

CITY OF MT. SHASTA

Building & Planning Department
305 N. Mt. Shasta Boulevard
Mt. Shasta, California 96067
(530) 926-7510

CONNECTION FEES

CONNECTION FEES: SEWER*

Single Family Residence	\$14,533.00
Duplex, Triplex and Condo w/private entrance (per unit)	\$14,533.00
Four plus apartment units (per unit – one bedroom unit)	\$ 9,010.00
(per unit – two bedroom units)	\$10,900.00
(per unit – three bedroom units).....	\$12,788.00
Commercial (per fixture unit)	\$ 726.49

CONNECTION FEES: WATER*

Single Family Residence	\$11,774.00
Duplex, Triplex and Condo w/private entrance (per unit)	\$11,774.00
Four plus apartment units (per unit – one bedroom unit)	\$ 7,299.00
(per unit – two bedroom units)	\$ 8,828.00
(per unit – three bedroom units)	\$10,360.00
Commercial (per fixture unit)	\$ 392.38

DRAINAGE FEES

Single Family Residence	(1.00 residential equivalent)	\$200.00 / Structure
Duplex	(1.25 residential equivalent)	\$250.00 / Structure
Triplex	(1.50 residential equivalent)	\$300.00 / Structure
Fourplex	(2.00 residential equivalent)	\$375.00 / Structure
Over Four Units	(2.00 residential equivalent + 0.25 for each unit over four) \$400.00 + \$25.00 for each unit over four	
Commercial.....	\$500.00 for first 5,000 square feet of coverage Including parking areas and drives; plus \$0.05 for each additional square foot up to 10,000 square feet; plus \$0.02 for each additional square foot over 10,001 square feet.	

SCHOOL FEES:	SISKIYOU UNION HIGH SCHOOL DISTRICT	Residential: \$3.36 sq. ft.
	(530) 926-3006	Commercial: \$0.54 sq. ft.
	MT. SHASTA UNION HIGH SCHOOL DISTRICT	Mini-Storage: \$0.06 sq. ft.
	(530) 926-6007	

DEVELOPMENT IMPACT FEES

Suspension of Park Development Fees (Resolution No. CCR-10-44) until further review.

FEES FOR RESIDENTIAL USES:

Fees are based on a Dwelling Unit Equivalent (DUE). For each single-family use, fees for one DUE will be imposed. For example, a single-family residence will be attributed one DUE; a duplex two; a triplex three; and apartment houses according to the number of units.

Public Works.....	\$	418.04
Police.....		313.53
Fire.....		<u>574.79</u>
		Total Fee Per Residential DUE
		\$ 1,306.36
		75% reduction to \$1,306.36
		(October 25, 2011 through October 24, 2013)
Parks \$4,965 (waived per CCR 10-05, 10-44)		

NON-RESIDENTIAL FEES:

For all non-residential uses, 8 DUE’s shall be charged per acre or portion of an acre of project areas. Project area is equivalent to building footprint, plus parking and other surfaced areas.

Public Works.....	\$	418.04
Police.....		313.53
Fire.....		<u>574.79</u>
		Total Fee Per Non-Residential DUE
		\$ 1,306.36
		75% reduction to \$1,306.36
		(October 25, 2011 through October 24, 2013)

To Calculate Non-Residential, apply one (1) DUE for each 5,445 square foot of project area.

Take total project area in square feet, divide by 5,445, and multiply times the Total Fee per DUE.

For example: A 10,000 square foot commercial project would be \$9,597 at the 2015 rate.
 $10,000/5445 = 1.8365 \times \$1,306.36 = \$2,399.13$

***On May 23, 2016, Resolution CCR-16-14 (Resolution of the City Council of the City of Mt. Shasta, California, Authorizing the City Manager to Execute a Temporary Residential Housing Incentive Program) was passed and adopted. This resolution provides a temporary reduction of 75 percent (75%) for new residential construction connection fees for water and sewer (see attached).**

RESOLUTION NO. CCR-16-21

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MT. SHASTA, CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO EXECUTE A TEMPORARY RESIDENTIAL
HOUSING INCENTIVE PROGRAM

WHEREAS, due to the economic downturn over the past several years, residential housing has declined dramatically; and

WHEREAS, a balance of residential housing is essential in attracting and retaining quality employers and maintaining a high quality of life; and

WHEREAS, a temporary residential incentive Program will stimulate the local economy and provide jobs.

NOW, THEREFORE, BE IT RESOLVED THAT: the City Council of the City of Mt. Shasta does hereby authorize the City Manager to execute a Temporary Residential Housing Incentive Program as detailed in Attachment 1 effectively immediately upon adoption of this Resolution.

PASSED AND ADOPTED this 23rd day of May, 2016 by the following vote, to wit:

AYES: 4 MORTER, Burns, Harkness, Stearns

NOES: 0

ABSENT: 1 COLLINGS

ABSTAIN: 0

ATTEST:

Kathryn M. Wilson
Kathryn Wilson, Deputy City Clerk

CITY OF MT. SHASTA:

Jeffrey Collings
Jeffrey Collings, Mayor Pro-Tem
Mike Burns Sr.,

Attachment 1

City of Mt. Shasta

Temporary Residential Housing Incentive Program

May 23, 2016

PROPOSED CITY OF MT. SHASTA TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM

May 23, 2016

INTRODUCTION AND DEFINITIONS.

A. Introduction

Historically, the City of Mt. Shasta has enjoyed a reasonably strong housing market, however, the Great Recession coupled with the implementation of new Development Impact Fees with built in annual increases have severely reduced new housing in Mt. Shasta. As a result, the City has developed the Temporary Residential Housing Incentive Program (TRHIP). The TRHIP is designed to stimulate private sector investment in the Mt. Shasta Housing Market with the goal of prudently growing our population, tax income, and job growth that are essential to maintaining a high quality of life for residents and businesses.

Findings Required

It is not the intent of this Program to divert dollars from other communities. In compliance with Government Code sections 53084 and 53084.5, such incentives may not be offered to businesses that relocate their business from another city to Mt. Shasta. The Program is also not intended to be used to relocate a business from one location to another within the City. When applying any such efforts, the City must determine that the incentive is not a gift of public funds, and specific findings must be made. Therefore, the City Council must find that the incentives under this Program will advance the public welfare and provide adequate consideration in return to the City as follows:

1. The net financial benefit to the public will exceed the value of the incentives provided;
2. The residential project will provide a direct public benefit through the provision of property and/or transient occupancy taxes, the generation of property or sales tax, or other benefits to the City;
3. The incentives represent a partial return of revenues or fees that will be realized once the project is completed, such that the incentives will not impact the City's current General Fund balance as the incentives will be based on future, additional revenues to the General Fund.

B. Definitions

Eligible Applicant means an applicant who meets the eligibility requirements for a particular Program and excluding any business that would trigger the requirements of Government Code sections 53084 and 53084.5.

Direct Public Benefits means benefits to the City and community which justify an incentive under this Program.

TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM

A. Purpose

While some areas of the City's economy have been recovering from the last recession, residential housing has continued to lag. The lack of construction of new residential, be it single or multi-family, combined with a resale market severely impacted by underwater mortgages and

lagging home values, has created an adverse economic impact. Because of these adverse conditions, current and potential businesses are concerned they will be unable to accommodate new employees. In addition, lack of available housing in the City is inciting employees of current or potential businesses to purchase or rent homes or units in adjoining communities, negatively impacting the City's overall economy.

Due to a variety of issues resulting from the Great Recession, including reduced land values, the sales prices for new homes continue to be depressed. The City's fee structure has not reflected the adverse marketplace, and as a result, there is little financial ability for the housing market to initiate new projects due to depressed values. City Councilmembers and members of the Community Economic Development Advisory Committee (CEDAC) have recommended the City pursue a temporary Program to stimulate residential construction in an attempt to address these adverse economic issues.

The goal of any temporary reduction in fees would be to incentivize the creation of new housing and create opportunities for new and varied levels of housing inventory throughout the City; to generate jobs in the construction industry; and ultimately increase local spending by new homeowners who are outfitting their new homes.

B. Proposed Program

Following City Council direction, this temporary incentive Program has been developed to address market issues. The Program offers a 75% reduction in Sewer and Water Development Impact Fees (DIF) for 30 permits issued under the Program through July 2019. Only 10 permits would be available for any one developer and Building Inspection Permit Fees must be paid in full to receive the discount. After July 1, 2019 or sooner if the 30 permits are exhausted, a review by City Council can be performed to determine if any extension of the Program is desired.

This Program requires interested applicable residential property owners to enter into a contract with the City to pay Water and Sewer Development Impact Fees at the current July 2016 rate. For those entering into the Contract, the payment of the Sewer and Water Development Impact Fees will be deferred until November 2019. If a Conditional Certificate of Occupancy is issued by the City prior to November 2019, the owner will receive the 75% reduction. A Final Certificate of Occupancy would be provided only after the City receives all payments. The City may also withhold water and sewer services until all payments are made to the City. Failure to receive a City provided Occupancy Permit prior to November 2019 will result in full payment of the Water and Sewer Development Impact Fees. The proposed Program will change the current procedures to allow for pre-payment of the Sewer and Water Development Impact Fees through the conclusion of the proposed Program in November 2019.

C. Financial Impact

In any residential project, there are direct economic impacts and indirect economic impacts. Direct economic impacts for the City represent fees and property tax revenue increases. Indirect impacts are more difficult to measure, so the City reviewed a 2010 study *Analysis of the Fiscal and Economic Effects of New Housing Construction in California* which was prepared for The California Housing Finance Agency. In the study, which was performed during the housing downturn, the authors estimated the total economic impact of a single family residential home is approximately \$421,696 was in the larger Bay Area. This figure incorporates not only construction material and jobs, but ancillary spending like moving companies and sales of furnishings and other items which occur when someone moves into a new home. The following

chart illustrates the estimated economic impact of the 30 permit Program using the economic impact information. The Mt Shasta area cost of a home, using averages of \$175.00 sq. feet and an average size of 2,000 sq. feet, results in average home value of \$350,000.

30 Permits Issued with 75% Discount

Total One-Time Estimated Discount Offered by City	\$596,407.50	
New One-Time 25% DIF Received by City		\$198,802.50
Estimated One-Time Building Fees to be Received		\$90,000.00
Estimated Ongoing Annual Property Tax on 30 Permits		\$105,000.00

D. Reporting

If this temporary funding Program is approved, the City Council will receive annual reports denoting the activity in the Program on permits issued and financial impacts. During the 7-year payback period, the City Council will receive an annual report on the funding activity and the economic impact of the Program.