

# **CITY OF BURBANK DEVELOPMENT IMPACT FEES NEXUS STUDY**

DOC  
4.4.2022



**COMMUNITY  
DEVELOPMENT**

# AGENDA 5:00 – 6:30

- **5:00 PM: Presentation**

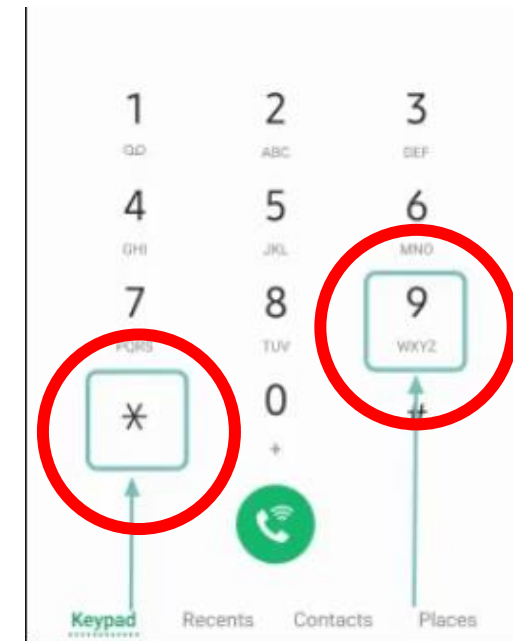
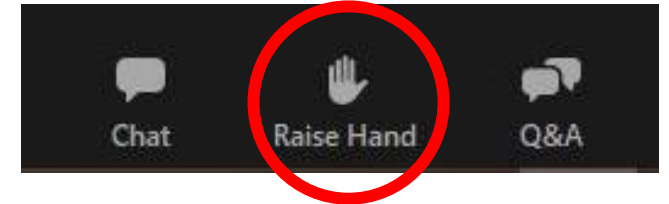
- What are Development Impact Fees or “DIFs”?
- Why DIF Update and Nexus Study?
- Proposed Fees
- Next Steps

- **5:30 PM: Questions & Comments**

- Maximum three minutes per person
- Questions and comments can be submitted in writing via Q&A feature

# OPPORTUNITIES TO SHARE QUESTIONS

- Raise hand during Questions and Comments
- Q&A always enabled on side panel
  - Some questions may not be answered during webinar, but will be posted on website
- Contact us post-meeting
  - [Bibarra@burbankca.gov](mailto:Bibarra@burbankca.gov) or (818) 238-5290
- Meeting is being recorded and will be posted on City's website
  - <https://www.burbankca.gov/web/community-development/development-impact-fees>



# PURPOSE

- Comprehensive update to Development Impact Fee (DIF) Program
- Prepare a new DIF Update Nexus Study to support update
  - Incorporate Development Assumptions from Burbank2035 General Plan
  - Revise infrastructure projects list
- Amend Burbank Municipal Code Title 10, Chapter 1, Article 22 of the relating to Community Facility Fees

# WHAT ARE DIFS?

- Address new developments' impact on Capital/Infrastructure
- Reasonable Connection (Nexus)
- Proportional
- Restricted Funds, Separate from the General Fund
- Not to address existing capital/infrastructure deficiencies
- Funds cannot be used to pay for operations or maintenance, only improvements identified in the nexus study

# NEXUS STUDY PROCESS

1. **Estimate** future population and employment (Burbank2035)
2. **Identify** infrastructure and capital facility improvements needed during the General Plan horizon year
3. Develop **cost estimates** for the projected capital needs
4. **Allocate** the costs between existing and new development
5. **Distribute** costs per square foot or unit among residential and non-residential uses

NOTE: A 5% administrative fee may be also charged to cover program administration

# PROPOSED CAPITAL IMPROVEMENTS

- Parks and Recreation (Park facilities on existing park land)
  - Dog Park, Community Garden, Soccer Fields, Pocket Park, Renovation Needs
- Library
  - Books, Equipment, Materials, Library Space, Makerspace
- Police
  - Vehicles, Range Training Center, Body-Worn and In-Vehicle Camera System
- Fire
  - Vehicles, Station Apparatus Floors

# PROPOSED CAPITAL IMPROVEMENTS

- Transportation
  - Roadway, Transit, Complete Streets Improvements
- IT (Proposed New Fee)
  - SmartCity Edge Technology Infrastructure, Control and Management Systems)



# NEXUS STUDY FEE FINDINGS

- Study identifies maximum allowable fees
- Does not determine what City should charge
- City may adopt fees at or below these maximums
- There are policy considerations when setting fees

# DIF UPDATE PROPOSED CHANGES

- Updates fees based on infrastructure list
- Adds IT facilities
- Charges Transportation fees on Residential development
- Consolidated some uses and separated out Hotel/Lodging use
- Modifies reporting and update requirements per State law

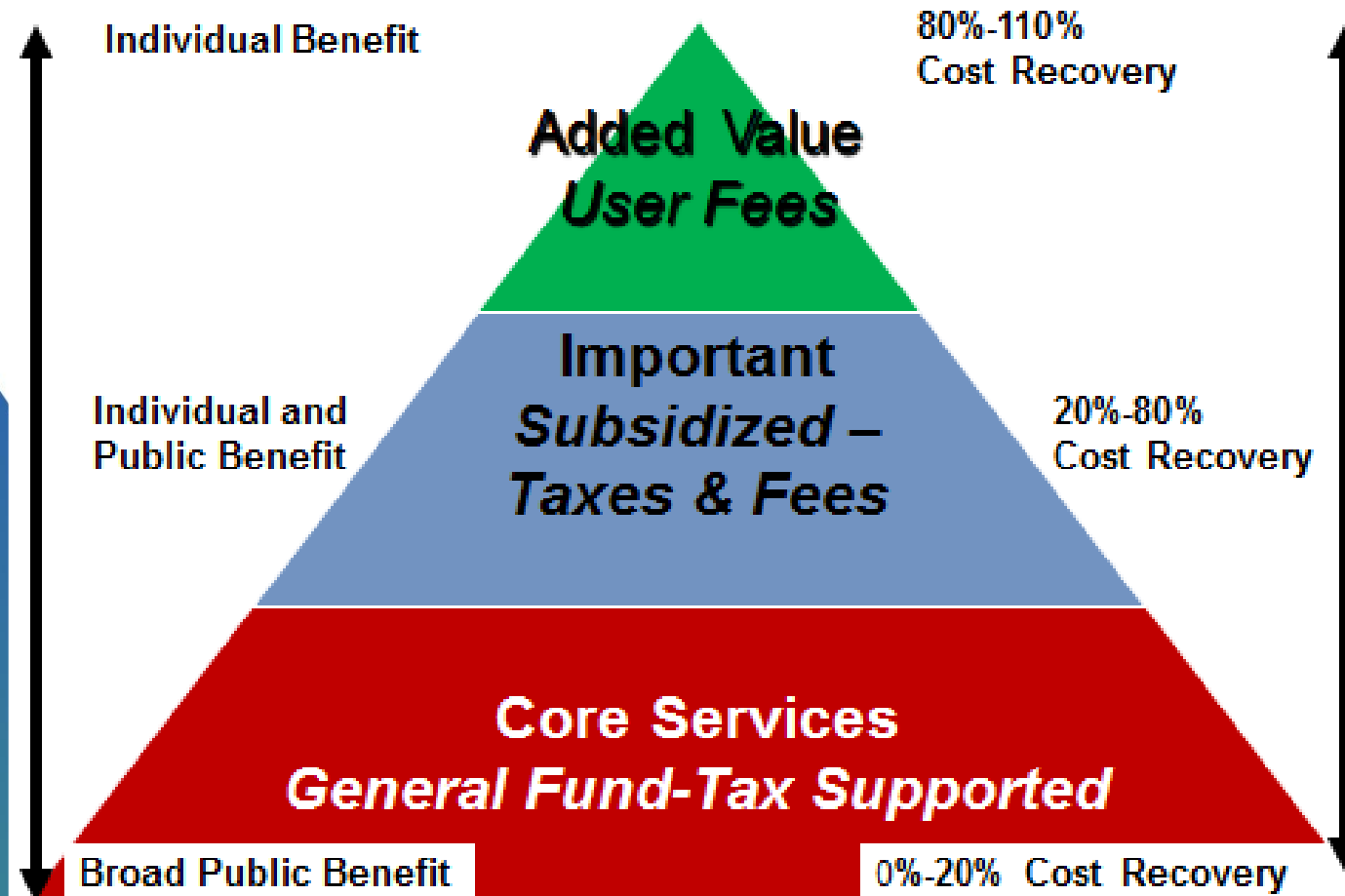
# NEW MAXIMUM DIFS VS CURRENT DIFS

	Total	
	Current	Max Allowable
Single Family (/unit)	\$2,914	\$16,054
Multi-Family(/unit)	\$2,156	\$9,016
Retail (/sq. ft.)	\$7.95	\$31.76
Office/Institutional (/sq. ft.)	\$8.85	\$17.78
Studio (/sq. ft.)	\$3.85 - 7.80	\$12.88
Warehouse/Industrial (/sq. ft.)	\$4.70	\$7.61
Lodging* (/room or /sq. ft.)	\$7.95/sq. ft.	\$7,021/room

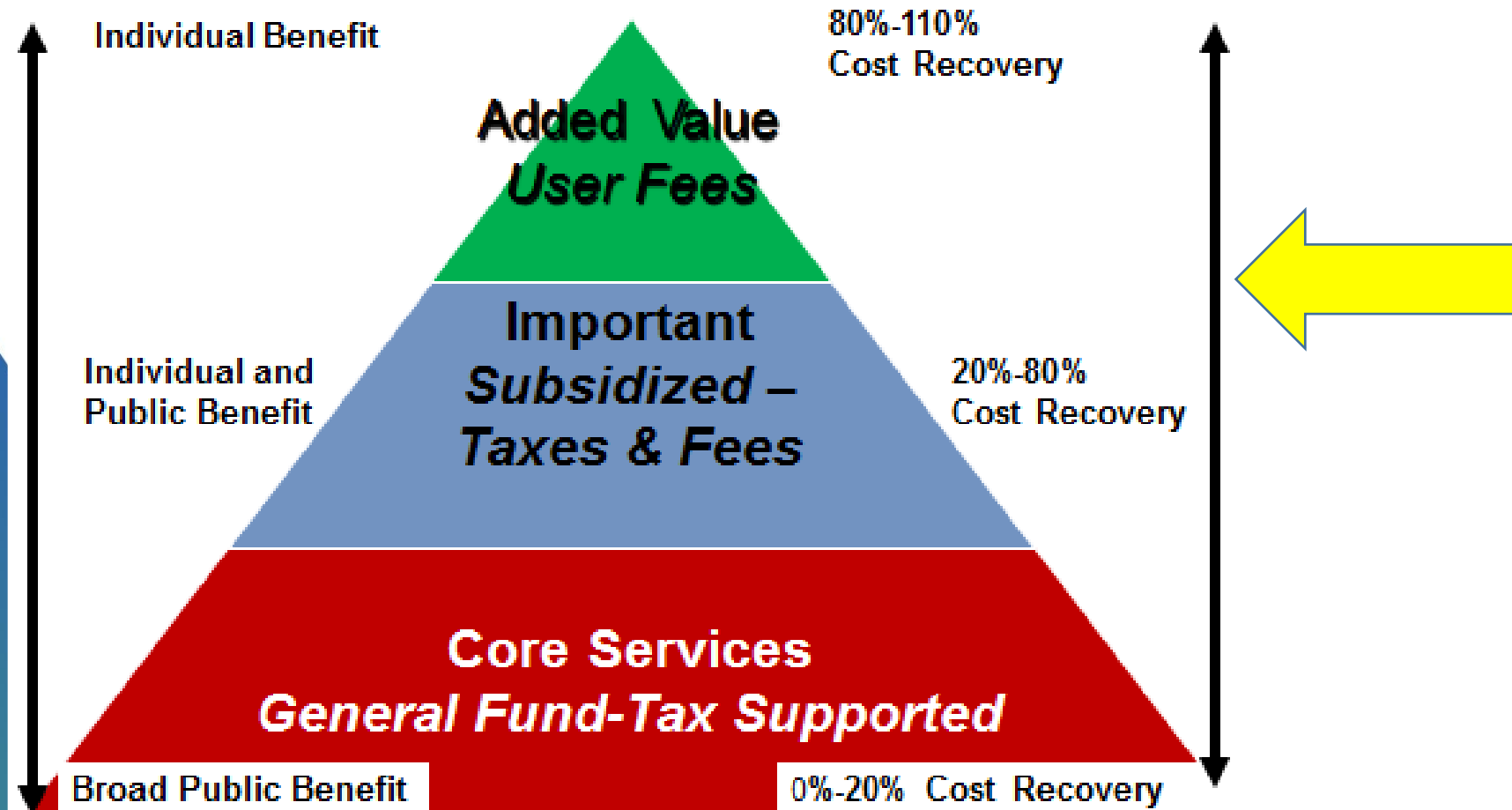
# GUIDING POLICY CONSIDERATIONS

1. **Align** fee levels with City goals
2. **Balance** fees with building neighborhoods
3. **Facilitate** community benefits that build neighborhoods

# CITY COST RECOVERY POLICY



# CITY COST RECOVERY POLICY



# PRELIMINARY FEE RECOMMENDATIONS

- Recommend charging at 80% of maximum allowable fee
  - Retail contribute ongoing revenues – Adjust fee to 30% of maximum
- Recommend charging affordable housing units 50% of maximum

# PROPOSED DIFS VS CURRENT DIFS

	Total DIF Fee	
	Current	Proposed
Single Family (/unit)	\$2,914	\$12,843
Multi-Family(/unit)	\$2,156	\$7,213
Retail (/sq. ft.)	\$7.95	\$9.53
Office/Institutional (/sq. ft.)	\$8.85	\$14.22
Studio (/sq. ft.)	\$3.85 - 7.80	\$10.30
Warehouse/Industrial (/sq. ft.)	\$4.70	\$6.09
Lodging* (/room or /sq. ft.)	\$7.95/sq. ft	\$5,617/room



# PROPOSED AFFORDABLE UNITS DIFS VS CURRENT DIFS

	Total DIF Fee		
	Current	Proposed Market-Rate Units DIF (80% of Max)	Proposed Affordable Units DIF (50% of Max)
<b>Single Family (/unit)</b>	\$2,914	\$12,843	\$8,027
<b>Multi-Family(/unit)</b>	\$2,156	\$7,213	\$4,508

# UPDATES TO DIF FEES

- Once adopted, DIFs are updated:
  - Annually - Updates based on CPI and adjustment factors
  - In 2-3 Years - Updates based on Specific Plans
  - Every 8 Years - Updated Nexus Studies required every 8 years (new law, AB 602)

# BURBANK DIFS vs NEIGHBORING CITIES

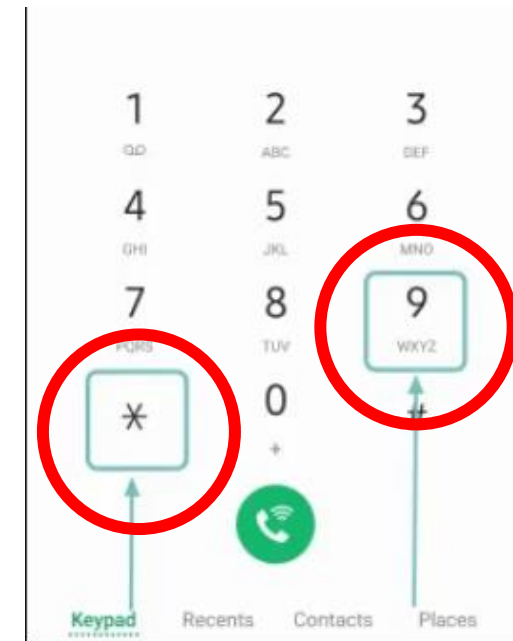
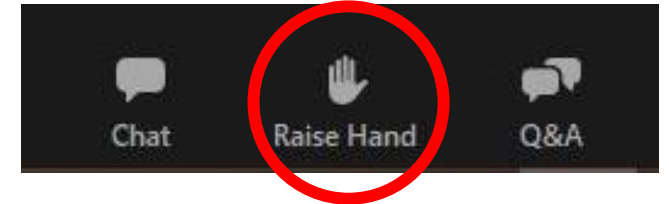
Land Use Category	Burbank (Proposed)	Burbank (Current)	Glendale (Current)	Pasadena (Current)
<b>Single Family Residential (Per Unit)</b>				
Total	\$12,843	\$2,914	\$23,773	\$36,252
<b>Multifamily Residential (Per Unit)</b>				
Total	\$7,213	\$2,156	\$20,422	\$24,606
<b>Retail (Per Sq. Ft.)</b>				
Total	\$9.53	\$7.95	\$6.96	\$11.57
<b>Office (Per Sq. Ft.)</b>				
Total	\$14.22	\$8.85	\$8.48	\$8.71
<b>Industrial (Per Sq. Ft.)</b>				
Total	\$6.09	\$4.70	\$3.47	\$1.20

# NEXT STEPS

1. April 6, 2022 – Virtual Community Meeting
2. May 9, 2022 – Planning Board Public Hearing
3. May 24, 2022 – City Council Public Hearing – Ordinance First Reading (Same night as Budget)
4. June 7, 2022 – City Council Ordinance Second Reading – Adoption
5. August 6, 2022 – If adopted, new DIF Program goes into effect 60 days from Adoption

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**THANK YOU!**



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