



COMMUNITY DEVELOPMENT
RESOURCE AGENCY

MEMORANDUM

DATE: November 17, 2015

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP, Agency Director
Tim Wegner, Chief Building Official

BY: By: Jeff Thomas, Building Manager

SUBJECT: Adoption of Ordinance reinstating the Development Impact Fee Deferral Program

ACTION REQUESTED

1. Adopt the Ordinance, introduced on November 3, 2015, to reenact Article 15.70 of the County Code to reinstitute a two year Development Impact Fee Deferral Program.

BACKGROUND

The proposed Ordinance to reenact Article 15.70 of the County Code to reinstitute a two year Development Impact Fee Deferral Program was introduced at the Board's public meeting held on November 3, 2015.

In an effort to allow for payment timing options of impact fees and potentially further stimulate economic development, staff is putting forth this recommendation as an aid to the community to defer the noted mitigation fees until prior to the use of the facility and any resulting impact. Making this fee deferral option available to constituents will allow for lower initial start-up construction costs for commercial and residential projects, thereby making projects more affordable to a wider range of the public.

Eligible impact fees include:

- Sewer Impact Fees
- Traffic Impact Fees
- Capital Facilities Fees
- Park Fees

FISCAL IMPACT

None. Fees normally paid at permit issuance will be paid prior to final sign-off on the permit, resulting in no fiscal impact to the County. The County may experience indirect positive impacts through additional economic development activity resulting from these projects.

Attachment 1: Attachment 1: Ordinance Reenacting Article 15.70

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Ord. No: _____

An Ordinance reenacting Chapter 15, Article
15.70, Fee Deferral Program.

First Reading: _____

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

The Board of Supervisors of the County of Placer, State of California, does hereby ordain as follows:

SECTION 1: Placer County Code Chapter 15, Article 15.70 is hereby enacted as follows:

15.70.010 Title.

This article shall be known and cited as the "Fee Deferral Program Ordinance."

15.70.020 Purpose.

The Placer County board of supervisors desires to encourage the construction of residential and nonresidential development projects within the County. The Board of Supervisors finds that the early payment of certain impact fees for new development under current financial conditions creates a barrier to such development and desires, by the adoption of this article, to ease such barriers by deferring on a temporary basis the time for payment of certain development impact fees.

15.70.030 Applicable fee programs.

Notwithstanding any other provision of this code, upon application and approval pursuant to this article, an approved development project shall pay the following fees as allowed in accordance with the provisions of this article:

- A. Sewer connection fees imposed pursuant to Section 13.12.270 of this code;
- B. Traffic impact fees imposed pursuant to Section 15.28.030 of this code;
- C. Public facility fees imposed pursuant to Section 15.30.020 of this code; and
- D. Parks and recreation facilities fees imposed pursuant to Section 15.34.060 of this code.

15.70.040 Definitions.

“Agency Director” means the director of the Community Development Resource Agency, or designee.

“Applicant” means the owner or owners of record of the real property with an approved development project for which a fee deferral is sought pursuant to this article.

“Approved development project” means a project that has received final discretionary action by the County and which has completed all environmental compliance requirements.

15.70.050 Fee deferral program.

- A. At the time of building permit issuance or the time of improvement plan approval, an applicant of an approved development project may file a written application with the County to request deferral of any of those fees enumerated in Section 15.70.030 of this article.
- B. Deferral of fees pursuant to this article shall be acknowledged by an agreement or other writing satisfactory to the Agency Director and approved by County Counsel. Said agreement may be executed by the Agency Director.
- C. All of the following requirements must be satisfied prior to execution of a fee deferral agreement by the Agency Director: (1) submittal to the County of a complete application; (2) deposit of all fees pursuant to Sections 15.70.060 and 15.70.100; (3) deposit of security for the payment of those fees to be deferred pursuant to Section 15.70.070; and (4) submittal of evidence that all property tax obligations of the applicant are paid in full for the approved development project and all other property owned by the applicant in unincorporated Placer County.
- D. Fees that are approved for deferral for a single-family residential development project pursuant to this article shall be due and payable for each individual lot within the approved development project upon the earlier of: (1) a request for final inspection under a building permit; (2) the close of escrow, if the security provided pursuant to Section 15.70.070 is the senior lien on the property; or (3)

the end of the maximum fee deferral period as set forth in the agreement required pursuant to subsection B of this section.

- E. Fees that are approved for deferral for a multifamily residential project or a nonresidential development project pursuant to this article shall be due and payable for each building within the project upon request of issuance of a certificate of occupancy.
- F. The maximum fee deferral period for any development project is twenty-four (24) months from the date of any agreement for a fee deferral required pursuant to subsection B of this section. If not paid within the twenty-four (24) month fee deferral period, a penalty and interest shall accrue on any unpaid balance pursuant to Section 15.70.080.
- G. The approval of a fee deferral pursuant to this article for any approved development project shall not be transferable to another project regardless of whether the applicant is the same for both projects or whether the other project is also a qualified project.
- H. The Agency Director is authorized to administer this fee deferral program consistent with the intent of this article.

15.70.060 Administrative processing fees and fee deferral program application.

If an applicant requests deferral to final inspection or certificate of occupancy, no administrative processing fees will apply. If an applicant requests deferral to close of escrow, a non-refundable administrative processing fee of five hundred dollars (\$500.00) is hereby established for payment at the time of each individual program application for the purpose of funding the costs of administering the fee deferral program established by this article. The application for fee deferral may be submitted concurrently with or in advance of any application for building permits for the subject property and shall be accompanied by any security and application fees required by this article. In no event, however, shall a building permit be issued until one of the following has occurred:

- A. Payment of all applicable fees due in accordance with this code; or
- B. Execution of a fee deferral agreement in accordance with this article.

15.70.070 Security.

At the time of application for deferral to close of escrow, the applicant shall provide security for the payment of those fees to be deferred. Such security shall be subject to the approval of the County and shall consist of one or more of the following:

- A. Assigned passbook or certificate of deposit;
- B. Irrevocable letter of credit;
- C. Surety bond;
- D. Lien against the property; or
- E. Negotiable securities if approved by the Board of Supervisors.

15.70.080 Penalty and interest.

For all approved development projects which have been executed, an agreement for a deferral of fees pursuant to this article, no interest shall accrue during the period of deferral. However, in the event the deferred fees are not paid at the time required by the agreement, a one-time penalty equal to the annual rate of interest earned by the county of Placer on the investment of pooled funds computed on the unpaid balance from the

date of execution of the deferral agreement to time of payment due, shall be imposed and payable, and interest shall thereafter accrue on the balance of the unpaid deferred fees and penalty at the rate set forth in Code of Civil Procedure Section 685.010.

15.70.090 Payment of deferred fees as adjusted.

Deferred fees shall be paid at the rate or rates applicable at the time of payment.

15.70.100 Recordation costs.

All costs of recordation of documents required pursuant to this article shall be paid by the applicant at the time of execution of any fee deferral agreement pursuant to Section 15.70.050(B).

15.70.110 Property tax obligations.

At the time of application, the applicant shall provide evidence that all property tax obligations of the applicant for all property owned by the applicant in unincorporated Placer County are paid in full at the time of execution of any fee deferral agreement pursuant to Section 15.70.050(B).

15.70.120 Expiration.

This Ordinance shall be effective as of January 1, 2016 and shall remain in effect until December 31, 2017, and as of that date is repealed. Any fee deferral agreement entered into prior to the date of repeal of this article, shall remain in full force and effect in accordance with its terms.

SECTION 2: This Ordinance shall be effective as of January 1, 2016. The Clerk is directed to publish this Ordinance, or a summary thereof, within fifteen (15) days in accordance with Government Code section 25124.

