



City Council Agenda Item

City Council Meeting Date: August 6, 2019

TO: Jim Throop, City Manager

FROM: Al Johnson, Building Services Manager / Building Official
a_johnson@ci.lompoc.ca.us

SUBJECT: Impact Fees for Accessory Dwelling Use Buildings

Recommendation:

Staff recommends the City Council receive this report on impact fees for accessory dwelling use buildings (ADUs).

Background:

On September 27, 2016, the State of California passed Senate Bill 1069, amending sections of the Government Code, to reduce the barriers California homeowners face when seeking to build an ADU (sometimes referred to as granny flat) on their property. The Governor's hope was that removing the obstacle to building ADUs would help to increase the supply of affordable housing in California and allow more people to remain in the communities they call home.

The law states all impact fees, including water, sewer, park and traffic fees must be charged in accordance with the Fee Mitigation Act (Government Code § 66000 *et. seq.*), which requires fees to be proportional to the actual impact (e.g., less than a single family home).

Further the law states that fees charged for the construction of ADUs shall be determined in accordance with Chapter 5 (commencing with Government Code § 66000) and Chapter 7 (commencing with Government Code § 66012).

On August 16, 2018, the City Manager issued a memo describing how development impact fees for ADUs would be calculated (Attachment 1). Such process was intended to be used until completion and approval of a new development impact fee study that is currently underway. In that memo, the following guidelines were issued:

- I. The calculation of Development Impact Fees for ADU's shall be based on the square footage of the ADU divided by the legally existing square footage of the primary dwelling on the property. That would establish the percentage to use to prorate the development impact fees for a new ADU.

- II. Sewer and water Development Impact Fees would not be required if an attached ADU would be connected legally to established sewer lines and water meter. The remainder of the Development Impact Fees are prorated based on a percentage of primary dwelling as described in (I).
- III. Sewer and water Development Impact Fees, as applicable, would be required if a detached ADU would require, as determined by the City, or the owner decided to have a new sewer connection or water meter. The remainder of the Development Impact Fees are prorated based on a percentage of primary dwelling as described in (I).
- IV. Solid Waste Impact Fees for solid waste container(s) shall not be assessed, unless solid waste container(s), in addition to those used to service the existing single-family dwelling on the same parcel as the ADU, will be required, as determined by the City, or requested by the Owner.

The following is an example of the fee calculation:

Existing Single Family Residence 1,696 square feet
 Proposed ADU 540 square feet

Proportionate Percentage = $540 \div 1,696 = 32\%$

<u>Development Impact Fee</u>	SFR <u>100%</u>	ADU <u>32%</u>
Park Improvements	\$ 4,885.00	\$ 1,563.20
Park Land	\$ 4,682.00	\$ 1,498.24
Recreation Center	\$ 1,164.00	\$ 372.48
Libraries	\$ 708.00	\$ 226.56
Police Facilities	\$ 262.00	\$ 83.84
Fire Facilities	\$ 237.00	\$ 75.84
Street Improvements	\$ 2,934.00	\$ 938.88
Traffic	\$ 278.00	\$ 88.96
Bikeways	\$ 48.00	\$ 15.36
Refuse	\$ 321.00	\$ 102.72
Total	\$ 15,519.00	\$ 4,966.08

Seven ADU building permits have been finalized since January 2017. Three paid the proportionate fee rate as described above (Attachment 2); three paid no fees and one paid 60% of the impact fees. The four that paid fees that were not proportionate to the ADU/SFR formula described above occurred prior to the issuance of the memo from the City Manager's Office (Attachment 1).

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Fiscal Impact:

This request has no direct fiscal impact; however, to provide a true accounting of staff time utilized to research and prepare a response to this City Council request, the following summary is detailed below:

Staff Person	Hours	Rate	Total
Building Official	2.00	\$208	\$416.00
Community Development Director	3.50	103	360.50
Contract DSA II	1.00	70	70.00
City Attorney Consultation	2.5	185	462.50
Total Cost for Appeal Review/Council Report Prep			\$1,309.00

Conclusion:

Council receive report.

Respectfully submitted,

Al Johnson, Building Services Manager / Building Official

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Christie Alarcon, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) City Manager's Office ADU Memo
2) ADU IMPACT Fee Calculation Sheets



City Manager's Office Memorandum

DATE: August 16, 2018

TO: Planning Manager, Building Official
Management Services Director

FROM: Jim Throop, City Manager

SUBJECT: Development Impact Fees for Accessory Dwelling Units (ADU's)

The State of California passed SB 1069, approved by the Governor and filed with the Secretary of State on September 27, 2016 regarding Accessory Dwelling Units (ADU's). As a result, ADU's are now being submitted for approval. The City of Lompoc does not have a definitive method of calculating Development Impact Fees for ADUs to encourage building, thereby reducing California's housing shortages.

As a result of a meeting attended by the Economic Development Director/Assistant City Manager, City Attorney, Finance Director, Fire Chief, Planning Manager, and Building and Safety Manager, the following shall be how the City will implement the assessment of Development Impact Fees for ADUs. That implementation process will apply until completion and Council approval implementation of the new Development Impact Fee Study currently being prepared that will address the method of determining Development Impact Fees for ADUs.

The following methodology will be used to implement appropriate Development Impact Fees for ADUs, pending the implementation of the ongoing Development Impact Fee study for approval:

- The calculation of Development Impact Fees for ADU's shall be based on the square footage of the ADU divided by the legally existing square footage of the primary dwelling on the property. That would establish the percentage to use to prorate (reduce) the development impact fees for a new ADU.

For example: An existing 2,000 square foot single family dwelling with a proposed 1,000 square foot ADU would be prorated to pay 50% of the Development Impact Fees.

- Sewer and water Development Impact Fees would not be required if an attached ADU would be connected to legally established sewer lines and water meters. The remainder

of the development impact fees are prorated based on a percentage of primary dwelling as discussed above.

- Sewer or water Development Impact Fees, as applicable, would be required if a detached ADU's would require, as determined by the City, or the owner decided to have a new sewer connection or water meter. The remainder of the development impact fees are prorated based on a percentage of primary dwelling as discussed above.
- Solid Waste Impact Fees for solid waste container(s) shall not be assessed, unless solid waste container(s), in addition to those used to service the existing single-family dwelling on the same parcel as the ADU, will be required, as determined by the City, or requested by the owner.

Thank you.

Approved by:



Jim Throop, City Manager



Date

City of
LOMPOC

November 16, 2018

[REDACTED]
Lompoc, CA 93436

Re: Fees for Accessory Dwelling Unit (ADU) at [REDACTED]
[REDACTED]

Thank you for your letter of November 15, 2018, concerning the above subject. I have reviewed that letter with our City Attorney.

The fees the City charged and you paid for the building permit for the above ADU were not imposed pursuant to the Subdivision Map Act. They are development impact fees imposed pursuant to Government Code section 66000 *et seq.* They were calculated based on the method described in the attached memo. As so imposed, they meet all legal requirements.

Thank you for improving the City's housing stock by the addition of the subject ADU.

Very truly yours,

Al Johnson,
Building Official

Enclosure

c: Honorable Mayor and Council Members
Jim Throop, City Manager
Joseph W. Pannone, City Attorney

[REDACTED] - ADU IMPACT Fee Calculation

ADU		Existing Home	Percent
540sf	÷	1696sf	= 32%

Park Improvements

\$4885 x 32% = **\$1,563.20**

Park Land

\$4682 x 32% = **\$1,498.24**

Rec Center

\$1164 x 32% = **\$372.48**

Libraries

\$708 x 32% = **\$226.56**

Police Facilities

\$262 x 32% = **\$83.84**

Fire Facilities

\$237 x 32% = **\$75.84**

Street Improvements

\$2934 x 32% = **\$938.88**

Traffic

\$278 x 32% = **\$88.96**

Bikeways

\$48 x 32% = **\$15.36**

Refuse

\$321 x 32% = **\$102.72**

TOTAL FEES \$15,519.00

Total Impact Fees - **\$4,996.08 @ 32%**

Water and Waste Water Fees to be determined by Susan Zavolta Utility Conservation

306 South B Street - ADU IMPACT Fee Calculation

ADU		Existing Home	Percent
540sf	÷	1696sf	= 32%

Park Improvements

$$\$4885 \times 32\% = \$1,563.20$$

Park Land

$$\$4682 \times 32\% = \$1,498.24$$

Rec Center

$$\$1164 \times 32\% = \$372.48$$

Libraries

$$\$708 \times 32\% = \$226.56$$

Police Facilities

$$\$262 \times 32\% = \$83.84$$

Fire Facilities

$$\$237 \times 32\% = \$75.84$$

Street Improvements

$$\$2934 \times 32\% = \$938.88$$

Traffic

$$\$278 \times 32\% = \$88.96$$

Bikeways

$$\$48 \times 32\% = \$15.36$$

Refuse

$$\$321 \times 32\% = \$102.72$$

Total Impact Fees - \$4,996.08

Water and Waste Water Fees to be determined by Susan Zavolta Utility Conservation

15515

420 West Cypress Avenue ADU IMPACT Fee Calculation

ADU		Existing Home	Percent
400sf	÷	1722sf	= 23%

Park Improvements

\$5019 x 23% = **\$1,154.00**

Park Land

\$4811 x 23% = **\$1,107.00**

Rec Center

\$1196 x 23% = **\$1196.00**

Libraries

\$728 x 23% = **\$167.44**

Police Facilities

\$269 x 23% = **\$61.87**

Fire Facilities

\$244 x 23% = **\$56.12**

Street Improvements

\$693.45

Traffic

\$65.78

Bikeways

\$50 x 23% = **\$11.50**

Refuse

\$330 x 23% = **\$99.00**

Water and Waste Water Fees to be determined by City Water Department

Street Improvements and Traffic Signals to be determined by Engineering Dept.

Refuse Containers to be determined by Solid Waste Department

 *original to owner*
4/19/19 VO

713 East Lemon Avenue ADU IMPACT Fee Calculation

ADU		Existing Home	Percent
360sf	÷	1196sf	= 30%

Park Improvements

\$5019 x 30% = **\$1,505.70**

Park Land

\$4811 x 30% = **\$1,433.30**

Rec Center

\$1196 x 30% = **\$358.80**

Libraries

\$728 x 30% = **\$218.40**

Police Facilities

\$269 x 30% = **\$80.70**

Fire Facilities

\$244 x 30% = **\$73.20**

Street Improvements

\$3015 x 30% = **\$904.50**

Traffic

\$286 x 30% = **\$85.80**

Bikeways

\$50 x 30% = **\$15.00**

Refuse

\$330 x 30% = **\$99.00**

Water and Waste Water Fees to be determined by Susan Zavolta Utility Conservation