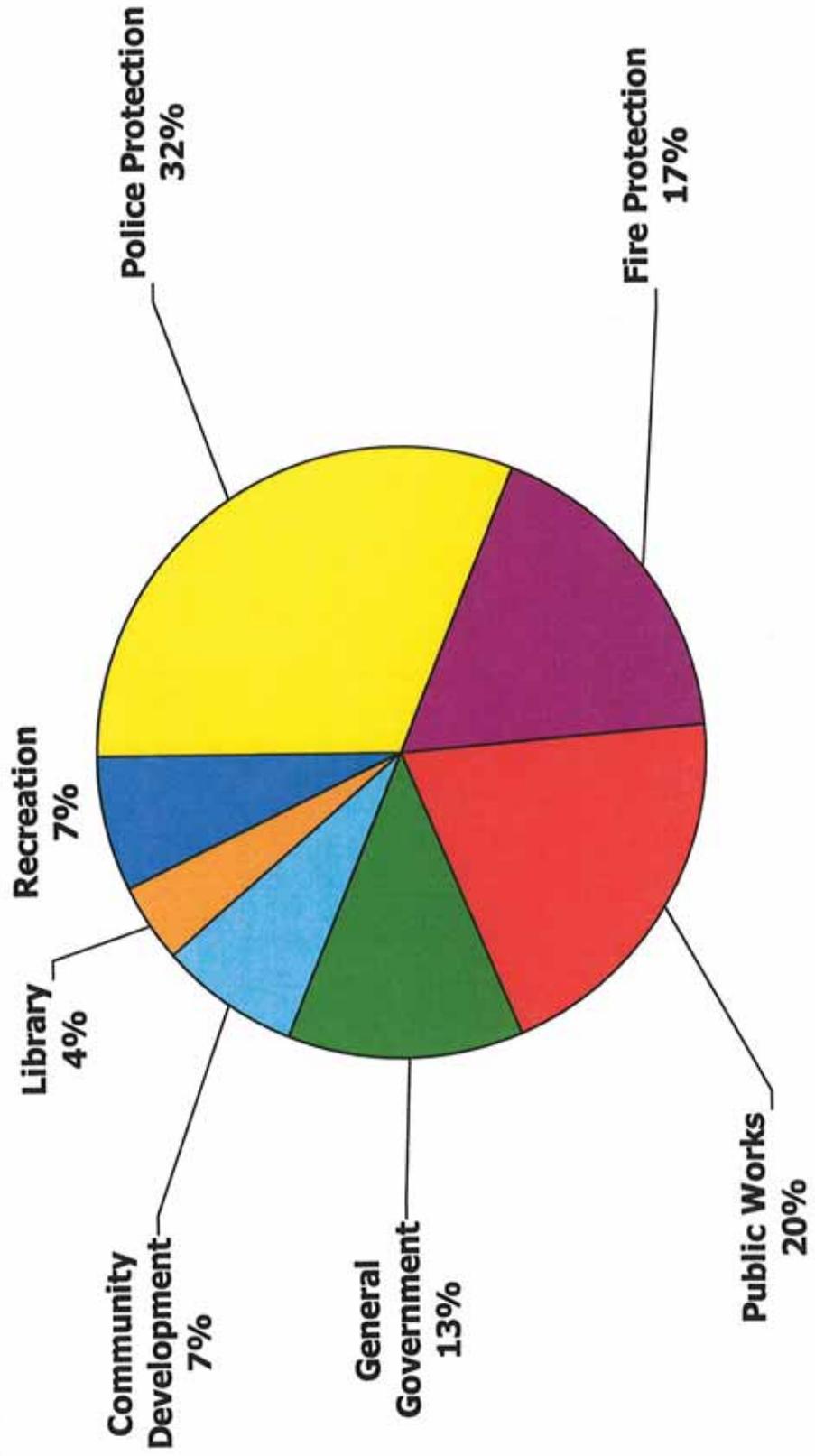


FIGURE 4 – TOTAL SURPLUS/(DEFICIT)

City of Paso Robles

LEVELS OF SERVICE

	High	Medium	Low
Existing City Buildout	\$3,225,053	\$3,975,140	\$4,544,842
Sphere & Expansion Buildout	(\$2,207,542)	(\$1,973,165)	(\$1,795,153)
Total Buildout	\$1,017,512	\$2,001,975	\$2,749,689

LAND-USE SCENARIOS

FIGURE 5 – DEFICIT PER DWELLING UNIT/1 City of Paso Robles



LEVELS OF SERVICE

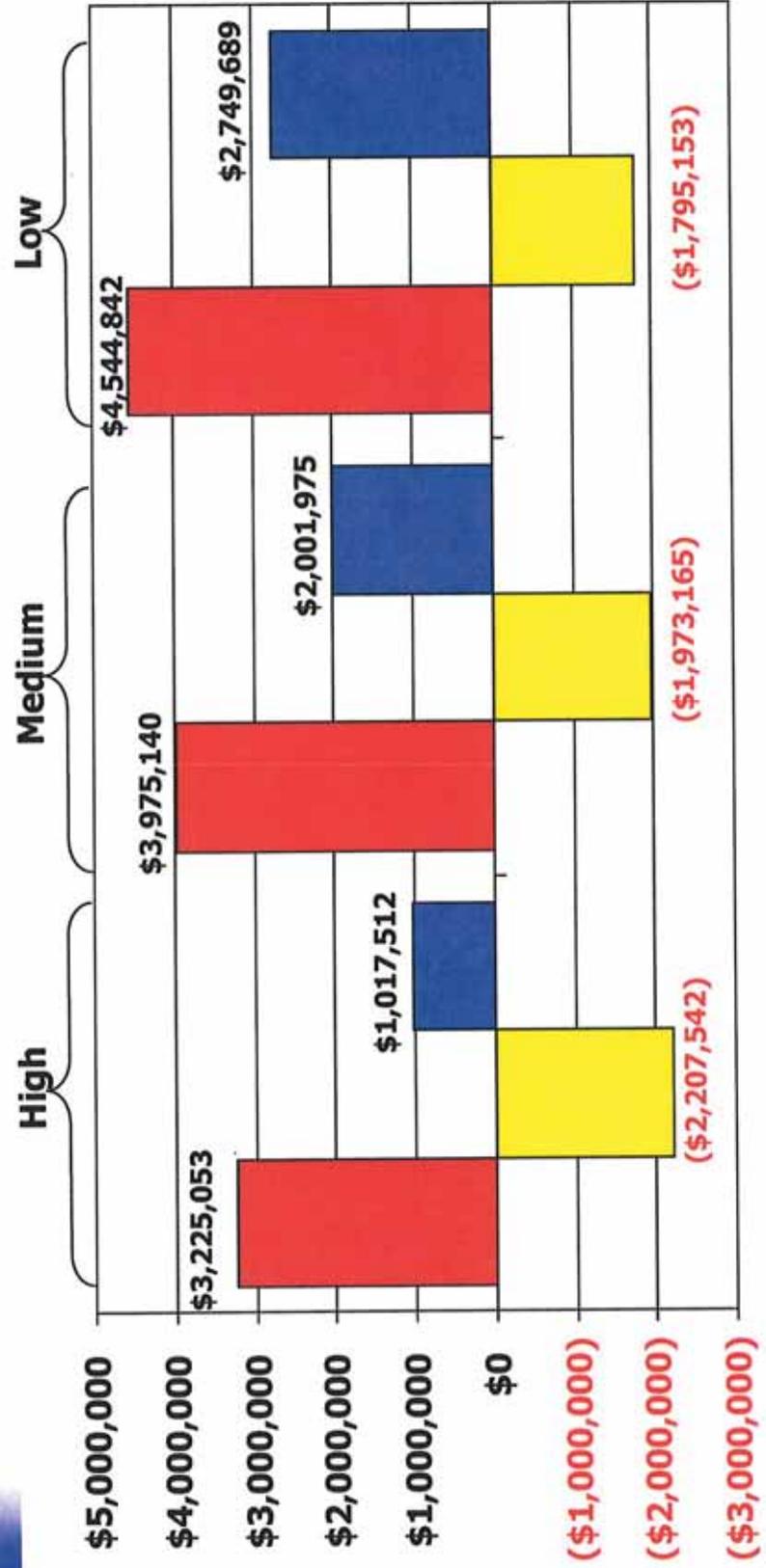
	High	Medium	Low
Existing City Buildout	(\$905)	(\$767)	(\$663)
Sphere & Expansion Buildout	(\$1,297)	(\$1,159)	(\$1,055)
Total Buildout	(\$1,000)	(\$862)	(\$758)

LAND-USE SCENARIOS

1. Does not consider the surplus generated by non-residential development.

FIGURE 6 – TOTAL SURPLUS/(DEFICIT)

City of Paso Robles



■ Existing City Buildout
■ Sphere & Expansion Buildout
■ Total Buildout

FIGURE 7 – DEFICIT PER DWELLING

UNIT City of Paso Robles

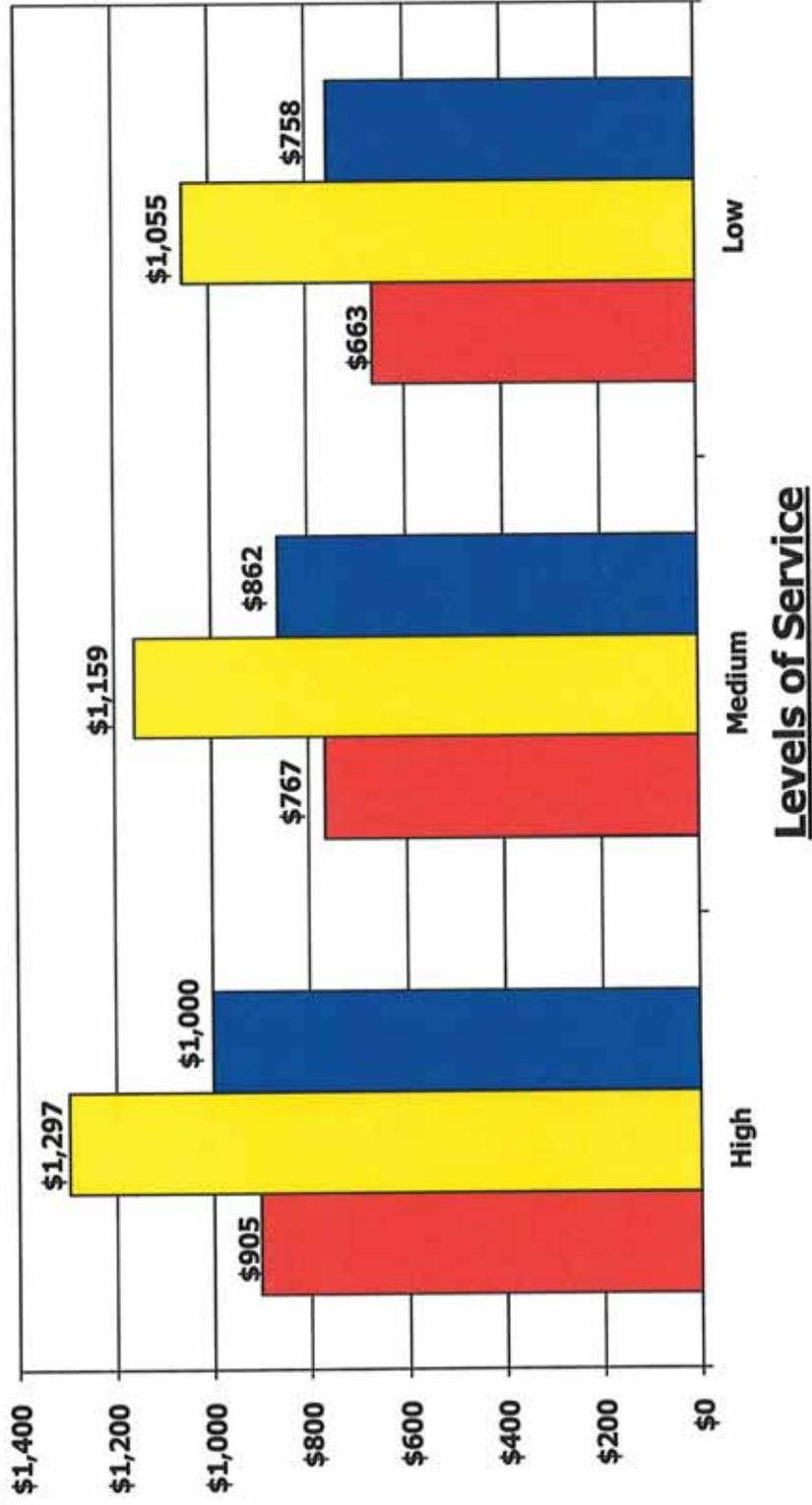
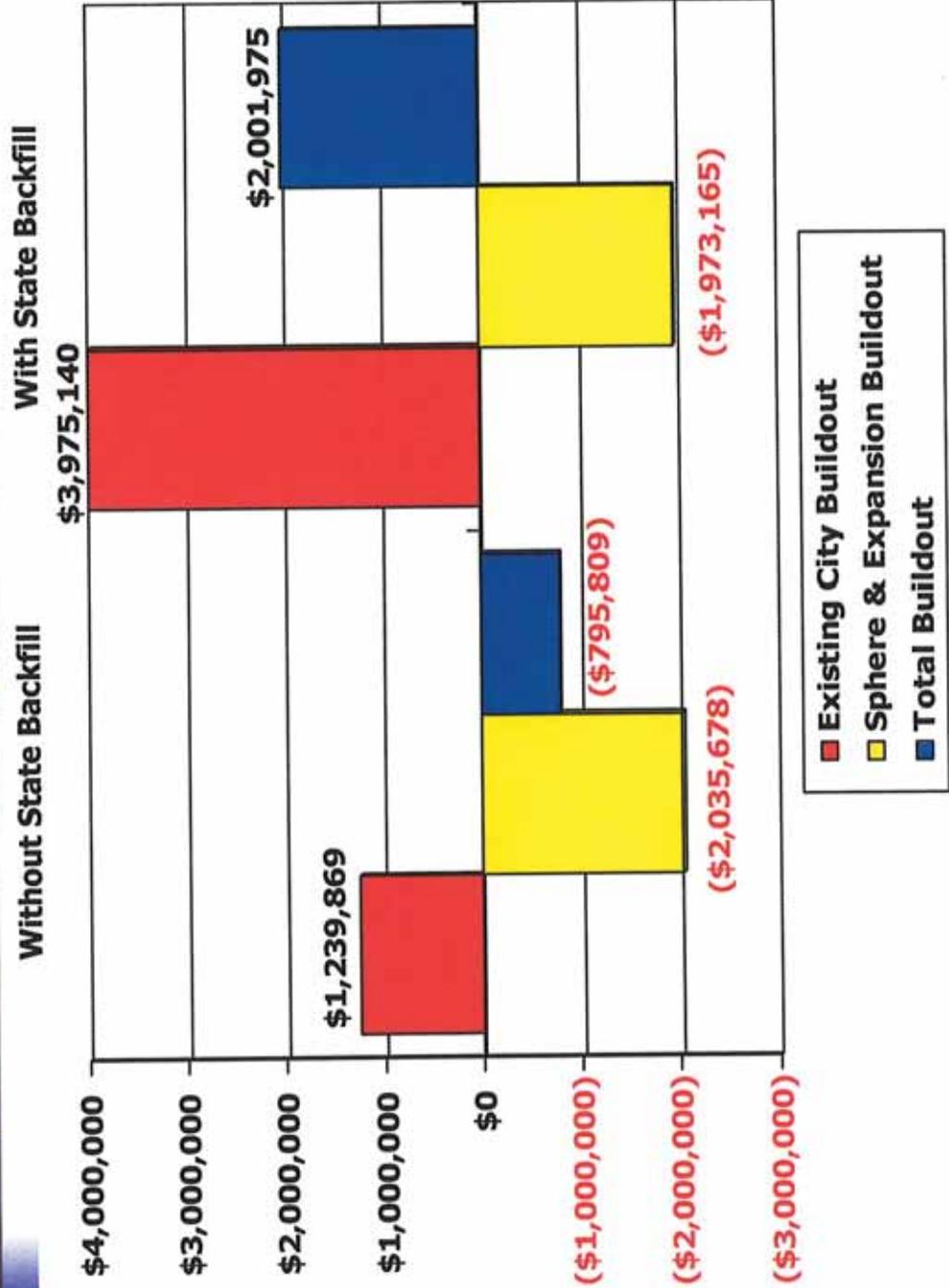


FIGURE 8 – “Triple-Flip” Medium Levels Of Service City of Paso Robles



TABLES 1-8
SAMPLE FISCAL IMPACT ANALYSIS
TOTAL DEVELOPMENT
MEDIUM LEVELS OF SERVICE

**TABLE 1
CITY OF EL PASO DE ROBLES : MODEL
LAND USE SUMMARY: RESIDENTIAL AND COMMERCIAL
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

LAND USE	BUILD-OUT		
	WITHIN CITY LIMITS	OUTSIDE CITY LIMITS	2025 TOTAL
DWELLING UNITS			
Single-Family Residential	3,129	1,271	4,400
Multi-Family Residential	<u>2,318</u>	<u>431</u>	<u>2,749</u>
TOTAL, DWELLING UNITS	5,447	1,702	7,149
PROJECT RESIDENTS /1			
Single-Family Residential	NA	NA	11,880
Multi-Family Residential	NA	NA	<u>7,422</u>
TOTAL, PROJECT RESIDENTS			19,302
PROJECT ACREAGE			
Single-Family Residential	NA	NA	4,446
Multi-Family Residential	NA	NA	<u>773</u>
TOTAL, RESIDENTIAL ACREAGE			5,219
SEE FOOTNOTES ON FOLLOWING PAGE			

TABLE 1 CONTINUED

**BUILD-OUT
2025**

LAND NONRESIDENTIAL ACRES	
NONRESIDENTIAL ACRES	
Neighborhood Commercial (NC)	46
Office Professional (OP)	7
Community Commercial (CC)	10
Regional Commercial (RC)	60
Commercial Service (CS)	248
Business Park (BP)	1112
<u>Industrial (IND)</u>	2
TOTAL, NON-RESIDENTIAL	1,486
BUILDING NONRESIDENTIAL SQ.FT.	
Neighborhood Commercial (NC)	505,304
Office Professional (OP)	76,146
Community Commercial (CC)	106,933
Regional Commercial (RC)	661,103
Commercial Service (CS)	1,633,189
Business Park (BP)	1,539,882
<u>Industrial (IND)</u>	<u>3,267</u>
TOTAL, NON-RESIDENTIAL	4,525,825
NONRESIDENTIAL EMPLOYEES /2	
TOTAL, NON-RESIDENTIAL EMPLOYEES	8,565

NOTES:

1. U.S. Census
Persons Per Household - Single Family Detached

2.700

2. Economic Development Department, State of California
SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 2
 CITY OF EL PASO DE ROBLES : MODEL
 CASE STUDY REVENUES: PROPERTY TAXES
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

ASSESSED VALUATION ASSUMPTIONS

RESIDENTIAL	
Single-Family Residential	\$418,707
Multi-Family Residential	\$258,987
NON-RESIDENTIAL	
Neighborhood Commercial (NC)	\$125
Office Professional (OP)	\$110
Community Commercial (CC)	\$125
Regional Commercial (RC)	\$125
Commercial Service (CS)	\$125
Business Park (BP)	\$110
Industrial (IND)	\$75
Base Year Value Per Unit	\$150,000

SECURED PROPERTY TAX ASSUMPTIONS

APPORTIONMENT FACTOR AS A PERCENT OF 1%	
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY WITHIN CITY LIMITS	17.00%
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY OUTSIDE CITY LIMITS	8.20%

UNSECURED PROPERTY TAX ASSUMPTIONS

RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	2.75%
NON-RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	10.00%

TABLE 2 CONTINUED**BUILD-OUT**

FISCAL YEAR

(\$s x1,000)

2025

SECURED ASSESSED VALUE CALCULATION:ANNUAL ASSESSED VALUESWITHIN CITY LIMITS

Single-Family Residential	\$1,310,135.7
Multi-Family Residential	\$600,330.8

OUTSIDE CITY LIMITS

Single-Family Residential	\$532,177.2
Multi-Family Residential	\$111,623.2

TOTAL RESIDENTIAL \$2,554,266.9

NON-RESIDENTIAL

Neighborhood Commercial (NC)	\$63,163.0
Office Professional (OP)	\$8,376.1
Community Commercial (CC)	\$13,366.7
Regional Commercial (RC)	\$82,637.8
Commercial Service (CS)	\$204,148.6
Business Park (BP)	\$169,387.0
Industrial (IND)	\$245.0
TOTAL NON-RESIDENTIAL	\$541,324.3

SECURED PROPERTY TAX REVENUE CALCULATION:

CITY OF EL PASO DE ROBLES

RESIDENTIAL	\$3,566.4
<u>NON-RESIDENTIAL</u>	<u>\$920.3</u>

TOTAL SECURED TAX REVENUES TO CITY \$4,486.6

UNSECURED PROPERTY TAX REVENUE CALCULATION:

CITY OF EL PASO DE ROBLES

RESIDENTIAL	\$98.1
<u>NON-RESIDENTIAL</u>	<u>\$92.0</u>

TOTAL UNSECURED TAX REVENUES TO CITY \$190.1

TOTAL PROPERTY TAXES TO CITY \$4,676.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 3
CITY OF EL PASO DE ROBLES : MODEL
CASE STUDY: SALES TAXES AND PROPERTY TRANSFER TAXES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

RESIDENTIAL INDIRECT SALES TAX GENERATION ASSUMPTIONS

AVERAGE HOUSEHOLD INCOME ASSUMPTIONS:

WEIGHTED AVERAGE RESIDENTIAL PRICE	\$357,290
AVERAGE RESIDENTIAL MORTGAGE (45% DOWN)	\$196,510
ANNUAL MORTGAGE PAYMENTS @ 8.00% & 30 YEARS	\$17,303
AVG. HOUSEHOLD INCOME (4:1 INCOME/PAYMENT RATIO):	\$69,212
RETAIL TAXABLE EXPENDITURES (% OF INCOME):	20.0%
PROJECT RESIDENTS' PURCHASES OUTSIDE PROJECT AND WITHIN INCORPORATED CITY:	50.0%

PROPERTY TRANSFER TAX ASSUMPTIONS

RESIDENTIAL PROPERTY TURNOVER RATE	10.00%
BUS & COM PROPERTY TURNOVER RATE	5.00%
TRANSFER TAX AS A % OF PRICE	0.11%
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY	50.00%

BUSINESS DIRECT SALES & USE TAX GENERATION ASSUMPTIONS

SALES TAXES PASSED THROUGH TO CITY, APPLIED TO COSTS:	1.00%
COUNTYWIDE AND STATE POOLED TAX REVENUE (% of 1%)	0.00%
SAFETY SALES TAX REVENUE	0.0025%
DISPLACED EXISTING CITY SALES TAX	25.00%

PROJECT RETAIL TAXABLE SALES PER SQ. FT:

Neighborhood Commercial (NC)	\$225.00
Office Professional (OP)	\$15.00
Community Commercial (CC)	\$225.00
Regional Commercial (RC)	\$225.00
Commercial Service (CS)	\$225.00
Business Park (BP)	\$15.00
Industrial (IND)	\$10.00

TABLE 3 CONTINUED

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
SALES & USE TAX REVENUE CALCULATION (CUMULATIVE):		
<u>INDIRECT SALES TAX GENERATION</u>		
RESIDENTIAL TAXABLE EXPENDITURES		\$98,959.4
<u>TOTAL TAXABLE PURCHASES WITHIN CITY</u>		<u>\$49,479.7</u>
RESIDENTIAL SALES TAX GENERATION		\$494.8
<u>DIRECT SALES TAX GENERATION</u>		
Neighborhood Commercial (NC)		\$113,693.4
Office Professional (OP)		\$1,142.2
Community Commercial (CC)		\$24,060.0
Regional Commercial (RC)		\$148,748.1
Commercial Service (CS)		\$367,467.5
Business Park (BP)		\$23,098.2
Industrial (IND)		\$32.7
SUB-TOTAL DIRECT TAXABLE SALES		\$678,242.2
<u>LESS: DISPLACED EXISTING CITY SALES TAX</u>		<u>\$169,560.5</u>
TOTAL DIRECT TAXABLE SALES		\$508,681.6
TOTAL DIRECT SALES TAX GENERATION		\$5,086.8
<u>TOTAL PROJECT SALES & USE TAX REVENUES, APPLIED TO COSTS</u>		<u>\$5,581.6</u>
RESIDENTIAL SAFETY SALES TAX REVENUES		\$1.2
NON-RESIDENTIAL SAFETY SALES TAX REVENUES		\$12.7
<u>TOTAL PROJECT SALES & USE TAX REVENUES</u>		<u>\$5,595.6</u>
PROPERTY TRANSFER TAX CALCULATION (CUMULATIVE):		
RESIDENTIAL PROPERTY TRANSFER TAXES		\$140.5
NON-RESIDENTIAL PROPERTY TRANSFER TAXES		\$14.9
<u>TOTAL ANNUAL PROPERTY TRANSFER TAXES</u>		<u>\$155.4</u>

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 4
CITY OF EL PASO DE ROBLES : MODEL
BUSINESS LICENSE, FRANCHISE FEE, T.O.T. REVENUES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

BUSINESS LICENSE FEE REVENUE		
RESIDENTIAL		NA
NON-RESIDENTIAL (PER EMPLOYEE)		\$31.09
FRANCHISE FEES (RESIDENTIAL - PER CAPITA; NONRESIDENTIAL - PER CAPITA AND EMPLOYEE)		
	RESIDENTIAL	NON-RESIDENTIAL
CABLE	\$11.38	NA
GAS/ELECTRIC	\$10.27	\$10.27
LANDFILL	\$26.58	\$26.58
SOLID WASTE	\$5.15	\$5.15
TOTAL FRANCHISE	\$53.38	\$42.00
TRANSIENT OCCUPANCY TAX		
NUMBER OF AVAILABLE HOTEL ROOMS		988
OCCUPANCY RATE		70.00%
AVERAGE BILLING RATE PER ROOM		\$100.00
% PASSED THROUGH TO CITY		10.00%
FISCAL YEAR (\$s x1,000)		BUILD-OUT 2025
BUSINESS LICENSE FEE REVENUE		
TOTAL RESIDENTIAL		NA
NONRESIDENTIAL		
TOTAL NONRESIDENTIAL		\$266.3
TOTAL, BUSINESS LICENSE FEE REVENUE		\$266.3
FRANCHISE FEE REVENUE		
RESIDENTIAL CABLE FRANCHISE FEES		\$219.7
NON-RESIDENTIAL CABLE FRANCHISE FEES		\$0.0
RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES		\$198.3
NON-RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES		\$88.0
RESIDENTIAL LANDFILL FRANCHISE FEES		\$513.0
NON-RESIDENTIAL LANDFILL FRANCHISE FEES		\$227.6
RESIDENTIAL SOLID WASTE FRANCHISE FEES		\$99.4
NON-RESIDENTIAL SOLID WASTE FRANCHISE FEES		\$44.1
TOTAL, FRANCHISE FEE REVENUE		\$1,390.1
TRANSIENT OCCUPANCY TAX REVENUE		
TOTAL, TRANSIENT OCCUPANCY TAX REVENUE		\$2,473.2

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 5
CITY OF EL PASO DE ROBLES : MODEL
OTHER REVENUE AND REVENUE SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

OTHER GENERAL REVENUES (MULTIPLIER METHOD)		
	RESIDENTIAL	NONRESIDENTIAL
OTHER LICENSES/PERMITS/FINES	\$25.45	\$52.61
STATE REVENUES	\$18.76	\$0.00
GASOLINE TAXES/TDA FUND	\$25.59	NA
MISCELLANEOUS REVENUES/SERVICE CHARGES	\$36.41	\$36.41

INCOME FROM INVESTMENTS	
EFFECTIVE INTEREST /1	1.77%

1. Local Agency Investment Fund ("LAIF") Rat

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
PER CAPITA REVENUES		
<u>OTHER LICENSES/PERMITS/FINES</u>		
RESIDENTIAL		\$491.2
NON-RESIDENTIAL		\$450.6
TOTAL, LICENSES, PERMITS AND FINES		\$941.8
<u>STATE REVENUES</u>		
RESIDENTIAL		\$362.2
NON-RESIDENTIAL		\$0.0
TOTAL, STATE REVENUES		\$362.2
<u>GASOLINE TAXES/TDA FUND</u>		
RESIDENTIAL		\$493.9
NON-RESIDENTIAL		\$0.0
TOTAL, GASOLINE/TDA FUND REVENUES		\$493.9
<u>MISCELLANEOUS REVENUES</u>		
RESIDENTIAL		\$702.7
NON-RESIDENTIAL		\$311.8
TOTAL, MISCELLANEOUS REVENUES		\$1,014.5
TOTAL RESIDENTIAL PER CAPITA REVENUES		\$3,080.3
TOTAL NON-RESIDENTIAL PER CAPITA REVENUES		\$1,388.4
TOTAL PER CAPITA REVENUES		\$4,468.7
TOTAL CASE STUDY RESIDENTIAL REVENUES		\$4,301.0
TOTAL CASE STUDY NON-RESIDENTIAL REVENUES		\$8,599.9
TOTAL CASE STUDY REVENUES		\$12,900.9
RESIDENTIAL REV AVAILABLE FOR INV. INCOME		\$7,381.3
NON-RESIDENTIAL REV AVAILABLE FOR INV. INCOME		\$9,988.3
TOTAL REVENUES AVAILABLE FOR INVESTMENT INCOME		\$17,369.6
RESIDENTIAL INVESTMENT INCOME		\$65.3
NON-RESIDENTIAL INVESTMENT INCOME		\$88.4
TOTAL INVESTMENT INCOME		\$153.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 6
CITY OF EL PASO DE ROBLES : MODEL
POLICE DEPARTMENT, FIRE DEPARTMENT, PUBLIC WORKS & PER CAPITA COSTS
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

POLICE DEPARTMENT COSTS

# OF SWORN OFFICERS PER 1,000 POPULATION /1	1.50
# OF NON-SWORN OFFICERS PER 1,000 POPULATION /2	0.50

- Existing multiple of sworn officers per thousand population: 1.36
- Existing multiple of non-sworn officers per thousand population: .54

FIRE DEPARTMENT COSTS

# OF FIREFIGHTERS PER 1,000 POPULATION /1	1.00
# OF SUPPORT PERSONNEL PER THOUSAND POPULATION /2	0.11

- Existing multiple of firefighters per thousand population: .67
- Existing multiple of support personnel per thousand population

PUBLIC INFRASTRUCTURE REQUIREMENTS

ROADS (LANE MILES)	204.6
SIGNALIZED INTERSECTIONS	33.5
PARK ACREAGE (GROSS) /1	135.1
OPEN SPACE (ACRES)	1199.4
TRAILS (LINEAL MILE)	40.9
STORM DRAIN MILES	125.5

- 7 ACRES PER THOUSAND POPULATION (NEW DEVELOPMENT)

PUBLIC WORKS MAINTENANCE COSTS

	COST	PERCENT RESIDENTIAL
PAVEMENT MAINTENANCE PER LANE MILE	\$1,116	69%
SIGNALIZED INTERSECTION	\$10,371	69%
PARK MAINTENANCE PER ACRE	\$10,285	69%
OPEN SPACE MAINTENANCE PER ACRE	\$43	69%
TRAIL MAINTENANCE PER MILE	\$1,116	69%
STORM DRAIN MILES	\$8,334	69%

OTHER COSTS (MULTIPLIER METHOD)

	RESIDENTIAL	NONRESIDENTIAL
COMMUNITY DEVELOPMENT	\$40.94	\$40.94
LIBRARY	\$34.45	\$0.00
RECREATION SERVICES	\$57.94	\$0.00
GENERAL GOVERNMENT	\$70.46	\$70.46

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 6 CONTINUED

BUILD-OUT

FISCAL YEAR	(\$s x1,000)	2025
CITY DIRECT COSTS		
<u>POLICE DEPARTMENT COSTS</u>		
RESIDENTIAL		\$4,817.2
<u>NON-RESIDENTIAL</u>		<u>\$0.0</u>
TOTAL, POLICE DEPARTMENT COSTS		\$4,817.2
<u>FIRE DEPARTMENT COSTS</u>		
RESIDENTIAL		\$2,707.1
<u>NON-RESIDENTIAL</u>		<u>\$0.0</u>
TOTAL, FIRE DEPARTMENT COSTS		\$2,707.1
<u>PUBLIC WORKS COSTS</u>		
RESIDENTIAL PAVEMENT MAINTENANCE		\$158.2
NONRESIDENTIAL PAVEMENT MAINTENANCE		\$70.2
RESIDENTIAL TRAFFIC SIGNAL OPERATION		\$240.8
NONRESIDENTIAL TRAFFIC SIGNAL OPERATION		\$106.9
RESIDENTIAL PARK MAINTENANCE		\$962.5
NONRESIDENTIAL PARK MAINTENANCE		\$427.1
RESIDENTIAL OPEN SPACE MAINTENANCE		\$36.1
NONRESIDENTIAL OPEN SPACE MAINTENANCE		\$16.0
RESIDENTIAL TRAIL MAINTENANCE		\$31.6
NONRESIDENTIAL TRAIL MAINTENANCE		\$14.0
RESIDENTIAL STORM DRAIN MAINTENANCE		\$724.4
<u>NONRESIDENTIAL STORM DRAIN MAINTENANCE</u>		<u>\$321.5</u>
TOTAL, PUBLIC WORKS COSTS		\$3,109.3
<u>COMMUNITY DEVELOPMENT COSTS</u>		
RESIDENTIAL		\$790.2
<u>NON-RESIDENTIAL</u>		<u>\$350.6</u>
TOTAL, COMMUNITY DEVELOPMENT COSTS		\$1,140.9
<u>LIBRARY</u>		
RESIDENTIAL		\$664.9
<u>NON-RESIDENTIAL</u>		<u>NA</u>
TOTAL, ANIMAL CONTROL COSTS		\$664.9
<u>RECREATION SERVICES</u>		
RESIDENTIAL		\$1,118.4
<u>NON-RESIDENTIAL</u>		<u>NA</u>
TOTAL, RECREATION SERVICES COSTS		\$1,118.4
<u>GENERAL GOVERNMENT</u>		
RESIDENTIAL		\$1,360.0
<u>NONRESIDENTIAL</u>		<u>\$603.5</u>
TOTAL, GENERAL GOVERNMENT COSTS		\$1,963.5

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

**TABLE 7
CITY OF EL PASO DE ROBLES : MODEL
DETAILED SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING REVENUES			
<u>SECURED PROPERTY TAXES</u>			
RESIDENTIAL		\$3,566.4	20.35%
NON-RESIDENTIAL		\$920.3	5.25%
<u>UNSECURED PROPERTY TAXES</u>			
RESIDENTIAL		\$98.1	0.56%
NON-RESIDENTIAL		\$92.0	0.53%
<u>PROPERTY TRANSFER TAXES</u>			
RESIDENTIAL		\$140.5	0.80%
NON-RESIDENTIAL		\$14.9	0.08%
<u>SALES TAXES</u>			
RESIDENTIAL		\$494.8	2.82%
NON-RESIDENTIAL		\$5,086.8	29.03%
<u>SAFETY SALES TAXES</u>			
RESIDENTIAL		\$1.2	0.01%
NON-RESIDENTIAL		\$12.7	0.07%
<u>TRANSIENT OCCUPANCY TAX</u>			
RESIDENTIAL		\$0.0	0.00%
NON-RESIDENTIAL		\$2,473.2	14.11%
<u>FRANCHISE FEE REVENUES</u>			
RESIDENTIAL		\$1,030.4	5.88%
NON-RESIDENTIAL		\$359.7	2.05%
<u>BUSINESS LICENSE REVENUES</u>			
RESIDENTIAL		NA	0.00%
NON-RESIDENTIAL		\$266.3	1.52%
<u>OTHER LICENSES/PERMITS/FINES</u>			
RESIDENTIAL		\$491.2	2.80%
NON-RESIDENTIAL		\$450.6	2.57%
<u>STATE REVENUES</u>			
RESIDENTIAL		\$362.2	2.07%
NON-RESIDENTIAL		\$0.0	0.00%
<u>GASOLINE TAXES/TRAFFIC CONGESTION RELIEF</u>			
RESIDENTIAL		\$493.9	2.82%
NON-RESIDENTIAL		\$0.0	0.00%
<u>MISCELLANEOUS REVENUES</u>			
RESIDENTIAL		\$702.7	4.01%
NON-RESIDENTIAL		\$311.8	1.78%
<u>INVESTMENT INCOME REVENUES</u>			
RESIDENTIAL		\$65.3	0.37%
NON-RESIDENTIAL		\$88.4	0.50%
TOTAL RESIDENTIAL REVENUES		\$7,446.6	
TOTAL NON-RESIDENTIAL REVENUES		<u>\$10,076.7</u>	
TOTAL ONGOING REVENUES		<u>\$17,523.3</u>	

TABLE 7 CONTINUED

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING COSTS			
<u>POLICE DEPARTMENT COSTS</u>			
RESIDENTIAL		\$4,817.2	31.04%
NON-RESIDENTIAL		\$0.0	0.00%
<u>FIRE DEPARTMENT COSTS</u>			
RESIDENTIAL		\$2,707.1	17.44%
NON-RESIDENTIAL		\$0.0	0.00%
<u>PUBLIC WORKS DEPARTMENT COST</u>			
RESIDENTIAL		\$2,153.7	13.88%
NON-RESIDENTIAL		\$955.7	6.16%
<u>GENERAL GOVERNMENT COSTS</u>			
RESIDENTIAL		\$1,360.0	8.76%
NON-RESIDENTIAL		\$603.5	3.89%
<u>COMMUNITY DEVELOPMENT COSTS</u>			
RESIDENTIAL		\$790.2	5.09%
NON-RESIDENTIAL		\$350.6	2.26%
<u>LIBRARY COSTS</u>			
RESIDENTIAL		\$664.9	4.28%
NON-RESIDENTIAL		NA	0.00%
<u>RECREATION SERVICES COSTS</u>			
RESIDENTIAL		\$1,118.4	7.21%
NON-RESIDENTIAL		NA	0.00%
TOTAL RESIDENTIAL COSTS		\$13,611.5	
<u>TOTAL NON-RESIDENTIAL COSTS</u>		<u>\$1,909.8</u>	
TOTAL ONGOING COSTS		\$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		<u>\$8,166.9</u>	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)		\$2,002.0	
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28	
<u>TOTAL ANNUAL REVENUE/COST RATIO</u>		<u>1.13</u>	

TABLE 8a
CITY OF EL PASO DE ROBLES : MODEL
RESIDENTIAL ONLY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
ONGOING REVENUES		
TOTAL RESIDENTIAL REVENUES		\$7,446.6
ONGOING COSTS		
TOTAL RESIDENTIAL COSTS		\$13,611.5
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)
ANNUAL RESIDENTIAL SURPLUS/(DEFICIT) PER DWELLING UNIT		(\$0.862)
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55

TABLE 8b
CITY OF EL PASO DE ROBLES : MODEL
NON-RESIDENTIAL ONLY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025
ONGOING REVENUES		
TOTAL NON-RESIDENTIAL REVENUES		\$10,076.7
ONGOING COSTS		
TOTAL NON-RESIDENTIAL COSTS		\$1,909.8
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT)		\$8,166.9
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT) PER NON-RESIDENTIAL ACRE		\$5.5
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28

**TABLE 8c
 CITY OF EL PASO DE ROBLES : MODEL
 SUMMARY - MIXED
 FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
 MEDIUM LEVELS OF SERVICE**

FISCAL YEAR	(\$s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING REVENUES			
TOTAL RESIDENTIAL REVENUES		\$7,446.6	42.50%
<u>TOTAL NON-RESIDENTIAL REVENUES</u>		<u>\$10,076.7</u>	57.50%
TOTAL ON-GOING REVENUES		\$17,523.3	
ONGOING COSTS			
TOTAL RESIDENTIAL COSTS		\$13,611.5	87.70%
<u>TOTAL NON-RESIDENTIAL COSTS</u>		<u>\$1,909.8</u>	12.30%
TOTAL ON-GOING COSTS		\$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		(\$6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		<u>\$8,166.9</u>	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)		\$2,001.975	
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28	
TOTAL ANNUAL REVENUE/COST RATIO		1.13	