



AB 1600 Park Development Impact Fee Study

for the

Town of Moraga



Prepared by:



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AB 1600 – PARK DEVELOPMENT IMPACT FEE STUDY

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Chapter 1

Park Development Impact Fee Study

Introduction and Summary

This Park AB1600 impact fee study presents an analysis of the need for development to accommodate new growth and future infrastructure and improvements in the Town of Moraga. This “nexus” study will serve as the basis for requiring park development impact fees under AB1600 legislation, as codified by California Code Government Section 66000 *et seq.* This code sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that a “reasonable relationship” or nexus, exist between the improvements and facilities required to mitigate the impacts of new development and the impact fee. This study addresses the following Town development impact fee program:

- **Park Impact Fee** – The *Park Impact Fee* includes both the park improvement fee and the park land acquisition fee – Funds the development of park and recreation facilities in the Town of Moraga.

Study Objective

The Town of Moraga is a community currently consisting of 9.54 square miles and a current population of about 16,400 people. The town completed an update to its General Plan in 2002. The approved development project of Palos Colorados will add approximately 123 new residential units. It was considered as completed for the purpose of this study because it has an existing agreement with the Town to mitigate its impacts. Residential and commercial growth is anticipated over the next 25 to 50 years in Moraga. The estimated increase in population is approximately 2548 people, with 894 new dwelling units and 70,000sf of new commercial space.

The objective of this study is to establish a park development impact fee program to mitigate the impacts of the anticipated new development on the Town of Moraga.

Mitigation Fee Act

Over the last 20 years, the changing fiscal situation in California has steadily undercut the financial capacity of local governments to fund infrastructure. Faced with these changes, many cities have had to adopt a policy of “growth pays its own way”, shifting the burden of funding infrastructure expansion onto new development. This funding shift has been accomplished primarily through the imposition of public facilities fees, also known as development impact fees.

As a result of widespread imposition of public facilities fees, the State legislature passed the *Mitigation Fee Act*, starting with Assembly Bill 1600 in 1988. The *Act*, contained in *California Government Code* Section 66000 *et seq.*, established ground rules for the imposition and ongoing administration of impact fee programs. The *Act* became law in January 1989 and requires local governments to document the following when adopting an impact fee:

1. Identify the purpose of the fee;
2. Identify the use of fee revenues;

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3. Determine a reasonable relationship between the fee's use and the type of development paying the fee;
4. Determine a reasonable relationship between the need for the fee and the type of development paying the fee; and
5. Determine a reasonable relationship between the amount of the fee and the cost of the facility attributable to development paying the fee.

Land Use Assumptions

The land use assumptions for the Town of Moraga used for this fee study are shown in **Exhibit A**, in the appendix, and **Table 1.1**. The study area includes Moraga Center, Rheem Park, Indian Valley, Bollinger Canyon, Northwest Moraga, Northeast Moraga, Central Moraga, Southwest Moraga and various in-infill properties. The total estimated undeveloped acres in the Town are approximately 420 acres. The following types of new developments are anticipated to occur in the Town over the next 25 to 50 years:

- 624 new single family dwelling units (throughout the Town)
- 50 multi-family units (Moraga Center)
- 20 commercial mixed units (Moraga Center)
- 200 senior housing units (Moraga Center)
- 70,000 sf new commercial space (Moraga Center and Rheem Park)
- 80 unit hotel (Rheem Park)

This will potentially increase the Town's population from 16,400 to 19,366 people.

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**Table 1.1
Town of Moraga
Land Use Calculations**

Residential Land Use	Existing Acres	Existing Units ¹	Existing Population ¹	Moraga Center ²		Rheem Park		Indian Valley		Bolinger Canyon		Northwest Moraga		Northeast Moraga		Central Moraga		Southeast Moraga		Infill		Total New Development				
				Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Density ⁴
Single Family Detached	3,452.50	4,142		28.00	231			136.00	134	40.50	39	19.00	19	65.00	65	10.90	1	35.00	35	65.00	100	399.40	624	3.40	2,122	
Single Family Attached/ Townhome	197.42	968																					-	-	2.23	-
Multi-Family/ Duplex	25.10	788		8.00	50																	8.00	50	1.58	79	
Mixed Use Commercial					20																		-	20	1.58	32
Senior Housing				6.00	200																	6.00	200	1.58	316	
Total	3,675	5,898	16,818	42.00	501	-	-	136.00	134	40.50	39	19.00	19	65.00	65	10.90	1	35.00	35	65.00	100	413.40	894		2,548	

Non-Residential Land Use	Existing Acres	Existing SqFt ³	Existing Workers ¹	Moraga Center ²		Rheem Park		Indian Valley		Bolinger Canyon		Northwest Moraga		Northeast Moraga		Central Moraga		Southeast Moraga		Infill		Total New Development						
				Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Acres	Building (Sq Ft)	Density ⁴	Workers	
Commercial	45.62	405,321	811	4.00	60,000	1.00	10,000																		5.00	70,000	500	140
Office	4.17	89,500	298																						-	-	300	-
Hotel			-			2.20	80																		2.20	8,800	600	15
Total	49.79	494,821	1,109	4.00	60,000	3.20	10,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.20	78,800		155

1 Data for existing Residential Units from Table 7(2005 column) and data for existing population and workers from Table 1, Town of Moraga Market Assessment, by EPS, February 2006. Approved projects, such as Palos Colorados are not included in this table, they are included as existing land use.

2 Acres for Mixed use Commercial within Moraga Center are accounted for in the non-residential commercial acreage.

3 Data for existing Non-residential building square footages from Table 17, Town of Moraga Market Assessment, by EPS, February 2006

4 Density in this table refers to "persons per dwelling unit" or "square foot per worker". Residential density values verified with the Town. Non-residential numbers are based on number of square feet per employee averages commonly used in the industry.

2006 EPS Report: Population = 16,400
 Palos Colorados: Population = 418
 Total Existing Population = 16,818

Use Buildout Population - 16,818 + 2,548 = 19,366

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Table 1.2 summarizes the Park Improvement and Park Land Acquisition impact fees for residential properties.

Table 1.2
Town of Moraga
Park Development Impact Fee Summary
RESIDENTIAL

Land Use	Park Improvements	Land Acquisition	Total Fee/ Unit
<i>Residential</i>			
Single Family Detached	\$ 3,020	\$ 8,555	\$ 11,575/unit
Multi-Family/ Duplex	\$ 1,510	\$ 4,278	\$ 5,788/unit
Mixed Use Commercial	\$ 1,510	\$ 4,278	\$ 5,788/unit
Senior Housing	\$ 1,510	\$ 4,278	\$ 5,788/unit

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Chapter 2 Park Fee

This chapter presents the need for park facilities to accommodate new development in the Town of Moraga. In May 2006, the Town established a community-supported road map for providing high quality, well-managed parks and recreation facilities throughout the community. At that time, MIG was hired to prepare a “Park & Recreation Master Plan” to identify the current and future park and recreation needs. The Town Council adopted the “Park and Recreation Master Plan” on January 9, 2008. It establishes goals, standards and guidelines to improve and add new parks and recreation facilities to the Town of Moraga. In addition, it provides cost estimates for implementing capital and non-capital projects that provide the best benefit to the Town for parks and recreation.

Service Population

The Town of Moraga’s Park and Recreation facilities serve the residents of Moraga. The service population includes new residents that represent the need for additional neighborhood and community park facilities.

Existing Facilities Inventory

The Town of Moraga has a variety of existing park and recreation facilities that are identified in the “Park and Recreation Master Plan”. They include the approximately 8.9 acre Hacienda de las Flores park area, 40.2 acres of Moraga Commons and 8.4 acre Rancho Laguna park and picnic area. The Town has a long standing partnership with the Moraga School District to provide recreation facilities.

Facility Standards and Fee Schedule

Level of Service (LOS) standards are used in calculating the park improvement fee to ensure a reasonable relationship exists between new development and the need for new park facilities. The Town has adopted a LOS of 3 acres of parks per 1000 residents. This LOS was used to calculate the additional acreage required to accommodate the increased population in the Town. As shown in Table 2.1, the increased population of 2,548 people is multiplied times the adopted LOS for new parks establishing a need of 7.64 additional acres of new parks in the Town of Moraga. The Park Improvement Fee is calculated by assuming the park improvement costs to be \$300,000 per acre and \$850,000 per acre for park land. This fee is to provide funding for park improvements only. The park improvements would include turf, irrigation systems, benches, fences, landscaping and other required appurtenances. **Table 2.1** shows the calculation of the park development impact fee for **“Park Improvements and Park Land Acquisition”**. Only residential units pay for park improvements. The development impact fees for residential units are summarized in Table 1.2.

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Table 2.1
Town of Moraga
Park Impact Fee Calculation

Assumptions:

1. Additional acreage needed calculation, based on current LOS.
 - a. $19,366 - 16,818 = 2,548$ increased population
 - b. $2,548 \times 3 \text{ acres}/1000 = 7.64$ acres additional parks
2. Land cost for parks is assumed to be \$850,000 per acre.
3. Cost for park equipment & improvements is assumed to be \$300,000/acre
4. Total new planned units are 624 sfdu's, 50 mfd's, 20 mixed and 200 senior units.
5. Multi-family, mixed commercial units and senior housing = 50% of a single-family unit
6. Total equivalent dwelling units (edu) is 759 (624 plus 50% of 270)

Calculation:

Park Fee = costs for park improvements + costs for land / number of dwelling units

Park Fee = $(\$300,000 \times 7.64 \text{ acres}) + (\$850,000 \times 7.64) / 759 \text{ edu's} = \$11,575/\text{edu}$

Single family units = 1 edu = \$11,575 per unit

Mixed family units = .5 edu = \$5,788 per unit

Mixed commercial units = .5 edu = \$5,788 per unit

Senior housing units = .5 edu = \$5,788 per unit

Implementation

The park fee would be collected at the time of building permit issuance. To implement the fee the Town should:

- ◆ Annually update a capital improvement plan to indicate the specific use of fee revenues for facilities to accommodate growth;
- ◆ Comply with the annual and five-year reporting requirements of *Government Code 66000 et seq.*; and
- ◆ Identify appropriate inflation indexes in the fee ordinance and allow an inflation adjustment to the fee annually.

For the inflation indexes, the Town should use separate indexes for construction costs. Calculating the land cost index may require use of a property appraiser every several years. The construction cost index can be based on the Town's recent capital project experience or taken from any reputable source, such as the *Engineering News Record* (ENR).

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Nexus Findings

Purpose of Fee: Develop 7.64 acres of new parks in the Town of Moraga.

Use of Fee: Acquisition and construction of park land and improvements required to serve a population of approximately 19,366 residents as projected by the Town planning department.

Relationship Between Use of Fee and Type of Development: The development of new residential land uses in the Town of Moraga will generate additional demands on park and recreation facilities and equipment. The fees will be used to construct and acquire new park facilities and equipment to accommodate new development.

Relationship Between Need for Facility and Type of Project: Each new residential development project will generate demands on park and recreation facilities and the associated new park facilities and equipment are needed to provide those services. Current park facilities are only adequate for the existing residents. The Town needs to acquire new park facilities and equipment to meet the demands of new residential development.

Relationship Between Amount of Fee and Cost of Portion of Facility Attributed to New Development: The amount of park facilities and equipment needed by each residential land use had been estimated by the “level of service (LOS)” methodology by calculating the additional acres needed to meet the existing park level of service and estimating the new cost of park land, equipment and improvements, including turf, fences, irrigation and landscaping, required to meet the demands of new residential development and growth in the Town.

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Appendix

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Exhibit A: Town of Moraga Land Use Map