

City Manager’s Report
May 25, 2021 City Council Meeting
Prepared By: Pierre Rivas, Development Services Director



Item#: 11.2

Subject: Adopt a resolution:

1. Approving the Fire Development Impact Fee Justification Study dated April 2, 2021; and
2. Approving the El Dorado County Fire Protection District Fire Development Impact Fee schedule, effective July 24, 2021.

Purpose: To ensure that the fire impact fees applied to new development will mitigate the direct and cumulative impacts of new development on fire protection services and that all new development pays for its “fair share” of the cost of new infrastructure, facilities, and equipment commensurate with an accepted fire protection level of service.

Background: On May 21, 2020, the El Dorado County Fire Protection District Board of Directors authorized the Fire Chief to enter into a contract with DTA (formerly known as David Taussig and Associates) to prepare the Fire Development Impact Fee Justification Study (Fee Study) (Attachment 2). The study was completed, and the initial proposal was presented to the Board of Directors at their February 18, 2021 meeting. Based on the discussion and direction provided by the Board of Directors, a revised Fee Study was presented to the Board of Directors on March 16, 2021.

The final April 2, 2021 Fee Study and the proposed impact fee schedule were presented to the Board on April 14, 2021 for consideration. The Board of Directors approved the Fee Study and approved the recommended fire impact fees (Attachment 3).

The proposed study has been publicly noticed in the Mountain Democrat on March 29, 2021 and is posted on the El Dorado County Fire District’s website. Notice of the May 25, 2021 public hearing before the Placerville City Council for consideration of the Fire Development Impact Fee Justification Study and adoption of the impact fee was noticed in the Sacramento Bee on May 7, 2021.

The current development impact fee schedule was adopted by the City Council on March 24, 2009 (Resolution No. 7686.)

Discussion: The purpose of the development impact fee is for new development to pay for the costs associated with the direct and cumulative impacts, or increased demand on services. The Fee Study was prepared in accordance with AB 1600 and in compliance with Government Code Section 66000 et seq. (Mitigation Fee Act). The impact fees are calculated based on existing Fire District facilities and the demands from future residential and non-residential development,

and a determination of the amount of the fees that may be imposed to cover the cost of future facilities to maintain the level of services. The fee cannot be used to cover existing facilities, but can cover the costs to maintain the existing level of service or meet an adopted level of service consistent with the General Plan.

The applicable General Plan Goal and Policies are listed here for reference.

Goal E: To ensure that at least the current levels of public police and fire services are maintained as new development occurs.

Policies:

- 1. The City shall endeavor through adequate staffing and patrol arrangements to maintain the minimum feasible police response times for emergency calls. The City's response time goals shall be three minutes for emergency calls, seven minutes for priority calls, and ten minutes for routine calls.*
- 2. The City shall endeavor to maintain adequate staffing for fire prevention, subject to fiscal limitations.*
- 3. The City shall encourage the Placerville Fire District endeavor to achieve and maintain a fire insurance (ISO) rating of 4 or better within the Placerville city limits.*
- 4. The City shall support the Placerville Fire District in establishing additional fire stations where needed in order to maintain maximum coverage and minimum response times throughout its service area.*
- 5. The City shall attempt to offset the need for new fire department staff and equipment and to improve fire safety by requiring built-in fire protection equipment in new development.*

The proposed impact fee will be charged to all future development District wide which includes development within the City of Placerville. Because only Counties and Cities have the authority to impose development impact fees, the recommended fees must be adopted by both the County of El Dorado and the City of Placerville.

The Fee Study details the legal requirements necessary to justify the impact fee including: (1) Fee purpose; (2) Use of the fee; (3) Reasonable relationship between the fee's use and type of development or "benefit relationship"; (4) Reasonable relationship between the need for new facilities and the type of development or "impact relationship"; and (5) the reasonableness of the fee amount and the cost of the new facilities attributable to the type of development or "rough proportionality".

A "Standards-Based Fee Methodology" is used for calculating the impact fee and is based on equivalent dwelling unit (EDU) reflecting the number of residents or employees generated by each of the eight land use classes to determine the relative demand, or "EDU Demand Factor,"

for services among the eight land use classes and allows for the costs to be fairly apportioned to the residential and non-residential land uses.

The calculation of the proposed fees based on EDU's by land use type provides for a reasonable nexus between the applicable impact fee and the land use type as opposed to the current impact fee schedule which applies one fee to all land uses types and is susceptible to challenge.

The proposed impact fees are as follows, applied on a cost per square foot:

	<u>Current Fee</u>	<u>New Fee</u>	<u>Difference</u>
Residential Single-Family	\$1.10	\$1.03	-\$0.07
Residential Multi-Family	\$1.10	\$1.49	+\$0.39
Residential Mobile Home	\$1.10	\$1.08	-\$0.02
Retail / Commercial	\$1.10	\$0.87	-\$0.23
Office	\$1.10	\$1.19	+\$0.09
Industrial	\$1.10	\$0.83	-\$0.27
Agriculture	\$1.10	\$0.53	-\$0.57
Warehouse / Distribution	\$1.10	\$0.69	-\$0.41

Staff recommends the approval of the Fire Development Impact Fee Study and adoption of the proposed fee scheduled as recommended and approved by the Fire District Board of Directors.

Should Council approve this impact fee increase tonight, the new fees would go into effect in 60 days following adoption. This action tonight will allow for the new rates to go into effect on July 24, 2021, at which point they would be applied to any application that had not previously been submitted and deemed to be complete as of close of business on July 9, 2021.

Options:

1. Approve the Resolution approving the Fire Impact Fees on new development as recommended by staff.
2. Do not approve the Resolution and provide additional direction to staff.

Cost: Minimal administrative costs in collection of the impact fee and quarterly distribution of the fees collected to the Fire District.

Budget Impact: None. There are no fiscal impacts related to the increase in the Fire District Impact Fee changes.

Recommendation: Adopt a resolution:

1. Approving the Fire Development Impact Fee Justification Study dated April 2, 2021; and
2. Approving the El Dorado County Fire Protection District Fire Development Impact Fee schedule, effective July 24, 2021.



M. Cleve Morris, City Manager



Pierre Rivas, Development Services Department

Attachments:

1. Resolution
2. Fire Development Impact Fee Justification Study, DTA, April 2, 2021
3. El Dorado County Fire Protection District Resolution No. 2021-01