



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/23/2021

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office; Sonoma Valley Fire District, Sonoma County Fire District

Staff Name and Phone Number: Terri Wright 565-3775; Chief Steve Akre - 291-0603; Chief Mark Heine - 892-2000

Vote Requirement: Majority

Supervisorial District(s): First, Third, Fourth, and Fifth

Title:

8:35 A.M. - Fire District Development Impact Fees for Sonoma Valley Fire District and Sonoma County Fire District

Recommended Action:

- A. At the request of two fire districts, conduct a Public Hearing to consider nexus studies to establish and collect development impact fees for fire protective service on behalf of Sonoma Valley Fire District and the Sonoma County Fire District (Fire Districts' Fire Impact Fees) and introduce and adopt an ordinance to impose the two Fire Districts' impact fees; and
- B. Authorize the Chair to execute the attached Collection Agreements with the two Fire Districts to collect and pass-through the impact fees.

Executive Summary:

The Sonoma Valley and Sonoma County Fire Districts (Districts) Board of Directors have adopted resolutions requesting the County of Sonoma adopt an ordinance to establish development impact fees for their service areas. Fire Protection Districts do not possess the authority under Government Code § 66000, known as the Mitigation Fee Act (Fee Act) to impose these fees on their own and must coordinate with either a county or city entity with land-use authority to establish these fees.

This item recommends adoption of an Ordinance (Attachment A) and approval of Services Agreements (Attachments B and C) that will enable the County to collect development impact fees on behalf of the two Districts to fund critical facilities, apparatus, and equipment needs that will arise with new development within their service areas.

Discussion:

Background

The County of Sonoma has been working with local fire service agencies to provide more efficient, effective, and sustainable fire services for Sonoma County since 2014. These efforts have resulted in several activities, including fire agency consolidations and revenue enhancement efforts. The Sonoma Valley and Sonoma County Fire Districts have been leaders in their consolidation efforts. Sonoma Valley Fire has consolidated

three separate agencies and has expanded its service area to 71 square miles. Sonoma County Fire has consolidated five separate agencies (with a sixth in progress) and will serve an area covering 230 square miles. Figure 12 of each Nexus Study contains a map of each Districts' fee program area.

Development Impact Fees are an available revenue enhancement that both Districts are seeking to establish to specifically address the impacts to the services provided by the fire districts from development. The establishment of a Fire Impact Fee program is especially important since the Districts have been recently reorganized, as well as expanded by their consolidation efforts. Both Districts have held separate public hearings and obtained the approval of their respective Districts Boards to establish a Fire Impact Fee Program. Both Districts have conducted extensive outreach to potentially affected stakeholders. The adopted Board Resolutions for both Districts are included as Attachments C through F. It is the position of both Districts that no capacity exists to serve new development. If the District's fire system capacity is not increased to satisfy the additional demand, the quality and responsiveness of the District's fire protection and emergency response services will deteriorate.

Fire District Nexus Studies

Both Districts have retained the services of SCI Consulting Group to prepare a Fire Impact Nexus Study ("Nexus Study"), which were prepared pursuant to the "Mitigation Fee Act," as found in California Government Code § 66000 et seq (the "Act"). The purpose of the Nexus studies is to establish the legal and policy basis for the imposition of new fire impact fees on new residential and nonresidential development within each of these Districts. The fee's purpose is to fund the one-time cost of expanding the Districts' facilities, apparatus, and equipment needed to maintain its existing level of service. The term "facilities" or "fire system facilities" represent land, stations, and other buildings and the term apparatus refers to engines, ambulances, and other vehicles.

The Nexus Studies and Fire District Boards' Resolutions support the following fees:

Table 1: Sonoma Valley Fire Maximum Impact Fees for new development

Land Use	Maximum Fire Impact Fee
Residential Development	Per Living Area (Sq. Ft.)
Single Family Housing	\$1.72
Multi-Family Housing	\$2.91
Mobile Home	\$1.90
Accessory Dwelling Unit	See Note 1
Non-Residential Development	Per Building (Sq. Ft.)
Retail / Commercial	\$1.95
Office	\$3.23
Industrial	\$1.36

Note 1: Pursuant to Govt. Code § 65852.2(f)(3)(A), development impact fees for a new accessory dwelling unit must be imposed proportionately in relation to the square footage of the primary dwelling unit. Accessory dwelling units less than 750 square feet of living area are exempt.

Table 2: Sonoma County Fire Maximum Impact Fees for new development

Land Use	Maximum Fire Impact Fee
Residential Development	Per Living Area (Sq. Ft.)
Single Family Housing	\$1.62
Multi-Family Housing	\$2.14
Mobile Home	\$1.19
Accessory Dwelling Unit	See Note 1
Non-Residential Development	Per Building (Sq. Ft.)
Retail / Commercial	\$1.81
Office	\$2.96
Industrial	\$1.26

Note 1: Pursuant to Govt. Code § 65852.2(f)(3)(A), development impact fees for a new accessory dwelling unit must be imposed proportionately in relation to the square footage of the primary dwelling unit. Accessory dwelling units less than 750 square feet of living area are exempt.

The Nexus Studies establish that a reasonable relationship or “nexus” exists between new development that occurs within the District and the need for fire protection facilities, apparatus, and equipment as a result of new development. Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities and may not be used for personnel costs, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service.

Before adopting the Fire Impact Fees, the Sonoma Valley District Board conducted a public hearing on October 13, 2020 and February 9, 2021 and published both hearings in the newspaper. Similarly, the Sonoma County Fire District conducted a public hearing on October 20, 2020 and again on February 16, 2021. After considering the Nexus Studies, and after considering the testimony received at the public hearings, the District Boards adopted Resolutions and made the following findings:

1. The Fire Impact Fee program and Fire Impact Fee proposed in the Nexus Studies and approved by the District Boards in the Resolutions are for the purposes of funding the cost of fire protection and emergency response facilities, apparatus, and equipment attributable to new residential and nonresidential development in the Districts; and
2. The Fire Impact Fee proposed in the Nexus Studies and approved pursuant to those resolutions would be used to expand the Districts’ facilities and equipment, and replace and expand the Districts’ apparatus and vehicles to serve new development; and
3. The uses of the Fire Impact Fee proposed in the Nexus Studies and approved by the District Boards’ Resolutions are reasonably related to the types of development projects on which the fees are imposed in that fee revenue from the development projects will be used to expand the Districts’ facilities and equipment, and replace and expand the Districts’ apparatus and vehicles to meet the additional demand generated by the new residents and employees and new structural area created by the development projects; and
4. The Fire Impact Fees proposed in the Nexus Studies, and approved pursuant to the District Boards’

resolutions, bear a reasonable relationship to the need for fire protection and emergency response facilities, apparatus, and equipment in that each development project will create additional need for the Districts' fire protection and emergency response services and a corresponding need for new or expanded facilities, apparatus and equipment. The fee will be imposed on different types of development projects in proportion to the additional service population generated and structural area created by new development projects; and

5. The Nexus Studies demonstrate that there is a reasonable relationship between the amount of the Fire Impact Fee and the cost of the fire protection facilities, apparatus, equipment attributable to the development on which the fee is imposed in that the costs are based upon the level of existing development served by the Districts' existing fire protection facilities and applied proportionately to seven land use categories in proportion to the need they create for expanded fire facilities, apparatus, and equipment.

Community and Stakeholder Outreach

The Sonoma County and Sonoma Valley Fire Districts have conducted extensive community outreach specifically targeting likely stakeholder entities. Outreach was conducted through direct phone calls, email, website, the plan review process and mail to ensure that all potential stakeholders were aware of the proposed fee program, public hearings, Board of Directors meetings, and had ample opportunity to provide direct feedback and public comment to the Fire Chief and to the Board of Directors. Please see Attachment J for the list of stakeholder engagement efforts.

The Sonoma County Fire District is working closely with the Town of Windsor to replace the development impact fee that was rescinded when the Windsor Fire District was annexed into the larger Sonoma County Fire District. The Town of Windsor is slated to consider the nexus study and adopt the establishment of a similar fee program in April.

The Sonoma Valley Fire District (SVFD) provides fire and emergency medical services to the City of Sonoma through a contract for services. The City of Sonoma maintains a reserve fund for the purchase and replacement of capital equipment and facilities, separate from the contract for services. SVFD staff is working closely with City of Sonoma Finance and Management staff to determine when this fee program can be brought forward for consideration by their City Council.

Ordinance and Collection Agreements

The Fire Districts have developed the Nexus Studies to support these fees in compliance with the Mitigation Fee Act, and have agreed to continue to comply with the Mitigation Fee Act as it evolves. Currently, AB 602 has been introduced as a placeholder bill. Additional changes to the Mitigation Fee Act may be made this year, particularly to ease the burden of development impact fees on affordable housing. If state law changes, the Fire Districts bear the responsibility for developing updated Nexus Studies and making additional findings as necessary to modify their procedures to continue to comply with state law.

Attached for the Board's adoption is an Ordinance that sets forth the establishment and administration of the

impact fees on behalf of the Districts pursuant to Mitigation Fee Act. The Ordinance relies on the Fire District's Nexus Studies and Resolution Findings to support the fees. The Ordinance exempts all rebuilds, including disaster rebuilds. The Ordinance also exempts ADUs that are 750 square feet or less. The Ordinance makes the necessary findings and determinations and establishes other provisions necessary to implement and administer a fee program for the Districts, including collection agreements, the method for fee payments, inflationary adjustments, and refunds of fees paid. The Ordinance also requires the Districts to prepare annual reports report back to the Board of Supervisors every fall in compliance with Government Code section 66006 and 66001(d). The reports will be presented in a public meeting, and include a description of the Fire Impact Fees collected during the previous fiscal year and the identification of the public improvements that were made with the collected fees.

Also included for your Board's approval are two agreements that enable County of Sonoma to collect and pass-through the fees collected on behalf of the Districts. The contracts place the responsibility on the Fire Districts for fully complying with the California Mitigation Fee Act, including annual reporting, making updated findings, and monitoring changes to the State law to ensure continued compliance. The contracts authorize the County to recover full costs for the services to administer, collect, account for and report on the fees. This includes the costs for the Permit Sonoma Department to collect the fees at the time of building permit issuance for projects in the geographic boundaries of the two fire districts. It also includes the costs to reimburse the Auditor-Controller-Treasurer-Tax Collector staff to maintain a separate account for the Fire Impact Fees and distribute them to the Fire Districts on a quarterly basis. In addition, the contracts require the Fire Districts to indemnify, defend and hold the County harmless for collecting and administering these fees on behalf of the Fire Districts.

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses	0	0	0
Additional Appropriation Requested			
Total Expenditures	0	0	0
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

There is no impact to the County General Fund resulting from the adoption of the Ordinance. Any costs associated with administering the fee program on behalf of the Districts will be recouped by the Collection / Administration Agreements included as attachments, including County Counsel time to prepare the Ordinance and Agreements.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- Attachment A - Ordinance
- Attachment B and C - Collection / Services Agreements
- Attachment D, E, F, G - District Resolutions
- Attachments H and I - District Nexus Studies
- Attachment J - Stakeholder and Constituent Engagement List

Related Items "On File" with the Clerk of the Board:

None