

# CITY OF RICHMOND

## DEVELOPMENT IMPACT FEE NEXUS STUDY UPDATE

**FINAL**

**JANUARY 24, 2024**



*Oakland Office*

66 Franklin Street  
Suite 300  
Oakland, CA 94607  
Tel: (510) 832-0899

*Corporate Office*

27368 Via Industria  
Suite 200  
Temecula, CA 92590  
Tel: (800) 755-6864  
Fax: (888) 326-6864

*Other Regional Offices*

Aurora, CO  
Orlando, FL  
Phoenix, AZ  
Plano, TX  
Seattle, WA  
Washington, DC

[www.willdan.com](http://www.willdan.com)

This page intentionally left blank.

# TABLE OF CONTENTS

---

EXECUTIVE SUMMARY .....	1
Background and Study Objectives	1
Facility Standards and Costs	1
Use of Fee Revenues	2
Development Impact Fee Schedule Summary	2
Other Funding Needed	4
1.    INTRODUCTION .....	5
Public Facilities Financing in California	5
Study Objectives	5
Fee Program Maintenance	6
Study Methodology	6
Types of Facility Standards	6
New Development Facility Needs and Costs	7
Organization of the Report	8
2.    GROWTH FORECASTS .....	9
Land Use Types	9
Impact Fees for Accessory Dwelling Units	9
Existing and Future Development	10
Occupant Densities	11
3.    SEWER FACILITIES .....	13
Service Area	13
Sewer Demand	13
EDU Generation by New Development	14
Facility Needs and Costs	15
Cost per EDU	16
Fee Schedule	16
4.    PARKS AND RECREATION FACILITIES.....	18
Service Population	18
Existing Parkland Inventory	18
Parkland and Park Facilities Unit Costs	20
Park Facility Standards	21
Quimby Act Standard	21
City of Richmond Park Facilities Standards	22
Facilities Needed to Accommodate New Development	22
Park Facilities Cost per Capita	23
Use of Fee Revenue	24
Fee Schedule	24
5.    COMMUNITY CENTER AND AQUATIC FACILITIES .....	26

Service Population	26
Existing Recreation and Community Center Facilities Inventory	26
Planned Recreation and Community Center Facilities	28
Cost Allocation	28
Existing Level of Service	28
Future Level of Service	29
Use of Fee Revenue	29
Fee Revenue Projection	29
Fee Schedule	30
<b>6. POLICE FACILITIES .....</b>	<b>31</b>
Service Population	31
Existing Facility Inventory	31
Planned Facilities	32
Cost Allocation	32
Existing Level of Service	32
Future Level of Service	33
Fee Revenue Projection	33
Fee Schedule	34
<b>7. FIRE PROTECTION FACILITIES .....</b>	<b>36</b>
Service Population	36
Existing Facilities Inventory	36
Planned Facilities	40
Cost Allocation	40
Fee Revenue Projection	41
Fee Schedule	41
<b>8. LIBRARY FACILITIES .....</b>	<b>43</b>
Service Population	43
Existing Facility Inventory	43
Planned Facilities	45
Cost Allocation	45
Existing Level of Service	45
Future Level of Service	46
Fee Revenue Projection	46
Fee Schedule	47
<b>9. STORM DRAIN FACILITIES .....</b>	<b>48</b>
Storm Drain Demand	48
EDU Generation by New Development	48
Planned Facilities	49
Cost per Equivalent Dwelling Unit	51
Fee Schedule	51
<b>10. AB 602 REQUIREMENTS.....</b>	<b>53</b>
Compliance with AB 602	53

66016.5. (a) (2) - Level of Service	53
66016.5. (a) (4) – Review of Original Fee Assumptions	53
66016.5. (a) (5) – Residential Fees per Square Foot	54
66016.5. (a) (6) – Capital Improvement Plan	54
<b>11. IMPLEMENTATION.....</b>	<b>55</b>
Impact Fee Program Adoption Process	55
Inflation Adjustment	55
Reporting Requirements	55
Programming Revenues and Projects with the CIP	57
<b>12. MITIGATION FEE ACT FINDINGS.....</b>	<b>58</b>
Purpose of Fee	58
Use of Fee Revenues	58
Benefit Relationship	58
Burden Relationship	59
Proportionality	59

# Executive Summary

---

This report summarizes an analysis of development impact fees needed to support future development in the City of Richmond through 2040. It is the City's intent that the costs representing future development's share of public facilities and capital improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis are divided into the fee categories listed below:

- Sewer Facilities
- Parks
- Community Center and Aquatic Facilities
- Police Facilities
- Fire Protection Facilities
- Library Facilities
- Storm Drains

## Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is not a similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities, as new development creates increases in service demands.

The City collects public facilities fees under authority granted by the *Mitigation Fee Act (the Act)*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

The City programs development impact fee-funded capital projects through its Capital Improvement Plan (CIP). Using a CIP allows the City to identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

## Facility Standards and Costs

There are three approaches used to calculate facilities standards and allocate the costs of planned facilities to accommodate growth in compliance with the *Mitigation Fee Act* requirements in this study.

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach is often used when a long-range plan for new facilities is not available. Future facilities to serve growth will be identified through the City's annual CIP and budget process and/or completion of a new facility master plan. This approach is used to calculate the park and recreation facilities fees, fire protection facilities and community and aquatic center facilities fees in this report.

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to

a previously undeveloped area. This approach is used for the storm drain, and sewer facilities fees in this report.

The **system plan** approach is based on a master facility plan in situations where specific needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of facility needs. This approach is used when it is not possible to differentiate the benefits of new facilities between new and existing development. This approach is used to calculate the library and police facilities fees in this report.

## Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to land acquisition, construction of buildings, construction of infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment.

In that the City cannot predict with certainty how and when development within the City will occur during the 17-year planning horizon assumed in this study, the City may need to update and revise the project lists funded by the fees documented in this study. Any substitute projects should be funded within the same facility category, and the substitute projects must still benefit and have a relationship to new development. The City could identify any changes to the projects funded by the impact fees when it updates the CIP. The impact fees could also be updated if significant changes to the projects funded by the fees are anticipated.

## Development Impact Fee Schedule Summary

**Table E.1** summarizes the development impact fees that meet the City's identified needs and comply with the requirements of the *Mitigation Fee Act*.

**Table E.1: Maximum Justified Impact Fee Summary**

Land Use	Sewer Facilities <sup>1</sup>	Parks - Quimby (Subdivisions) <sup>2</sup>	Parks (Infill) <sup>2</sup>	Community / Aquatic Center	Police Facilities	Fire Protection Facilities	Library Facilities	Storm Drains	Total - Subdivisions	Total - Infill
<i>Residential - per Sq. Ft.</i>	\$ 7.98	\$ 11.32	\$ 11.03	\$ 1.23	\$ 0.99	\$ 0.46	\$ 0.54	\$ 0.03	\$ 22.55	\$ 22.26
<i>Nonresidential - per Sq. Ft.</i>										
Commercial	\$ 3.55	\$ -	\$ -	\$ -	\$ 0.35	\$ 0.32	\$ -	\$ 0.05	\$ 4.27	\$ 4.27
Office	4.43	-	-	-	0.54	0.49	-	0.07	5.53	5.53
Industrial	7.09	-	-	-	0.19	0.17	-	0.10	7.55	7.55
Warehousing	7.09	-	-	-	0.06	0.05	-	0.10	7.30	7.30

<sup>2</sup> Only charged within Richmond Municipal Sewer District Boundaries.

<sup>1</sup> A development project either pays the Quimby fee or the park infill fee, not both. Development not occurring in subdivisions is subject to the infill fee. Development in subdivisions is subject to the Quimby fee.

Sources: Tables 3.5, 4.7, 5.7, 6.6, 7.9, 8.8 and 9.5.



## Other Funding Needed

Impact fees may only fund the share of public facilities related to new development in Richmond. They may not be used to fund the share of facility needs generated by existing development or by development outside of the City. As shown in **Table E.2**, approximately \$420.9 million in additional funding will be needed to complete the facility projects the City currently plans to develop if fees are adopted at the maximum justified fee level. The “Additional Funding Required” column shows non-impact fee funding required to fund a share of the improvements partially funded by impact fees. Non-fee funding is needed because these facilities are needed partially to remedy existing deficiencies and partly to accommodate new development. To the extent that the City adopts fees that are lower than the maximum justified amount, the non-fee funding requirements may increase, depending on the fee category and methodology.

The City will need to develop alternative funding sources to fund existing development’s share of the planned facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, special assessments, and grants.

**Table E.2: Non-Impact Fee Funding Required**

Fee Category	Fee Calculation Methodology	Net Project Cost	Projected Impact Fee Revenue	Additional Funding Required
Sewer Facilities	Planned Facility Standard	\$ 584,149,500	\$ 228,986,604	\$ 355,162,896
Parks <sup>1</sup>	Existing Facility Standard	303,328,000	303,328,000	-
Community / Aquatic Center	Existing Facility Standard	33,783,200	33,783,200	-
Police Facilities	System Standard	80,000,000	32,771,000	47,229,000
Fire Protection Facilities	Existing Facility Standard	17,641,200	17,641,200	-
Library Facilities <sup>2</sup>	System Standard	29,933,657	14,747,472	15,186,185
Storm Drains	Planned Facility Standard	5,947,000	2,586,945	3,360,055
Total		\$ 1,054,782,557	\$ 633,844,421	\$ 420,938,136

Note: For facility categories calculated using the existing facility standard, the projected fee revenue is equal to the cost of planned facilities needed to serve new development.

<sup>1</sup> Fee revenue shown if all development is infill development. Refer to Table 4.5 for projections of Quimby in-lieu fee revenue.

<sup>2</sup> The City has secured \$13.9 million in grants to fund the planned facilities. The remainder will be funded through the City’s General Capital Fund. See Table 8.7 for more detail.

Sources: Tables 3.3, 4.5, 5.4, 6.5, 7.8, 8.5, 8.8, and 9.3.

# 1. Introduction

---

This report presents an analysis of the need for public facilities to accommodate new development in the City of Richmond. This chapter provides background for the study and explains the study approach under the following sections:

- Public Facilities Financing in California;
- Study Objectives;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

## Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of “growth pays its own way.” This policy shifts the burden of funding infrastructure expansion from existing ratepayers and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development impact fees need only a majority vote of the legislative body for adoption.

## Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. *Finding 2* of the General Plan Growth Management Element states: “To accommodate growth, Richmond will need to acquire additional sources of revenue to address future infrastructure and public facilities needs. Long-term growth management strategies include: Ensuring that new development pays its fair share of community improvements through impact fees, development agreements and other mechanisms...”

The primary purpose of this report is to update the City’s impact fees based on the most current available facility plans and growth projections. The maximum justified fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the General Plan finding stated above.

The City collects public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. This report provides the necessary findings required by the Act for adoption of the fees presented in the fee schedules presented in this report.

Richmond is forecast to see significant growth through this study's planning horizon of 2040. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, Richmond has decided to continue to use a development impact fee program to ensure that new development funds its share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

## Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *California Construction Cost Index*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 11.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 11.

## Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

## Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

## New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs in this study: the **existing inventory method**, the **planned facilities method**, and the **system plan method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

### *Existing Inventory Method*

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current replacement cost of Existing Facilities}^c}{\text{Existing Development Demand}} = \text{cost per unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. The existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Future facilities to serve growth are identified through an annual CIP and budget process, possibly after completion of a new facility master plan. This approach is used to calculate the park and recreation facilities fees, fire protection facilities and community center/aquatic facilities fees in this report.

### *Planned Facilities Method*

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{cost per unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the

former is a Sewer trunk line extension to a previously undeveloped area. An example of the latter is expansion of an existing library building and book collection, which will be needed only if new development occurs, but which, if built, will in part benefit existing development, as well. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. This approach is used for the storm drain, and sewer facilities fees in this report.

### ***System Plan Method***

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities} + \text{Cost of Planned Facilities}}{\text{Existing} + \text{New Development Demand}} = \text{cost per unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in Comprehensive Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is used to calculate the library and police facilities fees in this report.

## **Organization of the Report**

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 through 9 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- Sewer Facilities
- Parks
- Community Center and Aquatic Facilities
- Police Facilities
- Fire Protection Facilities
- Library Facilities
- Storm Drains

Chapter 10 describes how this nexus studies complies with the requirements of AB 602.

Chapter 11 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code* Sections 66016 through 66018.

The five statutory findings required for adoption of the maximum justified public facilities fees in accordance with the Mitigation Fee Act are documented in Chapter 12.

## 2. Growth Forecasts

---

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2023 base year and a planning horizon of 2040.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2023 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2040 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2023 through 2040 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

### Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types for which impact fees have been calculated for are defined below.

- **Residential Dwelling Units:** All residential dwelling units, including detached and attached one-unit dwellings and all multifamily dwellings including apartments, duplexes, and condominiums.
- **Commercial:** All commercial, retail, educational, and service development
- **Office:** All general, professional, and medical office development
- **Industrial:** All manufacturing, distribution, and other industrial development.
- **Warehousing:** All warehouse development, including distribution facilities.

Some developments may include more than one land use type, such as a mixed-use development with both multifamily and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The City has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use. If a project results in the intensification of use, at its discretion, the City can charge the project the difference in fees between the existing low intensity use and the future high intensity use.

### Impact Fees for Accessory Dwelling Units

The California State Legislature recently amended requirements on local agencies for the imposition of development impact fees on accessory dwelling units (ADU) with Assembly Bill AB 68 in 2021. The amendment to California Government Code §65852.2(f)(2) stipulates that local agencies may not impose any impact fees on ADU less than 750 square feet. ADU greater than 750 square feet can be charged impact fees in proportion to the size of the primary dwelling unit.

### ***Calculating Impact Fees for Accessory Dwelling Units***

For ADUs greater than 750 square feet, impact fees can be charged as a percentage of the single family impact fee. The formula is:

$$\frac{\text{ADU Square Feet}}{\text{Primary Residence Square Feet}} \times \text{Single Family Impact Fee} = \text{ADU Impact Fee}$$

In the case of an 800 square foot ADU and a 1,600 square foot primary residence, the impact fees would be 50 percent (800 square feet / 1,600 square feet = 50%) of the single family dwelling unit fee.

## **Existing and Future Development**

**Table 2.1** shows the estimated number of residents, dwelling units, employees, and building square feet in Richmond, both in 2023 and in 2040. The base year estimates of household residents and dwelling units come from the California Department of Finance. The 2040 projection of residents was identified in the Association of Bay Area Government's (ABAG) 2016-2040 RTP/SCS Final Growth Forecast. The projection of total dwelling units in 2040 is based on increasing the supply of dwelling units proportionally to the projected increase in population. This analysis assumes that the same ratio of single family to multifamily will be maintained as development occurs.

Base year employees were estimated based on the latest data from the US Census' OnTheMap application and exclude 2,138 local government (public administration) employees. Total projected workers in 2040 are identified by ABAG. The projected 2040 proportion of workers by land use is held consistent with current estimates. The estimates of nonresidential building square feet were estimated by dividing employee counts by the occupancy density factors presented in the following table.



**Table 2.1: Existing and New Development**

	2023	2040	Increase
Residents <sup>1</sup>	111,924	164,220	52,296
Dwelling Units <sup>2</sup>			
Single Family	25,125	36,865	11,740
Multifamily	15,746	23,103	7,357
Total	40,871	59,968	19,097
Employment <sup>3</sup>			
Commercial	9,899	22,181	12,282
Office	8,695	19,483	10,788
Industrial	8,993	20,151	11,158
Total	27,587	61,815	34,228
Building Square Feet (1,000s) <sup>4</sup>			
Commercial	4,669	10,463	5,793
Office	2,667	5,976	3,309
Industrial	7,753	17,372	9,619
Total	15,089	33,811	18,722

<sup>1</sup> Current population from California Department of Finance (DOF).  
Projection total for 2040 from ABAG.

<sup>2</sup> Current values from DOF. Total dwellings units projection is based on maintaining current ratio of dwelling units to population.

<sup>3</sup> Base year from OnTheMap Application. Projection from ABAG allocated to land uses based on current proportions

<sup>4</sup> Equivalent building square footage estimated by dividing employees by occupancy density factors.

Sources: Table 2.2; ABAG 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction; California Department of Finance (DOF), Table E-5, 2023; U.S. Census Bureau, OnTheMap Application, <http://onthemap.ces.census.gov>; Willdan Financial Services.

## Occupant Densities

All fees in this report are calculated based on the assumed square footage of the average dwelling unit or nonresidential building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per average dwelling unit or workers per building square foot) are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development. The occupancy factors are shown in **Table 2.2**. The residential density factor is based on data for Richmond from the 2021 U.S. Census' American Community Survey, the most recent data available. The nonresidential occupancy factors are derived from data from the Institute of Traffic Engineers Trip Generation Manual, 11th Edition.



**Table 2.2: Occupant Density Assumptions**

---

<u>Residential</u>	2.72	Residents per Dwelling Unit
<u>Nonresidential</u>		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet
Warehousing	0.34	Employees per 1,000 square feet

---

Sources: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

---

# 3. Sewer Facilities

---

This chapter details an analysis of the need for sewer facilities to accommodate growth within the City of Richmond. The projects and associated costs in this chapter were identified in the City's 2016 WWTP Facility Plan. It documents a reasonable relationship between new development and a sewer facilities impact fee to fund facilities to serve new development.

## Service Area

Unlike the other facility categories included in this nexus study, the City's sewer facilities do not serve the entire City. The Richmond Municipal Sewer District (RMSD) serves approximately 14 square miles within the City of Richmond. Two other sewer districts provide service to the other areas of the City. Consequently, this fee is calculated based on demand from existing and new development within the RMSD boundaries and cannot be charged in other areas of the City.

## Sewer Demand

Estimates of new development and its consequent increased sewer demand provide the basis for calculating the sewer facilities fee. The need for sewer facilities improvements is based on the sewer demand placed on the system by development. A typical measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand on the City's system of sewer improvements because they represent the average rate of demand that will be placed on the system per land use designation.

**Table 3.1** shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. The flow generation estimates based on data from the City's Sanitary Sewer Master Plan. EDU factors express water flow from each land use in terms of the flow generated by a single family dwelling unit.

**Table 3.1: Sewer Demand by Land Use**

Land Use Type	Flow Generation (GDP/NA) <sup>1</sup>	Density <sup>2</sup>	Average Flow Generation/ DU, KSF	Equivalent Dwelling Unit (EDU)
<i>Residential - per Dwelling Unit</i>				
Single Family	n/a	n/a	165.00	1.00
Multifamily	3,000	25.00	120.00	0.73
<i>Nonresidential - per 1,000 Square Feet</i>				
Commercial	1,000	21.78	45.91	0.28
Office	1,000	17.42	57.39	0.35
Industrial	1,000	10.89	91.83	0.56
Warehousing	1,000	10.89	91.83	0.56

<sup>1</sup> Gallons per day per net acre.

<sup>2</sup> Dwelling units for residential and thousand building square feet for nonresidential. Based on General Plan density assumptions and minimum FAR of 0.5 for commercial, 0.4 for office and 0.25 for light industrial.

Sources: City of Richmond Sanitary Sewer Master Plan Nov. 2011: Table 3-2; Willdan Financial Services.

## EDU Generation by New Development

**Table 3.2** shows the estimated EDU generation from new development through 2040. The EDU factors from Table 3.1 are multiplied by the land use assumptions specific to the RMSD boundaries to estimate total EDUs in the base year, at the planning horizon and for new development within the District. New development will generate approximately 18,423 new EDUs through 2040, comprising 39.2% of sewer demand in the City at that time.

**Table 3.2: Sewer Facilities Equivalent Dwelling Units**

EDU Factor <sup>1</sup>		Existing <sup>2</sup> (DU/KSF)	Projected Growth <sup>3</sup> (DU/KSF)	Existing EDUs	Growth in EDUs	Total
<u>Residential - Dwelling Units</u>						
Single Family	1.00	17,881	8,953	17,881	8,953	26,834
Multifamily	0.73	8,051	4,032	5,877	2,943	8,820
Subtotal		25,932	12,985	23,758	11,896	35,654
<u>Nonresidential - 1,000 Square Feet</u>						
Commercial	0.28	3,360	4,536	941	1,270	2,211
Office	0.35	1,758	2,373	615	831	1,446
Industrial	0.56	5,856	7,904	3,279	4,426	7,705
Subtotal		10,974	14,813	4,835	6,527	11,362
Total				28,594	18,423	47,017
Percent of Total				60.8%	39.2%	100.0%

<sup>1</sup> Per dwelling unit (residential) or thousand building square feet (nonresidential)

<sup>2</sup> Existing dwelling units in Richmond Municipal Sewer District (RMSD) estimated using GIS analysis with ESRI Business Analyst. Based on ACS data. Existing equivalent building square feet estimate using GIS analysis using existing sewer district boundaries and employment data from OnTheMap. Jobs converted to equivalent building square feet using employment density factors from Table 2.2.

<sup>3</sup> Projected development estimated in RMSD using citywide residential and nonresidential average compound growth rates from 2022 to 2040 applied to development within sewer district.

Sources: ESRI Business Analyst; OnTheMap; Tables 2.1 and 3.1, Willdan Financial Services.

## Facility Needs and Costs

**Table 3.3** identifies the planned sewer facilities to be funded by the fee. The new sewer facilities were all identified in the City's 2016 WWTP Facility Plan. Since sewer facilities projects will benefit both existing development and new development, capacity expanding projects are allocated to new development based on new development's share of sewer demand at the planning horizon. Projects that do not expand capacity are not allocated to the impact fee.

**Table 3.3: Sewer Facilities Allocation to New Development**

	Escalated Cost Estimate <sup>1</sup>	Allocation to New Development	Costs Allocated to New Development
<u>Waste Water Treatment Plant 2020-2040<sup>2</sup></u>			
<u>CRITICAL PROJECTS 2020</u>			
1.5 Dewatering Facility	\$ 12,135,200	39.2%	\$ 4,756,998
<u>NEAR-TERM PROJECTS 2021-2025</u>			
2.1 Level 1 Nutrient Removal Improvements	\$ 1,712,200	39.2%	\$ 671,182
2.10 Site Protection from Rock Slides	2,140,200	39.2%	838,958
2.11 Low-Lift Effluent Pump Station	7,847,500	39.2%	3,076,220
<u>LONG-TERM PROJECTS 2026-2045</u>			
3.1 Level 2 Nutrient Removal Improvements	\$ 195,760,500	39.2%	\$ 76,738,116
3.2 Level 3 Nutrient Removal Improvements	120,281,400	39.2%	47,150,309
3.3 Wet Weather Improvements	193,049,500	39.2%	75,675,404
3.4 Digested Sludge Storage (to support dewatering)	8,703,600	39.2%	3,411,811
3.5 Biosolids Post-Processing (Dryer Facility)	42,519,400	39.2%	16,667,605
Total Project Cost	\$ 584,149,500		\$ 228,986,604

<sup>1</sup> Project Cost Estimates adjusted to 2023 construction costs using ENR BCI.

<sup>2</sup> Richmond WWTP Facility Plan Final Draft 2016.10.7 Appendix A - CIP Summary

Source: City of Richmond: WWTP Facility Plan, 2016: Engineering News Record Building Cost Index; Wildan Financial Services

## Cost per EDU

The cost of planned facilities allocated to new development in Table 3.3 is divided by the total growth in EDUs to determine a cost per EDU. **Table 3.4** displays this calculation.

**Table 3.4: Cost per EDU**

Costs Allocated to New Development	\$ 228,986,604
Less Existing Fund Balance	<u>277,985</u>
Net Cost Allocated to New Development	\$ 228,708,619
Growth in EDUs	<u>18,423</u>
Cost per EDU	\$ 12,414

Sources: Tables 3.2 and 3.3.

## Fee Schedule

The maximum justified fee for sewer facilities is shown in **Table 3.5**. The cost per EDU is converted to a fee per unit of new development based on the EDU factors shown in Table 3.1. The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes an administrative charge to fund costs that include: (1) a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, (2) capital planning, programming, project management costs associated with the share of projects funded by the facilities fee, and (3) fee program administrative costs

including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

**Table 3.5: Maximum Justified Sewer Facilities Fee Schedule**

	A	B	C = A x B	D = C x 0.02	E = C + D	F = E / Average
	Cost Per	EDU	Base	Admin	Total Fee <sup>1</sup>	Fee per Sq.
	EDU	Factor	Fee <sup>1</sup>	Charge <sup>1, 2</sup>		Ft. <sup>3</sup>
<i>Residential Dwelling Unit<sup>4</sup></i>	\$ 12,414	0.92	\$ 11,421	\$ 228	\$ 11,649	\$ 7.98
<i>Nonresidential - per 1,000 Sq. Ft.</i>						
Commercial	\$ 12,414	0.28	\$ 3,476	\$ 70	\$ 3,546	\$ 3.55
Office	12,414	0.35	4,345	87	4,432	4.43
Industrial	12,414	0.56	6,952	139	7,091	7.09
Warehousing	12,414	0.56	6,952	139	7,091	7.09

<sup>1</sup> Fee per average sized dwelling unit or per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting,

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

<sup>4</sup> Average EDU factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 3.1 and 3.4; Willdan Financial Services.

## 4. Parks and Recreation Facilities

---

The purpose of the parks and recreation facilities impact fee is to fund the parks and recreation facilities needed to serve new development. The maximum justified impact fee is presented based on the existing standard of parks and recreation facilities per capita.

### Service Population

Park and recreation facilities in Richmond primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 4.1** shows the existing and future projected service population for park and recreation facilities.

**Table 4.1: Park and Recreation Facilities Service Population**

	Residents
Existing (2023)	111,924
Growth (2023 - 2040)	52,296
Total (2040)	164,220

Source: Table 2.1.

### Existing Parkland Inventory

The City of Richmond maintains several park and recreation facilities throughout the city. **Table 4.2** summarizes the City's existing parkland inventory in 2023. All facilities are located within the City limits. In total, the inventory includes a total of 322.33 acres of improved parkland.

**Table 4.2: Parkland Inventory**

<b>Park Name</b>	<b>Total Acres</b>
<u><i>Community Parks</i></u>	
B.T. Anderson Jr. Park	22.00
Central Richmond Greenway	11.00
Hilltop Lake Park	36.00
La Moine Park	22.00
Marina Bay Park	11.00
Martin Luther King Jr. Park	13.00
Nichol Park	21.00
Pt. Molate Beach Park	25.00
Subtotal	161.00
<u><i>Joint Use Parks</i></u>	
Central Park	2.60
Fairmede Park	12.00
Hilltop Park	6.70
Olinda School Field	2.00
Valley View School Fields	11.00
Subtotal	34.30
<u><i>Pocket Parks</i></u>	
Abraham Braxton Park	0.60
Bay Vista Park	0.70
Clinton Play lot	0.20
Elm Playlot	0.50
Humboldt Park	0.40
Humphrey Play Lot	0.20
Huntington Park/Senior Annex	0.30
Janice Play Lot	0.10
Kern Play Lot	0.30
Mendocino Play Lot	0.40
Monterey Play Lot	0.50
Moody Underpass Park	0.73
Sheridan Observation Poin	1.00
Solano Play Lot	0.20
Stewart Playground	0.80
Virginia Play Lot	0.20
Subtotal	7.13

Source: City of Richmond: Richmond Parks Master Plan Dec 22,  
2010, Parks and Recreation Richmond Master Plan 2030



**Table 4.2: Park Land Inventory Continued**

<b>Park Name</b>	<b>Total Acres</b>
<i><u>Neighborhood Parks</u></i>	
Atchison Village Park	4.30
Barbara & Jay Vincent Park	6.00
Belding-Garcia Park	2.00
Boorman Park	4.00
Burg Park	1.00
Country Club Vista	2.60
Crescent Park	3.10
Harbor 8 Park	1.00
Hilltop Green Park	6.30
John F. Kennedy Park	4.80
Judge Carroll Park	2.50
Lucas Park	7.20
Lucretia Edwards Park	2.00
Marina Bay Trails	18.00
Mira Vista Park	1.70
Miraflores	4.30
Nevin Park	4.40
North Richmond Ball Field	8.20
Parchester Park	2.10
Rain Cloud Park	1.40
Rosie The Riveter Park	2.00
Shields-Reid Park	5.90
Shimada Friendship Park	3.00
Southside Park	3.50
State Court Park	2.10
The Plunge	-
Tiller Park	2.70
Unity Park	10.00
Veterans Memorial Park	1.60
Wendell Park	2.20
Subtotal	119.90
Total	322.33

Source: City of Richmond: Richmond Parks Master Plan Dec 22,  
2010, Parks and Recreation Richmond Master Plan 2030

## Parkland and Park Facilities Unit Costs

**Table 4.3** displays the unit costs necessary to develop parkland in Richmond. The land cost assumption was based on an analysis of land sales comparisons from 2020, 2021 and 2022 within the City of Richmond using data from CoStar. An estimate of \$748,000 per acre for standard parkland improvements is based on Willdan's experience with other recent clients in California. In total, it costs over \$2 million to acquire and improve an acre of parkland in Richmond.

**Table 4.3: Park Facilities Unit Costs**

	<b>Cost Per Acre</b>	<b>Share of Total Costs</b>
Standard Park Improvements <sup>1</sup>	\$ 748,000	
Subtotal - Improvements	\$ 748,000	37%
Land Acquisition <sup>2</sup>	\$ 1,266,000	63%
Total Cost per Acre	\$ 2,014,000	100%

<sup>1</sup> Improvement costs are estimated at \$748,000 per acre for site improvements (curbs, gutters, water, sewer, and electrical access), plus basic park and school field amenities such as basketball or tennis court, parking, tot lot, irrigation, turf, open green space, pedestrian paths, and picnic tables. Excludes special use facilities such as recreation centers, structures and pools.

<sup>2</sup> Based on recent sales comparison data from CoStar.

Sources: Table 4.3; San Diego County Parks and Recreation: Prototypical Park Cost Estimate; CoStar; Willdan Financial Services.

## Park Facility Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded park facilities. Information regarding the City's existing inventory of existing parks facilities was obtained from City staff.

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on a jurisdiction's existing inventory of park facilities, or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the *Quimby Act*.<sup>1</sup>

### Quimby Act Standard

The *Quimby Act* specifies that the dedication requirement must be a minimum of 3.0 acres and a maximum of 5.0 acres per 1,000 residents. A jurisdiction can require residential developers to dedicate above the three-acre minimum if the jurisdiction's existing park standard at the time it adopted its *Quimby Act* ordinance justifies the higher level (up to five acres per 1,000 residents). The standard used must also conform to the jurisdiction's adopted general or specific plan standards.

The *Quimby Act* only applies to land subdivisions. The *Quimby Act* would not apply to residential development on future approved projects on single parcels, such as apartment complexes and other multifamily development.

The *Quimby Act* allows payment of a fee in lieu of land dedication. The fee is calculated to fund acquisition of the same amount of land that would have been dedicated.

The *Quimby Act* allows use of in-lieu fee revenue for any park or recreation facility purpose. Allowable uses of this revenue include land acquisition, park improvements including recreation

<sup>1</sup> California Government Code §66477.

facilities, and rehabilitation of existing park and recreation facilities. The *Quimby Act* generally requires that fees be used for neighborhood and community park acreage to serve the subdivision, except in limited circumstances.

## City of Richmond Park Facilities Standards

**Table 4.4** shows the existing standard for improved park acreage per 1,000 residents based on the type of parkland. In total the City has an existing parkland standard of 2.88 acres per 1,000 residents, which is less than the minimum *Quimby* standard of 3.0 acres per 1,000 residents. The impact fee analysis in this report will be based on maintaining the City's 2.88 acre per 1,000 resident standard as new development adds demand for parks in Richmond. Fees in-lieu of land dedication for subdivisions are calculated at the minimum *Quimby* standard of 3.0 acres of developed parkland per 1,000 residents.

**Table 4.4: Parkland Standards**

Park Acres	322.33
Service Population (2023)	<u>111,924</u>
Existing Standard (Acres per 1,000 Residents)	2.88
Quimby Standard (Acres per 1,000 Residents)	3.00
City Policy Standard (Acres per 1,000 Residents)	3.00

Sources: City of Richmond; Tables 4.1 and 4.2, Willdan Financial Services.

## Facilities Needed to Accommodate New Development

**Table 4.5** shows the park facilities needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon, depending on the amount of development subject to the *Quimby Act*, new development must fund the purchase and improvement of between 150.61 and 156.89 parkland acres, at a total cost ranging between \$303.3 and \$311.3 million.

The facility standards and resulting fees under the *Quimby Act* are higher because development will be charged to provide 3.0 acres of parkland per 1,000 residents, and 2.88 acres of improvements, whereas development not subject to the *Quimby Act* will be charged to provide only 2.88 acres of parkland per 1,000 residents, and 2.88 acres of improvements. Since the exact amount of development that will be subject to the *Quimby* fees is unknown at this time, Table 4.5 presents the range of total facility costs that may be incurred depending on the amount of development subject to the *Quimby Act*.

**Table 4.5: Park Facilities to Accommodate New Development**

	Calculation	Parkland	Improvements	Total <sup>1</sup>
<u>Parkland (Mitigation Fee Act) &amp; Improvements (Mitigation Fee Act)<sup>2</sup></u>				
Facility Standard (acres/1,000 capita)	A	2.88	2.88	
Service Population Growth (2023-2040)	B	52,296	52,296	
Facility Needs (acres)	$C = A \times B$	150.61	150.61	
Average Unit Cost (per acre)	D	\$ 1,266,000	\$ 748,000	
<b>Total Cost of Facilities</b>	$E = C \times D$	<b>\$190,672,000</b>	<b>\$ 112,656,000</b>	<b>\$303,328,000</b>
<u>Parkland (Quimby Act), Improvements (Mitigation Fee Act)<sup>3</sup></u>				
Facility Standard (acres/1,000 capita)	A	3.00	2.88	
Service Population Growth (2023-2040)	B	52,296	52,296	
Facility Needs (acres)	$C = A \times B$	156.89	150.61	
Average Unit Cost (per acre)	D	\$ 1,266,000	\$ 748,000	
<b>Total Cost of Facilities</b>	$E = C \times D$	<b>\$198,623,000</b>	<b>\$ 112,656,000</b>	<b>\$311,279,000</b>

Note: Totals have been rounded to the thousands.

<sup>1</sup> Values in this column show the cost of parkland acquisition and development in order to meet the existing 3.0 acre standard under either the Quimby Act or the Mitigation Fee Act.

<sup>2</sup> Cost of parkland to serve new development shown if all development is subject to the Mitigation Fee Act. Parkland and improvements are charged at the existing standard.

<sup>3</sup> Cost of parkland to serve new development shown if all development is subject to the Quimby Act. The Quimby Fee applies anytime the Subdivision Map Act is applied. Under the Quimby Act, an in-lieu fee is charged at 3.0 acres per 1,000 residents; improvements charged at the existing standard. If a subdivision has less than 50 units, then the Quimby "in-lieu" fee will apply. If a subdivision has more than 50 units, then the developer has the option of dedicating land to meet its Quimby parkland requirements or paying the fee.

Sources: Tables 4.1, 4.3 and 4.4.

## Park Facilities Cost per Capita

**Table 4.6** shows the cost per capita of providing new park facilities at the Quimby standard, and the existing facility standard. The cost per capita is shown separately for land and improvements. The costs per capita in this table will serve as the basis of three fees:

- A Quimby Act Fee in-lieu of parkland dedication. This fee is payable by residential development occurring in subdivisions.
- A Mitigation Fee Act Fee for parkland acquisition. This fee is payable by residential development not occurring in subdivisions.
- A Mitigation Fee Act Fee for parkland improvements. This fee is payable by all residential development.

A development project pays either the Quimby Act Fee in-lieu of land dedication, or the Mitigation Fee Act Fee for land acquisition, not both. All development projects pay the Mitigation Fee Act Fees for park improvements.

**Table 4.6: Park Facilities Investment per Capita**

	Calculation	<u>Land</u>		<u>Improvements</u>
		Quimby Fee	Impact Fee	Impact Fee
Cost per Acre	A	\$ 1,266,000	\$ 1,266,000	\$ 748,000
Facility Standard	B	3.00	2.88	2.88
Investment Per Capita	$C = A / B$	\$ 3,798	\$ 3,646	\$ 2,154

Sources: Tables 4.3 and 4.4.

## Use of Fee Revenue

The City plans to use park and recreation facilities fee revenue to purchase parkland and open space and construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development. The City should program fee revenue to capacity expanding projects annually through its CIP and budget process.

## Fee Schedule

To calculate fees by land use type, the investment in park facilities is determined on a per resident basis for parkland acquisition, and parkland improvements. These investment factors (shown in Table 4.6) are based on the unit cost estimates and the City's existing facility standards.

**Table 4.7** shows the maximum justified park and recreation facilities fee based on the existing standard per capita under the Quimby Act and under the existing park standard under the Mitigation Fee Act, respectively. The investment per capita is converted to a fee per dwelling unit using the occupancy density factor from Table 2.2. The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue, and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

**Table 4.7: Maximum Justified Park Facilities Fee Schedule**

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee	D = C x 0.02 Admin Charge <sup>1</sup>	E = C + D Total Fee	F = E / Average Fee per Sq. Ft. <sup>3</sup>
<u>Residential Dwelling Unit - Subdivisions</u>						
Quimby Fee In Lieu of						
Land Dedication	\$ 3,798	2.72	\$ 10,331	\$ 207	\$ 10,538	\$ 7.22
Improvements	2,154	2.72	5,859	117	5,976	4.10
Total	\$ 5,952		\$ 16,190	\$ 324	\$ 16,514	\$ 11.32
<u>Residential Dwelling Unit - Infill</u>						
Parkland Acquisition	\$ 3,646	2.72	\$ 9,917	\$ 198	\$ 10,115	\$ 6.93
Improvements	2,154	2.72	5,859	117	5,976	4.10
Total	\$ 5,800		\$ 15,776	\$ 315	\$ 16,091	\$ 11.03

<sup>1</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 4.6.

# 5. Community Center and Aquatic Facilities

The following chapter documents the nexus analysis, demonstrating the need for new recreation and community center facilities demanded by new development.

## Service Population

Community center and aquatic facilities in Richmond primarily serve residents so this analysis assumes that demand for services and associated facilities is based on the City's residential population. **Table 5.1** shows the existing and future projected residential population for community center and aquatic facilities. These facilities primarily serve residents so the service population is based on the existing and projected residents of the City.

**Table 5.1: Community Center and Aquatic Facilities Service Population**

	Residents
Existing (2023)	111,924
Growth (2023 - 2040)	52,296
Total (2040)	164,220

Source: Table 2.1.

## Existing Recreation and Community Center Facilities Inventory

The City of Richmond maintains several community center and aquatic facilities. **Table 5.2** summarizes the City's existing community center and aquatic facilities building inventory. All facilities are located within the City limits. The City provided an asset schedule for use in this analysis. The original acquisition cost of each facility was adjusted for inflation to its current replacement cost using the Engineering News Record's Building Cost Index.

**Table 5.2: Existing Community Center and Aquatic Facilities Building Inventory**

Facility	Address	Date Acquired	Building Cost	A	B Cost Index	C = A x B Replacement Cost <sup>1</sup>
<u>Community Centers</u>						
Richmond Annex Senior Center	5801 Huntington Avenue	01/01/37	\$ 13,300	39.52	\$	525,600
Richmond Annex Senior Center Renovation	5801 Huntington Avenue	06/11/09	25,850	1.59		41,200
Booker T. Anderson Jr. Community Center	960 South 47th Street	06/30/04	294,361	1.85		545,000
Booker T. Anderson Jr. Community Center Restroom Building	960 South 47th Street	06/30/04	65,648	1.85		121,500
Booker T. Anderson Jr. Community Center Renovation	960 South 47th Street	01/01/80	2,525	3.71		9,400
Developing Personal Resources Center	1900 Barrett Avenue	01/01/79	288,647	4.01		1,157,800
Crescent Park Child Care	5050 Hartnett Ave,	01/01/70	161,464	8.21		1,326,100
May Valley Community Center	3530 Morningside Drive	01/01/80	153,740	3.71		570,800
Richmond Recreation Complex / Memorial Youth Center	3230 MacDonald Avenue	01/01/49	1,100,000	20.76		22,837,900
Richmond Recreation Complex / Memorial Youth Center Labor & Mats	3230 MacDonald Avenue	05/10/00	4,498	2.18		9,800
Richmond Recreation Complex / Memorial Youth Center Upgrade	3230 MacDonald Avenue	06/30/99	11,010	2.20		24,200
Richmond Recreation Complex / Memorial Youth Center Renovation	3230 MacDonald Avenue	06/11/09	296,820	1.59		473,300
Nevin Community Center	598 Nevin Ave	01/01/77	449,929	4.71		2,117,900
Nevin Community Center Renovation	598 Nevin Ave	06/11/09	160,859	1.59		256,500
Parchester Community Center	900 Williams drive	01/01/73	144,459	6.46		933,400
Parchester Community Center Renovation	900 Williams drive	06/11/09	226,107	1.59		360,500
Shield-Reid Community Center	1410 Kelsey Street	01/01/79	498,907	4.01		2,001,200
Shield-Reid Community Center Renovation	1410 Kelsey Street	06/11/09	214,657	1.59		342,300
Richmond Senior Center	2525 Macdonald Avenue	01/01/77	1,341,128	4.71		6,312,900
Total Replacement Value - Community Centers						\$ 39,967,300
<u>Aquatic Centers</u>						
Richmond Plunge Aquatic Center Restoration	1 E Richmond Ave	08/31/10	5,928,790	1.54	\$	9,126,000
Richmond Plunge Aquatic Center	1 E Richmond Ave	01/01/26	184,600	41.86		7,727,000
Kennedy Swim Center	4300 Cutting Blvd	04/23/99	4,300,000	2.20		9,459,800
Kennedy Swim Center Construction Cost	4300 Cutting Blvd	06/30/99	185,720	2.20		408,600
Kennedy Swim Center Construction Cost	4300 Cutting Blvd	06/30/99	851,479	2.20		1,873,200
Total Replacement Value - Aquatic Centers						\$ 28,594,600
Total Replacement Value - Community and Aquatic Centers						\$ 68,561,900

<sup>1</sup> Original facility cost, building construction cost escalated to 2022 cost.

Source: City of Richmond; Engineering News Record Building Cost Index; Willdan Financial Services.

**Table 5.3** displays the City's inventory of community center and aquatic facilities land assets. The City provided an asset schedule for use in this analysis. The original acquisition cost of each site was adjusted for inflation to its current replacement cost using the Consumer Price Index for All Urban Consumers (CPI-U).



**Table 5.3: Existing Community Center and Aquatic Facilities Land Inventory**

Facility	Address	Date	A	B	C = A x B
		Acquired	Land Cost	Cost Index	Land Value <sup>1</sup>
<u>Community Centers</u>					
Richmond Annex Senior Center	5801 Huntington Avenue	01/01/51	\$ 1,660	10.85	\$ 18,000
Booker T. Anderson Jr. Community Center	960 South 47th Street	04/05/62	27,080	9.40	254,400
Booker T. Anderson Jr. Community Center	960 South 47th Street	01/01/54	11,050	10.73	118,500
Disabled Peoples Recreation Center	1900 Barrett Avenue	06/11/57	9,500	9.95	94,500
Crescent Park Child Care	5050 Hartnett Ave,	04/07/71	194,240	6.88	1,336,000
May Valley Community Center	3530 Morningside Drive	05/02/60	14,740	9.62	141,700
Richmond Recreation Complex / Memorial Youth Center	3230 MacDonald Avenue	12/11/75	134,120	4.74	636,300
Shield-Reid Community Center	1410 Kelsey Street	01/01/53	7,290	10.69	77,900
Richmond Senior Center	2525 Macdonald Avenue	01/01/75	112,500	5.05	568,400
Point Richmond Community Center	139 Washington Avenue	06/15/60	25,790	9.62	248,000
Total Land Value - Community Centers					\$ 3,493,700
<u>Aquatic Centers</u>					
Richmond Plunge Aquatic Center Restoration	1 E Richmond Ave	01/01/54	18,050	10.73	\$ 193,600
Kennedy Swim Center	4300 Cutting Blvd				-
Total Land Value - Aquatic Centers					\$ 193,600
Total Land Value - Community and Aquatic Centers					\$ 3,687,300

<sup>1</sup> Original land cost, inflation adjusted to 2022.

Source: City of Richmond; US Dept of Labor: CPI Tables

## Planned Recreation and Community Center Facilities

The City has one planned community center. **Table 5.4** summarizes the cost of the planned facility.

**Table 5.4: Planned Community Center and Aquatic Facilities**

	Cost Estimate
Martin Luther King Jr. Community Center	\$ 14,000,000
Total Planned Facilities Cost	\$ 14,000,000

Source: City of Richmond.

## Cost Allocation

### Existing Level of Service

Per the new nexus study requirements that went into effect of January 1, 2022, a nexus study “shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.” **Table 5.5** expresses the City’s current community center and aquatic facilities level of service in terms of an existing cost per capita. This cost per capita is not used in the fee calculation, rather it is shown here for informational purposes only.

Once the planned facilities have been constructed and new development has increased the City’s service population the resulting facility cost per capita will be lower than the cost per capita shown in Table 5.5. This lower cost per capita will drive the fee calculation.

**Table 5.5: Existing Level of Service**

Value of Existing Facilities	\$	68,561,900
Value of Existing Land		3,687,300
Existing Impact Fee Fund Balance		67,556
Total	\$	72,316,756
Existing Service Population		111,924
Facility Standard per Resident	\$	646

Sources: Tables 5.1, 5.2 and 5.3.

## Future Level of Service

The approach used to calculate this fee ensures that the existing level of service will be maintained throughout the planning horizon. If implemented at the maximum justified amount, the impact fees would maintain the \$646 per capita facility standard through the planning horizon.

## Use of Fee Revenue

The City plans to use community center and aquatic facilities fee revenue to construct improvements to construct a new community center that will serve new development. The planned facility is detailed above in Table 5.4. The City will have to identify additional facilities needed to maintain the existing level of service through the planning horizon. The City can use community center and aquatic facilities fee revenues for the construction or purchase of buildings, land, vehicles and equipment that are part of the system of community center and aquatic facilities serving new development.

## Fee Revenue Projection

**Table 5.6** shows a projection of fee revenue needed to maintain the existing level of service. Additional facilities will have to be identified to maintain the level of service through the planning horizon.

**Table 5.6: Community Center and Aquatic Facilities Projected Fee Revenue**

Cost per Capita	\$ 646
Growth in Service Population (2023- 2040)	52,296
Fee Revenue	\$ 33,783,200
Net Cost of Planned Facilities	14,000,000
Future Facilities to be Identified	\$ 19,783,200

Sources: Tables 5.1, 5.4, and 5.5.

## Fee Schedule

**Table 5.7** shows the maximum justified community center and aquatic facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit densities (persons per dwelling). The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two-percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

**Table 5.7: Community Center and Aquatic Facilities Fee**

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D		F = E / Average
	Cost Per	Density	Base Fee <sup>1</sup>	Admin	Charge <sup>1, 2</sup>	Total Fee	Fee per	Sq. Ft. <sup>3</sup>
<i>Residential Dwelling Unit</i>	\$ 646	2.72	\$ 1,757	\$	35	\$ 1,792	\$	1.23

<sup>1</sup> Fee per average sized dwelling unit.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification.

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 5.4.

## 6. Police Facilities

The purpose of this fee is to ensure that new development funds its fair share of police facilities. A fee schedule is presented based on the existing inventory facilities standard of police facilities in the City of Richmond to ensure that new development provides adequate funding to meet its needs.

### Service Population

Police facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers.

**Table 6.1** shows the existing and future projected service population for police facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for police facilities.

**Table 6.1: Police Facilities Service Population**

	A	B	C	$D = A + (B \times C)$
	Residents	Workers	Worker Demand Factor <sup>1</sup>	Service Population
Existing (2023)	111,924	27,587	0.31	120,500
New Development (2023-2040)	52,296	34,228	0.31	62,900
Total Development (2040)	164,220	61,815		183,400

<sup>1</sup> Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week ( $40/128 = 0.31$ )

Sources: Table 2.1; Willdan Financial Services.

### Existing Facility Inventory

**Table 6.2** displays the City's existing inventory of police facilities, which is comprised primarily of vehicles and equipment. The City operates primarily out of a leased facility, which is not included in this inventory. All facilities are located within the City limits. The City provided an asset schedule for use in this analysis. The original acquisition cost of each item included in the inventory was adjusted for inflation to its current replacement cost using the Engineering News Record's Building Cost Index.

**Table 6.2: Existing Police Facilities Inventory**

Facility	Date Acquired	A	B	C = A x B
		Original Cost	Cost Index	Replacement Cost <sup>1</sup>
Hilltop Mall Police Sub-Station	03/31/10	\$ 434,014	1.54	\$ 668,100
Vehicles and Equipment	Various	Various	Various	14,837,979
Total		\$ 434,014		\$ 15,506,079

<sup>1</sup> Original facility cost escalated to 2022 cost.

Source: City of Richmond; Engineering News Record Building Cost Index; Willdan Financial Services.

## Planned Facilities

The City is planning to construct a new police facility. The City's current capital improvement plan identifies the projected cost of this facility. **Table 6.3** displays the cost of the planned facility.

**Table 6.3: Planned Facilities**

	Cost Estimate
New Police Facility	\$ 80,000,000
Total	\$ 80,000,000

Source: City of Richmond Capital Improvement Plan FY2023-24 through FY2027-28.

## Cost Allocation

### Existing Level of Service

Per the new nexus study requirements that went into effect of January 1, 2022, a nexus study "shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate." **Table 6.4** expresses the City's current police facilities level of service in terms of an existing cost per capita. This cost per capita is not used in the fee calculation, rather it is shown here for informational purposes only.

**Table 6.4: Police Facilities Existing Standard**

Value of Existing Facilities	\$ 15,506,079
Existing Service Population	<u>120,500</u>
Cost per Capita	\$ 129
Facility Standard per Resident	\$ 129
Facility Standard per Worker <sup>1</sup>	40

<sup>1</sup> Based on weighting factor in Table 6.1.

Sources: Tables 6.1 and 6.2.

## Future Level of Service

**Table 6.5** shows the calculation of the system facilities standard per capita for police facilities used to calculate the fees. This value is calculated by dividing the total value of all police facilities in 2040 by the total service population in 2040. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker. The resulting standard is the cost standard that will be achieved when all the facilities are realized, and new development has come online.

**Table 6.5: Police Facilities - System Standard**

Value of Existing Facilities	\$ 15,506,079
Value of Planned Facilities	<u>80,000,000</u>
Total System Value (2040)	\$ 95,506,079
Future Service Population (2040)	<u>183,400</u>
Cost per Capita	\$ 521
Cost Allocation per Resident	\$ 521
Cost Allocation per Worker <sup>1</sup>	162

<sup>1</sup> Based on a weighting factor of 0.31.

Sources: Tables 6.1, 6.2 and 6.3.

## Fee Revenue Projection

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in the City. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 6.6** shows the projected fee revenue and the non-fee funding required through 2040. After accounting for the projected future impact fee

revenue approximately \$47.2 million in non-fee funding will be needed to complete the planned facilities.

The City will need to use alternative funding sources to fund existing development's share of the planned civic facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, donations, and grants.

**Table 6.6: Revenue Projection - System Standard**

Cost per Capita	\$	521
Growth in Service Population (2023- 2040)		62,900
Fee Revenue	\$	32,771,000
Net Cost of Planned Facilities		80,000,000
Non-Fee Revenue to Be Identified	\$	(47,229,000)

Sources: Tables 6.1, 6.3 and 6.5.

## Fee Schedule

**Table 6.7** shows the maximum justified police facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

**Table 6.7: Maximum Justified Police Facilities Fee Schedule**

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D	F = E / Average
	Cost Per Capita	Density	Base Fee <sup>1</sup>	Admin Charge <sup>1, 2</sup>		Total Fee	Fee per Sq. Ft. <sup>3</sup>
<i>Residential Dwelling Unit</i>	\$ 521	2.72	\$ 1,417	\$ 28		\$ 1,445	\$ 0.99
<i>Nonresidential - per 1,000 Square Feet</i>							
Commercial	\$ 162	2.12	\$ 342	\$ 7		\$ 349	\$ 0.35
Office	162	3.26	527	11		538	0.54
Industrial	162	1.16	187	4		191	0.19
Warehousing	162	0.34	55	1		56	0.06

<sup>1</sup> Fee per average sized dwelling unit, per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 6.5.



## 7. Fire Protection Facilities

The purpose of this fee is to ensure that new development funds its fair share of fire protection facilities. A fee schedule is presented based on the existing standard of fire protection facilities in the City of Richmond to ensure that new development provides adequate funding to meet its needs.

### Service Population

Public safety facilities serve both residents, visitors, and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents, visitors, and workers.

**Table 7.1** shows the existing and future projected service population for fire protection facilities. Residents and workers are assumed to create different amounts of demand for fire protection facilities. To calculate service population for fire protection facilities, residents are weighted at 1.00. A worker is weighted at 0.61 of one resident to reflect the lower per capita need for fire services associated with businesses. The specific 0.61 per worker weighting used here is derived from an analysis of fire services demand by residential versus nonresidential land uses in other agencies in California.

**Table 7.1: Fire Protection Facilities Service Population**

	A	B	C	D = A + (B x C)
			Worker Demand Factor <sup>1</sup>	Service Population
	Residents	Workers		
Existing Development (2023)	111,924	27,587	0.61	128,800
New Development (2023-2040)	<u>52,296</u>	<u>34,228</u>	0.61	<u>73,200</u>
Total (2040)	164,220	61,815		202,000

<sup>1</sup> Service population worker demand factor based on fire service call data from other Willdan clients weighted by the relative proportions of residential and nonresidential land use in the City.

Sources: Table 2.1; Willdan Financial Services.

### Existing Facilities Inventory

The City's fire protection facilities inventory is comprised of the several fire stations, vehicles, apparatus, and equipment. All facilities are located within the City limits. The City provided an asset schedule for use in this analysis. The original acquisition cost of each item included in the inventory was adjusted for inflation to its current replacement cost using the Engineering News Record's Building Cost Index.

**Table 7.2: Existing Fire Protection Facilities Inventory**

		A	B		C = A x B
Facility	Date Acquired	Building Cost	Cost Index		Replacement Cost <sup>1</sup>
<u>Fire Station 61- 140 W Richmond Ave</u>					
Fire Station 61	01/01/68	\$ 108,795	9.86	\$	1,072,200
Retrofitting	06/02/99	16,667	2.20		36,700
Seismic Upgrade	09/23/99	248,334	2.20		546,300
Garage	01/01/70	14,581	8.21		119,800
<u>Fire Station 62- 1065 7th St</u>					
Fire Station 62	01/01/70	156,396	8.21	\$	1,284,400
Re-Roofing Fire Station 62	06/30/10	179,100	1.54		275,700
Electronic Gate - Fire Station #62	01/21/09	21,000	1.59		33,500
<u>Fire Station 63- 5201 Valley View Rd</u>					
Fire Station 63	01/01/92	906,605	2.60	\$	2,356,000
Trash Enclosure	01/01/92	1,655	2.60		4,300
<u>Fire Station 64- 4801 Bayview Avenue</u>					
Fire Station 64	08/16/74	309,742	5.96	\$	1,846,500
Garage	01/01/74	36,410	5.96		217,100
Re-Roofing Fire Station 64	06/30/11	183,078	1.50		275,500
Electronic Gate - Fire Station #64	01/21/09	24,200	1.59		38,600
<u>Fire Station 66- 4100 Clinton Avenue</u>					
Fire Station 66	01/01/68	52,068	9.86	\$	513,100
Garage	01/01/68	4,139	9.86		40,800
<u>Fire Station 67- 1131 Cutting Blvd</u>					
Fire Station 67	01/01/53	118,607	17.46	\$	2,070,500
Garage	01/01/53	10,842	17.46		189,300
Electronic Gate - Fire Station #67	01/21/09	35,100	1.59		56,000
<u>Fire Station 68- 2904 Hilltop Drive</u>					
Fire Station 68	01/01/81	348,552	3.49	\$	1,214,700
Garage	01/01/81	37,088	3.49		129,300
Fire Station 68-Laundry & Restroom	07/01/15	16,740	1.38		23,100
Electronic Gate - Station #68	01/21/09	30,000	1.59		47,800
<u>Fire Training Facility- 3506 Cutting Blvd</u>					
Training Tower	01/01/53	31,742	17.46	\$	554,100
School Building	01/01/53	42,537	17.46		742,600
Smoke House	01/01/53	3,017	17.46		52,700
Youth Academy Building	01/01/53	91,847	17.46		1,603,300
Electronic Gate - Fire Training Center	01/21/09	37,400	1.59		59,600
Office/Storage Trailer	11/14/13	24,500	1.41		34,600
Total Replacement Value				\$	15,438,100

<sup>1</sup> Original facility cost escalated to 2022 cost.

Source: City of Richmond; Engineering News Record Building Cost Index, 1920 - 2022

**Table 7.3** displays the City's inventory of fire protection facilities land assets. The City provided an asset schedule for use in this analysis. The original acquisition cost of each site was adjusted for inflation to its current replacement cost using the Consumer Price Index for All Urban Consumers (CPI-U).

**Table 7.3: Existing Fire Facilities Land Inventory**

Facility	Address	Date Acquired	$C = A \times B$		Replacement Cost <sup>1</sup>
			A Land Cost	B Cost Index	
Fire Station 62	1065 7th St	10/26/72	19,640	6.46	\$ 126,900
Fire Station 63	5201 Valley View Rd	01/22/90	125,820	2.83	356,100
Fire Station 64	4801 Bayview Avenue	03/08/72	35,040	6.84	239,700
Fire Station 66	4100 Clinton Avenue	01/01/48	1,610	22.12	35,600
Fire Station 67	1131 Cutting Blvd	05/25/60	127,500	13.71	1,747,700
Total Land Value					\$ 2,506,000

<sup>1</sup> Original land cost inflation adjusted to 2022.

Source: City of Richmond; Engineering News Record Building Cost Index; Willdan Financial Services.

**Table 7.4** displays the City's current inventory of fire protection vehicles, apparatus, and equipment. The City provided an asset schedule for use in this analysis. The original acquisition cost of each item was adjusted for inflation to its current replacement cost using the Consumer Price Index for All Urban Consumers (CPI-U).

**Table 7.4: Existing Fire Vehicles, Apparatus and Equipment**

Equipment	Date Acquired	A	B	C = A x B
		Acquisition Cost	Cost Index	Replacement Cost <sup>1</sup>
Stationary Compressor	4/5/2021	\$ 68,629	1.00	\$ 68,600
Spartan Tiller Truck	11/22/2021	1,230,660	1.00	1,230,700
2020 Ford Hybrid Explorer	12/3/2020	38,484	1.00	38,500
2021 Ford Hybrid Explorer	12/3/2020	38,484	1.00	38,500
Spartan Pumper Gladiator Truck	8/31/2020	725,993	1.04	757,100
Spartan Pumper Gladiator Truck	7/31/2020	725,993	1.04	757,100
Ford Hybrid Explorer	12/3/2020	38,484	1.00	38,500
Ward Diesel Exhaust Removal System	1/30/2018	57,416	1.12	64,600
Diesel Exhaust Removal Systems	10/5/2016	57,416	1.14	65,700
2015 Ford Explorer	6/1/2015	30,512	1.20	36,600
2015 Ford Explorer	6/1/2015	30,512	1.20	36,600
2015 Ford Explorer	6/1/2015	30,512	1.20	36,600
2015 Chevrolet Tahoe	11/19/2014	37,917	1.20	45,400
2015 Chevrolet Tahoe	11/19/2014	37,917	1.20	45,400
2015 Chevrolet Tahoe	11/19/2014	37,917	1.20	45,400
Spartan Heavy Rescue Apparatus	12/16/2014	397,827	1.20	476,600
Zeiss Stabilization Binocular	8/28/2013	6,277	1.21	7,600
Office/Storage Trailer	11/14/2013	24,500	1.21	29,700
2012 Ford Fusion Hybrid	2/2/2012	30,236	1.23	37,300
2012 Ford Fusion Hybrid	2/2/2012	30,236	1.23	37,300
2011 Hi-Tech/Spartan Type-1 Pumper	7/23/2012	522,721	1.23	645,100
Milnor 30015 T5X Grdn Washer Extractor	12/13/2011	9,940	1.23	12,300
Opticon Emergency Equipment	6/2/2010	12,311	1.28	15,700
Opticon Emergency Equipment	6/2/2010	12,311	1.28	15,700
Opticon Emergency Equipment	6/2/2010	12,311	1.28	15,700
Opticon Emergency Equipment	6/2/2010	12,311	1.28	15,700
Ford F250 Truck For RFD	6/30/2010	28,267	1.28	36,100
2011F250 Crew Cab	7/6/2010	35,933	1.28	45,900
Fuel Master 3500 Plus Prokee/RF	12/7/2009	15,036	1.28	19,200
Fuel Master 3500 Plus Prokee/RF	12/7/2009	15,036	1.28	19,200
Toyota Sit Down LPG Pneumatic	6/24/2009	9,000	1.32	11,900
Cargo Trailer	10/30/2009	8,373	1.28	10,700
Electronic Gate - Fire Station #62	1/21/2009	21,000	1.32	27,700
Isg K1000 Elite Camera	6/30/2008	65,231	1.34	87,400
Hi Tech Custom Pumper	9/30/2008	459,474	1.32	605,800
Hi Tech Custom Pumper	9/30/2008	443,320	1.32	584,500
Hi Tech Custom Pumper	9/30/2008	369,658	1.32	487,400
Fire Truck Rear Mount Aerial Model	9/30/2008	658,835	1.32	868,700
Hi Tech Custom Pumper	9/30/2008	369,658	1.32	487,400
Fire Truck 110 Ft. Aerial	6/3/2002	599,954	1.56	937,400
1500 Gmp Pumper Fire Truck	6/29/2001	379,303	1.60	606,200
1500 Gmp Pumper Fire Truck	6/29/2001	379,303	1.60	606,200
1500 Gmp Pumper Fire Truck	6/29/2001	379,303	1.60	606,200
1500 Gmp Pumper Fire Truck	6/29/2001	379,303	1.60	606,200
110 Ft. Aerial Fire Apparatus	6/29/2001	624,441	1.60	997,900
Type IV Fire Apparatus - 4 X 4	6/29/2001	26,058	1.60	41,600
Type Iv Fire Apparatus - 4 X 4	6/29/2001	26,058	1.60	41,600
Emergency Rescue Vehicle	9/8/1999	93,946	1.67	156,900
Emergency Rescue Vehicle	9/8/1999	93,946	1.67	156,900
Truck Pumper '98 Spartan	1/1/1998	289,600	1.73	499,800
Total Fire Equipment Value				\$ 13,162,800

<sup>1</sup> Original cost inflation adjusted to 2022.

Source: City of Richmond; US Dept of Labor: CPI Tables; Willdan Financial Services.

**Table 7.5** summarizes the total replacement cost of fire protection facilities owned by the City. In total the City owns over \$31.1 million worth of fire protection facilities.

**Table 7.5: Existing Fire Facilities Summary**

	Replacement Cost
Buildings	\$ 15,438,100
Land	2,506,000
Vehicles, Apparatus and Equipment	13,162,800
Existing Impact Fee Fund Balance	(20,489)
Total	\$ 31,086,411

Sources: Tables 7.2, 7.3 and 7.4.

## Planned Facilities

**Table 7.6** summarizes the planned fire protection facilities needed to serve the City, as identified in the City's Capital Improvement Plan. The City anticipates that additional planned facilities will be needed to provide service to new development as it increases demand for fire protection services.

**Table 7.6: Planned Fire Protection Facilities**

	Cost Estimate
Gender Specific Restrooms Fire Station 66	\$ 475,000
Fire Department Regional Training Center	2,000,000
Total Planned Facilities Cost	\$ 2,475,000

Source: City of Richmond Capital Improvement Plan FY2023-24 through FY2027-28.

## Cost Allocation

### Existing Level of Service

Per the new nexus study requirements that went into effect of January 1, 2022, a nexus study "shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate." **Table 7.7** expresses the City's current fire protection facilities level of service in terms of an existing cost per capita. This cost per capita is used to drive the fee calculation.

**Table 7.7: Fire Protection Facilities Existing Standard**

Total Value of Existing Facilities	\$ 31,086,411
Existing Service Population	<u>128,800</u>
Cost per Capita	\$ 241
Facility Standard per Resident	\$ 241
Facility Standard per Worker <sup>1</sup>	147

<sup>1</sup> Based on weighing factor from Table 7.1.

Sources: Tables 7.1 and 7.5.

## Fee Revenue Projection

**Table 7.8** shows the projected fee revenue through 2040. After accounting for the cost of planned facilities, the City will need to identify \$15.2 million in additional planned facilities in order to maintain its existing facility standards.

**Table 7.8: Revenue Projection**

Cost per Capita	\$ 241
Growth in Service Population (2023- 2040)	<u>73,200</u>
Fee Revenue	\$ 17,641,200
Net Cost of Planned Facilities	<u>2,475,000</u>
Future Facilities to be Identified	\$ 15,166,200

Sources: Tables 7.1, 7.6, and 7.7.

## Fee Schedule

**Table 7.9** shows the maximum justified fire protection facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the

charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

**Table 7.9: Maximum Justified Fire Protection Facilities Fee Schedule**

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D	F = E / Average
	Cost Per Capita	Density	Base Fee <sup>1</sup>	Admin Charge <sup>1, 2</sup>		Total Fee <sup>1</sup>	Fee per Sq. Ft. <sup>3</sup>
<i>Residential Dwelling Unit</i>	\$ 241	2.72	\$ 656	\$ 13		\$ 669	\$ 0.46
<i>Nonresidential - per 1,000 Square Feet</i>							
Commercial	\$ 147	2.12	\$ 312	\$ 6		\$ 318	\$ 0.32
Office	147	3.26	479	10		489	0.49
Industrial	147	1.16	171	3		174	0.17
Warehousing	147	0.34	50	1		51	0.05

<sup>1</sup> Fee per average sized dwelling unit, per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 7.7.

## 8. Library Facilities

---

The purpose of this fee is to ensure that new development funds its fair share of library facilities. A fee schedule is presented based on the existing facilities standard of library facilities in the City of Richmond to ensure that new development maintains the existing level of service.

### Service Population

Library facilities in Richmond primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 8.1** shows the existing and future projected service population for library facilities.

**Table 8.1: Library Facilities Service Population**

	Residents
Existing (2023)	111,924
Growth (2023 - 2040)	52,296
Total (2040)	164,220

---

Sources: Table 2.1; Willdan Financial Services.

---

### Existing Facility Inventory

The City's library facilities inventory is comprised of three libraries and the library collections. The City provided an asset schedule for use in this analysis. The original acquisition cost of each item included in the inventory was adjusted for inflation to its current replacement cost using the Engineering News Record's Building Cost Index. **Table 8.2** displays the City's existing inventory of library buildings.



**Table 8.2: Existing Library Facilities Inventory**

		A	B	C = A x B	
Facility	Date Acquired	Building Cost	Cost Index	Replacement Cost <sup>1</sup>	
<u>Main Library - 325 Civic Center Plaza</u> <sup>2</sup>				\$	-
<u>Bay View Branch - 5100 Hartnett Avenue</u>					
Bay View Branch Library	01/01/76	99,280	5.04	500,300	
Bayview Branch Library Renovation	06/11/09	152,686	1.59	243,400	
<u>West Side Branch - 135 Washington Avenue</u>					
Westside Branch Library	01/01/60	68,475	13.71	938,600	
Remodel - West Side Branch Lib	01/01/92	125,000	2.60	324,800	
West Side Branch Library Renovation	06/11/09	112,936	1.59	180,100	
Total Replacement Value				\$	2,187,200

<sup>1</sup> Original facility cost adjusted to 2022 cost.

<sup>2</sup> No value shown because library will be replaced by planned facility.

Source: City of Richmond; Engineering News Record Building Cost Index; Willdan Financial Services.

**Table 8.3** displays the City's inventory of library land assets. The City provided an asset schedule for use in this analysis. The original acquisition cost of each site was adjusted for inflation to its current replacement cost using the Consumer Price Index for All Urban Consumers (CPI-U).

**Table 8.3: Existing Library Facilities Land Inventory**

Facility	Address	Date Acquired	A		B		C = A x B	
			Land Cost		Cost Index		Replacement Cost <sup>1</sup>	
Main Library	325 Civic Center Plaza	01/01/1958	72,832		9.88	\$	719,566	
Bay View Branch	5100 Hartnett Avenue	03/08/72	28,670		6.48		185,600	
West Side Branch	135 Washington Avenue	06/15/60	25,790		9.62		248,000	
Total Land Value							\$	1,153,166

<sup>1</sup> Original land cost adjusted to 2022.

Source: City of Richmond; US Dept of Labor: CPI Tables; Willdan Financial Services.

**Table 8.4** displays the City's current inventory of library collections. The City provided an asset schedule for use in this analysis. The original acquisition cost of each item was adjusted for inflation to its current replacement cost using the Consumer Price Index for All Urban Consumers (CPI-U).

**Table 8.4: Existing Library Collections**

	Inventory	Unit Cost <sup>1</sup>	Replacement Cost
<u>Books</u>			
Adult / Young Adult	204,180	\$ 36	\$ 7,350,500
Children / Juvenile	120,152	36	4,325,500
Subtotal	324,332		\$ 11,676,000
<u>Multimedia</u>			
Adult / Young Adult	22,800	\$ 36	\$ 820,800
Children / Juvenile	11,000	36	396,000
Subtotal	33,800		\$ 1,216,800
<u>Other</u>			
Bookmobile '95 International	1	184,904	\$ 184,900
Total Library Collections			\$ 13,077,700

<sup>1</sup> Cost per item based on data from similar jurisdictions. 1995 Bookmobile Acquisition indexed to 2022.

Source: City of Richmond: Richmond Library Program Feb 2009; Wildan Financial Services.

## Planned Facilities

**Table 8.5** summarizes the planned library facilities needed to serve the City, as identified by City staff. The City plans to rehabilitate and reconfigure its current library so that it can increase its capacity to provide library services to existing and new development. The City has secured a grant to fund part of the main library reconfiguration.

**Table 8.5: Planned Library Facilities**

	Project Cost
<u>Main Library Project</u>	\$ 29,933,657
Total Project Cost	\$ 29,933,657

Source: City of Richmond.

## Cost Allocation

### Existing Level of Service

Per the new nexus study requirements that went into effect of January 1, 2022, a nexus study “shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.” **Table 8.6** expresses the City’s current library facilities level of service in terms of an existing cost per capita. This cost per capita is used to drive the fee calculation.

**Table 8.6: Existing Level of Service**

Existing Facilities	\$	2,187,200
Existing Land		1,153,166
Existing Library Collection		13,077,700
Value of Existing Facilities	\$	16,418,066
Existing Service Population		111,924
Facility Standard per Resident	\$	147

Sources: Tables 8.1 through 8.4.

## Future Level of Service

Table 8.7 shows the calculation of the system facilities standard per capita for library facilities used to calculate the fees. This value is calculated by dividing the total value of all library facilities in 2040 by the total service population in 2040. The resulting standard is the cost standard that will be achieved when all the facilities are realized, and new development has come online.

**Table 8.7: Library Facilities System Standard**

Value of Existing Facilities	\$	16,418,066
Cost of Planned Facilities		29,933,657
Total System Value (2040)	\$	46,351,723
Future Service Population (2040)		164,220
Facility Standard per Resident	\$	282

Sources: Tables 8.1 through 8.5.

## Fee Revenue Projection

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in the City. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned facilities and some non-fee funding will be required. **Table 8.8** shows the projected fee revenue and the non-fee funding required through 2040. After accounting for the projected future impact fee revenue, existing fund balances and grants approximately \$1.2 million in non-fee funding will be needed to complete the planned facilities.

The City will anticipate funding the balance with the City's General Capital Fund.

**Table 8.8: Fee Revenue Projection**

Cost Per Capita	\$	282
Growth in Residents (2023-2040)		52,296
Estimated Fee Revenue	\$	14,747,472
Cost of Planned Facilities	\$	29,933,657
Less Projected Impact Fee Revenue		14,747,472
Less Current Impact Fee Fund Balance		143,484
Less CA Building Forward Grant		9,712,979
Less ARPA		3,656,490
Less CIP CIP (HVAC AR231) ARPA		500,000
Non-fee Funding Required	\$	1,173,232

Sources: Tables 8.1, 8.5, 8.6.

## Fee Schedule

**Table 8.9** shows the maximum justified library facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit densities (persons per dwelling unit). The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

**Table 8.9: Library Facilities Fee - Maximum Justified Fee Schedule**

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D	F = E / Average
	Cost Per Capita	Density	Base Fee <sup>1</sup>	Admin Charge <sup>1, 2</sup>		Total Fee	Fee per Sq. Ft. <sup>3</sup>
<u>Residential Dwelling Unit</u>	\$ 282	2.72	\$ 767	\$ 15		\$ 782	\$ 0.54

<sup>1</sup> Fee per average sized dwelling unit.<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 8.7.

## 9. Storm Drain Facilities

This chapter summarizes an analysis of the need for storm drain facilities to accommodate growth within the City of Richmond. This projects and associated costs in this chapter were identified in the City's Storm Drain Master Plan, 2018. This chapter documents a reasonable relationship between new development and a storm drain fee to fund storm drain facilities that serve new development.

### Storm Drain Demand

Most new development generates storm water runoff that must be controlled through storm drain facilities by increasing the amount of land that is impervious to precipitation. **Table 9.1** shows the calculation of equivalent dwelling unit (EDU) demand factors based on impervious surface coefficient by land use category. The impervious surface coefficients are based on data from the Environmental Protection Agency. EDU factors relate demand for storm drain facilities in terms of the demand created by a single-family dwelling unit.

**Table 9.1: Storm Drain Facilities Equivalent Dwelling Units**

	A	B	$C = (43,560 / A) \times B$	$D = C / \text{Single Family}$
	DU or 1,000 Sq. Ft. per acre <sup>1</sup>	Average Percent Impervious per Acre	Impervious Square feet per DU or 1,000 Sq. Ft.	Equivalent Dwelling Unit (EDU) <sup>2</sup>
<u>Residential - per Dwelling Unit</u>				
Single Family	10.00	35%	1,525	1.00
Multifamily	25.00	80%	1,394	0.91
<u>Nonresidential - per 1,000 Square Feet</u>				
Commercial	21.78	86%	1,720	1.13
Office	17.42	85%	2,125	1.39
Industrial	10.89	81%	3,240	2.12
Warehousing	10.89	81%	3,240	2.12

Note: Figures have been rounded.

<sup>1</sup> Dwelling units for residential and thousand building square feet for nonresidential. Based on General Plan density assumptions and minimum FAR of 0.5 for commercial, 0.4 for office and 0.25 for light industrial.

<sup>2</sup> EDUs per dwelling unit for residential development and per thousand square feet for nonresidential

Sources: *User's Guide for the California Impervious Surface Coefficients*, Office of Environmental Health Hazard Assessment California Environmental Protection Agency, December 2010. Richmond General Plan; Willdan Financial Services.

### EDU Generation by New Development

**Table 9.2** shows the estimated EDU generation from new development through 2040. New development will generate 49,974 new EDUs, representing 43.5 percent of total storm drain demand in 2040.

**Table 9.2: Storm Drain Facilities Equivalent Dwelling Units**

		DU or KSF		EDU		
	EDU Factor <sup>1</sup>	Existing	Projected Growth	Existing	Growth	Total
<u>Residential</u>						
Single Family	1.00	25,125	11,740	25,125	11,740	36,865
Multifamily	0.91	15,746	7,357	14,329	6,695	21,024
Subtotal		40,871	19,097	39,454	18,435	57,889
<u>Nonresidential</u>						
Commercial	1.13	4,669	5,793	5,276	6,547	11,823
Office	1.39	2,667	3,309	3,707	4,600	8,307
Industrial	2.12	7,753	9,619	16,435	20,392	36,827
Subtotal		15,089	18,722	25,418	31,539	56,957
Total				64,872	49,974	114,846
Percent of Total				56.5%	43.5%	100%

<sup>1</sup> Per dwelling unit (residential), thousand building square feet (nonresidential).

Sources: Tables 2.2 and 9.1, Willdan Financial Services.

## Planned Facilities

**Table 9.3** identifies the planned storm drain facilities to be funded by the fee. The new storm drain facilities were all identified in the City's Storm Drain Master Plan. Since drainage projects will benefit both existing development and new development, capacity expanding projects are allocated to new development based on new development's share of storm drain demand at the planning horizon. Projects that do not expand capacity are not allocated to the impact fee.

**Table 9.3: Storm Drain Capital Improvements**

Proj. No.	Location	Project	Total Cost	Allocation To New Development	Cost Allocated to Impact Fee
1	Central Avenue - West end of Van Fleet Avenue	Replace/upsized pipes upstream in storm drain system through area and increase inlet capacity.	\$ 676,000	43.5%	\$ 294,060
2	32 <sup>nd</sup> Street - End of Spring Street south of Freeway and railroad tracks	Convert 32' of ditch to dual 48" RCP.	182,000	43.5%	79,170
3	8th-9th Street and Harbor Way	Replace/upsized inlets to storm drain throughout area to alleviate	332,000	43.5%	144,420
4	McLaughlin - Plumas Ave and San Benito St.	Add new storm drain along Plumas Ave. and upsized an additional existing storm drain near Plumas and San Benito St. and connect to Carlson Blvd. system. Add inlets along Plumas Ave.	950,000	43.5%	413,250
5	McLaughlin - Carlson Blvd & Tehama Ave	Upsize inlets in Tehama and Carlson intersection.	105,000	43.5%	45,675
6	McLaughlin - Carlson Blvd & Tehama Ave	Upsize inlets and laterals in Tehama and Carlson intersection.	226,000	43.5%	98,310
7	McLaughlin - Carlson Blvd & Tehama Ave	Upsize inlets and laterals along Carlson Boulevard from Santa Cruz Avenue to Tehama Avenue.	560,000	43.5%	243,600
8	McLaughlin - Green infrastructure along Carlson Boulevard.	Construct infiltration within the public ROW along Carlson Boulevard from Santa Cruz Avenue to Tehama Avenue.	2,215,000	43.5%	963,525
9	McLaughlin - Green infrastructure along Plumas Avenue.	Construct infiltration within the public ROW along Plumas Avenue from San Pablo Avenue to Carlson Boulevard.	701,000	43.5%	304,935
Total			\$ 5,947,000		\$ 2,586,945

Source: City of Richmond Storm Drain Master Plan 12/21/18; Willdan Financial Services.

## Cost per Equivalent Dwelling Unit

This chapter uses the planned facilities approach to calculate the storm drain facilities cost standard. The cost of planned facilities allocated to new development is divided by the growth in EDUs to determine a cost standard per EDU. **Table 9.4** shows the facility cost standard for storm drain facilities.

**Table 9.4: Cost per Equivalent Dwelling Unit**

Planned Facilities Allocated to New Development	\$	2,586,945
Less Existing Impact Fee Fund Balance		<u>235,671</u>
Net Cost Allocated to New Development	\$	2,351,274
Growth in EDUs		<u>49,974</u>
Cost Allocation per EDU	\$	47

Sources: Tables 9.2 and 9.3.

## Fee Schedule

The maximum justified fee for storm drain facilities is shown in **Table 9.5**. The City can adopt any fee up to this amount. The cost per EDU from Table 9.4 is converted to a fee per unit of new development based on the EDU factors shown in Table 9.1. The fee per average dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2.0%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.



**Table 9.5: Storm Drain Facilities Impact Fee Schedule**

	A	B	C = A x B		D = C x 0.02	E = C + D	F = E / Average
	Cost Per EDU	EDU Factor	Base Fee <sup>1</sup>	Admin Fee <sup>1,2</sup>		Total Fee <sup>1</sup>	Fee per Sq. Ft. <sup>3</sup>
<i>Residential Dwelling Unit</i> <sup>4</sup>	\$ 47	0.97	\$ 46	\$ 1		\$ 47	\$ 0.03
<i>Nonresidential - per 1,000 Sq. Ft.</i>							
Commercial	\$ 47	1.13	\$ 53	\$ 1		\$ 54	\$ 0.05
Office	47	1.39	65	1		66	0.07
Industrial	47	2.12	100	2		102	0.10
Warehousing	47	2.12	100	2		102	0.10

Note: KSF = 1,000 Square Feet

<sup>1</sup> Fee per average sized dwelling unit, per 1,000 square feet of nonresidential.

<sup>2</sup> Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting,

<sup>3</sup> Assumes an average of 1,459 square feet per dwelling unit in the San Francisco MSA per the 2019 American Housing Survey.

<sup>4</sup> Average EDU factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 9.1 and 9.4; Willdan Financial Services.

# 10. AB 602 Requirements

---

On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Four key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

## Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602.

### 66016.5. (a) (2) - Level of Service

1. For fees calculated under the existing standard methodology, the fees are calculated such that new development funds facilities at the existing level of service. These fee categories are: parks, community and aquatic centers and fire protection facilities. The existing level service in terms of the existing facility investment per capita is shown in each corresponding chapter.

2. For fees calculated under the planned facilities methodology, the fees are calculated to ensure that the level of service does not fall to unacceptable levels. The fees calculated under this approach are the community/aquatic center facilities, sewer, and storm drain facilities impact fees. For sewers and storm drains projects were identified in the City's various master plans as necessary to maintain an acceptable level of service.

3. For the fees calculated under the system standard methodology, the maximum justified fees represent an increase in the facility level of service. The fees calculated under this methodology are the library and police facility fees. The increased level of service is required to fund new development's fair share of identified planned facilities. New development will not fund the entirety of the increase in level of service, rather, it will fund a share of the increased level of service represented by the planned facilities. The City will have to fund existing development's share of the increase level of service through any other funding source. The library and police facilities chapters include tables that shows the existing level of service and future level of service in terms of facility investment per capita.

### 66016.5. (a) (4) – Review of Original Fee Assumptions

The original nexus studies, fee schedules and corresponding revenue generated were reviewed by the City and Willdan prior to conducting the nexus study analysis. The current fee schedule did not generate sufficient revenue to fully fund new development's share of future needed facilities.

Additionally, the City's 2006 fee study assumed a planning horizon of 2025. Staff and Willdan agreed that the assumptions from the 2006 study needed to be updated to account for changes in planned development and the facilities needed to serve that development.

**Table 10.1** displays annual fee revenue collected, by impact fee fund.

**Table 10.1: Annual Collected Impact Fee Revenue**

Fee Category	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Actuals (YTD)
Parks	\$ 432	\$ -	\$ -	\$ 23,604	\$ 80,256	\$ 26,352	\$ 59,220	\$ 3,024
Traffic	1,042,199	163,223	1,329,544	990,507	470,727	221,218	629,841	233,605
Fire	76,404	25,665	148,752	100,785	70,690	23,442	54,797	28,992
Police	106,442	21,868	106,215	78,107	74,971	23,685	159,818	153,612
Community Centers/Aquatic	109,113	91,838	160,429	92,882	341,346	82,325	220,558	15,282
Parks/Open Space	447,963	375,929	272,270	387,278	679,474	343,270	1,158,109	63,726
Library	143,965	114,077	261,645	181,208	477,876	114,017	288,913	41,674
Storm Drain	619,556	113,542	578,597	490,117	161,910	51,701	154,376	111,219
Sewer	-	60,441	238,736	715,857	764,633	202,688	511,878	176,564
Total	\$2,546,075	\$966,583	\$3,096,188	\$3,060,345	\$3,121,882	\$1,088,697	\$3,237,510	\$ 827,698

Source: City of Richmond.

## 66016.5. (a) (5) – Residential Fees per Square Foot

Impact fees for residential land uses are calculated per square foot and comply with AB 602.

## 66016.5. (a) (6) – Capital Improvement Plan

The Capital Improvement Plan for this nexus study is comprised of the identified planned facilities within each facility fee chapter. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study.

.

# 11. Implementation

---

## Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public hearing. Data, such as an impact fee report, must be made available at least 10 days prior to the public hearing. The City's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

## Inflation Adjustment

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the California Construction Cost Index (<https://www.dgs.ca.gov/RES/RESOURCES/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI>) be used for adjusting fees for inflation. The California Construction Cost Index is based on data from the Engineering News Record and is aggregated and made available for free by the State of California.

The fee amounts can be adjusted based on the change in the index compared to the index in the base year of this study (2023).

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

While fee updates using inflationary indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

## Reporting Requirements

The City will comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

**Table 11.1** summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

**Table 11.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements**

CA Gov't Code Section	Timing	Reporting Requirements <sup>1</sup>	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	<p>(A) Identify the purpose to which the fee is to be put.</p> <p>(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.</p> <p>(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.</p> <p>(D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.</p>	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	<p>(A) A brief description of the type of fee in the account or fund.</p> <p>(B) The amount of the fee.</p> <p>(C) The beginning and ending balance of the account or fund.</p> <p>(D) The amount of the fees collected and the interest earned.</p> <p>(E) An identification of each public improvement on which fees were expended including share funded by fees.</p> <p>(F) (i) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.</p> <p>(ii) An identification of each public improvement identified in a previous report pursuant to clause (i) and whether construction began on the approximate date noted in the previous report.</p> <p>(iii) For a project identified pursuant to clause (ii) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction.</p> <p>(G) A description of any potential interfund transfers.</p> <p>(H) The amount of refunds made (if any).</p>	Inflationary Adjustment

<sup>1</sup> Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §66001 and §66006.

## Programming Revenues and Projects with the CIP

The City maintains a Capital Improvement Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects if those new projects continue to represent an expansion of the City's facilities and provide benefit to new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

# 12. Mitigation Fee Act Findings

---

Public facilities fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the public facilities fees documented in this report are presented in this chapter and supported in detail by the preceding chapters. All statutory references are to the *Act*.

## Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees documented by this report is to provide a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide public facilities to new development.

## Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees documented in this report, if enacted by the City, would be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City's sphere of influence. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: parks and recreation facilities community center and aquatic facilities, police facilities, fire protection facilities, library facilities, storm drain facilities, and sewer facilities.

## Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

The City will restrict fee revenue to the acquisition of land, construction of facilities, infrastructure and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under the *Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

## Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. For some facility categories service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted differently than one resident based on an analysis of the relative use demand between residential and non-residential development. For other facility categories demand is expressed in terms of sewer flow generation or the increase in impervious surface associated with various types of development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

*Chapter 2, Growth Forecasts* provides a description of how service population and growth forecasts are calculated. Facility standards are described in the *Facility Standard* sections of each facility category chapter.

## Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Forecasts*, or the *Service Population* sections in each facility category chapter for a description of how service populations or other factors are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the maximum justified facilities fees.