

Folsom City Council Staff Report



MEETING DATE:	8/25/2020
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 10507 – A Resolution Amending Exhibit A to Resolution No. 10491 Regarding the Off-Site Water Treatment Plant Set-Aside Fee in the Folsom Plan Area Specific Plan Infrastructure Fees
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council adopt Resolution No. 10507 – A Resolution Amending Exhibit A to Resolution No. 10491 Regarding the Off-Site Water Treatment Plant Set-Aside Fee in the Folsom Plan Area Specific Plan Infrastructure Fees.

BACKGROUND / ISSUE

On January 28, 2014, the Public Facilities Financing Plan (PFFP) was adopted by the City Council with Resolution No. 9298. The PFFP is an \$877 million plan that described the infrastructure and facility costs, presented a financing strategy and estimated the time horizon for the development in the Folsom Plan Area (FPA). The PFFP proposed the establishment of several impact fees for the development of the backbone infrastructure including roadway improvements, potable and non-potable water systems, wastewater systems, storm drainage infrastructure and habitat mitigation to serve the FPA.

On September 8, 2015, the City Council adopted Resolution No. 9642 which approved the nexus study for the Folsom Plan Area Specific Plan Infrastructure Fees (SPIF) and set the initial amount of the SPIF Fees. On January 9, 2018, the City Council adopted Resolution No 10059 which adopted the Fiscal Year 2017-18 update for the Folsom Plan Area Specific Plan Infrastructure Fees (SPIF) and set the updated amount of the SPIF Fees.

On June 11, 2019, the City Council adopted Ordinance No. 1293 amending sections 3.130.010(JJ) and 3.130.030(E)(1)(c) of the Folsom Municipal Code pertaining to the Set-aside component of the Folsom Plan Area SPIF Fees.

On July 28, 2020, the City Council adopted Resolution No. 10491, which adopted the Nexus Study for Fiscal Year 2020-2021 and updated the amount of the SPIF Fees.

On August 25, 2020, the City Council adopted Ordinance No. 1307 which further amended sections 3.130.010(JJ) and 3.130.030(E)(1)(c) of the Folsom Municipal Code pertaining to the Set-Aside component of the Folsom Plan Area SPIF Fees to change the Off-Site Water Fee to a Set-Aside fee to be collected at building permit issuance rather than prior to final map approval.

POLICY / RULE

General Plan Policy 11.6 – states that it is the policy of the City of Folsom to require new development to bear the cost of its increased demand on municipal services and facilities so as not to create a greater burden on existing residents.

Section 3.130.030(A) of the Folsom Municipal Code authorizes adoption of the SPIF Fee by Council Resolution.

ANALYSIS

Pursuant to the First Amended and Restated Tier 1 Development Agreement between the City of Folsom and Certain Landowners in the FPA, developers are responsible for the costs of the Infrastructure, Public Lands, and Community Parkland necessary to serve the development in the FPA. The SPIF Program is the mechanism to equalize the costs of the Infrastructure, Public Lands and Community Parkland in the FPA. The SPIF Program also includes a Set-Aside component to equalize the costs amongst all the FPA landowners for the Phase 1 Potable Water and Phase 1 Sanitary Sewer Infrastructure required to serve the first 2,500 dwelling units in the FPA. The Phase 1 Potable Water and Sanitary Sewer Improvements necessary to serve the initial development in the FPA has been completed and accepted by the City and is currently in City ownership and maintenance. In addition to potable water and sanitary sewer infrastructure, the SPIF Program was amended in June 2019 to include the costs for off-site roadway improvement requirements and an Off-site Roadway Improvement Set-Aside Fee was established to be collected at building permit issuance.

The current Specific Plan Infrastructure Fee includes an Off-Site Water fee. The Off-Site Water fee was established to reimburse the City for a portion of the FPA share of costs incurred by the City for changes at the water treatment plant to accommodate future citywide growth, including new Folsom Plan Area Specific Plan (FPASP) development. The current fee is collected at final map, and the existing SPIF Program does not include a dedicated set-aside component for payment to the City for the FPA's share of the Off-site Water Treatment Plant cost obligations previously paid for by the City. It is important to facilitate a mechanism to

reimburse the City for the Off-Site Water Treatment Plant improvements constructed to serve developments in the FPA. Currently that mechanism does not exist.

Staff proposes to establish a SPIF Off-Site Water Treatment Plant Set-Aside Fee which will be implemented on new development based on the factors used in the SPIF Nexus Study Fiscal Year 2020-2021 Update. The SPIF Nexus Study Fiscal Year 2020-2021 Update was approved by the City Council on July 28, 2020. As shown in Exhibit A, the fee will be between \$354 to \$1,306 per unit for residential uses and between \$.027 and \$.41 for non-residential uses.

The Off-Site Water Treatment Plant Set-Aside Fee will be added to the SPIF fees, but unlike the SPIF fees, the Off-site Water Treatment Plant Set-Aside Fee will be collected at building permit issuance. The proposed fee is attached to the resolution as Exhibit A, Table 27. The Off-Site Water Treatment Plant Set-Aside Fee is not an additional fee but rather simply changes how the fee is collected by the City. The current SPIF fee is collected at final map and the Off-Site Water Treatment Plant Set-Aside Fee will be collected at building permit issuance.

The Nexus Study for the FPA identified the cost for the SPIF-funded off-site water to be \$7,665,000 (2017 \$). Several final small lot subdivision maps have been approved up to this point and the SPIF fee obligations have been previously satisfied for those final small lot maps. The amount of the SPIF Off-Site Water Treatment Plant Set-Aside funding that would have been paid by new development on those final small lots will be collected through a reimbursement of future SPIF – Infrastructure Fees collected by the City. The infrastructure constructing entities in the FPA will be the entities to receive reimbursements from future SPIF fees collected from new development and will be reimbursed on a first-in, first-out basis based on a calendar-year priority. With concurrence of the landowners, staff proposes to include the City on parity with each of the original constructing entities (each with a calendar-year priority of 2017). Reimbursements to the City and two constructing entities would be paid to each party based on a percentage basis equal to the outstanding reimbursement amounts owed to a party as compared to the total amount owed to all parties with the same calendar-year priority.

Exhibit A to Resolution No. 10491 is amended to include Table 27, the Off-Site Water Treatment Plant Set-Aside Fee and is attached to Resolution No. 10507.

FINANCIAL IMPACT

There is no financial impact to the General Fund (Fund 010).

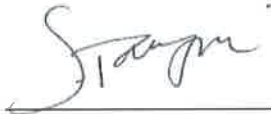
ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act under 15061(b)(3) of the CEQA Guidelines.

ATTACHMENTS

1. Resolution No. 10507 – A Resolution Amending Exhibit A to Resolution No. 10491 Regarding the Off-Site Water Treatment Plant Set-Aside Fee in the Folsom Plan Area Specific Plan Infrastructure Fees
2. Resolution No. 10491 - A Resolution Adopting the Nexus Study Fiscal Year 2020-2021 Update for the Folsom Plan Area Specific Plan Infrastructure Fees (SPIF) and to Set the Updated Amount of the SPIF Fees

Submitted,



Stacey Tamagni, Finance Director

ATTACHMENT 1

RESOLUTION NO. 10507

A RESOLUTION AMENDING EXHIBIT A TO RESOLUTION NO. 10491 REGARDING THE OFF-SITE WATER TREATMENT PLANT SET-ASIDE FEE IN THE FOLSOM PLAN AREA SPECIFIC PLAN INFRASTRUCTURE FEES

WHEREAS, on January 28, 2014, the Public Facilities Financing Plan for the Folsom Plan Area (PFFP) was adopted by the City Council with Resolution No. 9298; and

WHEREAS, on September 8, 2015, the City Council adopted Ordinance No. 1235 and codified the Folsom Plan Area Specific Plan Infrastructure Fee (“SPIF”) in Chapter 3.130 of the Folsom Municipal Code; and

WHEREAS, also on September 8, 2015, the City Council adopted Resolution No. 9642 which approved the initial Nexus Study for the SPIF Fee and set the initial amount of the SPIF Fee; and

WHEREAS, on January 9, 2018, the City Council approved Resolution No. 10059, which adopted the 2017-2018 fiscal year nexus study and set the updated amounts of the SPIF Fees; and

WHEREAS, on July 28, 2020, the City Council approved Resolution No. 10491, which adopted the 2020-2021 fiscal year nexus study and set the updated amounts of the SPIF Fees; and

WHEREAS, the PFFP included the Off-Site Water Fee as a component of the SPIF; however, the mechanism to collect the Off-Site Water Fee was inadvertently omitted in the SPIF Fee; and

WHEREAS, Attachment A to this Resolution contains the Off-Site Water Treatment Plant Fee as a set-aside to the SPIF Fee to be assessed and collected with new building permits issued in the Folsom Plan Area; and

WHEREAS, the landowners and developers in the Folsom Plan Area have expressed support for this Resolution, and desire that the Off-Site Water Treatment Plant Set-Aside Fee be assessed and collected at building permit issuance for both residential and commercial projects; and

WHEREAS, the landowners and developers in the Folsom Plan Area concur to include the City on parity with each of the original constructing entities (each with a calendar-year priority of 2017) for purpose of reimbursing the City for Off-Site Water Treatment Plant Set-Aside Fees that had not been collected prior to this Resolution; and

WHEREAS, reimbursement to the City and the constructing entities would be paid to each party based on a percentage basis equal to the outstanding reimbursement amounts owed to a constructing entity as compared to the total amount owed to all constructing entities with the same calendar-year priority.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that Exhibit A to Resolution No. 10491 shall be superseded by, and replaced with, Exhibit A

attached to this Resolution, which includes the Off-Site Water Treatment Plant Set-Aside Fee in the Folsom Plan Area Specific Plan Infrastructure Fee.

BE IT FURTHER RESOLVED that the Off-Site Water Treatment Plant Set-Aside Fee shall be collected at building permit issuance for both residential and commercial projects in the Folsom Plan Area effective thirty days from the date of this Resolution.

BE IT FURTHER RESOLVED that the City shall be reimbursed for Off-Site Water Treatment Plant Set-Aside Fees that had not been collected from the SPIF Fees previously collected on a percentage basis equal to the outstanding reimbursement amounts owed to a constructing entity as compared to the total amount owed to all constructing entities eligible for reimbursement under the SPIF Ordinance with the same calendar-year priority.

BE IT FURTHER RESOLVED that all fees in Exhibit A attached to this Resolution other than the Off-Site Water Treatment Plant Set-Aside Fee, having been previously adopted in Resolution No. 10491, shall continue to be collected without change and without delay.

PASSED AND ADOPTED this 25th day of August 2020, by the following roll call vote:

AYES: Council Members:
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Exhibit A
Folsom Plan Area Specific Plan Infrastructure Fees
Effective August 1, 2020

DRAFT

Page 1 of 2

Table 1
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

SPIF Summary

Item	Residential - SPIF Per Dwelling Unit					
	Single-Family		Multifamily			
	Low Density	High Density	Low Density	Med. Density	High Density	Mixed Use
Specific Plan Infrastructure Fee (SPIF)						
On- and Off-Site Roadways	\$14,377	\$13,070	\$11,783	\$10,456	\$9,802	\$9,149
Dry Utilities	\$3,219	\$3,219	\$2,415	\$2,415	\$2,415	\$2,415
On-Site Water	\$10,002	\$6,273	\$3,899	\$3,221	\$3,052	\$2,712
Off-Site Water	\$4,982	\$3,124	\$1,942	\$1,604	\$1,520	\$1,351
Recycled Water	\$3,009	\$1,887	\$1,173	\$989	\$918	\$818
Drainage	\$6,893	\$6,814	\$6,037	\$3,373	\$2,902	\$4,052
Sewer	\$1,153	\$1,153	\$865	\$665	\$665	\$665
Habitat Mitigation	\$1,207	\$724	\$440	\$211	\$159	\$197
Administration (3% of sum of all SPIF costs)	\$1,345	\$1,002	\$856	\$693	\$649	\$647
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$46,188	\$37,146	\$29,390	\$23,807	\$22,281	\$22,204

Source: City of Folsom; MacKay & Sompe; EPS.

Table 1
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

SPIF Summary

Item	Nonresidential - SPIF Per Bldg. Sq. Ft				
	Mixed Use Commercial	Industrial/Office Park (IND/OP)	General Commercial	Community Commercial	Regional Commercial
Specific Plan Infrastructure Fee (SPIF)					
On- and Off-Site Roadways	\$17.60	\$14.80	\$20.80	\$20.80	\$15.19
Dry Utilities	\$2.24	\$1.51	\$1.81	\$2.05	\$1.63
On-Site Water	\$3.18	\$2.55	\$2.40	\$2.72	\$2.04
Off-Site Water	\$1.57	\$1.27	\$1.20	\$1.35	\$1.02
Recycled Water	\$0.95	\$0.77	\$0.72	\$0.82	\$0.61
Drainage	\$9.23	\$6.21	\$7.48	\$6.47	\$6.71
Sewer	\$0.12	\$0.23	\$0.12	\$0.12	\$0.12
Habitat Mitigation	\$0.45	\$0.30	\$0.38	\$0.41	\$0.33
Administration (3% of sum of all SPIF costs)	\$1.06	\$0.83	\$1.05	\$1.10	\$0.83
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$36.38	\$28.48	\$35.85	\$37.84	\$28.48

fee summ

Source: City of Folsom; MacKey & Somps; EPS.

Table 2
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
Folsom Heights SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

Folsom Heights SPIF Summary

Item	Residential - SPIF Per Dwelling Unit [1]					
	Single-Family		Multifamily			
	Low Density	High Density	Low Density	Med. Density	High Density	Mixed Use
Specific Plan Infrastructure Fee (SPIF)						
On- and Off-Site Roadways	\$14,377	\$13,070	\$11,763	\$10,456	\$9,802	\$8,149
Dry Utilities	\$3,219	\$3,219	\$2,415	\$2,415	\$2,415	\$2,415
On-Site Water	-	-	-	-	-	-
Off-Site Water	-	-	-	-	-	-
Recycled Water	-	-	-	-	-	-
Drainage	\$6,893	\$6,814	\$6,037	\$3,373	\$2,902	\$4,052
Sewer	-	-	-	-	-	-
Habitat Mitigation	\$1,207	\$724	\$440	\$211	\$159	\$197
Administration (3% of sum of all SPIF costs)	\$771	\$709	\$620	\$494	\$458	\$474
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$26,467	\$24,336	\$21,274	\$16,948	\$15,736	\$16,287

Source: City of Folsom; MacKay & Somp; EPS.

[1] Folsom Heights includes only Single-Family, Single-Family Low Density, and Multifamily Low Density residential land uses, and only General Commercial nonresidential land uses. However, this table shows the corresponding SPIF Fee for all FPASP land uses assuming the SPIF Infrastructure Fee components charged to Folsom Heights development.

Table 2
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
Folsom Heights SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

Folsom Heights SPIF Summary

Item	Nonresidential - SPIF Per Bldg. Sq. Ft [1]				
	Mixed Use Commercial	Industrial/Office Park (IND/OP)	General Commercial	Community Commercial	Regional Commercial
Specific Plan Infrastructure Fee (SPIF)					
On- and Off-Site Roadways	\$17.60	\$14.60	\$20.80	\$20.80	\$15.19
Dry Utilities	\$2.24	\$1.51	\$1.81	\$2.05	\$1.83
On-Site Water	-	-	-	-	-
Off-Site Water	-	-	-	-	-
Recycled Water	-	-	-	-	-
Drainage	\$9.23	\$6.21	\$7.48	\$8.47	\$6.71
Sewer	-	-	-	-	-
Habitat Mitigation	\$0.45	\$0.30	\$0.36	\$0.41	\$0.33
Administration (3% of sum of all SPIF costs)	\$0.89	\$0.68	\$0.91	\$0.95	\$0.72
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$30.41	\$23.60	\$31.37	\$32.69	\$24.67

FH fee summ

Source: City of Folsom; MacKay & Soms; EPS.

[1] Folsom Heights Includes only Single-Family, Single-Family Low Density, and Multifamily Low Density residential land uses, and only General Commercial nonresidential land uses. However, this table shows the corresponding SPIF Fee for all FPASP land uses assuming the SPIF Infrastructure Fee components charged to Folsom Heights development.

**Table 25
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Set-Aside (Water & Sewer)**

Residential Land Use [1]	SPIF Set-Aside per Unit	
	FY 2019-2020	Proposed FY 2020-2021
<i>Annual Escalation Rate [2]</i>		2.25%
Single-Family (SF)	\$3,313	\$3,388
Single-Family High Density (SFHD)	\$2,078	\$2,125
Multifamily Low Density (MLD)	\$1,292	\$1,321
Multifamily Medium Density (MMD)	\$1,067	\$1,091
Multifamily High Density (MHD)	\$1,011	\$1,034
Mixed Use (MU) - Residential	\$899	\$919

set aside

Source: Engineering-News Record; EPS.

- [1] SPIF Set-Aside is not applicable to nonresidential uses.
- [2] Per Chapter 3.130.030 of the Folsom Municipal Code, the City's Finance Director's determination of general changes in annual construction costs may be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News-Record publication for the preceding 12 months ending in December of the prior calendar year. See Table O-2 and Table O-1 for details.

Table 26
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Off-Site Roads Set-Aside Fee [1]

Land Use	SPIF Off-Site Roads Set-Aside Fee	
	FY 2019-2020	Proposed FY 2020-2021
<i>Annual Escalation Rate [2]</i>		2.25%
Residential	<i>per unit</i>	
Single-Family (SF)	\$220	\$225
Single-Family High Density (SFHD)	\$200	\$205
Multifamily Low Density (MLD)	\$180	\$184
Multifamily Medium Density (MMD)	\$160	\$164
Multifamily High Density (MHD)	\$150	\$153
Mixed Use (MU) - Residential	\$140	\$143
Nonresidential	<i>per sq. ft.</i>	
Mixed Use (MU) - Commercial	\$0.27	\$0.28
Industrial/Office Park (IND/OP)	\$0.23	\$0.24
General Commercial (GC)	\$0.32	\$0.33
Community Commercial (CC)	\$0.28	\$0.29
Regional Commercial (RC)	\$0.23	\$0.24

road \$s

Source: Engineering-News Record; EPS.

[1] In June 2019, the City adopted Ordinance No. 1293 and Resolution No. 10300 to amend the SPIF Ordinance and allow the adoption of a new Off-Site Roads Set-Aside Fee. This set-aside fee is not additive to the SPIF Program, and is similar to the existing SPIF Set-Aside for water and sewer facilities. The SPIF Off-Site Roads Set-Aside Fee is non-creditable with SPIF Infrastructure Fee Reimbursements and is required for the issuance of a building permit.

[2] Per Chapter 3.130.030 of the Folsom Municipal Code, the City's Finance Director's determination of general change in annual construction costs may be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News-Record publication for the preceding 12 months ending in December of the prior calendar year. See Table O-2 and Table O-1 for details.

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Table 28
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Parkland Equalization Allocation (2020\$)

Parkland Equalization Allocation

Land Use	Land Uses [1]		Allocation Basis			Parkland Allocation		
	Developable Acres	Units/ Sq. FL	Persons per Household	Persons Served	Distribution of Persons Served	Assigned Acres	Parkland Requirement Factor	Cost per Unit
Formula	A	B	C	D=C*B	E=D/Total EDUs	F=Total Acres*E	H=F/B	H*Cost/Acre
Residential		<i>units</i>					<i>per unit</i>	
Single-Family (SF)	487.8	1,535	2.92	4,482	18.0%	22.5	0.0146	\$6,128
Single-Family High Density (SFHD) [1]	822.0	4,567	2.92	13,336	47.7%	68.9	0.0146	\$6,128
Multifamily Low Density (MLD) [1]	278.9	2,385	1.94	4,646	16.6%	23.3	0.0097	\$4,072
Multifamily Medium Density (MMD)	47.8	896	1.94	1,738	6.2%	8.7	0.0097	\$4,072
Multifamily High Density (MHD)	64.3	1,601	1.94	3,106	11.1%	15.6	0.0097	\$4,072
Mixed Use (MU) - Residential	17.1	343	1.94	665	2.4%	3.3	0.0097	\$4,072
Total	1,697.7	11,337		27,974	100.0%	140.3		\$418,667 per acre

parkland alloc

Source: MacKey & Soms, EPS

[1] Reflects the land uses as of June 30, 2016.

[2] For purposes of calculating the SPIF Parkland Equalization Fee, 114 MLD dwelling units in Russell Ranch are calculated as SFHD; therefore, 114 dwelling units were added to SFHD and consequently, 114 dwelling units were reduced from MLD in this table.

Effective October 1, 2020

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Table 27
City of Folsom
SPIF Implementation
Infrastructure Cost Allocation: FPASP Portion of City Water Treatment Plant Expansion - Remaining (2020\$)

FPASP Portion of City Water Treatment Plant Expansion Remaining Land Uses

Land Use	Land Uses Excluding Folsom Heights		Cost Allocation Basis			Water Cost Allocation		
	Dev. Acres [1]	Units/ Sq. Ft.	Water Demand [2]	Total Demand	Distribution of Demand	Assigned Cost [3]	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	A	B	C	D=C*A or B	E=D/Total Demand	F=Total Cost*E	G=F/A	H=F/B
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Single-Family (SF)	344.7	1,134	0.59	669	21.8%	\$1,481,252	\$4,297	\$1,306
Single-Family High Density (SFHD)	522.4	2,881	0.37	1,066	34.3%	\$2,359,982	\$4,518	\$819
Multifamily Low Density (MLD)	225.5	2,035	0.23	468	15.1%	\$1,036,230	\$4,596	\$509
Multifamily Medium Density (MMD)	47.8	896	0.19	170	5.5%	\$376,899	\$7,885	\$421
Multifamily High Density (MHD)	64.3	1,601	0.18	288	9.3%	\$638,010	\$9,922	\$399
Mixed Use (MU) - Residential	17.1	343	0.16	55	1.8%	\$121,500	\$7,105	\$354
Subtotal	1,221.8	8,890		2,716	87.5%	\$6,013,874		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use (MU) - Commercial	11.4	100,362	1.64	19	0.6%	\$41,392	\$3,631	\$0.41
Office Park (OP)	103.4	1,353,845	1.97	204	6.6%	\$451,017	\$4,361	\$0.33
General Commercial (GC)	42.5	461,297	1.54	65	2.1%	\$144,833	\$3,409	\$0.31
Community Commercial (CC)	24.5	235,224	1.54	38	1.2%	\$63,532	\$3,409	\$0.36
Regional Commercial (RC)	42.3	512,443	1.46	62	2.0%	\$136,728	\$3,232	\$0.27
Subtotal	224.1	2,663,171		387	12.5%	\$857,500		
Total Project	1,445.9			3,104	100.0%	\$6,871,374		

w/tp remaining alloc

Source: Folsom Specific Plan Area Water Supply Assessment (June 2010), MacKay & Soms, EPS

[1] Residential acreage in this table does not reflect the reduction of the estimated acreage of residential subdivisions which have processed final maps.

[2] Residential: acre feet/dwelling unit/year; nonresidential: acre feet/acre/year

[3] See Table K-7.

ATTACHMENT 2

RESOLUTION NO. 10491

A RESOLUTION ADOPTING THE NEXUS STUDY FISCAL YEAR 2020-2021 UPDATE FOR THE FOLSOM PLAN AREA SPECIFIC PLAN INFRASTRUCTURE FEES (SPIF) AND TO SET THE UPDATED AMOUNT OF THE SPIF FEES

WHEREAS, the proposed developments in the Folsom Plan Area create a need for additional public improvements, infrastructure, facilities and services for the future residents, businesses, and visitors in the Folsom Plan Area; and

WHEREAS, the General Plan of the City and voter-approved Measure W require that new development within the Folsom Plan Area provide, in a time frame related to its development, an adequate level of public improvements, infrastructure, facilities and services in order to maintain adequate levels of public services and not adversely impact other areas of the City; and

WHEREAS, the Nexus Study for the Folsom Plan Area, dated December 20, 2017 demonstrates the need for the public facilities in the Folsom Plan Area and establishes a reasonable relationship between the need for the public facilities and the type of development, between the use of the fees and the type of development, and between the amount of the fees and the cost of the public facilities attributable to the type of development; and

WHEREAS, the Public Facilities Financing Plan (“PFFP”) for the Folsom Plan Area, adopted by the City Council on January 28, 2014 in Resolution No. 9298, sets forth a financing mechanism to fund approximately \$877 million in infrastructure and facility costs necessary to serve new developments in the Folsom Plan Area; and

WHEREAS, the public infrastructure components in the PFFP constitute approximately \$299,784,000 for the construction of water, sanitary sewer, roads, storm drainage, and other public infrastructure; and

WHEREAS, Ordinance No. 1235 added Chapter 3.130 to the Folsom Municipal Code which establishes the Folsom Plan Area Specific Plan Infrastructure Fee (SPIF) and authorizes the adoption of the SPIF Fees by City Council Resolution; and

WHEREAS, the City Council adopted Resolution No. 10059 on January 9, 2018 and established the updated amounts of SPIF fees; and

WHEREAS, the Nexus Study Fiscal Year 2020-2021 Update for the SPIF Fees, dated July 16, 2020 demonstrates the need for the public infrastructure in the Folsom Plan Area, identifies the purpose of the SPIF Fees and use of the funds, and establishes a reasonable relationship between the need for the public infrastructure and the type of development, between the use of the fees and the type of development, and between the amount of the fees and the cost of the public infrastructure attributable to the type of development; and

WHEREAS, this Resolution is adopted pursuant to California Government Code Section 66000 et seq. (“Mitigation Fee Act”), Article XI, Section 7 of the California Constitution, and the provisions of Chapter 3.130 of the Folsom Municipal Code (“Folsom Plan Area Specific Plan Infrastructure Fees”).

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Folsom that the Nexus Study Fiscal Year 2020-2021 Update for the Folsom Plan Area Specific Plan Infrastructure Fee, dated July 16, 2020, is hereby approved and adopted for the Folsom Plan Area.

BE IT FURTHER RESOLVED that the updated Folsom Plan Area Specific Plan Infrastructure Fees specified in Exhibit "A" are hereby approved and adopted for the Folsom Plan Area, and the updated SPIF Fees shall be effective as of August 1, 2020.

PASSED AND ADOPTED this 28th day of July 2020, by the following roll-call vote:

AYES: Council Member(s): Howell, Kozlowski, Morin, Sheldon, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None


Sarah Aquino, MAYOR

ATTEST:

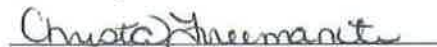

Christa Freemantle, CITY CLERK

Exhibit A
Folsom Plan Area Specific Plan Infrastructure Fees
Effective August 1, 2020

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Page 1 of 2

Table 1
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

SPIF Summary

Item	Residential - SPIF Per Dwelling Unit					
	Single-Family		Multifamily			
	Low Density	High Density	Low Density	Med. Density	High Density	Mixed Use
Specific Plan Infrastructure Fee (SPIF)						
On- and Off-Site Roadways	\$14,377	\$13,070	\$11,763	\$10,456	\$9,802	\$9,149
Dry Utilities	\$3,219	\$3,219	\$2,415	\$2,415	\$2,415	\$2,415
On-Site Water	\$10,002	\$6,273	\$3,899	\$3,221	\$3,052	\$2,712
Off-Site Water	\$4,982	\$3,124	\$1,942	\$1,604	\$1,520	\$1,351
Recycled Water	\$3,009	\$1,887	\$1,173	\$989	\$918	\$816
Drainage	\$6,863	\$6,614	\$6,037	\$3,373	\$2,902	\$4,052
Sewer	\$1,153	\$1,153	\$865	\$865	\$865	\$865
Habitat Mitigation	\$1,207	\$724	\$440	\$211	\$159	\$197
Administration (3% of sum of all SPIF costs)	\$1,345	\$1,082	\$856	\$693	\$649	\$647
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$46,188	\$37,146	\$29,390	\$23,907	\$22,281	\$22,204

Source: City of Folsom; Mackay & Sompe; EPS.

Table 1
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

SPIF Summary

Item	Nonresidential - SPIF Per Bldg. Sq. Ft.				
	Mixed Use Commercial	Industrial/Office Park (IND/OP)	General Commercial	Community Commercial	Regional Commercial
Specific Plan Infrastructure Fee (SPIF)					
On- and Off-Site Roadways	\$17.60	\$14.80	\$20.60	\$20.80	\$16.19
Dry Utilities	\$2.24	\$1.51	\$1.81	\$2.05	\$1.63
On-Site Water	\$3.16	\$2.55	\$2.40	\$2.72	\$2.04
Off-Site Water	\$1.67	\$1.27	\$1.20	\$1.35	\$1.02
Recycled Water	\$0.95	\$0.77	\$0.72	\$0.82	\$0.61
Drainage	\$8.23	\$6.21	\$7.48	\$6.47	\$6.71
Sewer	\$0.12	\$0.23	\$0.12	\$0.12	\$0.12
Habitat Mitigation	\$0.45	\$0.30	\$0.36	\$0.41	\$0.33
Administration (3% of sum of all SPIF costs)	\$1.06	\$0.83	\$1.05	\$1.10	\$0.83
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$36.38	\$28.46	\$36.95	\$37.84	\$28.48

fee sum

Source: City of Folsom; Mackay & Somp; EPS.

Table 2
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
Folsom Heights SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

Folsom Heights SPIF Summary

Item	Residential - SPIF Per Dwelling Unit [1]					
	Single-Family		Multifamily			
	Low Density	High Density	Low Density	Med. Density	High Density	Mixed Use
Specific Plan Infrastructure Fee (SPIF)						
On- and Off-Site Roadways	\$14,377	\$13,070	\$11,763	\$10,456	\$9,802	\$9,149
Dry Utilities	\$3,219	\$3,219	\$2,415	\$2,415	\$2,415	\$2,415
On-Site Water	-	-	-	-	-	-
Off-Site Water	-	-	-	-	-	-
Recycled Water	-	-	-	-	-	-
Drainage	\$6,893	\$6,814	\$6,037	\$3,373	\$2,902	\$4,052
Sewer	-	-	-	-	-	-
Habitat Mitigation	\$1,207	\$724	\$440	\$211	\$159	\$197
Administration (3% of sum of all SPIF costs)	\$771	\$709	\$620	\$494	\$458	\$474
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$26,467	\$24,336	\$21,274	\$16,948	\$15,736	\$16,287

Source: City of Folsom; MacKey & Sompe; EPS.

[1] Folsom Heights includes only Single-Family, Single-Family Low Density, and Multifamily Low Density residential land uses, and only General Commercial nonresidential land uses. However, this table shows the corresponding SPIF Fee for all FPASP land uses assuming the SPIF Infrastructure Fee components charged to Folsom Heights development.

Table 2
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
Folsom Heights SPIF Summary per Dwelling Unit/Bldg. Sq. Ft.

Folsom Heights SPIF Summary

Item	Nonresidential - SPIF Per Bldg. Sq. Ft [1]				
	Mixed Use Commercial	Industrial/Office Park (IND/OP)	General Commercial	Community Commercial	Regional Commercial
Specific Plan Infrastructure Fee (SPIF)					
On- and Off-Site Roadways	\$17.60	\$14.80	\$20.80	\$20.80	\$15.19
Dry Utilities	\$2.24	\$1.51	\$1.81	\$2.05	\$1.63
On-Site Water	-	-	-	-	-
Off-Site Water	-	-	-	-	-
Recycled Water	-	-	-	-	-
Drainage	\$9.23	\$6.21	\$7.48	\$8.47	\$6.71
Sewer	-	-	-	-	-
Habitat Mitigation	\$0.45	\$0.30	\$0.35	\$0.41	\$0.33
Administration (3% of sum of all SPIF costs)	\$0.69	\$0.68	\$0.91	\$0.95	\$0.72
Total SPIF Cost per Dwelling Unit/Bldg. Sq. Ft.	\$30.41	\$23.80	\$31.37	\$32.69	\$24.57

FH fee sum

Source: City of Folsom; MacKay & Sompe; EPS.

[1] Folsom Heights includes only Single-Family, Single-Family Low Density, and Multifamily Low Density residential land uses, and only General Commercial nonresidential land uses. However, this table shows the corresponding SPIF Fee for all FPASP land uses assuming the SPIF Infrastructure Fee components charged to Folsom Heights development.

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Table 25
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Set-Aside (Water & Sewer)

Residential Land Use [1]	SPIF Set-Aside per Unit	
	FY 2019-2020	Proposed FY 2020-2021
<i>Annual Escalation Rate [2]</i>		2.25%
Single-Family (SF)	\$3,313	\$3,388
Single-Family High Density (SFHD)	\$2,078	\$2,126
Multifamily Low Density (MLD)	\$1,292	\$1,321
Multifamily Medium Density (MMD)	\$1,087	\$1,091
Multifamily High Density (MHD)	\$1,011	\$1,034
Mixed Use (MU) - Residential	\$899	\$919

set aside

Source: Engineering-News Record: EPS.

[1] SPIF Set-Aside is not applicable to nonresidential uses.

[2] Per Chapter 3.130.030 of the Folsom Municipal Code, the City's Finance Director's determination of general changes in annual construction costs may be based upon averaging the Construction Cost Index (CCI) for twenty cities and for San Francisco, as published in the Engineering News-Record publication for the preceding 12 months ending in December of the prior calendar year. See Table O-2 and Table O-1 for details.

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Table 28
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
SPIF Parkland Equalization Allocation (2020\$)

Parkland Equalization Allocation

Land Use	Land Uses [1]		Allocation Basis			Parkland Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per Household	Persons Served	Distribution of Persons Served	Assigned Acres	Parkland Requirement Factor	Cost per Unit
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total EDUs</i>	<i>F=Total Acres*E</i>	<i>H=F/B</i>	<i>H*Cost/Acres</i>
Residential		<i>units</i>					<i>per unit</i>	
Single-Family (SF)	467.6	1,535	2.92	4,482	16.0%	22.5	0.0146	\$6,129
Single-Family High Density (SFHD) [1]	822.0	4,567	2.92	13,338	47.7%	66.9	0.0146	\$6,129
Multifamily Low Density (MLD) [1]	276.9	2,395	1.94	4,646	16.6%	23.3	0.0097	\$4,072
Multifamily Medium Density (MMD)	47.8	696	1.94	1,738	6.2%	6.7	0.0097	\$4,072
Multifamily High Density (MHD)	64.3	1,601	1.94	3,106	11.1%	15.6	0.0097	\$4,072
Mixed Use (MU) - Residential	17.1	343	1.94	665	2.4%	3.3	0.0097	\$4,072
Total	1,697.7	11,337		27,974	100.0%	140.3		\$418,667 per acre

parkland alloc

Source: MacKay & Somp, EPS

[1] Reflects the land uses as of June 30, 2016.

[2] For purposes of calculating the SPIF Parkland Equalization Fee, 114 MLD dwelling units in Russell Ranch are calculated as SFHD; therefore, 114 dwelling units were added to SFHD and consequently, 114 dwelling units were reduced from MLD in this table.

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Table 36
Folsom Plan Area Specific Plan
Specific Plan Infrastructure Fee (SPIF) 2020 Update
Summary of Public Facilities Land Requirement by FPASP Area

Land Use	Public Facilities Land Requirement			
	All FPASP Except Folsom Heights		Folsom Heights	
	Factor	Amount	Factor	Amount
Assumption	\$418,587 per acre			
Residential	<i>per unit</i>		<i>per unit</i>	
Single-Family (SF)	0.0023	\$947	0.0015	\$640
Single-Family High Density (SFHD)	0.0023	\$947	0.0015	\$640
Multifamily Low Density (MLD)	0.0015	\$629	0.0010	\$425
Multifamily Medium Density (MMD)	0.0015	\$629	0.0010	\$425
Multifamily High Density (MHD)	0.0015	\$629	0.0010	\$425
Mixed Use (MU) - Residential	0.0015	\$629	0.0010	\$425
Nonresidential	<i>per acre</i>		<i>per acre</i>	
Mixed Use (MU) - Commercial	0.0085	\$3,567	0.0058	\$2,413
Industrial/Office Park (IND/OP)	0.0189	\$7,073	0.0114	\$4,785
General Commercial (GC)	0.0093	\$3,913	0.0063	\$2,647
Community Commercial (CC)	0.0068	\$2,829	0.0046	\$1,914
Regional Commercial (RC)	0.0072	\$3,021	0.0049	\$2,043
	<i>pub fac summ</i>			

Source: MacKay & Somp, EPS

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