

**General Plan Amendment  
and  
Zone Change**

**ECONOMIC ANALYSIS**

**for  
Forest Springs, LLC  
Forest Springs Mobilehome Community  
Phase 4**

August 2013

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**Introduction:**

This report pertains to the application by Forest Springs, LLC for a transfer of density within the Nevada County General Plan and Zoning designations, along with a use permit application to construct Phase 4 of the Forest Springs Mobilehome Community, consisting of 62 new mobile home rental spaces. Specifically, this application consists of the following components:

**1. GENERAL PLAN AMENDMENT (Density Transfer)**

Amend the General Plan to transfer density by changing the land use designations on Assessor's Parcels 23-250-72, 23-280-13, and 23-280-12 from RES-Residential to UMD-Urban Medium Density, and changing the land use designation on Assessor's Parcel 23-300-64 from UMD-Urban Medium Density to RES-Residential.

**2. ZONE CHANGE (Density Transfer)**

Amend the Zoning District Maps to transfer density by changing the zoning on Assessor's Parcels 23-250-72, 23-280-13, and 23-280-12 from RA-1.5 (Residential Agriculture, 1.5 acre minimum) to R2-50 du-MH (Multi-Family Medium Density 50 units maximum, with mobile home park combining district) and changing the zoning on Assessor's Parcel 23-300-64 from R2 (Multi-Family Medium Density) to RA-X (Residential Agriculture with subdivision limitation combining district).

**3. MOBILE HOME PARK USE PERMIT**

A conditional use permit to construct 62 age restricted (55 and older) mobile home rental spaces and related amenities within Assessor's Parcels 23-250-72, 23-280-13, and 23-280-12 as the Phase 4 addition to the existing Forest Springs Mobilehome Community, as shown on the accompanying site plan.

Allowed density for the project site is 50 units. However, as a project restricted to seniors the applicant has chosen to seek a 25% density bonus of 12 units as allowed by Policy HD-8.1.6 and State law which results in the 62 units sought.

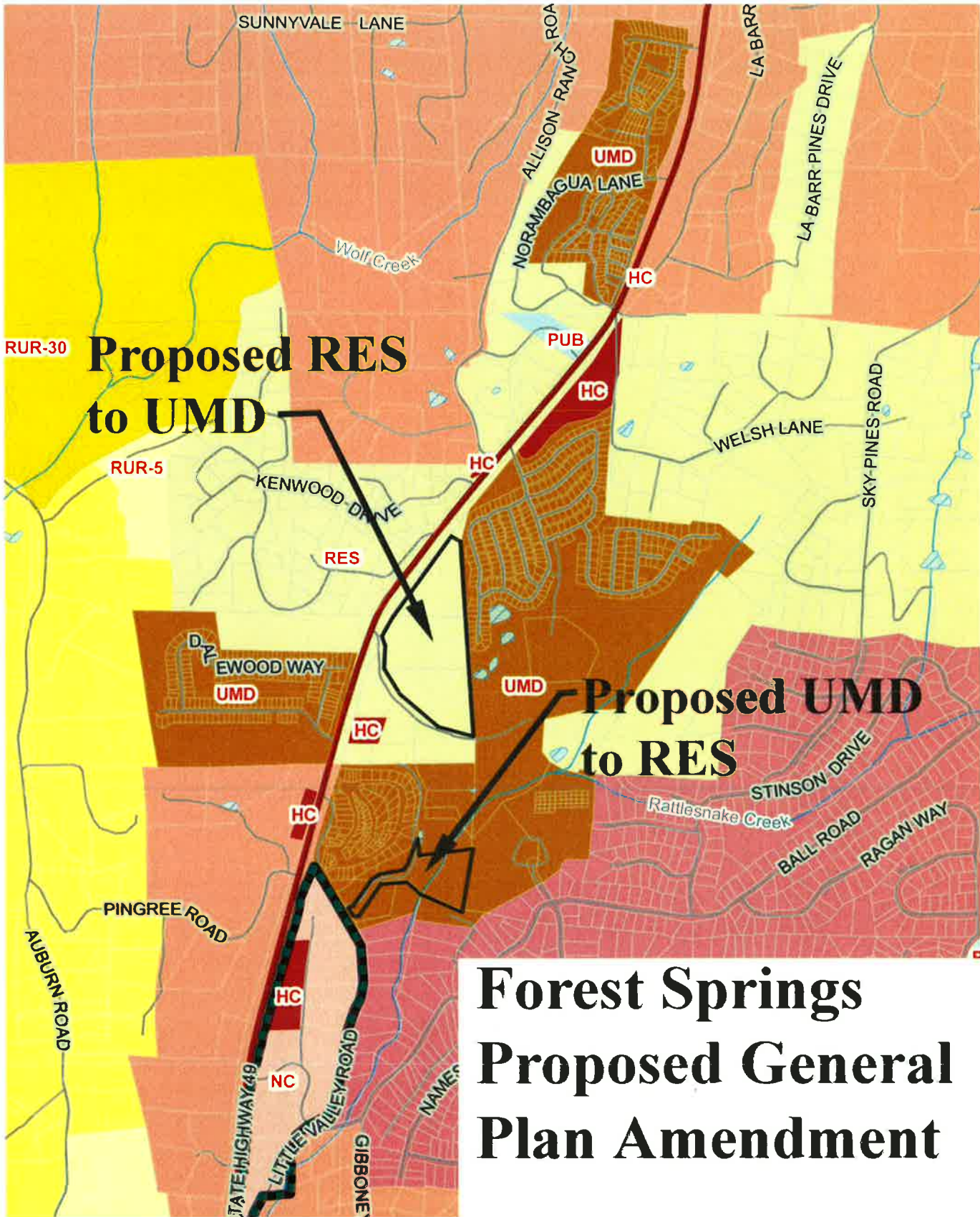
**Before and After General Plan Land Use Intensities:**

As a basis for economic and fiscal impact analysis, it is important to arrive at an assumption of the land use yields under the current and proposed general plan designations.

In the case of this project, there is a density transfer occurring, so that there is no change in the intensity of development with the project, based on the change in General Plan designations. This equality is illustrated by the table below:

<b>Assessor's Parcel Number(s)</b>	<b>Acreage</b>	<b>Current GPA/ Zoning</b>	<b>Current Maximum Density</b>	<b>Proposed GPA/Zoning</b>	<b>Proposed Maximum Density</b>
23-250-72	6.22 Ac.	RES/ RA 1.5	4 units	UMD/ R2-50 du- MH	50 units
23-280-13	7.55 Ac.	RES/ RA 1.5	5 units		
23-280-12	7.85 Ac.	RES/ RA 1.5	5 units		
23-300-64	6.22 Ac.	UMD/ R2	37 units	RES/ RA-X	1 unit
<b>TOTALS</b>	<b>27.84 Ac.</b>		<b>51 units*</b>		<b>51 units*</b>

\*does not account for density bonuses that would be allowed on either property

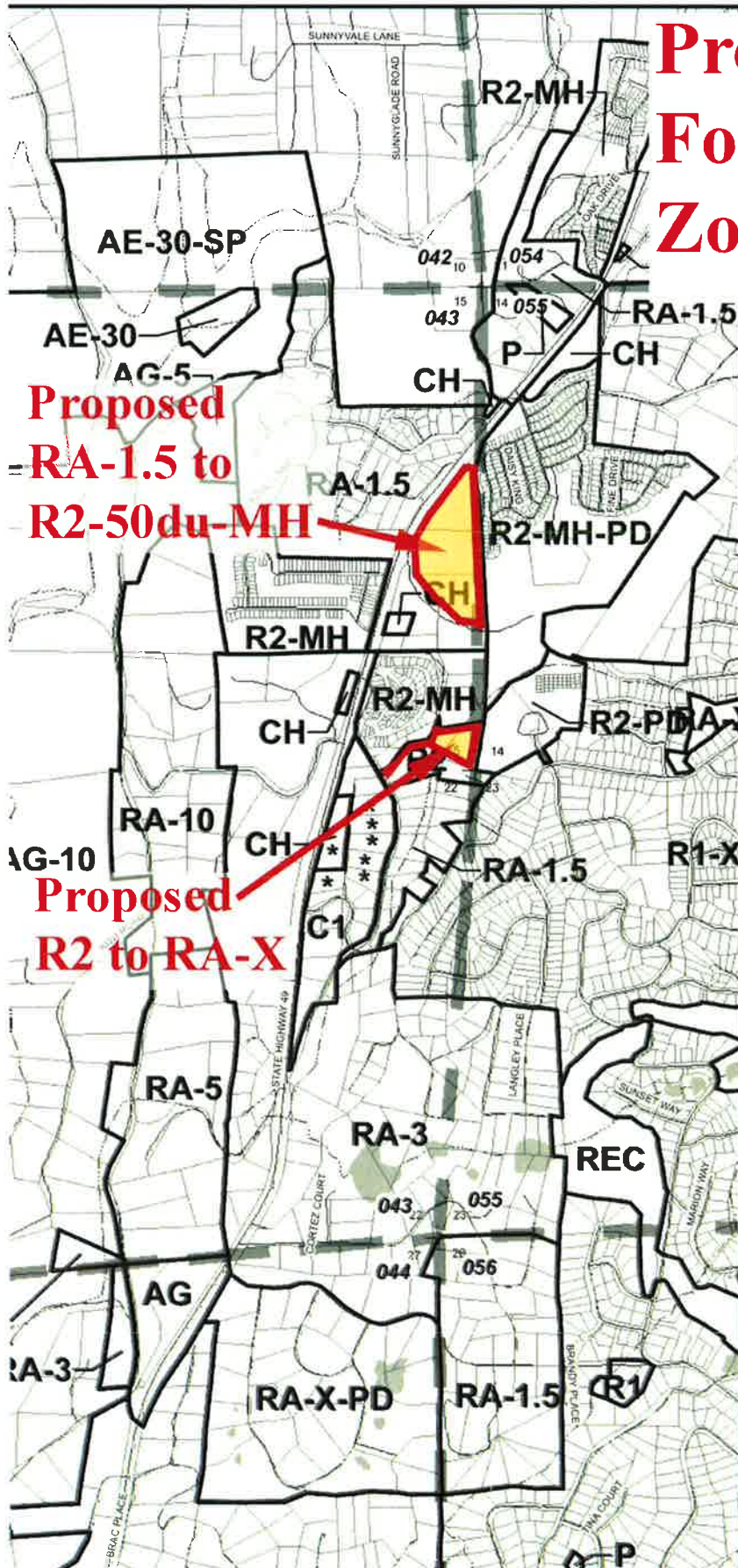


**Proposed RES  
to UMD**

**Proposed UMD  
to RES**

# Forest Springs Proposed General Plan Amendment

# Proposed Forest Springs Zoning Change



REVISED	
DATE	ORDINANCE
2/06/97	#1930
2/19/98	#1959
5/23/02	#2081
2/27/03	#2107
9/11/03	#2125
6/10/04	#2147
12/27/07	#2254

N



1 inch = 1600 feet

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ZDM Page Zoning Data Valid as of Dec 18, 2007

## ZDM 043

Highway 49  
Old Auburn Road

The density transfer is logical in that the property losing density is divided by a riparian zone and potential minor flood plain. The property receiving the density is a logical fill-in area for additional mobile home development, adjoining the existing Forest Springs community. This land is devoid of any serious development constraints. This is discussed further in the accompanying report for the application titled "General Plan Amendment Justification Study."

It is beyond the scope of this fiscal review to analyze the potential difference in actual density yields between the parcel losing density and the parcels gaining density, so the unit count is assumed to be equal as illustrated in the above table. It is also assumed that when the County assigned the density to the Beeman Lane property giving up density, it was the intent of the General Plan to see that density achieved in the future. Detailed constraints analysis of the Beeman Lane property was beyond the scope of the broad brushed general plan update process.

#### **Before and After Land Value:**

Based on the equal exchange of density from one area to another, it is apparent that there will be no fiscal impact of the project, as both the existing conditions and proposed project will yield the same number of residential dwelling units.

For the proposed project, all of the units will be mobile home rental spaces to be utilized by owner occupied mobile homes and/or modular homes. Under current California law, these types of units are assessed and taxed as with other property improvements. In the existing Forest Springs Mobilehome Community, Forest Springs, LLC pays property taxes on the underlying land and common improvements. The individuals owning the mobile or modular homes are assessed and pay property taxes on the units themselves. A review of the current Nevada County Assessor's information discloses that for the mobile homes placed after Proposition 13 that pay taxes, the average assessed value is about \$47,000. Most of these units were set in the 90's and have been under Proposition 13 appreciation limits since then.

Proposition 13 sets limits on how much land or improvement value assessments can increase, limiting appreciation to two percent a year. Once such property is sold outside of the immediate family, the County Assessor is free to reassess the land and improvements to fair market value. Occasionally, as with the current "Great Recession," such fair market assessments may be reduced to reflect reality.

For purposes of this analysis, it is assumed that the taxable value of the fully developed property will be unchanged. For new units in the project, the value of the fully prepared rental space is estimated to be approximately \$45,000 per unit in land and improvement value. The value of a modular home placed in each space is expected to be \$60,000 per unit, for a total of \$105,000 of assessed value. This compares well with the value of a

conventional multi-family unit that might otherwise occur in the R2 multi-family, medium density zoning district, supporting this reports' conclusion that the project will not result in any change in potential property tax revenue.

Also, both the parcels losing and gaining density are in the same tax rate area (072001), so the distributions of tax revenues to schools, Nevada County, NID and other agencies will remain unchanged.

**Sales Taxes:**

No retail sales are directly proposed with the project. However, future residents will be consumers and generate sales taxes. It is assumed that the before and after project conditions will be similar in unit occupancy and per capita spending.

**Other Taxes Revenues:**

The City and County receive a variety of tax revenues from the State, including cigarette taxes, motor vehicle taxes, etc. These taxes are generally distributed based on population and most economic analyses pro-rate these on a per-capita basis for residents. Since the unit count and estimated population will be the same before and after the project, no changes in tax revenues are anticipated.

**Cost of Services:**

Services are provided to Nevada County residents by various Federal, State, County, and Special District agencies. Because the unit count and population potential is the same before and after the project, no impact to service costs is anticipated.

**Jobs to Housing Balance:**

A consistent goal of the Nevada County General Plan is to strive for a favorable balance between jobs and housing. Construction under either the before or after project condition would be similar. Local construction jobs for a mobile home park would be slightly reduced as compared to units built on site by conventional wood framing or other techniques. However, construction of the mobile home park will create a considerable amount of work in site preparation, grading, utility installation, and the construction of carports or garages on most of the sites.

Construction jobs in either the existing or after project scenario are short term. After construction, the overall housing stock will be as planned in the general plan with no increase or decrease. Therefore there will be no impact on the jobs to housing balance as a result of the project. It should be noted that as a senior community the job demand per unit is reduced as compared to other housing types.

### **Affordable Housing Impacts:**

In either location, both the State of California and County of Nevada look to multi-family zoning districts to provide affordable housing opportunities. The State prefers higher densities than the 6 units per acre associated with the UMD general plan designation and the R2 zoning district. However, the unincorporated portions of Nevada County are constrained by the lack of public sewer, except in a few community islands where sewer service is provided by Sanitation District Number One. In the case of the proposed project, community sewer will be constructed, operated, monitored, and maintained by the park owner.

The immediate concern for affordable housing faded during the so-called "Great Recession", beginning in 2008 until the present, when the cost of housing plummeted by about 50% in the region. However, real estate cost is expected to rise again and will most likely become unaffordable to median income and below households at some point.

It is noted that even during the height of housing costs, Forest Springs Mobilehome Community provided a consistently affordable housing option. With space rentals averaging around \$600/month including water, sewer, and refuse collection, and owned units averaging between \$40,000-50,000, overall housing costs remained moderately affordable even during the time of highest home prices.

Based on the relationship of housing costs inside the mobile home community as compared to the community at large, the project should continue to provide relatively affordable options for the senior households within the park. Further, as a mobile home park, the project is the ultimate in affordability projects in that each tenant can customize their unit to meet their specific affordability requirements. Choice can range from mobile home versus modular home, small versus large, old versus new, and optional upgrade packages to the home can be made by each tenant allowing them to dictate their own costs based on budgetary needs. Therefore the project won't result in any adverse impact, but instead be favorable, in adding affordable housing options.

### **Impacts on Surrounding Property Values:**

The project will place the planned General Plan density in an in-fill area appropriate for mobile home park expansion. With actual development confined to the northern part of the project area, the neighbors will be limited to the existing Forest Springs Mobilehome Community and the Highway 49 corridor. There will be no significant impact to surrounding land values.



**Payroll Income:**

While the dwelling units will not generate many long term payroll jobs, there would be a short term contribution to construction jobs as the site and building construction proceeded. There would be on-going jobs for grounds upkeep, housekeeping, and project maintenance.

**Mitigation Fees and Parcel Charges:**

For purposes of this analysis, it is assumed that all impact and development mitigation fees have been properly computed, so that their value exactly equals their impact mitigation costs. Similarly, it is assumed that parcel charges, such as those for fire service and solid waste services are equal to the cost of services that they fund. Therefore, the proposed project would have no impact on mitigation or parcel charge revenues versus regional capital improvement costs and operating costs.

**Summary:**

In summary, inasmuch as the proposed general plan amendment and zoning change involves a density transfer of equal intensity, there would be no significant fiscal impact as a result of the project.

Prepared by:



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