



CITY OF  
**FOLSOM**  
DISTINGUISHED BY NATURE

# Folsom City Council Staff Report

<b>MEETING DATE:</b>	1/11/2022
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10786 - A Resolution Amending Resolution No. 10296 to Enact the Annual Inflationary Adjustment for the Housing Trust Fund Fee
<b>FROM:</b>	Finance Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

Staff requests that the City Council adopt Resolution No. 10786 – A Resolution Amending Resolution No. 10296 to Enact the Annual Inflationary Adjustment for the Housing Trust Fund Fee

## **BACKGROUND / ISSUE**

In May 2006, the City council adopted Resolution No. 7812 which established new city impact and connection fees for law enforcement, fire suppression, general facilities, vehicles and equipment, park improvement, Humbug-Willow Creek, housing trust, water, sanitary sewer, transportation improvement, drainage, and light rail. Resolution No. 7812 also approved an annual inflationary adjustment.

## **POLICY / RULE**

### **Folsom Municipal Code**

The Folsom Municipal Code sets impact fees in code section 03.690.010 for the Housing Trust Fee.

## **ANALYSIS**

In accordance with Resolution No. 7812, adopted May 23, 2006, Staff has calculated proposed fee schedule to be effective February 1, 2022 for the Housing Trust Fund Fee. The annual inflationary adjustment to be applied is 1.64%. This percentage adjustment is based on the *Engineering News Record Construction Cost Index* for January through December 2020. The proposed fee schedule was derived by applying the annual inflationary adjustment to the current fee.

The proposed February 1, 2022, fee schedule is included in Attachment 1 and the Construction Cost Index obtained from the Engineering News Record is included in Attachment 2.

## **FINANCIAL IMPACT**

The financial impact to the Housing Trust Fund will be minimal. The fee is only applied to new commercial development in the City which has been down since the pandemic started.

## **ATTACHMENTS**

1. Resolution No. 10786 – A Resolution Amending Resolution No. 10296 and Enacting the Annual Inflationary Adjustment for the Housing Trust Fund Fee
2. Engineering News Record Construction Cost Index

Submitted,



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Stacey Tamagni, Finance Director

## ATTACHMENT 1

**RESOLUTION NO. 10786**

**A RESOLUTION AMENDING RESOLUTION 10296 AND ENACTING THE ANNUAL INFLATIONARY ADJUSTMENT FOR THE CITY HOUSING TRUST FEE**

**WHEREAS**, the Folsom Municipal code set impact fees for the Housing Trust fee in Section 03.90.010; and

**WHEREAS**, Resolution No. 7812 adopted by the Folsom City Council on May 23, 2006, allowed for an inflationary adjustment to selected City Impact and Connection fees each fiscal year; and

**WHEREAS**, the annual inflationary adjustment for the Housing Trust fund fee to be effective February 1 2022 is based on the *Engineering News Record Construction Cost Index* for January through December 2020 and the annual adjustment to be applied is 1.64% and attached to this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom amends Resolution No. 10296 and enacts the Annual Inflationary Adjustment for the Housing Trust Fund Fee.

**PASSED AND ADOPTED** this 11th day of January, 2022, by the following roll-call vote:

**AYES:** Council Member(s):  
**NOES:** Council Member(s):  
**ABSENT:** Council Member(s):  
**ABSTAIN:** Council Member(s):

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Kerri M. Howell, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

**City of Folsom**  
**Impact and Connection Fee Schedule As of February 1, 2022**

FEE DESCRIPTION	BASIS	FEE 1/01/2021	Annual Inflation Adjustment	FEE 1/01/2022
		Proposed	2019 Annual CPI <sup>1</sup>	Proposed
<b><u>Housing Trust (FMC 3.90.010)</u></b>				
Office	Sq. Ft.	\$ 1.73	\$ 0.028	\$ 1.76
Retail	Sq. Ft.	\$ 1.73	\$ 0.028	\$ 1.76
Light Industrial	Sq. Ft.	\$ 1.73	\$ 0.028	\$ 1.76
Heavy Industrial/Manufacturing	Sq. Ft.	\$ 1.73	\$ 0.028	\$ 1.76
Light Industrial/Manufacturing	Sq. Ft.	\$ 1.73	\$ 0.028	\$ 1.76

**ATTACHMENT 2**

# Construction Cost Index History - As of May 2021

**HOW ENR BUILDS THE INDEX:** 200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board ft of 2 x 4 lumber at the 20-city price.

ENR'S CONSTRUCTION COST INDEX HISTORY (1908-2021)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2021	11627.94	11698.8	11749.75	11849.31	11989.91								
2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11579	11626	11465.67
2019	11206	11213	11228	11228	11230	11268	11293	11311	11311	11326	11381	11381	11281
2018	10878	10889	10959	10971	11013	11069	11116	11124	11170	11183	11184	11186	11062
2017	10542	10559	10667	10678	10692	10703	10789	10826	10823	10817	10870	10873	10737
2016	10132	10181	10242	10279	10315	10337	10379	10385	10403	10434	10442	10530	10338
2015	9972	9962	9972	9992	9975	10039	10037	10039	10065	10128	10092	10152	10035
2014	9664	9681	9702	9750	9796	9800	9835	9846	9870	9886	9912	9936	9806
2013	9437	9453	9456	9484	9516	9542	9552	9545	9552	9689	9666	9668	9547
2012	9176	9198	9268	9273	9290	9291	9324	9351	9341	9376	9398	9412	9308
2011	8938	8998	9011	9027	9035	9053	9080	9088	9116	9147	9173	9172	9070
2010	8660	8672	8671	8677	8761	8805	8844	8837	8836	8921	8951	8952	8799
2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570
2008	8090	8094	8109	8112	8141	8185	8293	8362	8557	8623	8602	8551	8310
2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7966
2006	7660	7689	7692	7695	7691	7700	7721	7722	7763	7883	7911	7888	7751
2005	7297	7298	7309	7355	7398	7415	7422	7479	7540	7563	7630	7647	7446
2004	6825	6862	6957	7017	7065	7109	7126	7188	7298	7314	7312	7308	7115
2003	6581	6640	6627	6635	6642	6694	6695	6733	6741	6771	6794	6782	6694
2002	6462	6462	6502	6480	6512	6532	6605	6592	6589	6579	6578	6563	6538
2001	6281	6272	6279	6286	6288	6318	6404	6389	6391	6397	6410	6390	6343
2000	6130	6160	6202	6201	6233	6238	6225	6233	6224	6259	6266	6283	6221
1999	6000	5992	5986	6008	6006	6039	6076	6091	6128	6134	6127	6127	6059
1998	5852	5874	5875	5883	5881	5895	5921	5929	5963	5986	5995	5991	5920
1997	5765	5769	5759	5799	5837	5860	5863	5854	5851	5848	5838	5858	5826
1996	5523	5532	5537	5550	5572	5597	5617	5652	5683	5719	5740	5744	5620
1995	5443	5444	5435	5432	5433	5432	5484	5506	5491	5511	5519	5524	5471
1994	5336	5371	5381	5405	5405	5408	5409	5424	5437	5437	5439	5439	5408
1993	5071	5070	5106	5167	5262	5260	5252	5230	5255	5264	5278	5310	5210

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