

\$39,291 new-home impact fee proposed

[By John Dickey/Appeal-Democrat](#)

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A City Council ad-hoc committee from Yuba City will recommend that the city charge nearly \$40,000 in impact fees for each new home built in the city.

Yuba City City Council members Rory Ramirez and Leslie McBride, who comprise an ad-hoc committee that has been meeting with city staff and developers, said they agreed with a figure of \$39,291 to recommend to the full council in late July to early August. They announced the proposed fee at an ad-hoc committee meeting Monday attended by major builders.

The proposed figure is 62 percent higher than the current fee of \$24,270 charged to builders for every new home. The difference is due to higher fees for roads, fire, police and parks; plus new fees for drainage, a City Hall expansion, levees and the city's Corporation Yard.

It's also higher than the \$32,301 fee proposed by a consultant for the North State Building Industry Association.

Darin Gale, legislative advocate for the association, said there are still issues to be discussed including the amount of contingency costs used to calculate the fees, and an affordable housing charge.

Impact fees proposed Monday include a \$1,750 charge for affordable housing – half what was first proposed, but still a charge that subsidizes housing for low wage earners, said Gale.

"We don't believe a new home buyer should subsidize someone else's home," said Gale.

Developers would not be hit with the higher fees right away. The fees would be frozen at current levels for one year after City Council's adoption of a new figure. After that, the higher fees will be phased in over three years, with provisions to adjust the fees upward for inflation.

Gale said fee phasing will help stimulate growth and allow homes to be built in a "very tough" housing market.

Any ad-hoc committee proposals have to be approved by the full City Council.

City Manager Steven Jepsen said the new fee figure is consistent and defensible if challenged by developers.

"I don't feel like we've given away anything to developers," said Jepsen. "I see this as a process where we came up with numbers that are fair and correct, representing the actual impact of development in the community."

Impact fees are used to pay for roads, parks, police and fire facilities and other costs that come with a bigger population. To justify its fees, the city has to come up with studies that figure out how much it costs to build future growth-related improvements that are outlined in the city's general plan, and come up with a per-home fee. Past deficiencies cannot be charged to new homes.

The city released its first draft figure of \$64,193 in October 2006 – a figure described by Community Development Director Aaron Busch as a "real, real rough draft."

In April, a new figure of \$54,042 was devised that took the varying finance charges and population figures from four different consultants and came up with consistent figures.

Since then, McBride and Ramirez have worked with city staff members and developers to hash out an impact fee. The committee was appointed after developers disagreed with April's revised fee.

Most of the figures have gone down during the ad-hoc process. Roads, for example, dropped from \$10,967 in April to \$9,094 after some things were taken out, additional funding sources were found, and some road widths were changed, said Busch.

Fees for levee improvements would range from \$2,500 to \$3,500 under the new fees announced Monday. A fee for levees that was shown as \$3,938 in April's figures, was cut by reducing levee repair costs estimates from \$20 million per mile to \$15 million per mile, and funding only the local match for levee repairs, according to a city document.

Still, Gale said developers are being asked to fund a higher level of infrastructure than in the past. The proposed impact fee for parks would quadruple the current level of 1.4 acres of parks for every 1,000 residents.

"We're being asked to pay for a much higher standard than what is being set out today," said Gale.

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