PUBLICATION

SUBJECT: ADOPTION OF "HILLSIDE DEVELOPMENT" WATER AND SEWER FEES

SOURCE: Engineering and Building Department

COMMENT: This is the time and place set for the hearing on the adoption of "Hillside Development" Water and Sewer fees.

On August 6, 2002 the City Council held a public hearing regarding the subject matter and continued the hearing until September 3, 2002. On August 20, 2002, the City Council set a study session for September 3, 2002 to discuss the various conceptual policies and development scenarios that the City Council Subcommittee on Hillside (Eastside) Development has discussed and which were presented to the public at a community meeting held on July 9, 2002. The focus of this effort is to encourage development on the east side of the City, including 1,400 acres of hillside area, and promote balanced growth around downtown Porterville. Reduction of developer impact fees was ranked number four, among 12 alternatives studied on July 9, 2002, as a desirable way to encourage hillside development.

In order to comply with the legal requirements of the Fee Mitigation Act (Government Code Sections 66000, et seq.), it is necessary to study the entire area inside the Urban Development Boundary to be served in order to assure that the fees being assessed are fair and equitable. The proposed fees were studied as part of the work on the February, 2001 Water and Sewer Master Plans and they do comply with the Act.

The incentives that were ranked 1 through 3 require further study for implementation. Reducing water and sewer fees is one action that the City Council can take now to encourage east side development because studies have been completed.

Reduction of fees for hillside development was recently reviewed by the City Council’s Subcommittee for Hillside Development and is being brought to the City Council for consideration.

The current fees, as shown on the next page, are presently applicable to all development, including hillside development. The proposed fees for hillside development are suggested to take effect November 4, 2002, and reflect a reduction in trunk line fees for sewer and water.
Current Fees  Proposed Hillside Development Fees

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Current Price</th>
<th>Proposed Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Trunk Fee</td>
<td>$2,230 / acre</td>
<td>$1,070 / acre</td>
</tr>
<tr>
<td>Trunk Line Sewer Fee</td>
<td>$1,362 / acre</td>
<td>$749 / acre</td>
</tr>
<tr>
<td>Storm Drain Fee</td>
<td>$3,674 / acre</td>
<td>$3,674 / acre</td>
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</tbody>
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The proposed fees are based on the assumption that average density in the “Hillside Residential” area will be one dwelling unit per three acres. The Zoning Ordinance does not currently have a zoning classification that corresponds to this density. If the Council adopts Option No. 2 below, there is the risk that development will be proposed in the “Hillside Residential” area that is much denser than one unit per three acres. Option No. 1 below provides some protection from this risk while still giving some incentive to develop on the “Eastside.”

It is anticipated that the City will be revising the General Plan in 2004 - 2005. At that time the Water, Sewer and Storm Drain Master Plans are to be revised and the fees recalculated. If Council so directs, an effort could be made, at that time, to further reduce fees for “Hillside Development”, if possible.

The following are some options available to the City Council:

1. Adopt the “Hillside Development” fees for residential developments for densities no greater than one dwelling unit per acre on the land designated “Hillside Residential” on Figure 2.2;

2. Adopt the “Hillside Development” fees for the land designated “Hillside Residential” on Figure 2.2;

3. Adopt the “Hillside Development” fees for the land designated “Hillside Residential” on Figure 2.2 with the provision that the fees will not go into effect until a new zoning classification for hillside residential development is adopted;

4. Authorize staff to obtain a consultant to restudy the master plans, in accordance with direction from City Council regarding fee changes, and allocate funding for the study;

5. Take no action.

RECOMMENDATION: Staff recommends that City Council adopt Option 1.

ATTACHMENTS: 1. Fig. 2.2 Showing the Hillside Residential area
2. Conceptual Fee Comparison
3. Resolution (Option 1) Adopting “Hillside Development” Fees
4. Resolution (Option 2) Adopting “Hillside Development” Fees
RESOLUTION NO. __________
(For Option No. 1)
A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PORTERVILLE
AMENDING THE CITY’S FEE SCHEDULE
AND ADOPTING HILLSIDE DEVELOPMENT FEES

WHEREAS, the City of Porterville has studied and considered the establishment of development fees for “Hillside Development”;

WHEREAS, the City of Porterville’s Water, Sewer and Storm Drain Master Plans have identified the necessity for the following fees with regard to the “Hillside Development” area, and the analysis underlying said Plan set forth the relationship between new development, the needed facilities, and the estimated cost of providing the services for which the fees are imposed; and

WHEREAS, the City Council finds as follows:

A. The purpose of these fees is to assist in financing water and sewer facilities and accommodate increased demand brought about by new development within the City boundaries;

B. The fees collected pursuant to this resolution shall be used to finance only water facilities and sewer trunk lines described in the City’s Water and Sewer Master Plans;

C. There is a need, identified by the City’s Water and Sewer Master Plans, for facilities which have not been constructed or are in need of expansion due to new development. These facilities are directly related to new development and, therefore, new development shall contribute its fair share towards the cost of these facilities. Said facilities have been called for in, or are consistent with, the City’s Water and Sewer Master Plans.

D. The facts and evidence presented establish that there is a reasonable relationship between the need for the facilities and the impacts of the types of development described in Paragraph 4, below, for which the corresponding fee is charged, and also, there is a reasonable relationship between the use of the fee and type of development for which the fee is charged, as these reasonable relationships are in more detail described in the Water and Sewer Master Plans;

E. The cost estimates set forth in the Water and Sewer Master Plans are reasonable cost estimates for construction of these facilities and the fees
set forth below will not exceed the total of these costs.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Porterville adopts the following fees, effective November 4, 2002 for development with a density not to exceed one dwelling unit per acre in the area designated “Hillside Residential”, which is generally classified as those sites with and average slope of seven percent (7%) or greater, on the attached Figure 2.2:

   “HILLSIDE DEVELOPMENT” FEES
   
   Water Trunk Fee $1,070 per acre
   Trunk Line Sewer Fee $ 749 per acre
   Storm Drain Fee $3,674 per acre (no change)

2. “New Development” shall be defined, for purposes of this resolution, as new construction of single family residential improvements (including mobile homes in approved mobile home parks).

3. Said fees shall be paid as a condition of development.

4. The fees set forth above shall be further adjusted annually by the appropriate City staff in accordance with the “ENGINEERING NEWS RECORD 20-CITY CONSTRUCTION COST INDEX” publication.

5. Said fees have been reviewed, to the extent applicable, in accordance with the Fee Mitigation Act (Government Code Section 66000, et seq.)


   PASSED AND ADOPTED this _____ day of ________________, 2002.

   ________________________________
   Gordon T. Woods, Mayor

ATTEST:

______________________________
John Longley, City Clerk
WHEREAS, the City of Porterville has studied and considered the establishment of development fees for “Hillside development”;

WHEREAS, the City of Porterville’s Water and Sewer Master Plans have identified the necessity for the following fees with regard to the “Hillside Development” area, and the analysis underlying said Plan set forth the relationship between new development, the needed facilities, and the estimated cost of providing the services for which the fees are imposed; and

WHEREAS, the City Council finds as follows:

A. The purpose of these fees are to assist in financing water, sewer, and storm drain facilities and accommodate increased demand brought about by new development within the City boundaries;

B. The fees collected pursuant to this resolution shall be used to finance only water facilities, sewer trunk line and storm drain facilities described in the City’s Water and Sewer Master Plans;

C. There is a need identified by the City’s Water and Sewer Master Plans for facilities which have not been constructed or are in need of expansion due to new development. These facilities are directly related to new development and, therefore, new development shall contribute its fair share towards the cost of these facilities. Said facilities have been called for in, or are consistent with, the City’s Water and Sewer Master Plans.

D. The facts and evidence presented establish that there is a reasonable relationship between the need for the facilities and the impacts of the types of development described in Paragraph 4, below, for which the corresponding fee is charged, and also, there is a reasonable relationship between the use of the fee and type of development for which the fee is charged, as these reasonable relationships are in more detail described in the Water and Sewer Master Plans;

E. The cost estimates set forth in the Water and Sewer Master Plans are
reasonable cost estimates for construction of these facilities and the fees set forth below will not exceed the total of these costs.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Porterville adopts the following fees, effective November 4, 2002 in the area designated “Hillside Residential”, which is generally classified as those sites with an average slope of seven percent (7%) or greater, on the attached Figure 2.2:

   "HILLSIDE DEVELOPMENT" FEES
   
   Water Trunk Fee $1,070 per acre  
   Trunk Line Sewer Fee $ 749 per acre  
   Storm Drain Fee $3,674 per acre (no change)

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    PASSED AND ADOPTED this ____ day of ______________, 2002.


                                     __________________________  
                                     Gordon T. Woods, Mayor

ATTEST:

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John Longley, City Clerk