

DEVELOPMENT IMPACT FEE PROGRAM (DIF) UPDATE

Public Hearing
June 7, 2022



**COMMUNITY
DEVELOPMENT**

PRESENTATION OVERVIEW

1. Development Impact Fees Introduction
2. DIF Update and Nexus Study
3. Policy Considerations
4. Proposed Fees
5. Comparisons with Neighboring Cities
6. Summary and Next Steps

PRIOR MEETINGS

- ✓ February 2020.....Study Session
- ✓ December 2021.....Report to Council
- ✓ April 2022.....Virtual Citywide Community Meeting
- ✓ May 2022.....Planning Board Public Hearing
- ✓ June 2022.....City Council Public Hearing

WHAT ARE DIFS?

- Address new developments' impact on Capital/Infrastructure
- Reasonable Connection (Nexus)
- Proportional, Assessed on net new development
- 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

WHY ARE WE HERE?

- Prepare a new DIF Update Nexus Study
- Incorporate Development Assumptions from Burbank2035 General Plan
- Revise infrastructure projects list
- Complete technical documentation to support DIF update
- Amend Title 10, Chapter 1, Article 22 of the Burbank Municipal Code relating to Community Facility Fees.

DIF UPDATE PROPOSED CHANGES

- Updates fees based on infrastructure list
- Adds IT
- Implements Transportation fees on Residential development
- Consolidates some uses and separates Hotel/Lodging use
- Amendments to conform to State law (reporting and other requirements)

NEXUS STUDY METHODOLOGY

1. Burbank2035 General Plan provided estimated existing and future population and employment
2. Departments provided list of new capital improvements needed through 2035
3. Developed cost estimates for the projected capital improvements needs

NEXUS STUDY METHODOLOGY

4. Allocated costs between existing and new development to determine the DIF share
5. Distributed the costs further among residential and non-residential uses (i.e. retail, industrial, office, etc.)
6. Calculated cost per unit of development (allowable fee per square foot or unit)
7. Added a 5% administrative fee

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

PROPOSED CAPITAL IMPROVEMENTS

- Fire
 - Vehicles, Station Apparatus Floors
- Transportation
 - Transit, Complete Streets, Roadway Improvements
- IT (Proposed New Fee)
 - Technology Infrastructure

NEW ALLOWABLE DIFS - RESIDENTIAL PROJECTS

Community Facilities	Residential Uses (per dwelling unit)	
	Single-Family	Multi-Family
Fire	\$502	\$394
Police	\$384	\$302
Parks	\$2,786	\$2,189
Library	\$1,888	\$1,483
IT (New)	\$454	\$356
Transportation DIF	\$10,514	\$4,362
TOTAL (Max Fee)	\$16,528	\$9,086
Current FY 21-22 Fee	\$3,060	\$2,264

Note: DIFs are only charged to net new development. No DIFs are charged to tear down an existing house to build a new house on a property.

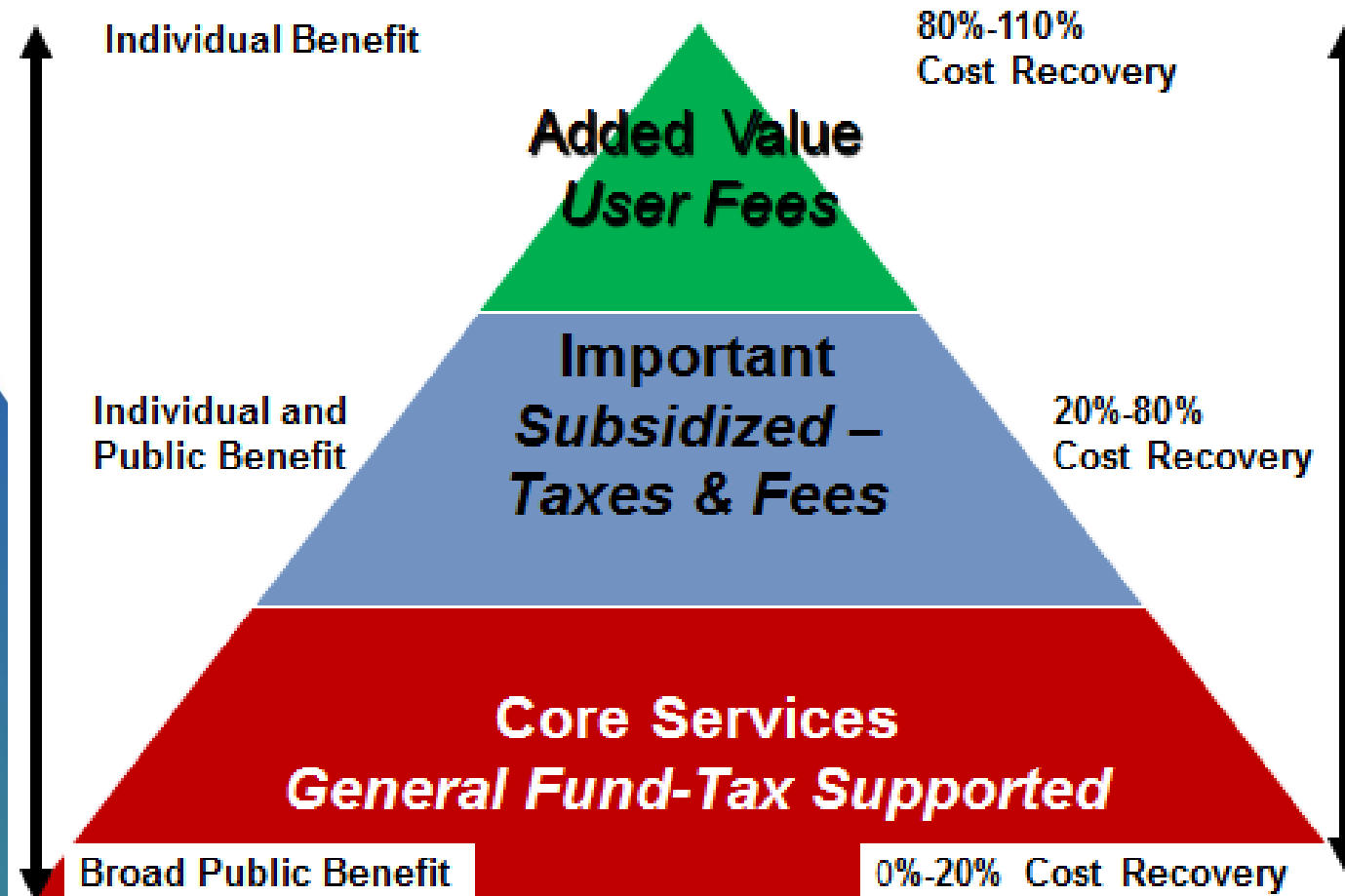
NEW ALLOWABLE DIFS- NON-RESIDENTIAL PROJECTS

Community Facilities	Non-Residential Uses (per sq. ft. or room)				
	Retail (/sq. ft.)	Office/ Institutional (/sq. ft.)	Studio (/sq. ft.)	Warehouse/ Industrial (/sq. ft.)	Lodging (/room)
Fire	\$0.28	\$0.46	\$0.31	\$0.28	\$53.00
Police	\$0.27	\$0.45	\$0.30	\$0.27	\$52.00
Parks	\$1.99	\$3.28	\$2.18	\$1.99	\$374.00
Library	\$0.81	\$1.34	\$0.89	\$0.81	\$153.00
IT (New)	\$0.32	\$0.53	\$0.35	\$0.32	\$61.00
Transportation DIF	\$26.62	\$16.11	\$9.62	\$3.80	\$6,599.00
TOTAL (Max Fee)	\$30.29	\$22.17	\$13.65	\$7.47	\$7,292.00
Current FY 21-22 Fee	\$8.35	\$9.29	\$7.79	\$4.94	\$4,174.00

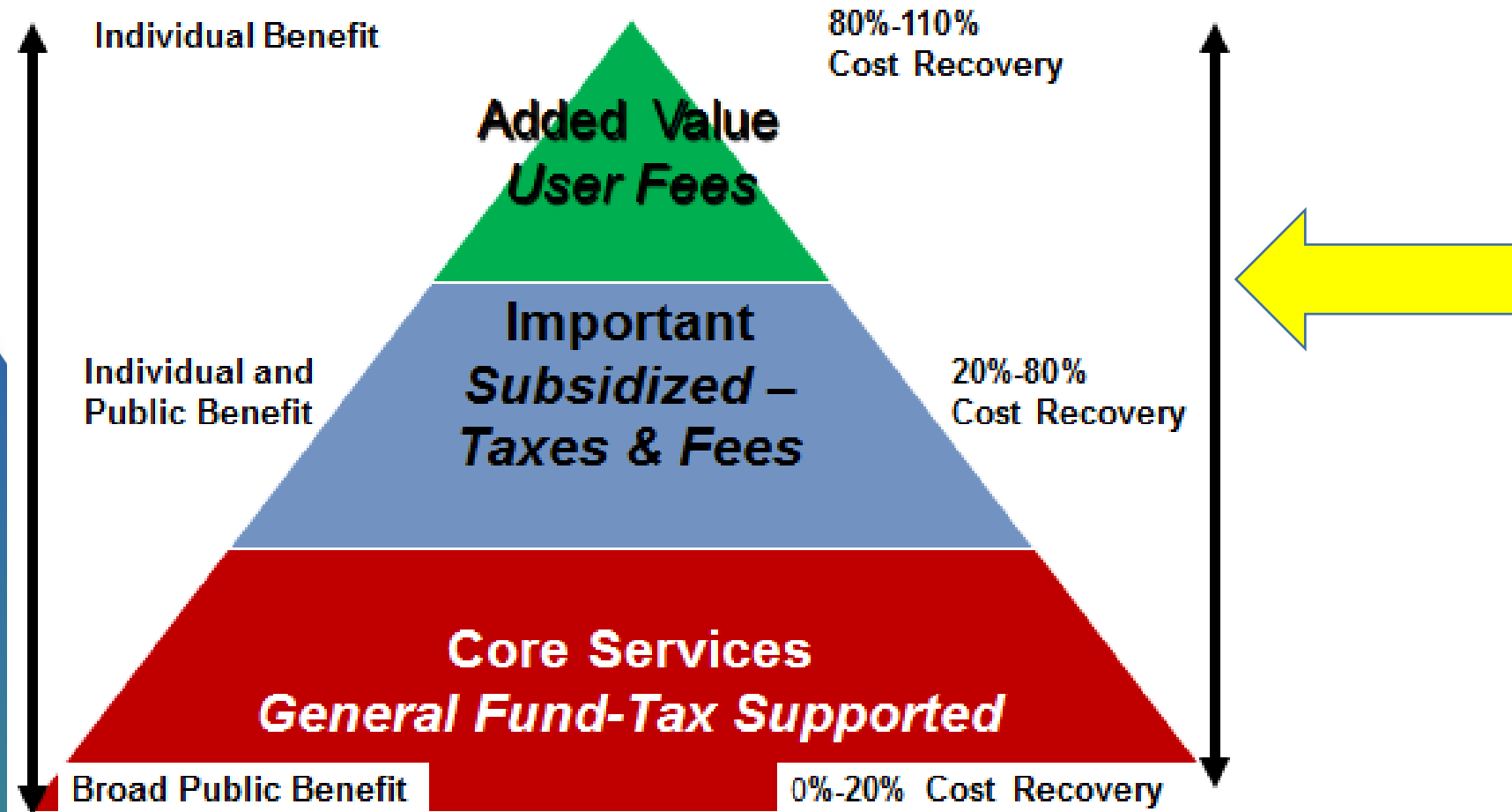
GUIDING POLICY CONSIDERATIONS

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



RECOMMENDED FEE LEVELS

- Recommend charging at 80% of allowable fee
 - Exceptions for uses with other public benefits:
 - Affordable Housing - 50% of allowable fee
 - Retail - 33% of allowable fee
 - Lodging - 67% of allowable fee





PROPOSED DIFS VS CURRENT DIFS

	Total DIF Fee	
	Current	Proposed (80% of Allowable)
Single Family (/unit)	\$3,060	\$13,222
Multi-Family(/unit)	\$2,264	\$7,269
Retail (/sq. ft.)	\$8.35	\$9.94
Office/Institutional (/sq. ft.)	\$9.29	\$17.74
Studio (/sq. ft.)	\$4.04 - 8.19	\$10.92
Warehouse/Industrial (/sq. ft.)	\$4.93	\$5.98
Lodging* (/room or /sq. ft.)	\$4,174/room	\$4,910/room

AFFORDABLE HOUSING UNITS - CURRENT DIFS VS PROPOSED DIFS

	Total DIF Fee		
	Current	Proposed Market-Rate Units DIF (80% of Allowable)	Proposed Affordable Units DIF (50% of Allowable)
Single Family (/unit)	\$3,060	\$13,222	\$8,264
Multi-Family(/unit)	\$2,264	\$7,269	\$4,543

SAMPLE PROJECTS - DIF COMPARISONS

	Project	Paid DIF	Proposed DIF
	Talaria	\$210,255 *Includes credit for demolished buildings	\$1.3 million *Includes credit for demolished buildings
	Avion	\$822,273* *Includes credit for demolished buildings	\$8.6 million *Demolished buildings would not qualify for credit
	First Street Village	\$250,000 (estimate) *Includes credit for demolished buildings	\$1.2 million *Includes credit for demolished buildings
	Aero Crossings	\$640,405 (estimate) *Includes credit for demolished buildings	\$7.8 million *Includes credit for demolished buildings

BURBANK DIFS vs NEIGHBORING CITIES

Land Use Category	Burbank (Proposed)	Burbank (Current)	Glendale (Current)	Pasadena (Current)
Single Family Residential (Per Unit)				
Capital Facilities		\$3,060		\$26,702
Transportation	\$8,411	None	None	\$9,550
Total	\$13,222	\$3,060	\$23,733	\$36,252
Multifamily Residential (Per Unit)				
Capital Facilities	\$3,779	\$2,264	\$20,422	\$20,908
Transportation	\$3,490	None	None	\$3,698
Total	\$7,269	\$2,264	\$20,422	\$24,606

BURBANK DIFS vs NEIGHBORING CITIES

Land Use Category	Burbank (Proposed)	Burbank (Current)	Glendale (Current)	Pasadena (Current)
Retail (Per Sq. Ft.)				
Capital Facilities	\$2.94	\$1.00	\$6.96	None
Transportation	\$7.00	\$7.35	None	\$11.57
Total	\$9.94	\$8.35	\$6.96	\$11.57
Office (Per Sq. Ft.)				
Capital Facilities	\$4.85	\$1.94	\$8.48	None
Transportation	\$12.89	\$7.35	None	\$8.71
Total	\$17.74	\$9.29	\$8.48	\$8.71
Industrial (Per Sq. Ft.)				
Capital Facilities	\$2.94	\$0.89	\$3.47	None
Transportation	\$3.04	\$4.04	None	\$1.20
Total	\$5.98	\$4.93	\$3.47	\$1.20
Hotel (Per Room)				
Capital Facilities	\$554	\$499	None	None
Transportation	\$4,356	\$3,675	None	\$3,698
Total	\$4,910	\$4,174	None	\$3,698

ANNUAL 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)

PUBLIC OUTREACH

1. Two City Council meetings
2. Community Meeting held in April 2022
3. Planning Board public hearing held in May 2022
4. Direct communication sent to interested parties
5. Newspaper notice and City's E-notify e-mail alert

CEQA

1. CEQA Guidelines Section 15378(b)(4)

- Does not constitute a "Project"

2. CEQA Guidelines Section 15061(b)(3)

- Even if it was a project, "common sense exemption"

CONSISTENCY WITH BURBANK2035 GENERAL PLAN

- **Land Use Element**

“...new development pay its fair share of infrastructure improvements” and “ensure that needed infrastructure and services are available prior to or at project completion.”

- **Mobility Element**

Burbank’s transportation system ensures economic vitality while preserving neighborhood character.

- **Plan Realization**

Review and update the transportation and community facilities fee program to ensure that transportation projects are adequately funded, and fees are adequately addressing impacts on City services caused by new development.

NEXT STEPS

1. **June 21, 2022**.....City Council Ordinance Second Reading Adoption
2. **August 21, 2022**....If adopted, new DIF Program goes into effect 60 days from Adoption

RECOMMENDATION

Introduce AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURBANK AMENDING BURBANK MUNICIPAL CODE TITLE 10, CHAPTER 1, ARTICLE 22 (ATTACHMENT 1) RELATED TO COMMUNITY FACILITY FEES (Project No. 22-0002020).

QUESTIONS?

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