



CAPITAL FACILITIES FEES INFLATIONARY ADJUSTMENT STAKEHOLDER MEETING FY 2021-22

Peter Ibrahim, Infrastructure Financing Program Supervisor

April 29, 2021



Agenda

- Purpose of Stakeholder Meeting
 - Background on Impact Fees
 - Overview of the City of Modesto Capital Facilities Fees Program
 - Annual Inflationary Adjustment History
 - FY 2021-22 Annual Inflationary
 - Questions/Comments
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Stakeholder Meeting

- Prior to annual adjustment, City will provide at least one (1) meeting with stakeholders and other interested parties at least sixty (60) days in advance of the effective date of the adjustment – July 1, 2021
 - Annual adjustment should be submitted to the City Council for their information
 - Notices posted and uploaded to the CEDD website
 - BIA of the Greater Valley informed via memo
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What Are Impact Fees?

- State law allows local jurisdictions to adopt an impact fee program to mitigate the impacts of new development
 - Impact fees may be used for the purchase, construction, expansion, rehabilitation, or acquisition of public facilities
 - Impact fees cannot be used for maintenance of existing or future facilities
 - Impact fees are typically paid at the time a building permit is issued
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Capital Facilities Fees (CFF) Program

- The City's Capital Facilities Fees (CFF) program was established in 1987
- The CFF Program is adopted by the City Council and is based on the relationship between the type of new development and the infrastructure associated with it at General Plan build-out
- CFF is collected on all new construction and expansion projects City-wide and within the City's sphere of influence
- The CFF Program currently contains seven (7) fee categories:

Streets

Transit

Parks & Air Quality

Fire

Police

General Gov't

Administration



Annual Inflationary Adjustment History

- In FY 2008-09, the City Council approved freezing the annual adjustment at the Fiscal Year 2007-08 rate for a period of one year. This action was taken, in part, because few housing starts were anticipated, there was a continued decrease in housing values and a decrease in construction costs.
 - From 2009-2011, the Comprehensive Fees Task Force (CFTF) reviewed the City's fees in all areas, including the annual CFF inflationary adjustments
 - Reduction in 3 out of the 7 fee categories
 - 22% reduction for single-family homes
 - 27-45% reduction for non-residential development
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Annual Inflationary Adjustment History, cont.

- In 2012 and 2013, staff recommended the annual inflationary adjustments be waived due to the continuing economic challenges facing the City.
 - Inflationary adjustment for FY 2014-15 was 5.17%
 - Comprehensive Fees Task Force (CFTF) reconvened 11/16-8/18
 - During the 2019 CFF Fee Update, City Council approved an inflator of 3.49% for all CFF fees
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FY 2021-22 Annual Inflationary Adjustment


- The City's CFF Policies and Procedures allows for an annual inflationary adjustments
 - The CFF Policies and Procedures, adopted by City Council Resolution No. 2020-407, provides for an annual adjustment to CFF Program Fee Schedule
 - The adjustment is based on the San Francisco Bay Area Construction Cost Index (CCI) as published by the Engineering News Record (ENR) through the month of December of the preceding year
 - The current 2020 CFF Program Fee Schedule will be increased by 2.1%, effective July 1, 2021
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FY 2021-22 Annual Inflationary Adjustment, cont.

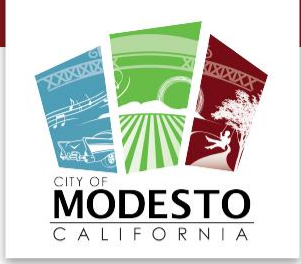
City of Modesto
2020-2021 Capital Facilities Fees Program
Fee Schedule
 Effective July 1, 2020 to June 30, 2021

City Limits	
RESIDENTIAL (per dwelling unit)	
Single Family	\$ 15,016
Multi-Family	\$ 10,137
Senior Housing	\$ 9,324
NON-RESIDENTIAL (PER 1,000 sq. ft.)	
Hotel/Motel (per room)	\$ 4,033
Retail <50,000	\$ 11,137
Retail 50,000 - 100,000	\$ 9,310
Retail 100,000 - 300,000	\$ 7,924
Retail >300,000	\$ 7,416
Medical Office	\$ 14,236
General Office	\$ 7,208
Hospital	\$ 10,137
Daycare	\$ 5,901
Church	\$ 1,800
Nursing Home	\$ 2,313
Industrial (Manufacturing)	\$ 2,820
Industrial (Warehousing)	\$ 2,066

2.1%

 Inflation

City of Modesto
2021-2022 Capital Facilities Fees Program
Fee Schedule
 Effective July 1, 2021 to June 30, 2022

City Limits	
RESIDENTIAL (per dwelling unit)	
Single Family	\$ 15,331
Multi-Family	\$ 10,350
Senior Housing	\$ 9,520
NON-RESIDENTIAL (PER 1,000 sq. ft.)	
Hotel/Motel (per room)	\$ 4,118
Retail <50,000	\$ 11,371
Retail 50,000 - 100,000	\$ 9,506
Retail 100,000 - 300,000	\$ 8,090
Retail >300,000	\$ 7,572
Medical Office	\$ 14,535
General Office	\$ 7,359
Hospital	\$ 10,350
Daycare	\$ 6,025
Church	\$ 1,838
Nursing Home	\$ 2,362
Industrial (Manufacturing)	\$ 2,879
Industrial (Warehousing)	\$ 2,109



Questions/Comments?



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MODESTO
CALIFORNIA