



**COUNTY OF NEVADA  
COMMUNITY DEVELOPMENT AGENCY  
PLANNING DEPARTMENT**

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**NEVADA COUNTY BOARD OF SUPERVISORS  
Board Agenda Memo**

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**MEETING DATE:** January 8, 2019

**TO:** Board of Supervisors

**FROM:** **Brian Foss, Planning Director**

**SUBJECT:** An Ordinance amending Section L-IX 1.2 of Article 1 of Chapter IX of the Nevada County Land Use and Development Code regarding Park and Recreation Facilities Mitigation Fees

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**RECOMMENDATION:** Adopt the Ordinance for Park and Recreation Facilities Mitigation Fees supported by the Draft AB1600 Park and Recreation Facilities Fee Nexus Study prepared by Economic & Planning Systems, Inc.

**FUNDING:** The preparation of the Nexus Study was funded by the balance of the AB1600 funds (\$23,136) and the General Fund Unassigned account (\$61,864). The project impacted the 2017/2018 and 2018/2019 Planning Department budget and General Fund. Any fees established by the Nexus Study would be paid by new development.

**ATTACHMENT:**

1. Fee Tables Implementation Schedule Options
2. Parks and Recreation Facilities Fee Nexus Study
3. Ordinance Amending Section L-IX 1.2 of Land Use and Development Code

**BACKGROUND:** In February, 2017 the Board of Supervisors adopted a Board Objective to update the nexus study and fee and to analyze the potential benefits of establishing one Western Nevada County Park District and voted to make this a Priority "A" objective for 2017/2018. Over the last year County staff and Economic Planning Systems, Inc., (consultant) have held numerous meetings with park district representatives, the Nevada County Contractor's Association and two public workshops to discuss the fee study and receive input from the stakeholders including the Cities, park districts, and recreation providers. On December 11, 2018, staff and the consultant

presented the draft Nexus Study and received direction from the Board to return with an Ordinance to adopt new fees as discussed below.

## **Parks and Recreation Fee Study Summary**

The Park and Recreation Facilities Fee Nexus Study establishes the maximum justified fees that can be charged to new single and multifamily development in unincorporated Western Nevada County. Development may not be charged fees that exceed these levels. However, the Board of Supervisors may choose to implement fees at levels lower at its policy discretion than those justified in the Nexus Study.

Over the course of public outreach conducted through the Nexus Study process, the County heard feedback and concern regarding increased fee levels. To that end, at the December 11 Board of Supervisors meeting, County staff and EPS presented a series of fee implementation alternatives that offered fee reductions with consideration to the following variables:

- Neighborhood and Community Park Level of Service
- Inclusion of a regional recreation facility
- Scaling fees based on unit size
- Limiting fee increases to estimated construction cost inflation only
- Provisions to phase in fee increases over time

It is important to note that any fee reductions implemented that are below the maximum allowable fee as identified in the Nexus Study may be backfilled, by other, non-impact fee funding sources as determined by and at the discretion of the Board of Supervisors. Reductions to certain land uses (e.g., smaller units) may not be achieved by reallocating costs between land uses or otherwise shifting costs onto future development.

After considering the various fee implementation alternatives presented, the Board of Supervisors directed County staff to return with proposed recreation development impact fees that included the following features and adjustments:

- Establish Neighborhood and Community Park component based on General Plan level of service of 3.0 acres per 1,000 new residents.
- Eliminate regional recreation facility component.
- Establish fee schedule scaled based on unit size
- Present 3 scenarios to phase-in the fee increases over 3 years, 4 years, and 5 years.

**Table 1** through **Table 3** therefore present the proposed fees based on the features specified above, establishing maximum justified fee level of \$2,782 per single family residential unit and \$2,355 per multifamily residential unit (with adjusted fee calculations for Lake of the Pines and Lake Wildwood to reflect credits for private recreation facilities). The maximum justified fee is based on a neighborhood and community park level of service of 3.0 acres per 1,000 and excludes the regional recreation facility component. Reductions to this maximum justified fee level are proposed in the form of a

fee schedule that is scaled based on unit size ranges with fee increases phased in over time.

### **Fees Scaled by Unit Size Range**

Under the current proposal, the largest units developed (2,500 square feet and above) would be charged the maximum justified fee of \$2,782 per single family residential unit and \$2,355 per multifamily residential unit. Reduced rates would be established for smaller units – units between 750 square feet and 2,500 square feet would pay approximately 80 percent of the SFR maximum justified fee and units smaller than 750 square feet would pay approximately 60 percent of the SFR maximum justified fee. These adjustments would also apply to the proposed reduced rates in near-term years should the County elect to phase the fees in over time (see below).

Note that in this proposal, differential fee schedules for single family and multifamily are not established, as the unit size ranges accomplish a similar differentiation. Under no circumstance, however, would a single family or multifamily unit be charged a rate higher than that established in the Nexus Study and that may be escalated annually according to established annual escalation procedures.

Moreover, the fee reductions afforded to smaller units based on square footage are developed in response to the Board's policy discretion and direction at its December 11, 2018 regular meeting to address the challenges of affordable housing within the County. Should a reduced fee be implemented, the County cannot impose any additional mitigation fees. These costs may not be shifted to larger units (which will be charged the maximum justified fee levels after the full phase-in of the fee schedule), or included in future fee program updates and allocated to new development at that time.

### **Fee Increase Phase-In**

The proposed fee increases may be phased in over time, with the requested phasing scenarios illustrated in **Tables 1 – 3**:

- **Table 1** identifies proposed fee levels with the fee increases phased in over a 3-year timeframe.
- **Table 2** identifies proposed fee levels based on a 4-year phase in of proposed increases.
- **Table 3** identifies proposed fee levels with fee increases phased in over a 5-year timeframe.

Because the current fee levels (based on the 1997 Nexus Study) vary for each benefit zone, the proposed phased fee increases are established based on the average current fee level \$724 per single family residential unit. The increase is then phased in according to the difference between the maximum justified fee level and the average current fee levels.

**Summary:** Staff recommends adoption of the Ordinance to establish updated Park and Recreation Facilities Mitigation fees as supported by the AB1600 Park and Recreation Facilities Fee Nexus Study. If adopted the fees would go into effect 60 days from approval.

**Approved by:** Brian Foss, Planning Director

**Submittal Date:** December 21, 2018