

**DEVELOPMENT FEE
NEXUS STUDY
FOR THE
OPEN SPACE & FIRE HAZARD
MANAGEMENT FEE**

Final Report

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Prepared by:

Robert D. Spencer, Urban Economics



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EXECUTIVE SUMMARY

The *Western Placer County Habitat Conservation Plan and Natural Community Conservation Plan* (HCP/NCCP or Plan¹) and related documents provide a framework to protect, enhance, and restore the natural resources in specific areas of western Placer County, while streamlining environmental permitting for activities covered by the Plan. The Plan has a permit term of 50 years.

Certain activities covered by the Plan pay development fees to mitigate impacts and fund their fair share of total Plan costs (Plan development fees). Development fees are one-time fees, typically paid when improvement plans, grading permits, or building permits are issued and imposed on development projects by cities and counties.

Certain development activities in existing urban/suburban areas within the Plan area, specifically in the Foothills subarea, do not pay the Plan development fees because they are not expected to have adverse effects on the Plan's covered species. However, these activities benefit from some Plan activities, specifically the expansion of open space and the management of fire hazards on lands conserved through the Plan's reserve system.

This study documents the reasonable relationship, or "nexus", between development activities not subject to Plan development fees and a separate open space and fire hazard management development fee applicable only to Foothills projects not paying Plan development fees. Application of the recommended Open Space and Fire Hazard Management Fee ensures that all Foothills development benefiting from the same types of Plan activities (open space acquisition and fire hazard management) pays the same fee.

All revenue from the recommended fee is required to fund Plan activities associated with the expansion of open space and the management of fire hazards within the Plan's reserve system

The recommended Open Space and Fire Hazard Management Fee is shown in **Table E.1**. The recommended fee is less than the maximum justified fee and equals to the comparable Plan development fee for the Foothills subarea (Part A of the land conversion fee).

¹ Placer County, *Placer County Conservation Program, Western Placer County Habitat Conservation Plan / Natural Community Conservation Plan*.

Table E.1: Foothills Open Space & Fire Hazard Management Fee (2019 \$)

	Foothills		
	Maximum Justified Fee	Recommended Fee	HCP/NCCP Land Conversion Development Fee (Part A)
Fee per Dwelling Unit (residential)	\$ 3,499	\$ 2,279	\$ 2,279
Fee per Acre (non-residential)	11,247	2,757	2,757
Sources: Table 4.2.			

The maximum justified Open Space and Fire Hazard Management Fee is higher than the comparable Plan fee because the two fees are arrived at using different approaches to the nexus analysis. The Open Space and Fire Hazard Management Fee nexus analysis uses the cost of maintaining the existing open space standard. The Plan development fee uses the cost of mitigating impacts on species covered by the Plan.

Based on this nexus analysis, the County could adopt up to the maximum justified Open Space and Fire Hazard Management Fee. Increased revenue generated by the fee over the recommended amount could be used for additional open space management and fire hazard management activities in the Foothills beyond those activities required by the Plan.

1. INTRODUCTION

Background and Purpose

The *Western Placer County Habitat Conservation Plan and Natural Community Conservation Plan* (HCP/NCCP or Plan²) and related documents provide a framework to protect, enhance, and restore the natural resources in specific areas of western Placer County, while streamlining environmental permitting for activities covered by the Plan. The Plan has a permit term of 50 years.

Activities covered by the Plan include private development projects and construction and maintenance of public infrastructure. These activities pay development fees to mitigate impacts and fund their fair share of total Plan costs (Plan development fees). Development fees are one-time fees, typically paid when improvement plans, grading permits, or building permits are issued and imposed on development projects by cities and counties.

Certain development activities in existing urban/suburban areas within the Plan area, specifically in the Foothills subarea, do not pay the Plan development fees because they are not expected to have adverse effects on the Plan's covered species. However, these activities benefit from some Plan activities, specifically the expansion of open space and the management of fire hazards on lands conserved through the Plan's reserve system.

This study documents the reasonable relationship, or “nexus”, between development activities not subject to Plan development fees and a separate open space and fire hazard management development fee applicable only to Foothills projects not paying Plan development fees. Application of the recommended Open Space and Fire Hazard Management Fee ensures that all Foothills development benefiting from the same types of Plan activities (open space acquisition and fire hazard management) pays the same fee.

This nexus analysis is based on the same demographic and cost assumptions used in the nexus analysis completed for Plan development fees (Plan nexus study).³ This approach ensures the appropriate calculation and equitable application of both Plan development fees and the Open Space and Fire Hazard Management Fee.

² Placer County, *Placer County Conservation Program, Western Placer County Habitat Conservation Plan / Natural Community Conservation Plan*.

³ Urban Economics, *Development Fee Nexus Analysis for the Western Placer County HCP/NCCP*, January 2020.

Supporting General Plan Policies & Programs

The County has an extensive history of supporting the conservation of open space lands. The County’s General Plan includes an explicit goal “[t]o preserve and enhance open space lands to maintain the natural resources of the County”.⁴ The County has been implementing this goal in part through Placer Legacy, a program to protect and conserve the County’s open space and agricultural lands. From 2000 to 2012 County contributions of \$17.6 million leveraged with other funding had conserved 9,138 acres of open space.⁵ This effort continues with implementation of the HCP/NCCP as complemented by the Open Space and Fire Hazard Management Fee supported by this nexus analysis.

Mitigation Fee Act Findings

This nexus analysis provides the evidence to make the findings required by the Mitigation Fee Act (MFA), contained in California Government Code, Sections 66000 through 66025 that guides the adoption and collection of development fees by local agencies. Placer County and the City of Lincoln are the two permittees under the plan with authority to approve development within the Plan area so these two agencies may use this study to support their adoption of the HCP/NCCP development fees. See Chapter 4 for these findings.

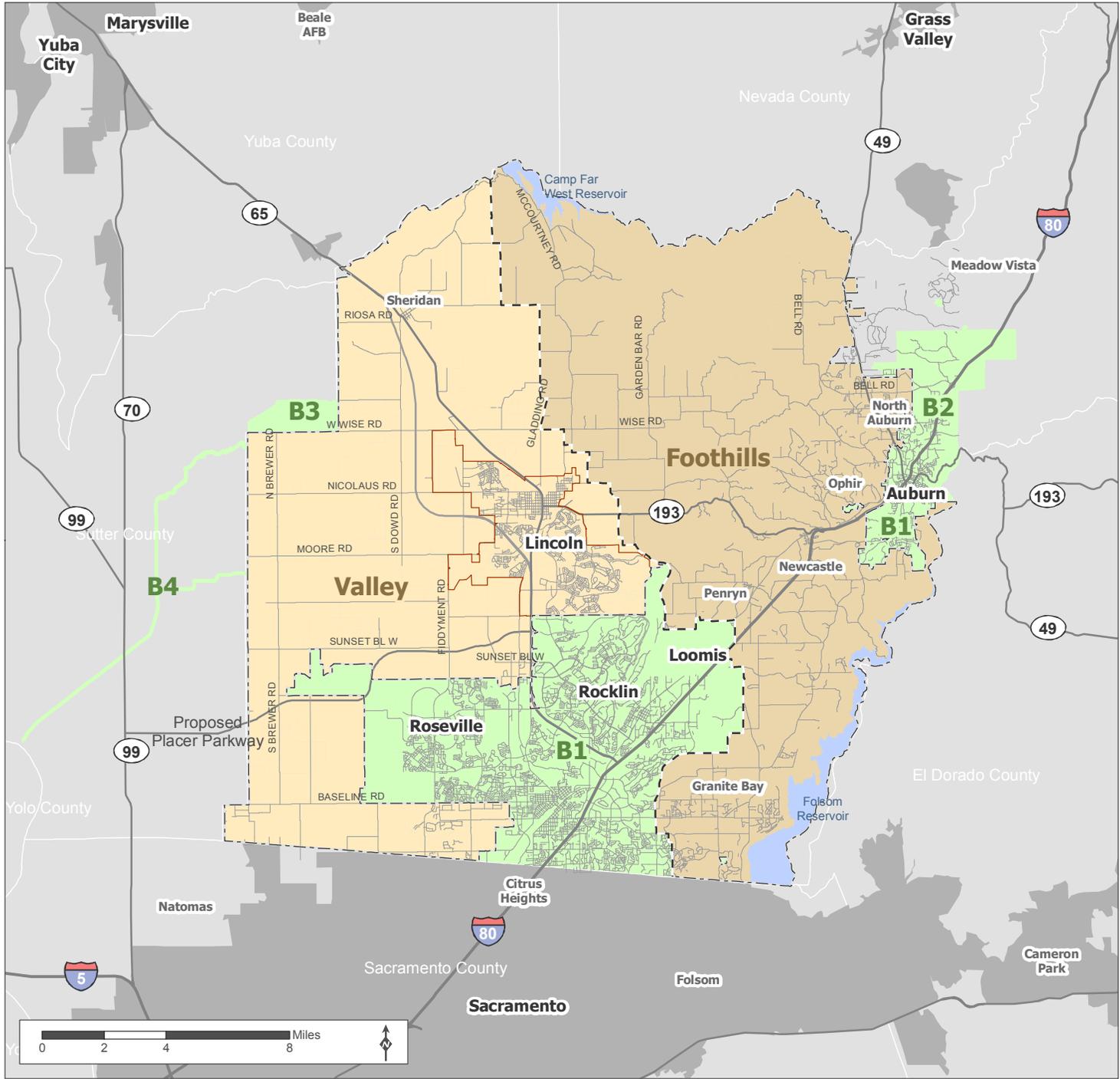
Plan Area

Figure 1.1 shows a map of the Plan area. Plan Area A labeled as the “Valley” and the “Foothills” subareas is the main focus of the HCP/ NCCP and where all future growth and most effects are anticipated to take place. Plan Area A includes the City of Lincoln and all unincorporated lands within western Placer County, approximately 209,800 acres or roughly five-sixths of western Placer County.

⁴ Placer County, *Placer County General Plan*, Section 6 – Natural Resources, adopted August 16, 1994, updated May 21, 2013, p. 122.

⁵ *Placer Legacy Program Summary*, September 2012.

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Source: Placer County, 2014; MIG | TRA 2015; CalTrans

— Interstate	Plan Area A	
— Highway	Valley	100,921 acres
— Road	Foothills	109,295 acres
— City of Lincoln	All Plan Area A	210,216 acres
- - Valley/Foothill Divide	Plan Area B	
■ Surrounding Urban Area	B1. Permittee Activity in Non-Participating City Jurisdiction.	50,636 acres
	B2. PCWA Zone 1 Operations and Maintenance.	6,315 acres
	B3. Coon Creek Floodplain Conservation.	1,724 acres in Sutter County
	B4. Fish Passage Channel Improvement.	33 miles of channels in Sutter County
	B5. Big Gun Conservation Bank.	52 acres in Placer County (Not shown on map)

Note: For purposes of the Nexus Study and application of the land conversion fee, the Foothills includes that portion of the Valley that is the higher elevation portion of the City of Lincoln planning area roughly eastward of a line dropped due south from the intersection of Virginiatown Road and Hungry Hollow Road, and pulled west to follow the 200' elevation line which runs roughly along the NID irrigation ditch north of Hwy. 193 and Oak Tree Lane.

The Open Space and Fire Hazard Management Fee would only apply to the Foothills subarea shown in Figure 1.1, as modified (see next paragraph). The Foothills subarea is the only part of the Plan area projected to include significant levels of development not subject to Plan development fees and therefore to warrant application of a separate open space and fire hazard management fee.

The Plan nexus study identified a small portion of the City of Lincoln planning area that, for the purposes of that nexus study, is more appropriately included in the Foothills subarea. This nexus study follows that same approach. The area is roughly eastward of a line dropped due south from the intersection of Virginiatown Road and Hungry Hollow Road and pulled west to follow the 200' elevation line which runs roughly along the Nevada Irrigation District irrigation ditch north of Hwy. 193 and Oak Tree Lane.

2. OPEN SPACE STANDARD

The impact of development within the Plan area is based on maintaining the existing open space standard as development occurs within the Plan area. The standard is based on the existing service population and existing open space acres, expressed as acres per capita. All data is drawn from the Plan.

Service population includes both household population and employment because both benefit from open space land acquisition and fire hazard management. Existing and future residents and workers benefit from the scenic, recreational, and psychological benefits of open space protected in perpetuity. Residents and workers and their tangible property also benefit from the protection provided by fire hazard management under the Plan. Therefore, residents and workers from new development generate a need to expand open space land acquisition and fire hazard management to avoid a decline in the existing open space and fire hazard management standard as growth occurs.

To calculate service population, one worker is weighted at 0.5 relative to one resident, reflecting the relative need for and benefit from open space land acquisition and fire hazard management. The lower per worker weight reflects two factors. First, occupants benefit from open space and fire hazard management so the less a property is occupied on a daily basis the lower the potential for benefit. Second, tangible property benefits from fire hazard management so the fewer building square feet per occupant the lower the potential benefit. Both these factors are lower on average for workers in non-residential development compared to residents in residential development.

For purposes of calculating the existing standard, the existing service population in the Plan area is shown in **Table 2.1**. The table includes the weighting of workers at 0.5 relative to residents.

Table 2.1: Existing Service Population

	Plan Area
Household Population	109,000
Relative Benefit ¹	<u>1.0</u>
Residential Service Population	109,000
Employment	33,000
Relative Benefit ¹	<u>0.5</u>
Non-residential Service Population	<u>16,500</u>
Total Existing Service Population	125,500
<p>Note: Data based on 2014 estimates for the Western Placer County HCP/NCCP Plan Area.</p> <p>¹ Relative benefit from HCP/NCCP open space land acquisition and fire hazard management. Per worker weight reflects lower occupancy on a daily basis and fewer building square feet per occupant relative to residential development.</p> <p>Sources: <i>Western Placer County HCP/NCCP</i>, Appendix M (Growth Scenario Memo), Table 1; <i>Development Fee Nexus Study for the Western Placer County HCP/NCCP</i>, January 2020, Table A.7.</p>	

Existing open space lands documented in the Plan are shown in **Table 2.2**. Existing open space includes 78 properties such as large regional parks, private non-profit conservation lands, and private for-profit mitigation banks. The existing open space inventory does not include smaller municipal parks, golf courses, common area lots in developed residential areas and other similar developed open space areas. Most of these existing open space lands will not be included within the Plan’s reserve system. However, they are noted in the Plan because they will help achieve the Plan’s biological goals and objectives by providing habitat linkages, a source for species covered by the Plan, and nuclei for reserve acquisitions under the Plan.

The existing open space standard (acres per 1,000 capita) based on the data from the prior two tables is shown in **Table 2.3**.

In addition to the open space lands listed in Table 2.2 there are similar lands located within urban parks and in developments such as Sun City in Lincoln. Some of these lands may provide value as open space. Also, lands currently enrolled in the Williamson Act program (agricultural fields, range lands, and open space areas) also serve as open space and habitat. These areas have not been included in Table 2.2 because the Williamson Act program is dependent on State funding and does not provide protection in perpetuity, though the areas do provide some open space value. If these lands had been included, then the open space standard shown in Table 2.3 would be higher (more acres per capita).

Table 2.2: Existing Open Space Lands

Refer- ence ¹	Name	Acres
1	Hidden Falls Regional Park	1,182.8
2	Hidden Falls Connectivity Trail	23.12
3	Sidehill Citrus Farm	48
4	Blue Oak Ranch	780
5	The Natural Trading Company	40
6	Kirk Ranch	281
7	Sundance Lakeview Farms Conservation Easement	577
8	Dry Creek School Open Space	8.5
9	Bradley Property	399.7
10	Markham Ravine Ranch	297.2
11	Scilacci	406
12	Shutamul Bear River Preserve	40
13	Liberty Ranch Big Bill Preserve	313
14	Taylor Ranch Preserve	321
15	Garden Bar Preserve	912
16	Kotomyan Big Hill Preserve	160
17	Outman Big Hill Preserve	81
18	Bruin Ranch (aka Harvego Bear River Preserve)	1,773
19	Big Gun Preserve ¹	48
20	Columbia Wetlands Preserve	11
21	Labadie Farms	30
22	Oest Ranch	427.4
23	Bettencourt Preserve	85
24	Beard Ranch	137
25	Laursen Bear River	361
26	Meyer Preserve	21
27	Rock Creek Preserve	182
28	Odayan Preserve	27
29	Doty Ravine Preserve	427
30	Swainson's Grassland Preserve	469
31	Reason Farms Environmental Preserve	227
32	Foskett Ranch	120
33	Markham Ravine	194
34	Ingram Slough (Lincoln Crossing)	150.5
35	Ingram Slough East (Del Web)	225.5
36	Auburn Ravine	76.6
37	McBean Parkway Expansion	66
38	Northeast Preserve Area (Del Web)	65.3
39	Sterling Pointe	9.5
40	150-acre Preserve (AKA Rodeo Grounds Preserve)	145.3
41	Orchard Creek Lake Preserve (Del Webb)	60.4
42	Orchard Creek Preserve	106.9

Table 2.2: Existing Open Space Lands (continued)

Reference ¹	Name	Acres
43	Twelve Bridges	899.4
44	Seep Preserve	42.9
45	Environmental Education Center	150.3
46	Three D Preserve	9.74
47	Three D South Preserve (John D. Vincent Vernal Pool Preserve)	312
48	Highway 65 Self Storage Preserve	11
49	Lincoln Hills Offsite Preserves	205
50	Lincoln Hills Orchard 80 & Riparian Zone Preserves	80
51	Orchard Creek Conservation Bank	648
52	St. Joseph Church Preserve	2
53	West Placer Schools Conservation Bank/Lincoln School Preserve	225
54	Bureau of Land Management	143
55	Hanley Ranch	185.95
56	Sheridan East Vernal Pool Preserve	342
57	Silvergate Mitigation Bank	655
58	Yankee Slough Conservation Bank	732
59	Rockwell Ranch	519
60	Nicolaus Road Preserve	80
61	Mariner Conservation Bank	160
62	US Air Force Property (Lincoln Global Communications Site)	160
63	Moore Ranch Conservancy	145
64	Warm Springs	96.2
65	Aitken Ranch Conservation Easement	312.55
66	Cummings	62
67	Locust Road Mitigation Bank	79
68	Dry Creek Greenway	133
69	Ahart Preserve	94
70	Toad Hill Ranch Mitigation Bank	1,631
71	Douglas Ranch	31
72	Greyhawk Conservation	31
73	Miner's Creek	25
74	The Grove Preserve	9.75
75	Croftwood Preserve	22
76	Auburn Honda Preserve	2.6
77	Antonio Mountain Ranch Conservation Bank	797.9
78	Baldwin Reservoir Wetland and Wildlife Preserve	42
	Total	20,392.01
¹ Reference number is to <i>Western Placer County HCP/NCCP</i> , Appendix H (Existing Open Space Lands). Sources: <i>Western Placer County HCP/NCCP</i> , Appendix H (Existing Open Space Lands), Table H-1.		

Table 2.3: Open Space Standard

	Plan Area
Total Existing Open Space (acres)	20,392
Total Existing Service Population	<u>125,500</u>
Open Space Standard (acres per 1,000 capita)	162
Sources: Tables 2.1 and 2.2.	

3. OPEN SPACE & FIRE HAZARD MANAGEMENT COSTS

Open space land acquisition and fire hazard management costs are based on data developed for the HCP/NCCP cost model used to estimate total Plan costs.⁶ These costs are detailed in and drawn from the Plan nexus study prepared for purposes of calculating Plan development fees.

Open space costs per acre are shown in **Table 3.1**. Costs per acre are shown separately for the Valley and Foothills subareas because per acre land acquisition costs vary by sub-area. In addition, the fee is only anticipated to be imposed on development in the Foothills to support open space acquisition in the Foothills. Total costs include (1) land acquisition, (2) fire hazard management, and (3) endowment and are further explained following the table.

Table 3.1: Open Space Cost per Acre (2019 \$)

	Valley	Foothills
Land Acquisition and Related Costs	\$398,480,000	\$ 94,040,000
Fire Hazard Management (during permit term)	46,090,000	6,920,000
Endowment (fire hazard management post-permit)	<u>16,030,000</u>	<u>5,010,000</u>
Total Costs	\$460,600,000	\$105,970,000
Acres Acquired & Managed	<u>34,000</u>	<u>13,300</u>
Average Cost per Acre	\$ 13,547	\$ 7,968
Sources: Urban Economics, <i>Development Fee Nexus Study for the Western Placer County HCP/NCCP</i> , January 2020, Tables 3.2, 3.3, and A.5; Table 3.2 (this report).		

Land Acquisition Costs

Land acquisition costs include all costs related to establishing the system of open space reserves required by the Plan. These costs include fencing, other one-time site improvements, due diligence, other transaction costs, and contingency. The cost model uses per-acre averages based on the best available current information including data gathered by a local appraisal

⁶ Placer County, *Placer County Conservation Program, Western Placer County Habitat Conservation Plan / Natural Community Conservation Plan*, Appendix L (Final Implementation Cost Estimates and Assumptions).

firm. Costs per acre were estimated based on the average size of each acquisition (costs per acre decline as acquisition size increases), share of acquisitions that would be fee title versus conservation easement (easements have a lower cost), and land cover type (rice, wetland, etc.).

The appraisal firm's analysis confirmed that parcels in the Foothills are generally less costly on a per-acre basis than parcels in the Valley. This variance is due to a number of factors such as parcel size, topography, water access, soil type, and the value attributable to demand for rural residential development.

Fire Hazard Management Costs

Fire hazard management costs include all costs related to managing vegetation and fuels on open space lands managed under the Plan. These costs are based on per acre estimates by type of land cover, percent of area treated, and the interval in years between treatments.

In the HCP/NCCP cost model fire hazard management activities are labeled "vegetation and fuels management" and fall into two major cost categories, "Restore, Manage, and Monitor Natural Communities" and "Reserve Management and Enhancement". Costs include both direct costs as well as an allocation of shared costs. Shared costs are primarily associated with staff time required to manage the multiple conservation activities in each cost category. Within each cost category shared costs are allocated to fire hazard management activities based on these activities share of total direct costs.

Endowment Costs

The land acquisition and fire hazard management costs discussed above only include costs for the 50-year term of the wildlife agency permits issued in conjunction with the Plan. In addition to these costs, the Plan includes building an endowment over the course of the permit term sufficient to generate a self-sustaining funding stream for management and monitoring of the open space reserve in perpetuity. Part of these post-permit costs that continue in perpetuity include fire hazard management.

The share of endowment costs associated with funding fire hazard management costs in perpetuity is calculated in **Table 3.2** using the following steps:

Table 3.2: Endowment Cost Allocation (2019 \$)

	Reserve Management & Enhancement			Reserve Monitoring, Research & Scientific Review	Total Post-Permit Costs
	Fire Hazard Management	Other Post-Permit Activities	Subtotal		
Valley					
Annual Post-Permit Costs					
Direct	\$ 1,000,000	\$ 490,000	\$ 1,490,000	\$ 170,000	\$ 1,660,000
Shared ¹	300,000	140,000	440,000	330,000	770,000
Program Administration	<u>410,000</u>	<u>200,000</u>	<u>610,000</u>	<u>150,000</u>	<u>760,000</u>
Total	\$ 1,710,000	\$ 830,000	\$ 2,540,000	\$ 650,000	\$ 3,190,000
Percent	53.6%	26.0%	79.6%	20.4%	100.0%
Endowment Cost	\$16,030,000	\$ 7,780,000	\$23,810,000	\$ 6,100,000	\$29,910,000
Foothills					
Annual Post-Permit Costs					
Direct	\$ 120,000	\$ 50,000	\$ 170,000	\$ 50,000	\$ 220,000
Shared ¹	40,000	10,000	50,000	100,000	150,000
Program Administration	<u>50,000</u>	<u>20,000</u>	<u>70,000</u>	<u>50,000</u>	<u>120,000</u>
Total	\$ 210,000	\$ 80,000	\$ 290,000	\$ 200,000	\$ 490,000
Percent	42.9%	16.3%	59.2%	40.8%	100.0%
Endowment Cost	\$ 5,010,000	\$ 1,910,000	\$ 6,920,000	\$ 4,770,000	\$11,690,000
Total					
Annual Post-Permit Costs	\$ 1,920,000	\$ 910,000	\$ 2,830,000	\$ 850,000	\$ 3,680,000
Endowment Cost	21,040,000	9,690,000	30,730,000	10,870,000	41,600,000
¹ Includes capital and operating costs that are shared among multiple cost categories. Allocated based on direct costs. Sources: Sources: Placer County, <i>Western Placer County HCP/NCCP</i> , Table 9-3, and Appendix L (Final Implementation Cost Estimates and Assumptions), Tables 9a and 9b; Urban Economics, <i>Development Fee Nexus Study for the Western Placer County HCP/NCCP</i> , January 2020, Table 3.3.					

1. The “Direct” cost line allocates annual post-permit direct costs to fire hazard management activities and other activities based on the detailed description of management activities in the cost model. Fire hazard management costs in perpetuity only fall under the “Reserve Management and Enhancement” major cost category and not under the “Reserve Monitoring, Research & Scientific Review” category.
2. The “Shared” cost line allocates shared costs to fire hazard management costs based on direct costs.
3. The “Program Administration” cost line allocates program administration costs to fire hazard management costs based on direct plus shared costs.

4. The “Endowment” cost line allocates endowment costs to fire hazard management costs based on the total of annual post-permit direct, shared, and program administration costs.

The endowment cost is allocated to fire hazard management activities by subarea based on the share of total post-permit costs associated with fire hazard management by subarea. As shown in Table 3.2, fire hazard management represents a significant portion of total annual post-permit costs, approximately 54 percent in the Valley and 43 percent in the Foothills.

4. FEE SCHEDULE AND FINDINGS

This section presents the maximum justified fee based on the prior analysis, the recommended fee based on the HCP/NCCP development fees, and the findings required by the Mitigation Fee Act for adoption of the Open Space and Fire Hazard Management Fee.

Maximum Justified and Recommended Fee

The maximum justified Open Space and Fire Hazard Management Fee for the Foothills subarea is shown in **Table 4.1** based on the results of Tables 2.3 and 3.1. Only the Foothills subarea is shown in Table 4.1 because, as explained in the *Introduction*, the Foothills is the only part of the Plan area projected to include significant levels of development not subject to Plan development fees while still benefitting from Plan activities. Corresponding costs for acquiring, managing, and endowing open space lands in the Valley subarea are fully included in Plan development fees.

The maximum justified fee per capita in Table 4.1 is converted to a fee per dwelling unit for residential development and fee per acre for nonresidential development. Fees on nonresidential development are often expressed per building square feet, but in this study are expressed per acre to be consistent with Plan development fees.

The recommended Open Space and Fire Hazard Management Fee is shown in **Table 4.2** and equals Part A of the Plan's Foothills land conversion fee shown in Chapter 9 of the Plan and documented in the Plan nexus study. The recommended fee is set equal to the Plan fee so that all Foothills development benefitting from the same types of activities (open space acquisition and fire hazard management) pays the same fee.

The maximum justified Open Space and Fire Hazard Management Fee is higher than the comparable Plan fee because the two fees are arrived at using different approaches to the nexus analysis. The Open Space and Fire Hazard Management Fee nexus analysis uses the cost of maintaining the existing open space standard. The Plan development fee uses the cost of mitigating impacts on species covered by the Plan.

Based on this nexus analysis, the County could adopt up to the maximum justified Open Space and Fire Hazard Management Fee. Increased revenue generated by the fee over the recommended amount could be used for additional open space acquisition and fire hazard management activities in the Foothills beyond those activities required by the Plan.

Table 4.1: Maximum Justified Foothills Open Space & Fire Hazard Management Fee (2019 \$)

	Foothills
Maximum Justified Fee per Capita	
Open Space Standard (acres per 1,000 capita)	162
Cost per Acre	\$ 7,968
Cost per Capita	\$ 1,291
Maximum Justified Residential Fee	
Cost per Capita	\$ 1,291
Relative Benefit ¹	1.0
Persons per Dwelling Unit ²	2.71
Fee per Dwelling Unit	\$ 3,499
Maximum Justified Non-residential Fee	
Cost per Capita	\$ 1,291
Relative Benefit ¹	0.5
Average Square Feet per Worker ³	500
Fee per Building Square Foot	\$ 1.29
Square feet per Acre	43,560
Average Floor-Area Ratio (bldg. sq. ft./acre) ³	0.20
Fee per Acre	\$ 11,247
¹ Relative benefit from HCP/NCCP open space land acquisition and fire hazard management activities. Per worker weight reflects lower occupancy on a daily basis and fewer building square feet per occupant relative to residential development. ² Persons per dwelling unit based on population and housing growth projected for the Valley and Foothills subareas over the 50-year term of the HCP/NCCP permit. ³ Average factor across commercial and industrial land uses. Sources: <i>Western Placer County HCP/NCCP</i> , Appendix M, (Growth Scenario), Table 3; Tables 2.1, 2.3, and 3.1 (this report); Urban Economics.	

Table 4.2: Recommended Foothills Open Space & Fire Hazard Management Fee (2019 \$)

	Foothills		
	Maximum Justified Fee	Recommended Fee	HCP/NCCP Land Conversion Development Fee (Part A)
Fee per Dwelling Unit (residential)	\$ 3,499	\$ 2,279	\$ 2,279
Fee per Acre (non-residential)	11,247	2,757	2,757
Sources: <i>Development Fee Nexus Study for the Western Placer County HCP/NCCP</i> , January 2020, Table 3.11; Table 4.1 (this report).			

Total revenue estimated to be generated by the recommended Open Space and Fire Hazard Management Fee is shown in **Table 4.3** based on the 50-year development projections used for the Plan’s permit term. This revenue is included in the Plan’s funding plan.⁷

Table 4.3: Foothills Open Space & Fire Hazard Management Fee Revenue (2019 \$)

Residential Development (dwelling units)	4,597	
Recommended Fee per Dwelling Unit	<u>\$2,279</u>	
Revenue		\$10,476,563
Non-residential Development (acres)	50	
Recommended Fee per Acre	<u>\$2,757</u>	
Revenue		\$ 137,850
Total Revenue (rounded)		\$10,610,000
Sources: <i>Development Fee Nexus Study for the Western Placer County HCP/NCCP</i> , December 2019, Table A.8; Table 4.2 (this report).		

Mitigation Fee Act Findings

The MFA requires local agencies adopting or increasing an impact fee to make findings that demonstrate a reasonable relationship (“nexus”) between new development that will pay the fee and the fee program. The MFA uses the term “public facilities” to include any eligible use of fee revenue and such uses include “public improvements, public services, and community amenities.”⁸

The MFA requires local agencies to make the following five findings to adopt a development fee:

- ◆ **Purpose:** Identify the purpose of the fee.
- ◆ **Use of revenue:** Identify the use of fee revenue.
- ◆ **Impact:** Determine how there is a reasonable relationship between the need for the public facilities funded by the fee and the type of development paying the fee.

⁷ Placer County, *Placer County Conservation Program, Western Placer County Habitat Conservation Plan / Natural Community Conservation Plan*, Chapter 9 (Costs and Funding), Table 9-4.

⁸ California Government Code, Section 66000(d).

- ♦ **Benefit:** Determine how there is a reasonable relationship between the use of fee revenue and the type of development paying the fee.
- ♦ **Proportionality:** Determine how there is a reasonable relationship between the amount of the fee and the proportionate cost of funded facilities attributable to development.

Based on the nexus analysis presented in this report, below are the findings required by the MFA for adoption of the recommended Open Space and Fire Hazard Management Fee shown in Table 4.2.

Purpose: The purpose of the fee is to ensure that all development in the Foothills subarea of the HCP/NCCP pays its fair share of open space acquisition and fire hazard management costs under the Plan.

Use: Fee revenue is used for open space acquisition and fire hazard management of HCP/NCCP reserve lands in the Foothills subarea.

Impact: There is a reasonable relationship between the need for open space acquisition and fire hazard management and development paying the fee because (1) development paying the fee benefits from HCP/NCCP open space acquisition and fire hazard management activities, (2) development paying the fee is not subject to HCP/NCCP development fees, and (3) the fee is not greater than the amount required to maintain the existing open space standard (the ratio of open space to the existing service population) and related fire management activities.

Benefit: There is a reasonable relationship between the use of fee revenue and Foothills development paying the fee because fee revenue is restricted to open space acquisition and fire hazard management in the Foothills subarea of the HCP/NCCP.

Proportionality: There is a reasonable relationship between the amount of the fee and the proportionate cost of open space acquisition and fire hazard management benefiting development paying the fee because (1) the fee amount reflects the cost of open space acquisition and fire hazard management in the Foothills subarea where the fee is applied, (2) the fee varies based on the relative benefit to residential and nonresidential development, and (3) the fee varies based on the size, measured by number of dwelling units or amount of parcel acreage, and therefore the relative benefit received by the development project paying the fee.