

STAFF REPORT

BOARD MEETING DATE:	January 9, 2024
----------------------------	-----------------

CATEGORY: Regular Calendar {{item.number}}

SUBJECT: Receive a presentation and introduce and waive the reading of *"An Ordinance of the Board of Supervisors of the County of Shasta Amending Ordinance No. 665 of Shasta County Entitled, "An Ordinance of the Board of Supervisors of the County of Shasta Adopting Public Facility Fees for all New Development within the County of Shasta" by Suspending the Collection of New Public Facility Impact Fees"* (Sponsored by Supervisor Crye).

DEPARTMENT: Board of Supervisors

SUPERVISORIAL DISTRICT #: All

DEPARTMENT CONTACT: Stewart Buettell, Deputy County Executive Officer, (530) 225-5561

STAFF REPORT APPROVED BY: David J. Rickert, County Executive Officer

<u>Vote Required?</u>	<u>General Fund Impact?</u>
------------------------------	------------------------------------

Simple Majority Vote

<u>Vote Required?</u>	<u>General Fund Impact?</u>
------------------------------	------------------------------------

Future General Fund Impact

RECOMMENDATION

Receive a presentation from the Auditor-Controller regarding Impact Fees in Shasta County and introduce, waive the reading of *"An Ordinance of the Board of Supervisors of the County of Shasta Amending Ordinance No. 665 of Shasta County Entitled, "An Ordinance of the Board of Supervisors of the County of Shasta Adopting Public Facility Fees for all New Development within the County of Shasta" by Suspending the Collection of New Public Facility Impact Fees."*

DISCUSSION

On May 8, 2008, the Shasta County Board of Supervisors (BOS) adopted Ordinance Number 665, adopting public facility fees for all new development within the County of Shasta, based on a public facilities impact fee study entitled "Shasta County and City of Redding: Public Facilities Impact Fee Study" (March 5, 2008, hereinafter "IFS").

On July 21, 2020, the BOS adopted Ordinance No. 665-1, amending Ordinance No. 665 to add a new Section 15, retroactively effective July 1, 2020, which suspended impact fees stated in Section 8 until such time as the Board of Supervisors, by resolution, lifted the suspension.

On August 25, 2020, the BOS adopted Ordinance No. 665-2, amending Ordinance No. 665 to establish a traffic impact fee exclusively applicable to mini-storage development.

On January 4, 2022, the BOS adopted Ordinance No. 665-3, amending Section 15 of Ordinance No. 665, retroactively effective to July 1, 2020, suspending the annual adjustment of impact fees to be imposed every year thereafter, until such time as the Board of Supervisors, by resolution, lifts the suspension.

Since its inception in 2008, the Impact Fee program has generated approximately \$8.7 million dollars towards funding future growth in supporting the impacts of new development (\$8.2 million of fees and \$0.5 million of interest). To date these funds have been used for the following facilities: juvenile rehab facility, south county fire station, Sheriff's Department south county patrol station, and county emergency operations center. In total \$3.2 million dollars of Impact Fee program revenues have been expended for these projects. In the absence of funding from the Impact Fee program, these costs would have been borne by the General Fund.

Other future projects that are anticipated to utilize funds generated by the Impact Fee program include, County jail expansion, public health facilities/mobile clinic, Animal Control emergency evacuation equipment, and Knighton Road bike/pedestrian project. Current Impact Fee balances are insufficient to cover all costs of these future projects. Remaining costs will be funded by the General Fund or other available fund balances.

A full summary and the five-year report regarding development impact fees, accounts, and planned future uses, is available online at the following website:

https://www.shastacounty.gov/sites/default/files/fileattachments/resource_management/page/2381/county_of_shasta_fy_2022-23_annual_and_five-year_report_distribution_11.13.2023.pdf

Attached for introduction and the Board's consideration is a draft ordinance which amends Ordinance No. 665 and suspends the collection of new public facility impact fees, as described in the IFS and Ordinance No. 665, in full force and effective thirty (30) days after its passage. All remaining fees collected prior to suspension shall be spent in accordance with Ordinance No. 665. This ordinance shall remain effective until such time as the Board of Supervisors, by ordinance, lifts the suspension.

ALTERNATIVES

The Board could choose to not hear the presentation, only take one or more of the recommended actions, defer consideration of the presentation or other aspects of this item to a future date, or provide alternate direction to staff.

OTHER AGENCY INVOLVEMENT

The County Administrative Office drafted this staff report and the draft ordinance at the request of Supervisor Crye. The Auditor-Controller and Resource Management have reviewed and approved the draft ordinance. County Counsel has reviewed the draft ordinance as to form.

FISCAL IMPACT

Under the current Impact Fee Program, fees for new development projects are assessed based on program guidelines established by County ordinance. If adopted, the draft ordinance would suspend new fees being collected under the current Impact Fee program established by Ordinance No. 665, and no fees would be collected for new development after the effective date of the ordinance. Accordingly, this will result in annual loss of revenue to designated Impact Fee accounts intended to offset the increased need for services and infrastructure resulting from new development. Infrastructure and service impacts from new development would then be offset by the General Fund, in an unknown amount, based on future new development throughout Shasta County.

ATTACHMENTS:

- 1: Draft Ordinance
- 2: Ordinance No 665
- 3: Ordinance No 665-1
- 4: Ordinance No 665-2
- 5: Ordinance No 665-3