



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 21, 2016

TO: Carolyn Lehr, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville
Establishing Updated Development Impact Fees For Fiscal Year
2016-2017

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution establishing updated Development Impact Fees for fiscal year 2016-2017.

BACKGROUND

On July 15, 2014, the City Council adopted two ordinances amending the Emeryville Municipal Code to enable Development Impact Fees for affordable housing, parks and recreation, and transportation, and passed three resolutions establishing the fees. The fees were based on impact fee studies ("nexus studies") that had been prepared for the City by various consultants. The impact fee studies identified the maximum fee, or cap, that could justifiably be imposed on new development. The City Council established the Affordable Housing Fee at \$20,000 per unit for rental housing, or about 56% of the cap. The Parks and Recreation Impact Fee was set at 25% of the cap, and the Transportation Impact Fee was set at 20% of the cap.

The resolution adopting the Affordable Housing Impact Fee listed several land uses that are exempt from the fee, and established the fee at \$4.00 per square foot for all other non-residential land uses. The nexus studies for the Parks and Recreation Impact Fee and the Transportation Impact Fee listed the fee for many common land uses. The adopting resolutions provided that land uses not included in the nexus studies shall have their fee determined by the Community Development Director using the latest edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual and the same methodology as used in the nexus studies.

The resolutions also provided that "The City Council may review and amend the impact fees from time to time. For any annual period during which the City Council does not review the impact fees, fee amounts shall be adjusted once as of July 1st by the Community Development Director based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California."

On June 2, 2015, the City Council passed Resolution No. 15-49 approving an annual increase of 2.46%, based on the increase in the Engineering News-Record Construction Cost Index for San Francisco for April 2015 compared to that for April 2014. In adopting this resolution, the Council approved a table developed by staff that listed all three fees, and their totals, for every use classification included in the Planning Regulations. The table approved by the City Council included the Community Development Director's interpretation of fees for a number of uses that were not listed in the nexus studies, as well as the Director's interpretation that some uses should be exempt from the affordable housing impact fee or should have all of their impact fees set at zero.

On October 20, 2015, the City Council passed Resolution No. 15-130, raising the Affordable Housing Impact Fee to \$28,000 per unit for rental housing.

DISCUSSION

The purpose of this item is for the City Council to review and approve the annual increase to the development impact fees based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California, as stipulated in the adopting resolutions. Comparing the Engineering News-Record Construction Cost Index for San Francisco for April 2016 (the most recent data available) to that for April 2015 yields an annual increase of 3.55%. As stipulated by the adopting resolutions, the Development Impact Fees in the attached table have been increased by this amount to establish the fees for fiscal year 2016-2017. Note that the Affordable Housing Impact Fee of \$28,000 per unit has not been increased because the City Council has already adjusted it (from \$20,000 to \$28,000) during the past year. Assuming that it is not modified again during the upcoming year, it will be increased as part of next year's annual adjustment for Fiscal Year 2017-18.

Prior to adoption of the updated fees, the City Council must hold at least one public hearing and receive written and oral testimony. Notice of the meeting and the data relating to the proposed amendments have been published and made available to the public and interested persons in accordance with the requirements of the Government Code.

FISCAL IMPACT

In a little over a year-and-a-half that these Development Impact Fees have been in effect (September 15, 2014 to April 30, 2016) they have generated about \$2,662,000, including \$1,280,000 for transportation, \$539,000 for parks, and \$843,000 for affordable housing. It should be noted that no building permits have been issued during this time for any major residential development projects, so these fees were mostly generated by nonresidential projects, as well as a few smaller residential developments. Also, the major residential projects that have been approved since these fees took effect have opted to provide affordable units within the developments, so they will not generate Affordable Housing Impact Fees, although they will generate Transportation and Parks and Recreation Impact Fees. Revenues from the impact fees are being programmed, as appropriate, to fund projects in the Capital Improvement Program, as detailed in the

annual report on the impact fees that is provided to the City Council in December of each year.

LEGAL CONSIDERATIONS

The City Attorney has reviewed and approved this staff report and the attached resolution.

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Carolyn Lehr, City Manager

Attachments:

1. Resolution
2. Exhibit A: Development Impact Fees for Fiscal Year 2016-2017

RESOLUTION NO. 16-88

Resolution Of The City Council Of The City Of Emeryville Establishing Updated Development Impact Fees For Fiscal Year 2016-2017

WHEREAS, on July 15, 2014, the City Council of the City of Emeryville passed and adopted Ordinance No. 14-008 amending the City of Emeryville Planning Regulations to enable Development Impact Fees, including fees for transportation and park and recreation facilities; and

WHEREAS, on July 15, 2014, the City Council of the City of Emeryville passed and adopted Ordinance No. 14-009 amending the City of Emeryville Planning Regulations to enable an Affordable Housing Impact Fee; and

WHEREAS, on July 15, 2014, the City Council of the City of Emeryville passed Resolutions No. 14-103, 14-104, and 14-105, establishing, respectively, an Affordable Housing Impact Fee, a Parks and Recreation Facility Impact Fee, and a Transportation Facility Impact Fee; and

WHEREAS, on October 20, 2015, the City Council passed Resolution No. 15-130, raising the Affordable Housing Impact Fee to \$28,000 per unit for rental housing; and

WHEREAS, Resolutions No. 14-103, 14-104, and 14-105, stipulate that, for any annual period during which the City Council does not review the development impact fees, they shall be increased on July 1 based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California; and

WHEREAS, the table entitled "City of Emeryville Development Impact Fees, Fiscal Year 2016-2017" attached hereto as Exhibit A includes adjusted fees based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California from April 2015 to April 2016, except the Affordable Housing Impact Fee for rental housing, which has already been adjusted this year; and

WHEREAS, prior to adoption of the updated development impact fees, the City Council held a noticed public hearing to receive written and oral testimony regarding said fees; and

WHEREAS, prior to adoption of the updated development impact fees, notice of said public hearing, as well as data relating to the proposed amendments have been published and made available to the public and interested persons in accordance with the requirements of the Government Code; now, therefore, be it

RESOLVED, that the City Council of the City of Emeryville, hereby adopts updated development impact fees for Fiscal Year 2016-2017 as set forth in Exhibit A, attached hereto and incorporated herein, effective July 1, 2016.

ADOPTED by the City Council of the City of Emeryville at a regular meeting held on Tuesday, June 21, 2016, by the following vote:

AYES: 5 Mayor Martinez, Vice Mayor Donahue, Council Members Asher,
 Atkin, and Davis
NAYES: 0
ABSTAIN: 0
ABSENT: 0

Dianne Martinez
MAYOR

ATTEST:

Danci C. D. Lima
CITY CLERK

APPROVED AS TO FORM:

Michael Quinn
CITY ATTORNEY





City of Emeryville Development Impact Fees

Fiscal Year 2016-2017 (valid July 1, 2016 through June 30, 2017)

Use Type	Affordable Housing	Park and Recreation Facility	Transportation Facility	TOTAL IMPACT FEES
Residential Use Types				
Single Unit	\$0	\$3,970	\$2,661	\$6,631 / dwelling unit
Two Unit and Multi-Unit				
<i>Rental - Apartment</i>	\$28,000	\$3,822	\$1,650	\$33,472 / dwelling unit
<i>In TH Transit Hub Overlay Zone</i>	\$28,000	\$3,822	\$1,597	\$33,419 / dwelling unit
<i>Owner - Condominium</i>	\$0	\$3,822	\$1,383	\$5,205 / dwelling unit
<i>In TH Transit Hub Overlay Zone</i>	\$0	\$3,822	\$1,331	\$5,153 / dwelling unit
<i>Owner - Townhome</i>	\$0	\$3,970	\$1,383	\$5,353 / dwelling unit
<i>In TH Transit Hub Overlay Zone</i>	\$0	\$3,970	\$1,331	\$5,301 / dwelling unit
Domestic Violence Shelter	\$0	\$1,495	\$586	\$2,081 / bed
Group Residential	\$0	\$1,495	\$586	\$2,081 / bed
Mobile Home Park				
<i>Rental</i>	\$28,000	\$3,822	\$1,650	\$33,472 / dwelling unit
<i>Owner</i>	\$0	\$3,970	\$1,383	\$5,353 / dwelling unit
Residential Care Facility	\$4.25	\$5.77	\$1.98	\$12.00 / square foot
Supportive Housing	\$0	\$1,495	\$586	\$2,081 / bed
Transitional Housing	\$0	\$1,495	\$586	\$2,081 / bed
Commercial and Institutional				
Adult Oriented Businesses				
<i>Retail</i>	\$4.25	\$2.13	\$4.97	\$11.35 / square foot
<i>Performance</i>	\$4.25	\$1.61	\$102.90	\$108.76 / square foot
Animal Care and Sales				
<i>Grooming</i>	\$4.25	\$1.92	\$3.86	\$10.03 / square foot
<i>Kennel/Animal Care</i>	\$4.25	\$2.99	\$14.78	\$22.02 / square foot
<i>Pet Stores</i>	\$4.25	\$2.13	\$4.97	\$11.35 / square foot
<i>Veterinary Services</i>	\$4.25	\$1.92	\$12.56	\$18.73 / square foot
Arts and Entertainment				
<i>Gallery</i>	\$4.25	\$0.32	\$0.48	\$5.05 / square foot
<i>Indoor Entertainment</i>	\$4.25	\$1.28	\$13.07	\$18.60 / square foot
<i>Outdoor Entertainment</i>	TBD	TBD	TBD	TBD
Banks and Financial Institutions	\$4.25	\$2.13	\$11.30	\$17.68 / square foot
Business Services	\$4.25	\$2.13	\$19.73	\$26.11 / square foot
Colleges and Trade Schools	\$0.00	\$1.92	\$6.76	\$8.68 / square foot
Community Assembly	\$0.00	\$0.53	\$7.29	\$7.82 / square foot
Day Care Centers	\$0.00	\$2.99	\$14.78	\$17.77 / square foot
Eating and Drinking Establishments				
<i>Bars/Nightclubs/Lounges</i>	\$4.25	\$5.33	\$9.05	\$18.63 / square foot
<i>Restaurants</i>				
Quality (ITE Land Use 931)	\$4.25	\$5.33	\$5.99	\$15.57 / square foot
High Turnover (ITE Land Use 932)	\$4.25	\$5.33	\$7.86	\$17.44 / square foot
Fast Food (ITE Land Use 933)	\$4.25	\$5.33	\$34.79	\$44.37 / square foot
Fast Food with Drive-Thru (ITE Land Use 934)	\$4.25	\$5.33	\$43.45	\$53.03 / square foot
<i>Mobile Food Vendors</i>	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Shelters	\$0	\$1,495	\$586	\$2,081 / bed
Funeral Homes, Mortuaries and Mausoleums	\$4.25	\$0.53	\$1.46	\$6.24 / square foot

Use Type	Affordable Housing	Park and Recreation Facility	Transportation Facility	TOTAL IMPACT FEES
Health Care				
<i>Clinics and Medical Offices</i>	\$4.25	\$3.88	\$9.50	\$17.63 / square foot
<i>Hospitals</i>	\$4.25	\$3.10	\$2.47	\$9.82 / square foot
<i>Medical Laboratories (non research)</i>	\$4.25	\$1.92	\$8.38	\$14.55 / square foot
Instructional Services				
<i>Individual/ Small Group Instruction</i>	\$4.25	\$0.63	\$2.58	\$7.46 / square foot
<i>Group Instruction</i>	\$4.25	\$0.63	\$2.58	\$7.46 / square foot
Libraries and Museums				
<i>Libraries</i>	\$4.25	\$1.49	\$19.43	\$25.17 / square foot
<i>Museums</i>	\$4.25	\$0.32	\$0.48	\$5.05 / square foot
Live/Work Unit	\$4.25	\$1.61		\$5.86 / square foot plus
plus			\$1,729	\$1,729 / unit
Lodging				
<i>Hotels and Motels</i>	\$4.25	\$1.07		\$5.32 / square foot plus
plus			\$1,117	\$1,117 / room
<i>Bed & Breakfast</i>	\$0.00	\$0.00	\$0.00	\$0.00 / square foot
Major Public Services	\$4.25	TBD	TBD	TBD / square foot
Marina	\$0	\$1,067	\$505	\$1,573 / berth
Motor Vehicle Sales and Services				
<i>Cleaning (Self-Service Car Wash - ITE Land Use 947)</i>	\$4.25			\$4.25 / square foot plus
plus		\$267	\$7,372	\$7,639 / stall
<i>Rentals</i>	\$4.25	\$1.61	\$2.66	\$8.52 / square foot
<i>Sales and Leasing</i>	\$4.25	\$1.39	\$6.97	\$12.61 / square foot
<i>Repair and Service</i>	\$4.25	\$1.07	\$11.87	\$17.19 / square foot
<i>Service Station</i>	\$4.25			\$4.25 / square foot plus
plus		\$267	\$7,382	\$7,649 / pump
<i>Towing and Impounding</i>	\$4.25	\$1.07	\$13.31	\$18.63 / square foot
Offices				
<i>General/Government/Walk-In Clientele</i>	\$4.25	\$3.88	\$3.97	\$12.10 / square foot
<i>Corporate Headquarters (ITE Land Use 714)</i>	\$4.25	\$3.88	\$3.76	\$11.89 / square foot
Parking	\$0.00	\$0.00	\$0.00	\$0.00 / square foot
Personal Services	\$4.25	\$2.13	\$3.86	\$10.24 / square foot
Public Safety Facilities	\$0.00	\$2.13	\$3.21	\$5.34 / square foot
Recreation				
<i>Gaming</i>	\$4.25	\$2.13	\$35.75	\$42.13 / square foot
<i>All Other</i>	\$4.25	\$2.13	\$9.39	\$15.77 / square foot
Repair Services	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Retail				
<i>Food and Beverage Sales</i>				
<i>Supermarket (ITE Land Use 850)</i>	\$4.25	\$2.13	\$11.35	\$17.73 / square foot
<i>Convenience Market (ITE Land Use 851)</i>	\$4.25	\$2.13	\$41.85	\$48.23 / square foot
<i>All Other</i>	\$4.25	\$2.13	\$4.97	\$11.35 / square foot
Schools	\$0.00	\$1.07	\$3.19	\$4.26 / square foot
Social Service Facilities	\$0.00	\$3.42	\$3.97	\$7.39 / square foot

Use Type	Affordable Housing	Park and Recreation Facility	Transportation Facility	TOTAL IMPACT FEES
Industrial				
Arts-Industrial - <i>All</i>	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Commercial Kitchens	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Construction and Maintenance	\$4.25	\$0.75	\$0.85	\$5.85 / square foot
Crematories	\$4.25	\$2.34	\$1.94	\$8.53 / square foot
Food Production and Assembly - <i>All</i>	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Hazardous Waste Facilities - <i>All</i>	\$4.25	\$2.34	\$1.94	\$8.53 / square foot
Laundry and Dry Cleaning Services	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Manufacturing				
<i>Pharmaceutical</i>	\$4.25	\$1.07	\$2.58	\$7.90 / square foot
<i>Custom</i>	\$4.25	\$1.07	\$1.73	\$7.05 / square foot
<i>Light</i>	\$4.25	\$1.07	\$2.58	\$7.90 / square foot
<i>General</i>	\$4.25	\$1.07	\$1.94	\$7.26 / square foot
<i>Heavy</i>	\$4.25	\$1.07	\$1.94	\$7.26 / square foot
Recycling Facilities - <i>All</i>	\$4.25	\$2.34	\$1.94	\$8.53 / square foot
Research and Development	\$4.25	\$2.67	\$2.85	\$9.77 / square foot
Salvage and Wrecking	\$4.25	\$2.34	\$1.94	\$8.53 / square foot
Storage and Distribution				
<i>Indoor and Outdoor</i>	\$4.25	\$0.75	\$0.85	\$5.85 / square foot
<i>Personal</i>	\$4.25	\$0.04	\$0.69	\$4.98 / square foot
Agricultural				
Community Gardens	\$0.00	\$0.00	\$0.00	\$0.00
Indoor Agriculture	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Outdoor Agriculture	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Animal Husbandry	\$4.25	\$1.39	\$2.58	\$8.22 / square foot
Communication, Transportation and Utilities				
Communication Facilities				
<i>Transmission Towers</i>	\$0.00	\$0.00	\$0.00	\$0.00
<i>Equipment within Buildings</i>	\$4.25	\$0.05	\$0.25	\$4.55 / square foot
Transportation and Delivery Services				
<i>Bus/Rail Passenger Stations</i>	\$4.25	TBD	TBD	TBD / square foot
<i>Truck/Rail Freight Terminals</i>	\$4.25	\$1.39	\$2.21	\$7.85 / square foot
<i>Human-Powered</i>	\$4.25	\$0.75	\$0.85	\$5.85 / square foot
<i>Light Fleet</i>	\$4.25	\$0.75	\$0.85	\$5.85 / square foot
Utility Services	\$4.25	\$7.79	\$2.03	\$14.07 / square foot