



HUGHSON CITY COUNCIL

AGENDA

**City of Hughson
CITY COUNCIL MEETING
Hughson City Hall – 7018 Pine Street
Hughson, California
MONDAY, NOVEMBER 27, 2023 – 6:00 P.M.**

How to participate in, or observe the Meeting:

- In person in the City Council Chambers and submit public comment when invited during the meeting.
- Observe only via YouTube live, by accessing this link:
https://www.youtube.com/channel/UC-PwkdIrKoMmOJDzBSodu6A?view_as=subscriber

If a technical issue arises with any streaming option, the City Council meeting will continue unless the meeting is being held pursuant to the provisions of Assembly Bill 2449.

- In addition, recorded City Council meetings are posted on the City's website the second business day following the meeting. Recorded videos can be accessed with the following link:
[Upcoming Meetings | Hughson CA](#)

CALL TO ORDER: Mayor George Carr

ROLL CALL: Mayor George Carr
Mayor Pro Tem Randy Crooker
Councilmember Samuel Rush
Councilmember Julie Ann Strain
Councilmember Alan McFadon

FLAG SALUTE: Mayor George Carr

INVOCATION: Hughson Ministerial Association

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Please limit presentations to five minutes. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Council addresses the matter. Pursuant to California Government Code Section 54954.2(a)(3), no action or discussion may be undertaken on any item not appearing on the posted agenda, except that the City Council, or its staff, may briefly respond to comments or questions from members of the public, provide a reference to staff or other resources for factual information, or direct staff to place the issue on a future agenda.

2. PRESENTATIONS:

2.1: Recognition of Fidel Landeros, Hughson Police Services Chief of Police.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an audience member, or individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

3.1: Approve the Minutes of the Special Meeting of November 13, 2023.

3.2: Approve the Warrants Register.

3.3: Approve the Recommendation of Lieutenant Lloyd MacKinnon for Hughson Chief of Police.

4. UNFINISHED BUSINESS:

4.1: Adopt Resolution No. 2023-55, rescinding Resolution 2019-02 and Establishing Administrative Fines for Violation of Hughson Municipal Code Chapter 8.18 – Fireworks.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING:

- 5.1** Adopt Resolution No. 2023-56, Adopting the Hughson Fire Protection District Development Impact Fee Nexus Study and Proposed Fees Prepared by NBS Government Finance Group.

6. NEW BUSINESS: NONE.**7. CORRESPONDENCE: NONE.****8. COMMENTS:**

A brief report on notable attendance of a meeting, or conference, or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council during this time.

8.1: Staff Reports and Comments:

City Manager:

City Clerk:

Director of Finance:

Community Development Director:

Police Services:

City Attorney:

8.2: Council Comments:**8.3: Mayor's Comments:****9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.****10. ADJOURNMENT:**

The next regular City Council Meeting is scheduled for December 11, 2023, at 6:00 P.M.

AFFIDAVIT OF POSTING

Date: November 22, 2023	Time: 9:30AM
Name: Ashton Gose	Title: City Clerk

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 6:00 p.m., unless otherwise noticed.

Council Agendas: The City Council agenda is now available for public review at the City's website and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054.

UPCOMING EVENTS:

November 27	▪ Economic Development Committee Meeting, City Council Chambers, 4:30 PM <i>Cancelled</i>
November 27	▪ City Council Meeting, City Council Chambers or YouTube Live Stream, 6:00 PM
December 2	▪ Annual Christmas Festival, Downtown Hughson Avenue, 11:00 AM
December 2	▪ Christmas Parade, Downtown Hughson Avenue, 5:30 PM
December 11	▪ City Council Meeting, City Council Chambers or YouTube Live Stream, 6:00 PM
December 20	▪ Hughson has Heart Planning Meeting, City Council Chambers, 6:00 PM

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.



CITY COUNCIL AGENDA ITEM NO. 3.1 SECTION 3: CONSENT CALENDAR

Meeting Date: November 27, 2023
Subject: Approval of the City Council Minutes
Presented By: Ashton Gose, Executive Assistant/City Clerk
Approved By: Merry Mayhew
City Manager

Staff Recommendation:

Approve the Minutes of the Special Meeting of November 13, 2023.

Background and Overview:

The draft minutes of the November 13, 2023 meeting are prepared for the Council's review.



HUGHSON CITY COUNCIL

MINUTES

**City of Hughson
SPECIAL CITY COUNCIL MEETING
Hughson City Hall – 7018 Pine Street
Hughson, California
MONDAY, NOVEMBER 13, 2023 – 7:00 P.M.**

CALL TO ORDER: Mayor George Carr

ROLL CALL:

Present: Mayor George Carr
Councilmember Samuel Rush
Councilmember Randy Crooker
Councilmember Julie Ann Strain
Councilmember Alan McFadon

Staff Present: Merry Mayhew, City Manager
Ashton Gose, City Clerk
Andy Pinasco, City Attorney
Tom Terpstra, Deputy City Attorney
Carla Jauregui, Community Development Director
Jose Vasquez, Public Works Superintendent
Neil Raya, Interim Utilities Superintendent
Kim Weimer, Director of Finance and Admin Services
Sarah Chavarin, Accounting Manager
Fidel Landeros, Chief of Police
Pedro Ramirez, Sheriff Deputy
Ryan Lehtikainen, Sheriff Deputy

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

NONE.

2. PRESENTATIONS: NONE.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an audience member, or individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

3.1: Approve the Minutes of the Regular Meeting of October 23, 2023.

3.2: Approve the Warrants Register.

3.3: Adopt Resolution No. 2023-54, Finding There Remains a Reasonable Relationship Between Current Needs for the City's Development Impact Fees and the Purposes for Which They Were Originally Charged.

3.5: Appoint Abel Morin to the Planning Commission.

Councilmember Rush requested that item 3.4 be pulled from the Consent Calendar for special consideration.

CARR/CROOKER 5-0-0-0 motion passes to approve the Consent Calendar, excluding item 3.4, with the following roll call vote:

CROOKER	RUSH	STRAIN	McFADON	CARR
AYE	AYE	AYE	AYE	AYE

3.4: Approval for Council Member Alan McFadon to Attend the League of California Cities New Mayors and Council Members Academy in Monterey, CA on January 24-26, 2024, and to Reimburse Costs Associated with Attending the Conference.

CARR/STRAIN 5-0-0-0 motion passes to approve item 3.4, as presented, with the following roll call vote:

CROOKER	RUSH	STRAIN	McFADON	CARR
AYE	AYE	AYE	AYE	AYE

4. UNFINISHED BUSINESS: NONE.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

6. NEW BUSINESS: NONE.

7. CORRESPONDENCE: NONE.**8. COMMENTS:**

A brief report on notable attendance of a meeting, or conference, or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council during this time.

8.1: Staff Reports and Comments: (Information Only – No Action)**City Manager:**

City Manager Mayhew introduced Lieutenant Lloyd McKinnon to the City Council.

Community Development Director:

Director Jauregui provided an update regarding the Measure L projects.

Chief of Police:

Chief Landeros provided the City Council with the latest Crime Statistic Report. He recognized former Hughson Deputies Corbin Alanis, and Bryan Cummings, and introduced new Hughson Deputies Pedro Ramirez and Ryan Lehtikainen.

8.2: Council Comments: (Information Only – No Action)

Councilmember McFadon attended the Hughson Trunk, or Tent and Treat on October 27, 2023. He attended the Hughson Arboretum Harvest Festival on November 4, 2023. He attended the Dennis Wallace Memorial on November 13, 2023.

Councilmember Rush attended the Hughson Arboretum Harvest Festival on November 4, 2023.

Councilmember Strain attended the Hughson Trunk, or Tent and Treat on October 27, 2023. She attended the Hughson Arboretum Harvest Festival on November 4, 2023. She attended the Dennis Wallace Memorial on November 13, 2023.

Mayor Pro Tem Crooker attended the Hughson Trunk, or Tent and Treat on October 27, 2023. He attended the Hughson Arboretum Harvest Festival on November 4, 2023. He attended the Dennis Wallace Memorial on November 13, 2023.

8.3: Mayor's Comments: (Information Only – No Action)

Mayor Carr attended the Hughson Trunk, or Tent and Treat on October 27, 2023. He attended the Hughson Arboretum Harvest Festival on November 4, 2023. He attended the Dennis Wallace Memorial on November 13, 2023.

9. CLOSED SESSION TO DISCUSS THE FOLLOWING:

9.1: CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one case.

9.2: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: In the Matter of the Appeal of the Membership
Determination of: Margaret M. Souza, OAH Case No. 2020090931,
Office of Administrative Hearings.

Approval was given to legal counsel to initiate an action. No additional reportable action.

10. ADJOURNMENT:

STRAIN/CROOKER 5-0-0-0 motion passes to adjourn the regular meeting of November 13, 2023, at 8:48 PM with the following roll call vote:

CROOKER	RUSH	STRAIN	McFADON	CARR
AYE	AYE	AYE	AYE	AYE

APPROVED:

GEORGE CARR, Mayor

ATTEST:

ASHTON GOSE, City Clerk



CITY COUNCIL AGENDA ITEM NO. 3.2

SECTION 3: CONSENT CALENDAR

Meeting Date: November 27, 2023
Subject: Approval of Warrants Register
Enclosure: Warrants Register
Presented By: Kim Weimer, Director of Finance

Approved By:

Merry Mayhew

Staff Recommendation:

Approve the Warrants Register as presented.

Background and Overview:

The warrants register presented to the City Council is a listing of all expenditures paid from November 8, 2023, through November 21, 2023.

Fiscal Impact:

There are reductions in various funds for payment of expenses.



Hughson

Check Report

By Check Number

Date Range: 11/08/2023 - 11/21/2023

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount Discount Amount	Payment Amount Payable Amount	Number
Bank Code: Payable Bank-Payable Bank							
01532	Adrian Luna		11/08/2023	Regular	0.00	232.68	57354
INV0010071	Invoice	11/02/2023	Reimbursement for Boots		0.00	232.68	
00104	AYERA TECHNOLOGIES INC.		11/08/2023	Regular	0.00	84.00	57355
510299	Invoice	11/01/2023	Service (Blanket)		0.00	84.00	
00310	CLARK'S PEST CONTROL		11/08/2023	Regular	0.00	206.00	57356
34335036	Invoice	11/03/2023	PEST CONTROL		0.00	129.00	
34335844	Invoice	11/03/2023	PEST CONTROL		0.00	77.00	
01538	Colonial Life		11/08/2023	Regular	0.00	484.42	57357
5405907-1001712	Invoice	11/02/2023	Colonial Life		0.00	484.42	
00464	EZ NETWORK SOLUTIONS		11/08/2023	Regular	0.00	5,977.01	57358
TS43182	Invoice	11/06/2023	IT SERVICES		0.00	5,977.01	
01821	Gail Bowman		11/08/2023	Regular	0.00	200.00	57359
INV0010074	Invoice	11/02/2023	Deposit Refund - Bowman		0.00	200.00	
00528	GILTON SOLID WASTE MANAGE		11/08/2023	Regular	0.00	1,895.07	57360
HUGHSS-087	Invoice	11/03/2023	STREET SWEEPING - October		0.00	1,895.07	
01322	GOSE, ASHTON		11/08/2023	Regular	0.00	112.61	57361
INV0010070	Invoice	11/02/2023	Maint. Worker Interview Panel Breakfast/...		0.00	112.61	
00546	GRANITE TELECOMMUNICATION		11/08/2023	Regular	0.00	1,468.57	57362
623207922	Invoice	11/06/2023	PHONES		0.00	1,468.57	
01794	HdL Coren & Cone		11/08/2023	Regular	0.00	1,488.78	57363
SIN032863	Invoice	10/25/2023	Contract Services Property Tax: Oct-Dec 2...		0.00	1,488.78	
00581	HENSLEY'S PAVING		11/08/2023	Regular	0.00	1,966.82	57364
INV0010081	Invoice	11/06/2023	Hydrant Water Meter Deposit Return Min...		0.00	1,966.82	
01069	Jared Steele Water & Wastewater Managemer		11/08/2023	Regular	0.00	3,514.50	57365
10059	Invoice	11/01/2023	Professional services (Blanket)		0.00	3,514.50	
01923	Joanna Beaver		11/08/2023	Regular	0.00	500.00	57366
INV0010076	Invoice	11/03/2023	Deposit Refund - Beaver		0.00	500.00	
01922	Johanna Macias		11/08/2023	Regular	0.00	34.41	57367
INV0010072	Invoice	11/02/2023	Reimbursement: Hughson has Heart Donat..		0.00	34.41	
00682	KAISER FOUNDATION HEALTH		11/08/2023	Regular	0.00	7,117.82	57368
691534627741	Invoice	12/01/2023	MEDICAL SERVICES- December		0.00	7,117.82	
01706	Marissa Flores		11/08/2023	Regular	0.00	200.00	57369
INV0010075	Invoice	11/02/2023	Deposit Refund - Flores		0.00	200.00	
01459	Merry Mayhew		11/08/2023	Regular	0.00	55.66	57370
INV0010080	Invoice	11/03/2023	Reimbursement for City Meetings & Stan ...		0.00	55.66	
00762	MHK CONSTRUCTION		11/08/2023	Regular	0.00	3,909.00	57371
INV0010099	Invoice	11/06/2023	Hughson Ave. ADA Improvements		0.00	3,909.00	
00775	MISSION UNIFORM SERVICE		11/08/2023	Regular	0.00	1,203.29	57372
520161298	Invoice	10/02/2023	uniform service (blanket PO)		0.00	136.69	
520161299	Invoice	10/02/2023	uniform service (blanket PO)		0.00	70.88	
520161300	Invoice	10/02/2023	uniform service (blanket PO)		0.00	65.86	

Check Report

Date Range: 11/08/2023 - 11/21/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
520200839	Invoice	10/09/2023	uniform service (blanket PO)	0.00	43.50	
520210745	Invoice	10/09/2023	uniform service (blanket PO)	0.00	70.04	
520210746	Invoice	10/09/2023	uniform service (blanket PO)	0.00	70.88	
520210748	Invoice	10/09/2023	uniform service (blanket PO)	0.00	65.86	
520253602	Invoice	10/16/2023	uniform service (blanket PO)	0.00	70.04	
520253603	Invoice	10/16/2023	uniform service (blanket PO)	0.00	70.88	
520253604	Invoice	10/16/2023	uniform service (blanket PO)	0.00	65.86	
520297911	Invoice	10/23/2023	uniform service (blanket PO)	0.00	70.04	
520297912	Invoice	10/23/2023	uniform service (blanket PO)	0.00	70.88	
520297913	Invoice	10/23/2023	uniform service (blanket PO)	0.00	65.86	
520342199	Invoice	10/30/2023	uniform service (blanket PO)	0.00	74.99	
520342200	Invoice	10/30/2023	uniform service (blanket PO)	0.00	70.88	
520342201	Invoice	10/30/2023	uniform service (blanket PO)	0.00	65.86	
520347182	Invoice	10/30/2023	uniform service (blanket PO)	0.00	54.29	
01889	Pacific Canvas Co.	11/08/2023	Regular	0.00	2,344.02	57373
47869	Invoice	11/03/2023	Starn Park Shade Cover	0.00	2,344.02	
01884	PACIFIC STORAGE COMPANY	11/08/2023	Regular	0.00	66.48	57374
2214882	Invoice	11/03/2023	RECORDS STORAGE	0.00	66.48	
00879	PG & E	11/08/2023	Regular	0.00	156.61	57375
INV0010073	Invoice	11/02/2023	UTILITIES	0.00	156.61	
01885	RecruitGigs	11/08/2023	Regular	0.00	6,090.00	57376
67675	Invoice	10/27/2023	Extra Help - PW	0.00	3,150.00	
67733	Invoice	11/06/2023	Extra Help - PW	0.00	2,940.00	
01000	SEEGER'S	11/08/2023	Regular	0.00	91.69	57377
141664R-IN	Invoice	10/30/2023	Violation Notices Wrap Cover	0.00	91.69	
01599	SMILE BUSINESS PRODUCTS, INC	11/08/2023	Regular	0.00	82.02	57378
1155578	Invoice	11/02/2023	COPIES	0.00	82.02	
00005	United Site Services of California, Inc.	11/08/2023	Regular	0.00	403.90	57379
114-12456516	Invoice	11/06/2023	FENCE RENTAL	0.00	80.78	
114-13415402	Invoice	11/06/2023	FENCE RENTAL	0.00	80.78	
114-13483097	Invoice	11/06/2023	FENCE RENTAL	0.00	80.78	
114-13706940	Invoice	09/30/2023	FENCE RENTAL	0.00	80.78	
114-13730352	Invoice	10/31/2023	FENCE RENTAL	0.00	80.78	
01264	VERIZON WIRELESS	11/08/2023	Regular	0.00	380.10	57380
9947683801	Invoice	11/03/2023	MIFI DEVICES/ CAMERAS	0.00	152.04	
9947683802	Invoice	11/03/2023	MIFI DEVICES/ CAMERAS	0.00	228.06	
01192	VISION SERVICE PLAN	11/08/2023	Regular	0.00	515.97	57381
819054665	Invoice	11/06/2023	MEDICAL INSURANCE WITHHELD- Novem...	0.00	515.97	
01206	WARDEN'S OFFICE	11/08/2023	Regular	0.00	69.57	57382
2105321-0	Invoice	11/02/2023	MISC OFFICE SUPPLIES	0.00	69.57	
01924	Xzavier Jauregui	11/08/2023	Regular	0.00	300.00	57383
1	Invoice	11/06/2023	Hughson Trunk or Treat Recap	0.00	300.00	
01080	SUBWAY	11/08/2023	Regular	0.00	215.96	57384
INV0010140	Invoice	11/08/2023	2024 Benefit Enrollment Luncheon	0.00	215.96	
01420	CALIFORNIA STATE DISBURSEMENT UNIT	11/09/2023	Regular	0.00	40.12	57385
INV0010112	Invoice	11/08/2023	INCOME WITHHOLDING FOR CHILD SUPP...	0.00	40.12	
01603	Amazon Capital Services, Inc.	11/09/2023	Regular	0.00	99.04	57386
1VGL-GRQ6-7G9P	Invoice	09/12/2023	TRUNK OR TENT AND TREAT	0.00	81.96	
1XQP-RCWH-CW...	Invoice	11/08/2023	Office Supplies	0.00	17.08	
00069	ANDREWS ELECTRIC	11/09/2023	Regular	0.00	3,058.52	57387

Check Report

Date Range: 11/08/2023 - 11/21/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
84706	Invoice	11/09/2023	Hatch rd lift station	0.00	3,058.52	
00258	CENTRAL SANITARY SUPPLY	11/09/2023	Regular	0.00	540.85	57388
8394074	Invoice	11/09/2023	bathroom supplies USF	0.00	540.85	
01925	City of Foster City	11/09/2023	Regular	0.00	1,134.00	57389
15709	Invoice	11/02/2023	Job Posting Utilities Superintendent & City...	0.00	1,134.00	
00427	DONLEE PUMP CO,	11/09/2023	Regular	0.00	481.48	57390
109235	Invoice	11/09/2023	fuel tank inspection	0.00	481.48	
01539	Gateway Pacific Contractors, Inc.	11/09/2023	Regular	0.00	90,232.01	57391
INV0010179	Invoice	11/02/2023	Well #7 Replacement Phase IV	0.00	90,232.01	
01539	Gateway Pacific Contractors, Inc.	11/09/2023	Regular	0.00	4,749.05	57392
INV0010180	Invoice	11/02/2023	Escrow No. 02-701782	0.00	4,749.05	
00522	GEOANALYTICAL LABORATORIE	11/09/2023	Regular	0.00	1,360.00	57393
J3J1112	Invoice	11/09/2023	Water Lab Samples	0.00	338.00	
J3J1722	Invoice	11/09/2023	Water Lab Sampling	0.00	374.00	
J3J1723	Invoice	11/09/2023	WW Lab Samples	0.00	65.00	
J3J2424	Invoice	11/09/2023	WW Lab sampling	0.00	65.00	
J3J2425	Invoice	11/09/2023	Water Sampling	0.00	238.00	
J3J3105	Invoice	11/09/2023	Water Sampling Lab	0.00	215.00	
J3J3106	Invoice	11/09/2023	WW Lab Samples	0.00	65.00	
00527	GIBBS MAINTENANCE CO	11/09/2023	Regular	0.00	1,050.00	57394
13852	Invoice	10/31/2023	JANITOR SERVICES	0.00	1,050.00	
01612	GreatAmerica Financial Svcs.	11/09/2023	Regular	0.00	358.92	57395
35189444	Invoice	10/30/2023	LEASE	0.00	358.92	
00914	Harbans Singh ET AL	11/09/2023	Regular	0.00	172.00	57396
1014894	Invoice	11/08/2023	diesel (blanket PO)	0.00	172.00	
00614	HUGHSON FARM SUPPLY	11/09/2023	Regular	0.00	1,094.20	57397
H472186	Invoice	10/02/2023	supplies/equip repairs (blanket PO)	0.00	43.14	
H472241	Invoice	10/02/2023	supplies/equip repairs (blanket PO)	0.00	15.09	
H472325	Invoice	10/03/2023	supplies/equip repairs (blanket PO)	0.00	10.77	
H472326	Invoice	10/03/2023	supplies/equip repairs (blanket PO)	0.00	13.13	
H472347	Invoice	10/03/2023	supplies/equip repairs (blanket PO)	0.00	19.80	
H472362	Invoice	10/03/2023	Water Supplies (Blanket)	0.00	6.46	
H472363	Invoice	10/03/2023	supplies/equip repairs (blanket PO)	0.00	69.01	
H472396	Invoice	10/03/2023	supplies/equip repairs (blanket PO)	0.00	9.26	
H473056	Invoice	10/11/2023	supplies/equip repairs (blanket PO)	0.00	19.39	
H473096	Invoice	10/11/2023	Water Supplies (Blanket)	0.00	110.65	
H473112	Invoice	10/11/2023	supplies/equip repairs (blanket PO)	0.00	112.72	
H473191	Invoice	10/11/2023	supplies/equip repairs (blanket PO)	0.00	214.55	
H473196	Invoice	10/12/2023	supplies/equip repairs (blanket PO)	0.00	170.61	
H473200	Credit Memo	10/12/2023	supplies/equip repairs (blanket PO)	0.00	-100.31	
H473202	Invoice	10/12/2023	supplies/equip repairs (blanket PO)	0.00	30.41	
H473324	Credit Memo	10/13/2023	supplies/equip repairs (blanket PO)	0.00	-59.32	
H473604	Invoice	10/17/2023	supplies/equip repairs (blanket PO)	0.00	14.01	
H473734	Invoice	10/18/2023	supplies/equip repairs (blanket PO)	0.00	246.00	
H474848	Invoice	10/31/2023	supplies/equip repairs (blanket PO)	0.00	118.65	
OFF1H200817	Invoice	10/02/2023	supplies/equip repairs (blanket PO)	0.00	30.18	
00627	HUGHSON NAPA AUTO & TRUCK	11/09/2023	Regular	0.00	1,228.12	57398
371062	Invoice	10/03/2023	parts and supplies (blanket PO)	0.00	108.35	
371240	Invoice	10/05/2023	fleet maintenance (blanket PO)	0.00	41.56	
371477	Invoice	10/09/2023	parts and supplies (blanket PO)	0.00	5.77	
371664	Invoice	10/11/2023	parts and supplies (blanket PO)	0.00	12.93	
371673	Invoice	10/11/2023	parts and supplies (blanket PO)	0.00	64.70	

Check Report

Date Range: 11/08/2023 - 11/21/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
371724	Invoice	10/12/2023	parts and supplies (blanket PO)	0.00	37.73	
371842	Credit Memo	10/13/2023	parts and supplies (blanket PO)	0.00	-11.32	
372007	Invoice	10/17/2023	parts and supplies (blanket PO)	0.00	70.33	
372134	Invoice	10/18/2023	fleet maintenance (blanket PO)	0.00	842.36	
372449	Invoice	10/23/2023	fleet maintenance (blanket PO)	0.00	3.11	
372482	Invoice	10/24/2023	parts and supplies (blanket PO)	0.00	5.49	
372593	Invoice	10/25/2023	parts and supplies (blanket PO)	0.00	32.02	
372994	Invoice	10/31/2023	fleet maintenance (blanket PO)	0.00	15.09	
01069	Jared Steeley Water & Wastewater Managemer	11/09/2023	Regular	0.00	193.50	57399
10058	Invoice	11/09/2023	Well 9&10 sampling	0.00	193.50	
00677	JORGENSEN & CO.	11/09/2023	Regular	0.00	393.65	57400
6096140	Invoice	11/09/2023	Semi-Annual Hood Service and Repairs	0.00	393.65	
00753	MCFADDEN CONSTRUCTION, IN	11/09/2023	Regular	0.00	27,622.20	57401
INV0010181	Invoice	11/09/2023	Lebright Mobilization and Demolition	0.00	27,622.20	
01759	Mechanical Analysis Repair Inc	11/09/2023	Regular	0.00	5,830.75	57402
11420	Invoice	11/09/2023	Fox Storage tank	0.00	5,830.75	
01459	Merry Mayhew	11/09/2023	Regular	0.00	487.50	57403
INV0010124	Invoice	11/07/2023	City Manager Recruitment	0.00	487.50	
00611	Mid Valley Publications	11/09/2023	Regular	0.00	1,010.10	57404
342367	Invoice	10/02/2023	Fire DIF Public Hearing Notice	0.00	103.60	
342368	Invoice	10/02/2023	Lebright Parking Lot Pave	0.00	906.50	
00799	MOSS, LEVY & HARTZHEIM, LLP	11/09/2023	Regular	0.00	25,000.00	57405
14551	Invoice	10/31/2023	Audit Fieldwork	0.00	25,000.00	
01435	North Valley Labor Compliance Services	11/09/2023	Regular	0.00	150.00	57406
005258	Invoice	11/03/2023	Phase II Tank Construction	0.00	150.00	
00855	OPERATING ENGINEERS LOCAL	11/09/2023	Regular	0.00	385.00	57407
11/2023-1	Invoice	11/09/2023	LOCAL UNION DUES #3	0.00	385.00	
00901	PREFERRED ALLIANCE, INC.	11/09/2023	Regular	0.00	96.16	57408
0189730-IN	Invoice	10/31/2023	OFF-SITE PARTICIPANT	0.00	96.16	
01408	RAYA, NEIL	11/09/2023	Regular	0.00	315.01	57409
INV0010126	Invoice	11/07/2023	Reimbursement for Work Boots	0.00	315.01	
00623	Ricardo Valdovinos	11/09/2023	Regular	0.00	25.00	57410
014757	Invoice	11/09/2023	tire repair	0.00	25.00	
01493	Salonen Electrical Inc	11/09/2023	Regular	0.00	11,588.31	57411
4242	Invoice	11/09/2023	Hatch Rd Lift station	0.00	2,767.97	
4303	Invoice	11/09/2023	Well #8 Repair	0.00	8,820.34	
01607	Scott N. Kivel	11/09/2023	Regular	0.00	18,115.52	57412
INV0010123	Invoice	11/07/2023	CalPERS Issues charges through 11/3/23	0.00	18,115.52	
01926	Shawna Martella	11/09/2023	Regular	0.00	500.00	57413
INV0010125	Invoice	10/30/2023	Deposit Refund - Martella	0.00	500.00	
01040	STANISLAUS COUNTY SHERIFF	11/09/2023	Regular	0.00	158,220.72	57414
2324-12	Invoice	10/24/2023	September 2023	0.00	158,220.72	
01206	WARDEN'S OFFICE	11/09/2023	Regular	0.00	21.55	57415
2105912-0	Invoice	11/08/2023	MISC OFFICE SUPPLIES	0.00	21.55	
01220	WESTURF INC.	11/09/2023	Regular	0.00	787.11	57416
926162	Invoice	11/09/2023	xmark belt	0.00	158.39	
926167	Invoice	11/07/2023	xmark tires	0.00	592.28	

Check Report

Date Range: 11/08/2023 - 11/21/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
927991	Invoice	11/09/2023	xmark switch	0.00	36.44	
01603	Amazon Capital Services, Inc.	11/15/2023	Regular	0.00	1,687.18	57417
13TD-1GML-NMLX	Invoice	11/14/2023	Safety Jackets	0.00	151.47	
1CXV-RC9T-JV7Y	Invoice	11/14/2023	Office Supply	0.00	15.09	
1FDH-JMWL-G7DF	Invoice	11/14/2023	Sweatshirts (Leeroy,Sam,Pablo,Justin)	0.00	258.84	
1Q79-W7X6-LHXG	Invoice	11/14/2023	city hall mirror	0.00	280.46	
1QHF-TFF7-7GR4	Invoice	11/14/2023	photo cells	0.00	411.36	
1TNP-WFNT-JFD9	Invoice	11/14/2023	led strobe lights	0.00	67.95	
1Y7G-LMDQ-3441	Invoice	11/14/2023	gate remotes	0.00	26.96	
1YGV-J1V9-9WFP	Invoice	11/14/2023	boots (Jose and Bobby)	0.00	475.05	
00016	ABS PRESORT	11/16/2023	Regular	0.00	6,632.66	57419
133835	Invoice	11/08/2023	BILL PRINTING- November	0.00	1,632.66	
MP-20231108	Invoice	11/16/2023	Postage Advance	0.00	5,000.00	
00094	AT&T MOBILITY	11/16/2023	Regular	0.00	383.04	57420
11102023	Invoice	11/16/2023	PHONES	0.00	383.04	
00109	BADGER METER, INC	11/16/2023	Regular	0.00	2,307.58	57421
80140898	Invoice	11/16/2023	Badger service	0.00	2,307.58	
01906	Best Bros Painting LLC	11/16/2023	Regular	0.00	13,657.00	57422
1290	Invoice	11/16/2023	Prep, Prime, Paint Water Tank, Blue Pipes,...	0.00	13,657.00	
01260	CARLA JAUREGUI	11/16/2023	Regular	0.00	88.97	57423
INV0010191	Invoice	11/16/2023	Civic Center Interviews (Lunch)	0.00	32.37	
INV0010194	Invoice	11/09/2023	Quarterly Meeting Lunch	0.00	56.60	
00284	CHARTER COMMUNICATION	11/16/2023	Regular	0.00	357.15	57424
170063901110123	Invoice	11/16/2023	IP ADDRESS- PINE ST	0.00	259.38	
170064301110123	Invoice	11/16/2023	IP ADDRESS- 1ST	0.00	97.77	
00305	CITY OF HUGHSON	11/16/2023	Regular	0.00	3,234.97	57425
INV0010197	Invoice	11/16/2023	LLDS & STARN PARK - November	0.00	3,234.97	
00318	CNA SURETY	11/16/2023	Regular	0.00	186.00	57426
INV0010192	Invoice	11/16/2023	CA P E H B #1 1/4/24-1/4/25	0.00	186.00	
00324	CODE PUBLISHING COMPANY	11/16/2023	Regular	0.00	117.50	57427
GC0012426	Invoice	11/10/2023	Ord. 2023-03 Code update	0.00	117.50	
00464	EZ NETWORK SOLUTIONS	11/16/2023	Regular	0.00	1,170.95	57428
43275	Invoice	11/16/2023	IT SERVICES	0.00	1,170.95	
00480	FINELINE STRIPING	11/16/2023	Regular	0.00	35,000.00	57429
476	Invoice	11/16/2023	street striping	0.00	35,000.00	
00498	FRANTZ WHOLESALE NURSERY	11/16/2023	Regular	0.00	304.53	57430
621937.	Invoice	11/16/2023	Flowers for Sunglow	0.00	304.53	
00522	GEOANALYTICAL LABORATORIE	11/16/2023	Regular	0.00	65.00	57431
J3K0707	Invoice	11/16/2023	Lab sampling WW	0.00	65.00	
01398	Jose Vasquez	11/16/2023	Regular	0.00	152.48	57432
INV0010193	Invoice	11/16/2023	Turkey Fry Supplies for Work Thanksgiving...	0.00	152.48	
00611	Mid Valley Publications	11/16/2023	Regular	0.00	777.00	57433
342366	Invoice	11/16/2023	Publications	0.00	777.00	
00824	NEUMILLER & BEARDSLEE	11/16/2023	Regular	0.00	375.00	57434
344941	Invoice	11/06/2023	Personnal Manual	0.00	375.00	
00837	NORTHSTAR CHEMICAL	11/16/2023	Regular	0.00	2,740.25	57435
268265	Invoice	11/16/2023	Chemical (Blanket)	0.00	2,740.25	

Check Report

Date Range: 11/08/2023 - 11/21/2023

Vendor Number Payable #	Vendor Name Payable Type	Post Date	Payment Date Payable Description	Payment Type	Discount Amount	Payment Amount Payable Amount	Number
01885 67787	RecruitGigs Invoice	11/16/2023	11/16/2023 Extra Help - PW	Regular	0.00 0.00	3,150.00 3,150.00	57436
01907 11178	Ripon Print Studio Invoice	11/07/2023	11/16/2023 Downtown Hughson Holiday Banners (repl...	Regular	0.00 0.00	1,241.82 1,241.82	57437
00966 INV0010196	RUIZ, EDUARDO Invoice	11/16/2023	11/16/2023 Work Boots	Regular	0.00 0.00	244.96 244.96	57438
01493 4259	Salonen Electrical Inc Invoice	11/16/2023	11/16/2023 WWTP VFD Fan	Regular	0.00 0.00	19,732.88 19,732.88	57439
01090 2845843	SUTTER HEALTH PLUS Invoice	12/01/2023	11/16/2023 MEDICAL INSURANCE- December	Regular	0.00 0.00	17,417.02 17,417.02	57440
01093 42890	SYNAGRO WEST, LLC Invoice	11/01/2023	11/16/2023 Sludge removal (Blanket)	Regular	0.00 0.00	4,885.74 4,885.74	57441
01144 915387	TROPHY WORKS Invoice	11/16/2023	11/16/2023 Chief Appreciation Plaque	Regular	0.00 0.00	47.89 47.89	57442

Bank Code Payable Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	163	88	0.00	513,664.92
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	163	88	0.00	513,664.92

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	163	88	0.00	513,664.92
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	163	88	0.00	513,664.92

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH/CONSOLIDATED CASH	11/2023	513,664.92
			513,664.92



Hughson

Refund Check Register

Refund Check Detail

UBPKT03380 - 2023-11-16 Reissue Mingham

Account	Name	Date	Check #	Amount	Code	Receipt	Amount	Type
11-1500-003	MINGHAM, TANYA	11/16/2023	57418	165.52			165.52	Deposit
Total Refunds: 1		Total Refunded Amount:		165.52				

Revenue Code Summary

Revenue Code	Amount
996 - UNAPPLIED CREDITS	165.52
Revenue Total:	165.52

General Ledger Distribution

Posting Date: 11/16/2023

	Account Number	Account Name	Posting Amount	IFT
Fund: 510 - WATER/SEWER DEPOSIT	510-10001	CLAIM ON CASH-WATER/SEWER DEPOSIT	-165.52	Yes
	510-11040	CUSTOMER CREDITS	165.52	
	510 Total:		0.00	
Fund: 999 - POOLED CASH/CONSOLIDATED CASH	999-10010	CASH IN BANK-MONEY MARKET	-165.52	
	999-20000	DUE TO OTHER FUNDS (POOLED CASH)	165.52	Yes
	999 Total:		0.00	
	Distribution Total:		0.00	



CITY COUNCIL AGENDA ITEM NO. 3.3

SECTION 3: CONSENT CALENDAR

Meeting Date: November 27, 2023
Subject: Approval of Recommendation of Lieutenant Lloyd MacKinnon for Hughson Chief of Police
Enclosure: Draft Letter to Sheriff Dirkse recommending appointment
Presented By: Merry Mayhew
Approved By: Merry Mayhew
City Manager

Staff Recommendations:

1. Recommend Lieutenant Lloyd MacKinnon for Hughson Chief of Police.
2. Direct the City Manager to send a letter notifying Stanislaus County Sheriff Jeff Dirkse of the City of Hughson's recommendation of Lieutenant Lloyd MacKinnon to the Hughson Chief of Police position.

Background and Overview:

On September 1, 2001, the City of Hughson (City) entered into a five-year agreement with Stanislaus County (County) to perform law enforcement services. Since then, this agreement has been continued with renewals in 2006, 2011, 2013, 2016. On September 14, 2020, the City of Hughson approved Resolution No. 2020-54, an agreement with Stanislaus County to perform law enforcement services for the City of Hughson for the term July 1, 2020, through June 30, 2024.

Chief Fidel Landeros has served as Hughson's Chief of Police from August 2020 to the present and has shared his intent to move back to the Sheriff's Office Administration on December 1, 2023.

Discussion:

In anticipation of Chief Landeros vacating the Police Chief position, the Stanislaus County Sheriff's Department issued a memorandum to its Lieutenant ranks on the opportunity to be considered for Hughson's Chief of Police position. One Lieutenant (Lloyd MacKinnon) submitted a letter of interest for consideration. The City Council Members met with the candidate earlier this month to discuss the role of this critical position. The candidate was also able to share some of his experiences and information regarding his areas of expertise.

Per the executed law enforcement agreement between the City of Hughson and Stanislaus County,

The position of Chief of Police will be filled in accordance with County policy and employee collective bargaining unit contracts. The County shall provide a list of Lieutenants qualified to serve as the Chief of Police for the City. The City may interview the candidate(s) and provide the County with the City's recommendation of the candidate to be appointed as the Chief of Police. After considering the recommendations of the City, the County will assign a Lieutenant who will act as the Chief of Police (the "Chief of Police").

Lieutenant MacKinnon joined the Stanislaus County Sheriff's Department in 2004 after beginning his law enforcement career in 1998 in the State of Connecticut. He was promoted to the rank of Sergeant in 2015 and the position of Lieutenant in 2020. During his tenure, he has served in several department assignments including:

- Patrol Operations
- Community Deputy for Salida
- Community Deputy for Del Rio
- Canine Unit
- Dive Team member and team leader
- Homicide Detective
- Air Support Sergeant/Tactical Flight Officer
- Detective Sergeant overseeing general crimes, rural crimes, domestic violence, crimes against children, StanCatt, High Tech, and Crime Analysts.
- Patrol Watch Commander
- Office of Emergency Services/Stanislaus Threat Assessment Center
- Chief Deputy Coroner

Through his various roles with the Stanislaus County Sheriff's Department, Lieutenant MacKinnon has gained valuable experience in supervising, training, and mentoring personnel. Lieutenant MacKinnon has a Bachelor of Science in Criminal Justice from California Coast University and recently graduated from the Police Executive Research Forum's Senior Management Institute for Police (SMIP).

After consulting with Mayor Carr, it was determined that the candidate be brought to the City Council for formal consideration since assembling an interview panel (as originally planned) was not necessary. A recommendation of his appointment to the Hughson Chief of Police position by the City Council to the Stanislaus County Sheriff is appropriate per the executed agreement. Upon Council approval, the City Manager will notify the Sheriff of the Council's recommendation.

Fiscal Impact:

For Fiscal Year 2023-2024, the estimated cost for law enforcement services is approximately \$1,784,433.

OFFICE OF THE CITY MANAGER
7018 Pine Street, P.O. Box 9
Hughson, CA 95326
(209) 883-4054 Fax (209) 883-2638
www.hughson.org

Merry Mayhew
City Manager
mmayhew@hughson.org

November 28, 2023

Sheriff Jeff Dirkse
Stanislaus County Sheriff's Department
250 E. Hackett Road
Modesto, CA 95358

Sheriff Dirkse,

On behalf of the City of Hughson, we appreciate the Sheriff Department's efforts as we transition in the critical leadership Chief of Police position.

On November 27, 2023, the Hughson City Council formally considered the qualifications of the candidate who expressed interest in the position, Lieutenant Lloyd MacKinnon. The City Council would like to recommend his appointment to the Chief of Police for the City of Hughson.

We fully expect Lieutenant MacKinnon to continue to build on Chief Landeros' good work with the Hughson community and to maintain the tradition and distinction of being one of the safest cities in Stanislaus County.

Regards,

Merry Mayhew
City Manager



CITY COUNCIL AGENDA ITEM NO. 4.1

SECTION 4: UNFINISHED BUSINESS

Meeting Date: November 27, 2023
Subject: Adopt Resolution No. 2023-55, rescinding Resolution 2019-02 and Establishing Administrative Fines for Violation of Hughson Municipal Code Chapter 8.18 – Fireworks
Presented By: Merry Mayhew
Approved By: Merry Mayhew
City Manager

Staff Recommendation:

Adopt Resolution No. 2023-55, rescinding Resolution 2019-02 and establishing Administrative Fines for violation of Hughson Municipal Code Chapter 8.18 – Fireworks.

Discussion:

For many years, there has been increasing use of illegal fireworks within the City limits of Hughson during the Independence Day Holiday and to a lesser degree during New Year's Eve and other cultural holidays. With the increasing use of illegal fireworks, the City receives many complaints each year, in particular after the Independence Day Holiday.

On November 26, 2018, the Hughson City Council adopted Ordinance No. 2018-05, creating Chapter 8.18 Fireworks of the Hughson Municipal Code. The Code references setting the Fireworks fines by resolution and the fines were set on January 14, 2019, by Resolution 2019-02 at \$500 for the first offense and \$1,000 for each additional violation.

In 2023, the City Council again discussed the increase in illegal fireworks and the complaints they have received from city residents. The City Council directed staff to explore efforts specifically increasing the fees and offering rewards.

City staff initiated conversations with the Hughson Police Chief and with a non-profit agency that has the practice of offering rewards anonymously for tips on crimes. After discussing the issue for several months, it was determined that the agency would not be able to handle an influx of tips on illegal fireworks for the City of Hughson. City staff will continue to consider agencies that may be able to handle rewards anonymously for tips on illegal fireworks and bring an item back to the City Council for approval should rewards be an option in the future.

The City Attorney worked with City staff to draft the attached resolution that rescinds Resolution 2019-02 and increases the fees for illegal fireworks from \$500 for the first offense to \$1,000 per citation.

Fiscal Impact:

The fiscal impact associated with this item is an increase of approximately \$3,000 based on an average of six citations for a first offense.

**CITY OF HUGHSON
CITY COUNCIL
RESOLUTION NO. 2023-55**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON TO ESTABLISH
ADMINISTRATIVE FINES FOR VIOLATION OF HUGHSON MUNICIPAL CODE CHAPTER 8.18
- FIREWORKS**

WHEREAS, the City of Hughson adopted Ordinance 2018-05 creating Chapter 8.18 – Fireworks, of the Hughson Municipal Code; and

WHEREAS, Section 8.18.110 authorizes the City Council to adopt administrative fines for violations of Chapter 8.18 by adoption of a Resolution; and

WHEREAS, the City desires to adopt said administrative fines.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council hereby rescinds Resolution 2019-02 Establishing Administrative Fines for Violation of Hughson Municipal Code Chapter 8.18 – Fireworks.

BE IT FURTHER RESOLVED THAT:

2. The City Council hereby adopts the following Administrative Fines for a violation of Hughson Municipal Code Chapter 8.18:
 - a. A violation of Hughson Municipal Code Chapter 8.18 for failure to pay an administrative fee, such a permit fee, and related costs shall be an infraction.
 - b. Any other violations of Hughson Municipal Code Chapter 8.18, which are not characterized as an infraction, shall be a misdemeanor.
 - c. Any violation of Hughson Municipal Code Chapter 8.18 involving the sale, use, possession, manufacture, or discharge of illegal fireworks is categorized as a Level A violation and punishable by a \$1,000 administrative fine to any person or property address.

PASSED AND ADOPTED by the City Council of the City of Hughson at its regular scheduled meeting held on this 27th day of November 2023 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

GEORGE CARR, Mayor

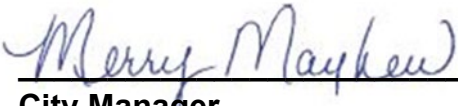
ATTEST:

ASHTON GOSE, City Clerk



CITY COUNCIL AGENDA ITEM NO. 5.1

SECTION 5: PUBLIC HEARING

Meeting Date: November 27, 2023
Subject: Approval to Consider Adoption of Fire Protection Facility Fees for the Hughson Fire Protection District
Enclosures: Impact Fee Study Report and Capital Improvement Plan
Hughson Fire Protection District Meeting Minutes April 18, 2023
Presented By: Merry Mayhew
Approved By: 
City Manager

Recommendations:

1. Conduct a public hearing to adopt Fire Protection Facility Fees for the Hughson Fire Protection District.
2. Approve and adopt the finding set forth in the Public Development Impact Fee Study, and in this item, and as required by Section 66001 of the California Government Code.
3. Authorize imposing the Fire Protection Facility Fees set forth in the fee study and this item on all building permits that are issued in the Hughson Fire Protection District, within the City of Hughson, after January 27, 2024, in the fee amount that is in effect at the time the building permit is issued.

Background & Overview:

The Hughson Fire Protection District (District) provides fire suppression, emergency medical services, auto extrication, water rescue, fire prevention, and public education to the residents and businesses within the District and some unincorporated areas of Stanislaus County. The District is made up of a 5-member Board of Directors, three paid staff, and approximately 25 volunteer firefighters. The District has one station that serves approximately 10,000 residents within its 35 square mile district boundaries.

The purpose of the development impact fees is to protect public health, safety, and general welfare by providing for adequate public facilities. Additionally, the fee is to

fund the acquisition or construction of certain capital assets that will be needed to mitigate the impacts of planned new development on District facilities and to maintain an acceptable level of services in the face of growing service demand related to new development.

Discussion:

On April 18, 2023, the District's Board of Directors adopted an updated impact fee study, pursuant to Government Code Section 66001. Impact fees are calculated to fund the cost of facilities that are the result of growth due to new development. The impact fee study, included in Attachment 1, was prepared for the District by NBS Government Finance Group (NBS). The impact of new development is measured by the number of calls per unit per year generated by each type of development defined in the impact fee study. The proposed impact fee schedule contains a new category for Senior/Assisted Living facilities. The category was added due to almost 25% of District calls for service in a one-year period analyzed in the study having originated from one assisted living community in Hughson.

As an example, a new residence that is 2,000 square feet has a current fire impact fee of \$1,200 compared to the new impact fee of \$1,915.15.

Government Code Section 66018 requires that a public hearing notice be published at least twice during the 10-day notice period; however, Section 66016.5, added by AB602 requires that impact fee nexus studies be adopted at a public hearing with at least 30-days' notice.

On October 3, 2023, the study was presented to the Stanislaus County Board of Supervisors, and the fees were approved for the unincorporated area of the County that lies within the District.

A public notice was posted in the Hughson Chronicle on October 17 and November 7, 2023 noticing this public hearing. In addition, a notice was sent to the Building Industry Association representative as requested.

Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body. Should the District's Development Impact Fees be approved by the City Council, they will become effective January 27, 2024.

Fiscal Impact:

There is no fiscal impact to the City of Hughson. The payment of these fees will be made directly to the Hughson Fire Protection District.

**CITY OF HUGHSON
CITY COUNCIL
RESOLUTION NO. 2023-56**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON ADOPTING
THE HUGHSON FIRE PROTECTION DISTRICT DEVELOPMENT IMPACT FEE NEXUS
STUDY AND PROPOSED FEES PREPARED BY NBS GOVERNMENT FINANCE
GROUP**

WHEREAS, the City Council seeks to ensure that new development pays for the impacts of new development; and

WHEREAS, in 2023 the Hughson Fire Protection District Board retained the firm NBS Government Finance Group to prepare a Development Impact Fee Study and directed the fees of the study in accordance with Government Code Section 66017; and

WHEREAS, the Hughson Fire Protection District Board approved the NBS Development Impact Fee Study, dated April 14, 2023; and

WHEREAS, the Hughson Fire Protection District Board approved the 2023 Capital Improvement Plan for years 2023 – 2028; and

WHEREAS, the City Council adopted the NBS Government Finance Group Development Impact Fee Study for the Hughson Fire Protection District; and

WHEREAS, the study has been presented for public comment at the regular meeting of November 27, 2023, following appropriate public noticing requirements, pursuant to Government Code Section 66017.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hughson accepts and adopts the Hughson Fire Protection District Development Impact Fee Study, dated April 14, 2023, and proposed fees and directs that the fees of this study be applied upon the effective date as prescribed by Government Code Section 66017.

PASSED AND ADOPTED by the Hughson City Council at a regular meeting thereof, held on November 27, 2023, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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>
>

APPROVED:

GEORGE CARR, Mayor

ATTEST:

ASHTON GOSE, City Clerk

HUGHSON FIRE PROTECTION DISTRICT

Final Report

Development Impact Fee Study

April 14, 2023

Prepared by:



Corporate Headquarters

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Executive Summary

The Hughson Fire Protection District (Hughson FPD) retained NBS Government Finance Group to analyze the impacts of new development on the facilities and other capital assets needed to serve the District and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Organization of the Report

Chapter 1 of this report provides an overview of the legal requirements for establishing and imposing such fees, and the methods that can be used to calculate impact fees.

Chapter 2 contains data on existing development in the District.

Chapters 3 analyzes the impacts of development on the District's need for facilities, apparatus, vehicles and equipment and calculates impact fees based on that analysis.

Chapter 4 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Development Data

Chapter 2 of this report presents estimates of existing development in the District. The Hughson Fire Protection District includes the City of Hughson as well as a portion of unincorporated Stanislaus County.

Chapter 2 also shows demand factors in terms of fire calls per unit per year for each type of development identified in this study.

Because of provisions of AB 602 that were incorporated into California law effective in 2022, impact fee categories for residential development in this study are defined in terms of unit size categories, broken down by square footage. Prior to the adoption of AB 602 it was common practice to base residential impact fees on unit type categories (e.g., single-family or multi-family units).

No forecast of future development for the District was available at the time of this Study. However, as discussed further below, AB 602 also requires that impact fees be based on the existing level of service, and therefore the calculations for impact fees in this report do not involve nor require a forecast of future development.

Impact Fee Analysis

The impact fees calculated in this report are based on the existing level of service in the District in keeping with the requirements of Government Code Section 66016.5, which was added by AB 602 in 2021. The existing level of service is defined as the relationship between the replacement cost of existing District facilities, apparatus, vehicles and

equipment and the number of calls for service per year received by the District. That relationship is stated as a cost per call for service per year.

As part of this study, NBS analyzed the distribution of Hughson FPD calls for service for a full year to determine the average number of calls per unit per year generated by different types of development. The impact fee per unit for each type of development is calculated by multiplying the cost per call by the number of calls per unit per year generated by each type of development. The impact fees calculated in this report are intended to apply to all types of new development in the District other than development by government entities.

Table S.1 below shows the impact fees calculated in this report.

Table S.1: Proposed Impact Fees per Unit

Development Type	Units ¹	Impact Fee per Unit
Residential: <800 Sq. Ft.	DU	\$ 884.11
Residential: >800-1,300 Sq. Ft.	DU	\$ 1,205.61
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 1,527.11
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,848.60
Residential: >2,500 Sq. Ft.	DU	\$ 2,170.10
Senior/Assisted Living	Room	\$ 8,512.19
Commercial	SF	\$ 1.35
Industrial	SF	\$ 0.06
Quasi-Public Facilities	SF	\$ 0.27

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

The proposed impact fee schedule contains a new category for Senior/Assisted Living. That category was added because almost 25% of all Hughson FPD calls for service in the one-year period analyzed in this study originated from one assisted living community in Hughson. The proposed impact fee for Senior/Assisted Living facilities reflects the outsized service demand created by that type of development.

Table S.2 shows the proposed impact fees from Table S.1 with the addition of a 3.6% administrative charge. That percentage is intended to cover the average annual cost of preparing an impact fee update study every eight years as required by the Mitigation Fee Act.

The percentage of the administrative charge is based on the estimated cost of an impact fee update study (\$25,000) divided by eight years of estimated future impact fee revenue. The District's average annual impact fee revenue from the City and the County over the last three years was \$61,475. NBS estimates that, if the impact fees calculated in this study are adopted, average annual revenue will increase by 40% to about \$86,000. Eight years of revenue at \$86,000 per year is \$688,520, and $\$25,000 / \$688,520 = 0.036$ or 3.6%.

Table S.2: Proposed Impact Fees per Unit + Admin Charge

Development Type	Units ¹	Impact Fee per Unit
Residential: <800 Sq. Ft.	DU	\$ 915.94
Residential: >800-1,300 Sq. Ft.	DU	\$ 1,249.01
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 1,582.08
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,915.15
Residential: >2,500 Sq. Ft.	DU	\$ 2,248.22
Senior/Assisted Living	Room	\$ 8,818.62
Commercial	SF	\$ 1.39
Industrial	SF	\$ 0.06
Quasi-Public Facilities	SF	\$ 0.28

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² In this table, a 3.6% administrative charge is added to the impact fees; see discussion in text

As explained on pages 3-3 and 3-4 in Chapter 3, The District may encounter non-residential development projects that do not fit well into any of the non-residential development categories for which impact fees are calculated in that report. In that case, the District can calculate a customized impact fee using the formula shown on page 3-4.

Table S.3 shows the District's existing impact fees. All of the existing impact fees are based on square footage, while the proposed residential impact fees are shown per unit. To make the comparison of existing and proposed impact fees more meaningful, the existing residential impact fees are converted to per-unit fees using the estimated average square feet per unit for each unit-size category.

Table S.3: Existing Impact Fees per Unit

Development Type	Units ¹	Impact Fee per Unit ²
Residential: <800 Sq. Ft.	DU	\$ 450.00
Residential: >800-1,300 Sq. Ft.	DU	\$ 720.00
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 900.00
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,320.00
Residential: >2,500 Sq. Ft.	DU	\$ 1,650.00
Senior/Assisted Living	Room	No Existing Fee
Commercial	SF	\$ 0.30
Industrial (Classified Commercial)	SF	\$ 0.30
Quasi-Public Facilities	SF	No Existing Fee

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² Residential impact fees per unit are based on the existing residential impact fee per square foot and the estimated average square feet per unit for each unit size category

The comparison of existing and proposed impact fees for the commercial category is fairly straightforward. The existing fee is \$0.30 per square foot and the proposed impact fee is \$1.39 per square foot, including the administrative charge. However, under the existing fee schedule, industrial development is considered commercial except for greenhouses which have a specific impact fee of \$0.11 per square foot. The proposed impact fee schedule includes a separate impact fee for all industrial development, including greenhouses, at a rate of \$0.06 per square foot. The proposed new impact fees for commercial and industrial development reflect the substantial differences in service demand created by those types of development.

Table S.4 shows the difference between the District's existing impact fees and the proposed impact fees including the administrative charge. Numbers in parentheses indicate that the proposed impact fee is lower than the existing impact fee.

Table S.4: Difference Between Existing and Proposed Fees

Development Type	Units ¹	Impact Fee Difference ²
Residential: <800 Sq. Ft.	DU	\$ 465.94
Residential: >800-1,300 Sq. Ft.	DU	\$ 529.01
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 682.08
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 595.15
Residential: >2,500 Sq. Ft.	DU	\$ 598.22
Senior/Assisted Living	Room	No Existing Fee
Commercial	SF	\$ 1.09
Industrial	SF	\$ (0.24)
Quasi-Public Facilities	SF	No Existing Fee

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² Impact fee difference = proposed impact fee per unit + admin charge from Table S.2 less existing impact fee per unit from Table S.3

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for capital facilities and other capital assets provided by the Hughson Fire Protection District and to calculate impact fees based on that analysis. This report documents the approach, data and methodology used in this study to calculate impact fees.

The methods used to calculate impact fees and in-lieu fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000-66025).

Legal Framework for Impact Fees

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as legal advice.

Fire Protection District Law of 1987. California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states: “A (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.” However, although the District itself may not charge such fees, it is quite common in California for cities and counties to impose fire impact fees for fire protection districts that provide services within their boundaries. The fees calculated in this report are intended to be adopted by the City of Hughson and Stanislaus County.

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the 5th Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against “regulatory takings.” A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

In two landmark cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval or imposes ad hoc exactions as a condition of approval on a single development project that do not apply to development generally, a higher standard of judicial scrutiny applies. To meet that standard, the agency must demonstrate an “essential nexus” between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987) and make an “individualized determination” that the exaction imposed is “roughly proportional” to the burden created by development (See *Dolan v. City of Tigard*, 1994).

Until recently, it was widely accepted that legislatively enacted impact fees that apply to all development in a jurisdiction are not subject to the higher standard of judicial scrutiny flowing from the *Nollan* and *Dolan* decisions. But after the U. S. Supreme Court decision in *Koontz v. St. Johns Water Management District (2013)*, state courts have reached conflicting conclusions on that issue. The California Supreme Court has held that the heightened scrutiny required by *Nollan* and *Dolan* does not apply to development fees that are generally applicable to a broad class of property owners through legislation (see the opinion in the California Court of Appeal, Third Appellate District, case of *Sheetz v. County of El Dorado*).

For purposes of this study, we assume that the key distinction between the heightened scrutiny of *Nollan* and *Dolan*, and the “reasonable relationship” requirements of the California Mitigation Fee Act (discussed below) is that legislatively adopted impact fees do not require an “individualized determination” as to the nature and extent of the impacts of a particular development project and the proportionality of the fees. Otherwise, we consider the reasonable relationship requirements of the Mitigation Fee Act to be generally consistent with the broad nexus standard enunciated in various federal and state impact fee decisions.

Defining “Nexus.” While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard*. The elements of the nexus discussed below mirror the three “reasonable relationship” findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

Need or Impact. Development must create a need for the facilities to be funded by impact fees. All new development in a community creates additional demands on some or all public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is related to the development project subject to the fees.

The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities based on applicable level-of-service standards. This report contains all of the information needed to demonstrate compliance with this element of the nexus.

Benefit. Development must benefit from facilities funded by impact fees. With respect to the benefit relationship, the most basic requirement is that facilities funded by impact fees be available to serve the development paying the fees. A sufficient benefit relationship also requires that impact fee revenues be segregated from other funds and

expended in a timely manner on the facilities for which the fees were charged. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to development projects paying the fees.

Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are either expended in a timely manner or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, over time, procedural issues as well as substantive issues can come into play with respect to the benefit element of the nexus.

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. However, that objection is valid only if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

Articles XIII C and XIII D, added to the California Constitution by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges, as a condition of property development.” Thus, impact fees are exempt from those requirements.

The Mitigation Fee Act. California’s impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature and took effect in January 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time, the impact fee statute has been amended from time to time, and in 1997 was officially titled the “Mitigation Fee Act.” Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include “public improvements, public services and community amenities.” Although the issue is not specifically addressed in the Mitigation Fee Act, it is clear both in case law and statute (see Government Code Section 65913.8) that impact fees may not be used to pay for ongoing maintenance or operating costs. Consequently, the fees calculated in this report are based on the cost of capital assets only.

The Mitigation Fee Act does not use the term “mitigation fee” except in its official title. Nor does it use the common term “impact fee.” The Act simply uses the word “fee,” which is defined as “a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project”

To avoid confusion with other types of fees, this report uses the widely accepted terms “impact fee” and “development impact fee” which both should be understood to mean “fee” as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

Required Findings. Section 66001 (a) requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee
2. Identify the use of the fee; and
3. Determine that there is a reasonable relationship between the use of the fee and the development type on which it is imposed
4. Determine that there is a reasonable relationship between the need for the facility and the type of development on which the fee is imposed

In addition, Section 66001 (b) requires that in any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Legal experts have opined that the requirements of Section 66001 (a) apply when impact fees are based on a legislatively adopted fee schedule, while the requirements of Section 66001 (b) apply when impact fees are based on an administratively imposed (ad hoc) assessment.¹

The requirements outlined above are discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific

¹ See “The Mitigation Fee Act’s Five-Year Findings Requirement: Beware Costly Pitfalls” by Glen Hansen, Senior Council, Abbott and Kindermann and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys Spring Conference

purpose of the fees calculated in this study is to fund acquisition or construction of certain capital assets that will be needed to mitigate the impacts of planned new development on District facilities, and to maintain an acceptable level of service as the in the face of growing service demand related to new development.

This report recommends that findings regarding the purpose of an impact fee should define the purpose broadly, as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001(a)(2), if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. Section 66002 (b) requires that if a capital improvement plan is used to identify the facilities, it must be updated annually.

However, a new provision in Section 66016.5, which was added by AB 602 in 2021, requires that large jurisdictions adopt a capital improvement plan as part of an impact fee study. That requirement applies to impact fee studies adopted after January 1, 2022. "Large jurisdiction" means a county of 250,000 or more or any city within that county. The statute does not provide any detail about what must be included in the capital improvement plan or how it should relate to the impact fee study. That new requirement is inconsistent with the original language of Section 66001(a)(2), so it is unclear whether the annual update requirement in Section 66002(b) applies.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

Technically, as best we can determine, the third requirement in that list pertains only to "ad hoc" fees that are not part of a legislatively adopted fee schedule. However, it is reasonable to assume that all three are part of a complete "nexus" or "reasonable relationship" framework as discussed earlier and impact fees calculated in this report are based on a proportional allocation of eligible costs to various types of development.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to clarify that impact fees “shall not include costs attributable to existing deficiencies in public facilities,...” The legislature’s intent in adopting this amendment, as stated in the bill, was to codify the holdings of *Bixel v. City of Los Angeles* (1989), *Rohn v. City of Visalia* (1989), and *Shapell Industries Inc. v. Governing Board* (1991).

That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

However, Section 66001(g) also states that impact fees “may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) *refurbish existing facilities to maintain the existing level of service or* (2) *achieve an adopted level of service that is consistent with the general plan.*” (Emphasis added.)

Impact Fees for Existing Facilities. Impact fees may be used to recover costs for existing facilities to the extent that those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that fees used to pay for existing facilities meet the need and benefit elements of the nexus.

Recent Legislation

Several new laws enacted by the State of California since 2019 to facilitate development of affordable housing bear on the implementation of impact fees calculated in this study. Below are brief overviews of some key bills passed since 2019.

SB 330 – The Housing Crisis Act of 2019. Amendments to existing law contained in SB 330 prohibit the imposition of new approval requirements on a housing development project once a preliminary application has been submitted. That provision applies to increases in impact fees and in-lieu fees, except when the resolution or ordinance establishing the fee authorizes automatic, inflationary adjustments to the fee or exaction.

AB 1483 – Housing Data: Collection and Reporting. AB 1483 requires that a city, county or special district must post on its website a current schedule of its fees and exactions, as well as associated nexus studies and annual reports. Updates must be posted within 30 days.

SB 13 – Accessory Dwelling Units. SB 13 prohibits the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and provides that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. The proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process.

Existing law requires a water or sewer connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling unit’s size or the number of its plumbing fixtures. SB 13 revises the

basis for calculating the connection fee or capacity charge to either the accessory dwelling unit's square feet or the number of its drainage fixture units.

AB 602 – Amendments to the Planning and Land Use Law and the Mitigation Fee Act.

AB 602, which was passed and signed in 2021, adds section 65940.1 to the Planning and Land Use Law requiring cities, counties and special districts that have internet websites to post schedules of fees, exactions and affordability requirements, annual fee reports, and an archive of nexus studies on that website, and to update that information within 30 days after any changes.

AB 602 also adds Section 66016.5 to the Mitigation Fee Act imposing several new requirements for impact fees that go into effect in 2022, including:

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.
- If a nexus study supports an increase in an existing fee the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (counties over 250,000 and cities within those counties) must adopt a capital improvement plan as part of the nexus study.
- All impact fee nexus studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin and impact fee nexus study of the date of the hearing.
- Nexus studies shall be updated at least every eight years, from the period beginning on January 1, 2022.
- 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 in the development. A nexus study is not required to comply with this requirement if the local agency makes certain findings specified in the law. A local agency that imposes a fee proportionately to the square footage of units in 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.
- Authorizes any member of the public, including an applicant for a development project, to submit evidence that impact fees proposed by an agency fail to comply with the Mitigation Fee Act, and requires the legislative body of the agency to consider such evidence and adjust the proposed fee if deemed necessary.

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the type of facility being addressed. To some extent those methods are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is represented by some attribute of development such as added population or added vehicle trips that represent the impacts created by different types and amounts of development.

Plan-Based or Improvements-Driven Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified in a facility plan, while the development is identified in a land use plan that forecasts potential development by type and quantity.

Using this method, facility costs are allocated to various categories of development in proportion to the service demand created by each type of development. To calculate plan-based impact fees, it is necessary to determine what facilities will be needed to serve a particular increment of new development.

With this method, the total cost of eligible facilities is divided by total units of additional demand to calculate a cost per unit of demand (e.g., a cost per capita for parks). Then, the cost per unit of demand is multiplied by factors representing the demand per unit of development (e.g., population per unit) to arrive at a cost per unit of development.

This method is somewhat inflexible in that it is based on the relationship between a specific facility plan and a specific land use plan. If either plan changes significantly the fees will have to be recalculated.

Capacity-Based or Consumption-Driven Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has capacity available to serve the development. Since the cost per unit of demand does not depend on the particular type or quantity of development to be served, this method is flexible with respect to changing development plans.

In this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. However, a similar analysis can be applied to other types of facilities. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units

or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-Based or Incremental Expansion Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area.

Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the number of service units to be provided for each unit of development.

Park in-lieu and impact fees are commonly calculated this way. The level of service standard for parks is typically stated in terms of acres of parks per thousand residents. A cost-per-acre for park land or park improvements can usually be estimated without knowing the exact size or location of a particular park. The ratio of park acreage to population and the cost per acre for parks is used to calculate a cost per capita. The cost per capita can then be converted into a cost per unit of development based on the average population per dwelling unit for various types of residential development.

Standard-based fee calculations using the existing level service as the standard appear to be well-suited to meeting the requirement that impact fees be based on the existing level of service. That requirement was added by Section 66016.5 as part of AB 602 and became effective in 2022.

Note on Impact Fees for Accessory Dwelling Units (ADUs). Recent amendments to Section 65852.2 of the Government Code provide that impact fees may not be imposed on ADUs smaller than 750 square feet. It also establishes the following requirement for impact fees imposed on ADUs of 750 square feet or more:

“Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.”

Although it is not spelled-out in Section 65852.2, we think it is obvious that when calculating ADU impact fees in cases where the primary unit is a single-family detached unit, the starting point for the proportionality calculation is the fee that applies to the single-family unit.

The law also allows for ADUs on lots or parcels where the primary units are multi-family units. There are two potential complications for ADUs in multi-family complexes. The first is that the existing units in a multi-family complex may be of different sizes, which makes it more difficult to determine what square footage should be used for the primary unit when calculating the proportional fee for an ADU. The second is that the ADU may be similar in size to the existing units, which means that proportional impact fees for any ADU larger than 750 square feet would not benefit from a significant reduction in impact

fees. The District should establish a policy to define the primary unit square footage that would apply for ADUs in multi-family projects. One possibility would be to use the average size of existing units in the complex. Another would be to base the primary unit square footage on the largest unit in the complex, which would have the effect of reducing the ADU impact fee.

The formula for calculating proportional ADU impact fees would be:

$$\text{Primary unit impact fee} \times (\text{ADU square feet} / \text{Primary unit square feet})$$

One thing that becomes obvious in that formula is that, for an ADU of a particular size, a larger primary unit results in lower impact fees for the ADU. For example, if the ADU is 1,000 square feet and the primary unit is 2,000 square feet, the proportional impact fee for the ADU would be 50% of the impact fee that would apply to the primary unit. But if the primary unit is 1,200 square feet, the impact fee for the same-sized ADU would be 83.33% of the primary unit fee. It seems likely that discrepancy is an unintended consequence of language in Section 65852.2 that was not thoroughly considered before adoption.

Also, as mentioned earlier, residential impact fees adopted after July 1, 2022, must be proportionate to the square footage of a unit. It seems likely that impact fees based on square footage for primary units will tend to reduce the inequity created by the proportionality language of Section 65852.2 because the fees that apply to a smaller primary unit would be less than the fees that apply to a larger primary unit.

Subsequent Chapters

Chapter 2 of this report contains data on development and service demand in the District. Impact fees for HFPD facilities apparatus, vehicles and equipment are calculated in Chapter 3. Chapter 4 covers implementation of the impact fees calculated in this report.

Chapter 2. Development Data

This chapter presents data on existing development within the Hughson Fire Protection District (Hughson FPD) that will be used to calculate impact fees in this report. The information in this chapter may be used to establish levels of service, analyze facility needs, and allocate the cost of capital facilities among various types of development.

Land use and development data in this chapter are based on information from the U.S. Census Bureau and the American Community Survey (ACS), the California Department of Finance (DOF) Demographic Research Unit, the Stanislaus County Assessor and other sources as noted in this chapter.

Study Area

The study area for this study is the area within the boundaries of the Hughson Fire Protection District which includes the City of Hughson and a portion of unincorporated Stanislaus County surrounding the City.

Development Types

The development types for which impact fees are calculated in this study are listed below. Traditionally, impact fees for residential development are based on unit types such as single-family, multi-family and mobile home units. However, AB 602, enacted in 2021, added Section 66016.5 to the Government Code. That section requires that, “[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.” It further states that “[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.” Consequently, the residential development categories used in this study are based on unit size rather than the type of unit. The list of development categories used in this study is shown below.

- Residential: < 800 Sq. Ft.
- Residential: > 800 – 1,300 Sq. Ft.
- Residential: > 1,300 – 1,900 Sq. Ft.
- Residential: > 1,900 – 2,500 Sq. Ft.
- Residential: > 2,500 Sq. Ft.
- Senior/Assisted Living
- Commercial
- Industrial
- Public/Quasi-Public Facilities

Residential. As noted in the previous section, the residential development categories used in this study are based on unit size and do not distinguish among unit types (e.g., single-family, multi-family or mobile home).

Senior/Assisted Living. This category includes facilities for independent living and assisted living for residents over 65, as well as skilled nursing facilities, memory care facilities and other similar uses. It excludes age-restricted residential developments that do not provide on-site caregivers.

Commercial. The Commercial category includes retail commercial, service commercial and similar uses.

Industrial. The Industrial category includes manufacturing, warehousing, processing and similar uses, including greenhouses.

Quasi-Public Facilities. This category includes quasi-public facilities such as religious institutions, hospitals and private schools. All of the demand associated with this category in the analysis of HFPD calls for service was from churches or other religious institutions. Government facilities are not included in this category because in most cases those facilities are exempt from impact fees. It is also worth noting that the analysis of HFPD calls for service in this study did not identify any calls from government facilities.

Units of Development

In this study, quantities of existing and planned development are measured in terms of certain units of development. Those units are discussed below.

Dwelling Units. Residential development in this study is measured in terms of dwelling units (DUs).

Building Area. Non-residential development in this study is measured in terms of building area in square feet or thousands of square feet, denoted as KSF.

Demand Variable

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Some measurable attribute of development such as population, vehicle trips or calls for service are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services.

Those attributes are referred to in this study as “demand variables.” Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

The demand variable used in this study is calls for service. The impact of development on the need for facilities, apparatus and vehicles used by the Hughson Fire Protection is represented by the number of calls for service per year received by HFPD. The service demand created by a particular type of development is represented by the average number of calls per unit per year generated by that type of development.

Those calls-for-service-per-unit-per year factors, also called demand factors, are based on analysis by NBS of a random sample of calls for service for a one-year period. The number

of calls generated during that year by each type of development is divided by the number of units of that development type to arrive at calls-per-unit-per-year factors that are shown in Table 2.1 and used to calculate impact fees in Chapter 3 of this report. For additional detail see Chapter 3.

Demand Factors

Table 2.1 shows the calls for service-per-unit-per-year factors for each type of development defined in this study. As noted above, those factors are based on an analysis by NBS of all calls for service received by the Hughson Fire Protection District for a one-year period, specifically the period from December 1, 2021, to November 30, 2022.

With respect to residential development, available data do not allow calls for service to be related directly to residential units by unit size, so the calls for service analysis identifies calls generated by single-family, multi-family and mobile home units. Then, to meet the requirement of Government Code Section 66016.5 which requires residential impact fees to be proportional to square footage, calls-for-service factors by unit size category were estimated on a sliding scale around the overall average rate. In other words, the residential calls-for-service factors shown in Table 2.1 increase with unit size and those factors range around the overall average rate for residential development.

Table 2.1 - Fire Department Calls per Unit per Year

Development Type ¹	Unit Type ²	Fire Calls per Unit ⁸
Residential: <800 Sq. Ft.	DU	0.110
Residential: >800-1,300 Sq. Ft.	DU	0.150
Residential: >1,300-1,900 Sq. Ft.	DU	0.190
Residential: >1,900-2,500 Sq. Ft.	DU	0.230
Residential: >2,500 Sq. Ft.	DU	0.270
Senior/Assisted Living	Room	1.059
Commercial	KSF	0.167
Industrial	KSF	0.008
Quasi-Public Facilities ²	KSF	0.034

¹ Fire Department calls for service per unit per year based on analysis of a random sample of all HFPD calls for service from 12/1/21 to 11/30/22; see discussion in text and in Chapter 3

² Public/Quasi-Public Facilities analyzed in this study consist primarily of religious institutions and do not include government owned buildings which are not subject to impact fees

Existing Development

Table 2.2 presents data on existing development as of January 2023 in the area served by the Hughson Fire Protection District.

It is important to note that in Table 2.2, all residential development is grouped into a single category. As noted above, this study is required to calculate residential impact fees in proportion to square footage, so residential development types are defined in this study by unit-size categories rather than by unit types. However, we do not have data that would allow us to break out existing residential development into unit-size categories, so in Table 2.2 all residential development is grouped into a single category. However, in Chapter 3, specific impact fees are calculated for each residential unit size category.

Table 2.2: Existing Development January 1, 2023 - Hughson FPD

Development Type	Unit Type ¹	No. of Units ²	Fire Calls per Year ³
General Residential	DU	3,192	606
Senior/Assisted Living	Room	237	251
Commercial	KSF	238.9	40
Industrial	KSF	3,885.4	30
Quasi-Public Facilities	KSF	233.9	8
Totals			935

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area

² Existing residential units based on data from the 2022 California Department of Finance E-5 report; existing non-residential units based on CoStar data and the Stanislaus County Assessor's property database

³ Fire Department calls for service per unit per year based on analysis of a random sample of all HFPD calls for the period from 12/1/21 to 11/30/2022; see discussion in text

Forecasts of future development within the District were not available for use in this report. The impact fee calculations do not require forecasts of future development. However, without such forecasts, it is not possible to project potential revenue from the impact fees calculated in this report.

Chapter 3. Impact Fees

This chapter calculates impact fees for Hughson Fire Protection District (Hughson FPD) capital facilities, apparatus, vehicles and equipment of the types identified later in this chapter.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. All of the impact fees calculated in this chapter are based on the existing level of service (LOS) provided by the District, as defined in the section titled Existing Facilities and Existing Level of Service, below. Impact fees calculated in that manner are intended to provide the funding needed to maintain the existing level of service as the District grows.

Service Area

The impact fees calculated in this chapter are intended to apply to all new development in the District with the exception of government buildings, which are typically exempt from impact fees.

Demand Variable

As discussed in Chapter 2, a “demand variable” is a quantifiable attribute of development that is used in impact fee calculation formulas to represent the impact of development on the need for capital facilities. The demand variable used to calculate impact fees for Hughson FPD facilities in this chapter is calls for service per year.

Impact fees calculated in this chapter for different types of development vary depending on the number of calls for service per unit per year generated by each development type. The calls-for-service-per-unit-per-year factors used to calculate impact fees for Hughson FPD facilities in this study are derived from analysis of a random sample of all of District calls for service for a one-year period from December 1, 2021, to November 30, 2022. The District logged 1,016 calls for service for that period.

NBS took a random sample of 500 of those calls and classified them by the type of development where the call originated. Of the 500 sampled calls, only 400 could be classified because some of the calls were at locations other than a specific address or the address could not be matched to a specific type of development. Statistically, the 400 classified calls represent a sample large enough to reach a margin of error of 3.8% at a 95% confidence level.

After determining the distribution of calls by development type, the number of sampled calls for each type of development was scaled up to match the full year’s calls and then divided by the number of existing units of the corresponding development type to arrive

at a calls-per-unit-per year factor for each type of development. Calls associated only with agricultural land were not included in the total existing calls for service shown in Table 3.3 in this chapter because there will be no completely new agricultural land in the District which could be subject to impact fees. The calls-per-unit-per-year factors used in the impact fee calculations in this chapter are from Table 2.1 in Chapter 2

Existing Facilities and Existing Level of Service

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. That section requires, after January 1, 2022, that the level of service used in an impact fee study must be compared with the existing level of service. If the level used in the impact fee study exceeds the existing level of service, an explanation is required. The impact fees calculated in this chapter are based on the existing level of service as shown in Table 3.3, later in this chapter, so there is no level-of-service issue with respect to Section 66016.5.

In this chapter, the existing level of service for Hughson FPD facilities is based on the relationship between the current number of calls for service per year and the replacement cost of existing facilities, apparatus, vehicles and equipment. Table 3.1 lists the District's buildings with their replacement cost. The existing balance of the HFPD impact fee fund will be used to fund capital improvements and is included as an existing asset.

Table 3.1: Existing Fire Department Facilities

Facility	Constr Date	Building Sq Ft ¹	Bldg Repl Cost ²	Site Acres ³	Site Value ⁴	Impact Fee Cost Basis ⁵
Administration Building	2006	4,006	\$ 1,392,675	0.07	\$ 21,000	\$ 1,413,675
Apparatus Building	1969	5,000	\$ 1,676,183	0.50	\$ 150,000	\$ 1,826,183
Existing Balance in HFPD Impact Fee Fund						\$ 452,563
Total						\$ 3,692,421

¹ Building square footage provided by the Hughson Fire Protection District (HFPD)

² Building replacement cost from HFPD insured property schedule

³ Site acres provided by HFPD

⁴ Site value based on \$300,000 per acre

⁵ Impact fee cost basis = building replacement cost + site value

Table 3.2 lists the District's existing firefighting apparatus and vehicles and the personal protective equipment issued to firefighters and shows the replacement cost for each. Equipment associated with apparatus and vehicles is included in the replacement cost of those items.

Table 3.2: Existing Apparatus, Vehicles and Equipment

Model Year	Unit	Description	Replacement Cost ¹
2020	Engine 39	Pierce Impel Type I Engine	\$ 850,000
2013	Engine 239	Pierce Impel Type I Engine	\$ 850,000
1991	Engine 339	Pierce Dash Type I Engine	\$ 850,000
2010	Tender 39	High-Tech Kenworth 3,000 Gal.	\$ 450,000
2008	Grass 39	Pierce Ford F550 Type 6 Engine	\$ 400,000
2012	Utility 39	Ford F350 DRW Command Vehicle	\$ 100,000
2014	Utility 239	Chevy Tahoe Utility Vehicle	\$ 80,000
Personal Protective Gear @ \$7,350 each for 33 Firefighters			\$ 242,550
Total			\$ 3,822,550

¹ Replacement cost provided by the Hughson Fire Protection District

Table 3.3 calculates the District's existing level of service as a cost per call for service per year for the District's facilities, apparatus, vehicles and equipment. The cost per call is calculated using the costs from Tables 3.1 and 3.2 and the existing calls for service per year from Table 2.2.

Table 3.3: Cost per Capita - Fire Department Facilities

Impact Fee Cost Basis ¹	Existing Calls for Service per Year ²	Cost per Call ³
\$7,514,971	935	\$8,037.40

¹ See Tables 3.1 and 3.2

² See Table 2.2

³ Cost per call = impact fee cost basis / existing service population

Impact Fees per Unit

Table 3.4 calculates impact fees per unit by development type for Hughson FPD facilities and other capital assets. Those fees are based on the cost per call from Table 3.3 and calls-for-service-per-unit-per-year factors from Table 2.1.

No impact fees are calculated in this study for public facilities owned by government agencies because they are typically exempt from such fees. The Quasi-Public category shown in Table 3.4 includes facilities constructed by religious institutions, private schools, hospitals and similar uses which are not legally exempt from impact fees. The calls-per-unit-per-year data used in this study for Quasi-Public Facilities is based almost entirely on data for existing churches and other religious facilities, so the fee shown for Quasi-Public Facilities in Table 3.4 would be most applicable to religious facilities.

Customizing Impact Fees. For any other type of non-residential development that does not fit well into either the commercial or industrial category, the District can customize impact fees based on an analysis of the number of calls for service they are likely to

generate. That analysis can be based on the calls generated by similar uses in the District or in areas served by other fire departments. The formula to calculate a customized fee would be:

$$\text{Impact Fee per Unit} = \text{Calls per Unit per Year} \times \text{Cost per Call from Table 3.3}$$

Change in Units for Non-Residential Fees. Up to this point in this study, the unit used for non-residential development has been one-thousand square feet (KSF) of building area. However, for consistency with the District's existing non-residential impact fees, the non-residential impact fees shown in Table 3.4 are shown as square foot fees.

Table 3.4: Fire Impact Fees per Unit

Development Type	Units ¹	Cost per Call ²	Calls per Unit per Year ³	Impact Fee per Unit ⁴
Residential: <800 Sq. Ft.	DU	\$8,037.40	0.110	\$ 884.11
Residential: >800-1,300 Sq. Ft.	DU	\$8,037.40	0.150	\$ 1,205.61
Residential: >1,300-1,900 Sq. Ft.	DU	\$8,037.40	0.190	\$ 1,527.11
Residential: >1,900-2,500 Sq. Ft.	DU	\$8,037.40	0.230	\$ 1,848.60
Residential: >2,500 Sq. Ft.	DU	\$8,037.40	0.270	\$ 2,170.10
Senior/Assisted Living	Room	\$8,037.40	1.059	\$ 8,512.19
Commercial	SF	\$8,037.40	0.167	\$ 1.35
Industrial	SF	\$8,037.40	0.008	\$ 0.06
Quasi-Public Facilities	SF	\$8,037.40	0.034	\$ 0.27

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area

² See Table 3.3

³ See Table 2.1

⁴ Impact per unit = cost per call X calls per unit per year

Updating the Fees

The impact fees calculated in this chapter are based on the current estimated cost of Hughson FPD facilities, apparatus, vehicles and equipment. We recommend that the fees be reviewed annually and adjusted as needed using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI). See the Implementation Chapter for more on indexing of fees.

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

- a. The use of the fee and the development type on which it is imposed;

- b. The need for the facility and the type of development on which the fee is imposed; and
- c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see “Legal Framework for Impact Fees” in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for facilities, apparatus, vehicles and equipment (capital assets) used by the Hughson FPD to serve development in the District.

Use of the Fee. Impact fees calculated in this chapter will be used to provide capital assets needed to mitigate the impacts of new development on the services provided by the District. Specifically, those fees would be used to partially fund a new building to house firefighting apparatus and vehicles. The existing apparatus building does not have the capacity to serve added demand. The fees may also be used to acquire additional apparatus, vehicles and equipment needed to serve future development. Also, as discussed further in Chapter 4, the District is required to adopt a capital improvement plan as part of this nexus study. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide capital assets needed to mitigate the impact of new development on the demand for services provided by the District.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the need for facilities, apparatus, vehicles and/or equipment to maintain the existing level of service as described earlier in this chapter. Without funding to provide for those needs, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the District.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the impact fees for Hughson FPD capital assets calculated in this chapter depends on the number of calls for service per unit per year associated with each category of development. The fees per unit of development calculated in this chapter for each type of development are based on the estimated number of calls per unit per year associated with that type of development in the District. Thus, the fee charged to a development project reflects the impact of that project on capital assets needed by Hughson FPD to serve development in the District.

Chapter 4. Implementation

This chapter of the report contains recommendations for adoption and administration of impact fees, and for the interpretation and application of the development impact fees and in-lieu fees calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Adoption

The form in which development impact fees are enacted should be determined by the attorney for the agency adopting the fees. As noted in Chapter 1, California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states that a (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.” Because the Hughson Fire Protection District encompasses both the City of Hughson and a portion of unincorporated Stanislaus County, the impact fees calculated in this report would have to be adopted by both the City Council and the Board of Supervisors to be effective within the entire District.

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public-hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. **However, Section 66016.5 added by AB 602 in 2021 requires that impact fee nexus studies be adopted at a public hearing with at least 30-days’ notice.**

Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed in Chapter 1 of this report.

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be provided by the adopting agency’s attorney. A more complete discussion of the nexus for each fee can be found in individual chapters of this report.

Sample Finding: Purpose of the Fee. The City Council (or Board of Supervisors) finds that the purpose of the impact fees hereby enacted is to protect the public health, safety and welfare by requiring new development to contribute to the cost of public facilities needed to mitigate the impacts of new development.

Sample Finding: Use of the Fee. The City Council (or Board of Supervisors) finds that revenue from the impact fees hereby enacted will be used to acquire capital assets needed to mitigate the impacts of new development on the Hughson Fire Protection District and identified in the 2023 Hughson Fire Protection District Development Impact Fee Study by NBS.²

Sample Finding: Reasonable Relationship. Based on analysis presented in the 2023 Hughson Fire Protection District Development Impact Fee Study by NBS, the City Council (or Board of Supervisors) finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Notices and Statute of Limitations. Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance."

Section 66020 (d) (1) requires that the agency, at the time it imposes an impact fee, provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

Collection of Fees. The District should enter into a Memorandum of Understanding or other agreement with each of the agencies (the City and the County) adopting the impact fees calculated in this study to establish who will be responsible for collecting those fees,

² According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information. Also note that Section 66016.5 (a)(6) requires that large jurisdictions adopt a capital improvement plan as part of an impact fee nexus study. That requirement applies in counties of 250,000 or more and cities in those counties.

how they will be remitted to the District if collected by the City and/or County, and which agency or agencies will be responsible for preparing mandatory annual reports and five-year findings required by the Mitigation Fee Act (see page 4-5 below).

Section 66007(a) provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first.

However, "utility service fees" (not defined, but likely referring to water and sewer connections) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

Notwithstanding the foregoing restrictions, some cities collect impact fees for all facilities at the time building or grading permits are issued, and builders may find it convenient to pay the fees at that time.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the responsible agency may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited "with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected." Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements).

We are not aware of any municipality that has interpreted that language to mean that funds must be segregated by individual projects. And, as a practical matter, that approach

would be unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly to meet the requirement that there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, an agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction is within the discretion of the governing body but may not result in increased costs to other development projects. So, the effect of such policies is that the lost revenue must be made up from sources other than impact fees.

Credit for Improvements Provided by Developers. If an agency requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the agency should ensure that the impact fees are adjusted so that the overall contribution by the developer does not exceed the impact created by the development.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the responsible agency may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted. Excess contributions by a developer may be offset by reimbursement agreements.

Credit for Existing Development. If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project that represents a net increase in impact on the relevant facilities, applying the measure of demand used in this study to calculate the impact fee in question.

Annual Report. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;

3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the agency determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

The annual report must be reviewed by the agency's governing body at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Five-Year Findings and Refunds under the Mitigation Fee Act. Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d). At least two recent Court of Appeal decisions in California have required cities to refund substantial amounts of impact fee or in-lieu fee revenue for failing to adequately comply with the five-year findings.

For a useful discussion of the foregoing requirements, see “The Mitigation Fee Act’s Five-Year Findings Requirement: Beware Costly Pitfalls” by Glen Hansen, Senior Counsel, Abbott and Kindermann, and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys’ Spring Conference.

Audit Requests. Section 66023 provides that any person may request an audit to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product, public facility, as defined in Section 66000, or service provided by the local agency. The legislative body of the local agency may retain an independent auditor to conduct the audit but is not required to conduct an audit if an audit has been performed for the same fee within the previous 12 months.

The agency shall retain an independent auditor to conduct an audit only if the person who requests the audit deposits with the local agency the amount of the local agency’s reasonable estimate of the cost of the independent audit. At the conclusion of the audit, the local agency shall reimburse unused sums, if any, or the requesting person shall pay the local agency the excess of the actual cost of the audit over the amount that was deposited.

However, if the local agency fails to comply with the annual report requirement of Section 66006 following the establishment, increase or imposition of a fee, but requires payment of that fee in connection with the approval of a development project for three consecutive years, the agency shall not require a deposit for the independent audit and shall pay the cost of the audit.

Indexing of Impact Fees. Impact fees calculated in this report are based on current costs and should be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by those fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. The *Engineering News Record* Building Cost Index (BCI) and Construction Cost Index (CCI) are useful for indexing construction costs. Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices. Updating of costs for other types of assets may be based on recent purchases or vendor price estimates.

Requirements Imposed by AB 602

In 2021, the California Legislature passed AB 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that went into effect in 2022. The new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:

- 1) A city, county or special district that has an internet website shall post on its website:
 - a) A current written schedule of fees, exactions and affordability requirements applicable to a proposed housing development project and shall present that information in a manner that identifies the fees, exactions and affordability requirements that apply to each parcel and the fees that apply to each new water and sewer utility connection.
 - b) All zoning ordinances and development standards and specifying the zoning, design and development standards that apply to each parcel.
 - c) A list of the information that will be required from any applicant for a development project, as specified in Government Code Section 69540.
 - d) The current and five previous annual fee reports required by Government Code Section 66006 and Subsection 66013 (d).
 - e) An archive of impact fee nexus studies, cost of service studies or equivalent conducted on or after January 1, 2018.
- 2) The above information shall be updated within 30 days of any changes.
- 3) A city or county shall request from a development proponent, upon issuance of a certificate of occupancy or final inspection, the total amount of fees and exactions associated with the project for which the certificate is issued. That information must be posted on the website and updated at least twice a year.
- 4) Before adoption of an impact fee, an impact fee nexus study shall be adopted.
- 5) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate.
- 6) 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 the fees collected under the original fee.
- 7) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage if 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. A nexus study is not required to comply with this requirement if the agency makes certain findings outlined in the statute.

- 8) Large jurisdictions as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities in those counties) shall adopt a capital improvement plan as part of a nexus study.
- 9) All studies shall be adopted at a public hearing with at least 30-days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.
- 10) Studies shall be updated at least every eight years, beginning on January 1, 2022.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. Fees must be expended for the purposes identified in the impact fee nexus study in which they were calculated, and the responsible agency must be able to show that funds have been properly expended.

Recovery of Administrative Costs

To recover the cost of periodic impact fee update studies and ongoing staff costs for capital budgeting, annual reports, five-year updates and other requirements of the Mitigation Fee Act, an administrative charge may be added to the impact fees calculated in this report. See the Executive Summary for a discussion of an administrative charge to recover some costs for administration and/or updating of impact fees.

**HUGHSON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
“SPECIAL MEETING”
MINUTES**

2316 3RD STREET
HUGHSON, CA. 95326

APRIL 18, 2023

CALL TO ORDER: 7:00PM

ROLL CALL:

(x) DAVID ABSHER (x) GUS VILLARREAL (x) TONY DOUDS (x) MIGUEL OSEGUERA (x) MARK HUGHES

PUBLIC COMMENT: “MEMBERS OF THE PUBLIC MAY BE HEARD ON ANY ITEM OF INTEREST TO THE PUBLIC. A PERSON ADDRESSING THE BOARD WILL BE LIMITED TO FIVE (5) MINUTES UNLESS THE CHAIRPERSON OF THE BOARD GRANTS A LONGER PERIOD OF TIME. COMMENTS BY MEMBERS OF THE PUBLIC ON ANY ITEM ON THE AGENDA WILL ONLY BE ALLOWED DURING CONSIDERATION OF THE ITEM BY THE BOARD. MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE HUGHSON FIRE PROTECTION DISTRICT AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION IN THE OFFICE OF THE HUGHSON FIRE STATION, 2316 3RD STREET, HUGHSON CALIFORNIA, DURING NORMAL BUSINESS HOURS

MOTION/DISCUSSION

- **MOTION/DISCUSSION: FOLLOW UP DISCUSSION DUE TO EXTENDED CHANGES MADE TO THE NBS IMPACT FEE STUDY FINAL REPORT APPROVED ON 4-12-23.**
 - Discussion on minor grammatical changes that NBS made on Development Impact Fee Study dated 4-14-23. A motion was made by Villarreal to accept and approve the revised updated NBS Development Impact Fee Study dated 4-14-23, and to have the board secretary present this study to the City of Hughson and the Stanislaus County Board of Supervisors to adopt before a public hearing with the required 30-day notice of the hearing.
 - Motion was seconded by Hughes.
 - The vote of all board members to accept the motion was 5 yes and 0 noes.

FOR THE GOOD OF THE ORDER:

- **None**

ADJOURNMENT:

MOTION: Oseguera

SECOND: Villarreal

VOTE: 5 Yes 0 No

TIME: 7:17PM

Respectfully submitted.

Randall Kelley

Secretary to the Board of Directors

HUGHSON FIRE PROTECTION DISTRICT

Final Report

Development Impact Fee Study

April 14, 2023

Prepared by:



Corporate Headquarters

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

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Executive Summary

The Hughson Fire Protection District (Hughson FPD) retained NBS Government Finance Group to analyze the impacts of new development on the facilities and other capital assets needed to serve the District and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Organization of the Report

Chapter 1 of this report provides an overview of the legal requirements for establishing and imposing such fees, and the methods that can be used to calculate impact fees.

Chapter 2 contains data on existing development in the District.

Chapters 3 analyzes the impacts of development on the District's need for facilities, apparatus, vehicles and equipment and calculates impact fees based on that analysis.

Chapter 4 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Development Data

Chapter 2 of this report presents estimates of existing development in the District. The Hughson Fire Protection District includes the City of Hughson as well as a portion of unincorporated Stanislaus County.

Chapter 2 also shows demand factors in terms of fire calls per unit per year for each type of development identified in this study.

Because of provisions of AB 602 that were incorporated into California law effective in 2022, impact fee categories for residential development in this study are defined in terms of unit size categories, broken down by square footage. Prior to the adoption of AB 602 it was common practice to base residential impact fees on unit type categories (e.g., single-family or multi-family units).

No forecast of future development for the District was available at the time of this Study. However, as discussed further below, AB 602 also requires that impact fees be based on the existing level of service, and therefore the calculations for impact fees in this report do not involve nor require a forecast of future development.

Impact Fee Analysis

The impact fees calculated in this report are based on the existing level of service in the District in keeping with the requirements of Government Code Section 66016.5, which was added by AB 602 in 2021. The existing level of service is defined as the relationship between the replacement cost of existing District facilities, apparatus, vehicles and

equipment and the number of calls for service per year received by the District. That relationship is stated as a cost per call for service per year.

As part of this study, NBS analyzed the distribution of Hughson FPD calls for service for a full year to determine the average number of calls per unit per year generated by different types of development. The impact fee per unit for each type of development is calculated by multiplying the cost per call by the number of calls per unit per year generated by each type of development. The impact fees calculated in this report are intended to apply to all types of new development in the District other than development by government entities.

Table S.1 below shows the impact fees calculated in this report.

Table S.1: Proposed Impact Fees per Unit

Development Type	Units ¹	Impact Fee per Unit
Residential: <800 Sq. Ft.	DU	\$ 884.11
Residential: >800-1,300 Sq. Ft.	DU	\$ 1,205.61
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 1,527.11
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,848.60
Residential: >2,500 Sq. Ft.	DU	\$ 2,170.10
Senior/Assisted Living	Room	\$ 8,512.19
Commercial	SF	\$ 1.35
Industrial	SF	\$ 0.06
Quasi-Public Facilities	SF	\$ 0.27

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

The proposed impact fee schedule contains a new category for Senior/Assisted Living. That category was added because almost 25% of all Hughson FPD calls for service in the one-year period analyzed in this study originated from one assisted living community in Hughson. The proposed impact fee for Senior/Assisted Living facilities reflects the outsized service demand created by that type of development.

Table S.2 shows the proposed impact fees from Table S.1 with the addition of a 3.6% administrative charge. That percentage is intended to cover the average annual cost of preparing an impact fee update study every eight years as required by the Mitigation Fee Act.

The percentage of the administrative charge is based on the estimated cost of an impact fee update study (\$25,000) divided by eight years of estimated future impact fee revenue. The District's average annual impact fee revenue from the City and the County over the last three years was \$61,475. NBS estimates that, if the impact fees calculated in this study are adopted, average annual revenue will increase by 40% to about \$86,000. Eight years of revenue at \$86,000 per year is \$688,520, and $\$25,000 / \$688,520 = 0.036$ or 3.6%.

Table S.2: Proposed Impact Fees per Unit + Admin Charge

Development Type	Units ¹	Impact Fee per Unit
Residential: <800 Sq. Ft.	DU	\$ 915.94
Residential: >800-1,300 Sq. Ft.	DU	\$ 1,249.01
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 1,582.08
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,915.15
Residential: >2,500 Sq. Ft.	DU	\$ 2,248.22
Senior/Assisted Living	Room	\$ 8,818.62
Commercial	SF	\$ 1.39
Industrial	SF	\$ 0.06
Quasi-Public Facilities	SF	\$ 0.28

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² In this table, a 3.6% administrative charge is added to the impact fees; see discussion in text

As explained on pages 3-3 and 3-4 in Chapter 3, The District may encounter non-residential development projects that do not fit well into any of the non-residential development categories for which impact fees are calculated in that report. In that case, the District can calculate a customized impact fee using the formula shown on page 3-4.

Table S.3 shows the District's existing impact fees. All of the existing impact fees are based on square footage, while the proposed residential impact fees are shown per unit. To make the comparison of existing and proposed impact fees more meaningful, the existing residential impact fees are converted to per-unit fees using the estimated average square feet per unit for each unit-size category.

Table S.3: Existing Impact Fees per Unit

Development Type	Units ¹	Impact Fee per Unit ²
Residential: <800 Sq. Ft.	DU	\$ 450.00
Residential: >800-1,300 Sq. Ft.	DU	\$ 720.00
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 900.00
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 1,320.00
Residential: >2,500 Sq. Ft.	DU	\$ 1,650.00
Senior/Assisted Living	Room	No Existing Fee
Commercial	SF	\$ 0.30
Industrial (Classified Commercial)	SF	\$ 0.30
Quasi-Public Facilities	SF	No Existing Fee

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² Residential impact fees per unit are based on the existing residential impact fee per square foot and the estimated average square feet per unit for each unit size category

The comparison of existing and proposed impact fees for the commercial category is fairly straightforward. The existing fee is \$0.30 per square foot and the proposed impact fee is \$1.39 per square foot, including the administrative charge. However, under the existing fee schedule, industrial development is considered commercial except for greenhouses which have a specific impact fee of \$0.11 per square foot. The proposed impact fee schedule includes a separate impact fee for all industrial development, including greenhouses, at a rate of \$0.06 per square foot. The proposed new impact fees for commercial and industrial development reflect the substantial differences in service demand created by those types of development.

Table S.4 shows the difference between the District's existing impact fees and the proposed impact fees including the administrative charge. Numbers in parentheses indicate that the proposed impact fee is lower than the existing impact fee.

Table S.4: Difference Between Existing and Proposed Fees

Development Type	Units ¹	Impact Fee Difference ²
Residential: <800 Sq. Ft.	DU	\$ 465.94
Residential: >800-1,300 Sq. Ft.	DU	\$ 529.01
Residential: >1,300-1,900 Sq. Ft.	DU	\$ 682.08
Residential: >1,900-2,500 Sq. Ft.	DU	\$ 595.15
Residential: >2,500 Sq. Ft.	DU	\$ 598.22
Senior/Assisted Living	Room	No Existing Fee
Commercial	SF	\$ 1.09
Industrial	SF	\$ (0.24)
Quasi-Public Facilities	SF	No Existing Fee

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area; Room = occupant room or apartment

² Impact fee difference = proposed impact fee per unit + admin charge from Table S.2 less existing impact fee per unit from Table S.3

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for capital facilities and other capital assets provided by the Hughson Fire Protection District and to calculate impact fees based on that analysis. This report documents the approach, data and methodology used in this study to calculate impact fees.

The methods used to calculate impact fees and in-lieu fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000-66025).

Legal Framework for Impact Fees

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as legal advice.

Fire Protection District Law of 1987. California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states: “A (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.” However, although the District itself may not charge such fees, it is quite common in California for cities and counties to impose fire impact fees for fire protection districts that provide services within their boundaries. The fees calculated in this report are intended to be adopted by the City of Hughson and Stanislaus County.

U. S. Constitution. Like all land use regulations, development exactions, including impact fees, are subject to the 5th Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against “regulatory takings.” A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

In two landmark cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval or imposes ad hoc exactions as a condition of approval on a single development project that do not apply to development generally, a higher standard of judicial scrutiny applies. To meet that standard, the agency must demonstrate an “essential nexus” between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987) and make an “individualized determination” that the exaction imposed is “roughly proportional” to the burden created by development (See *Dolan v. City of Tigard*, 1994).

Until recently, it was widely accepted that legislatively enacted impact fees that apply to all development in a jurisdiction are not subject to the higher standard of judicial scrutiny flowing from the *Nollan* and *Dolan* decisions. But after the U. S. Supreme Court decision in *Koontz v. St. Johns Water Management District (2013)*, state courts have reached conflicting conclusions on that issue. The California Supreme Court has held that the heightened scrutiny required by *Nollan* and *Dolan* does not apply to development fees that are generally applicable to a broad class of property owners through legislation (see the opinion in the California Court of Appeal, Third Appellate District, case of *Sheetz v. County of El Dorado*).

For purposes of this study, we assume that the key distinction between the heightened scrutiny of *Nollan* and *Dolan*, and the “reasonable relationship” requirements of the California Mitigation Fee Act (discussed below) is that legislatively adopted impact fees do not require an “individualized determination” as to the nature and extent of the impacts of a particular development project and the proportionality of the fees. Otherwise, we consider the reasonable relationship requirements of the Mitigation Fee Act to be generally consistent with the broad nexus standard enunciated in various federal and state impact fee decisions.

Defining “Nexus.” While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard*. The elements of the nexus discussed below mirror the three “reasonable relationship” findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

Need or Impact. Development must create a need for the facilities to be funded by impact fees. All new development in a community creates additional demands on some or all public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is related to the development project subject to the fees.

The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for public facilities based on applicable level-of-service standards. This report contains all of the information needed to demonstrate compliance with this element of the nexus.

Benefit. Development must benefit from facilities funded by impact fees. With respect to the benefit relationship, the most basic requirement is that facilities funded by impact fees be available to serve the development paying the fees. A sufficient benefit relationship also requires that impact fee revenues be segregated from other funds and

expended in a timely manner on the facilities for which the fees were charged. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to development projects paying the fees.

Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are either expended in a timely manner or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, over time, procedural issues as well as substantive issues can come into play with respect to the benefit element of the nexus.

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. However, that objection is valid only if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U. S. Constitution and the Mitigation Fee Act.

Articles XIII C and XIII D, added to the California Constitution by Proposition 218 in 1996, require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges, as a condition of property development.” Thus, impact fees are exempt from those requirements.

The Mitigation Fee Act. California’s impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature and took effect in January 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time, the impact fee statute has been amended from time to time, and in 1997 was officially titled the “Mitigation Fee Act.” Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include “public improvements, public services and community amenities.” Although the issue is not specifically addressed in the Mitigation Fee Act, it is clear both in case law and statute (see Government Code Section 65913.8) that impact fees may not be used to pay for ongoing maintenance or operating costs. Consequently, the fees calculated in this report are based on the cost of capital assets only.

The Mitigation Fee Act does not use the term “mitigation fee” except in its official title. Nor does it use the common term “impact fee.” The Act simply uses the word “fee,” which is defined as “a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project”

To avoid confusion with other types of fees, this report uses the widely accepted terms “impact fee” and “development impact fee” which both should be understood to mean “fee” as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

Required Findings. Section 66001 (a) requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee
2. Identify the use of the fee; and
3. Determine that there is a reasonable relationship between the use of the fee and the development type on which it is imposed
4. Determine that there is a reasonable relationship between the need for the facility and the type of development on which the fee is imposed

In addition, Section 66001 (b) requires that in any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Legal experts have opined that the requirements of Section 66001 (a) apply when impact fees are based on a legislatively adopted fee schedule, while the requirements of Section 66001 (b) apply when impact fees are based on an administratively imposed (ad hoc) assessment.¹

The requirements outlined above are discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific

¹ See “The Mitigation Fee Act’s Five-Year Findings Requirement: Beware Costly Pitfalls” by Glen Hansen, Senior Council, Abbott and Kindermann and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys Spring Conference

purpose of the fees calculated in this study is to fund acquisition or construction of certain capital assets that will be needed to mitigate the impacts of planned new development on District facilities, and to maintain an acceptable level of service as the in the face of growing service demand related to new development.

This report recommends that findings regarding the purpose of an impact fee should define the purpose broadly, as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001(a)(2), if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. Section 66002 (b) requires that if a capital improvement plan is used to identify the facilities, it must be updated annually.

However, a new provision in Section 66016.5, which was added by AB 602 in 2021, requires that large jurisdictions adopt a capital improvement plan as part of an impact fee study. That requirement applies to impact fee studies adopted after January 1, 2022. "Large jurisdiction" means a county of 250,000 or more or any city within that county. The statute does not provide any detail about what must be included in the capital improvement plan or how it should relate to the impact fee study. That new requirement is inconsistent with the original language of Section 66001(a)(2), so it is unclear whether the annual update requirement in Section 66002(b) applies.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

Technically, as best we can determine, the third requirement in that list pertains only to "ad hoc" fees that are not part of a legislatively adopted fee schedule. However, it is reasonable to assume that all three are part of a complete "nexus" or "reasonable relationship" framework as discussed earlier and impact fees calculated in this report are based on a proportional allocation of eligible costs to various types of development.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to clarify that impact fees “shall not include costs attributable to existing deficiencies in public facilities,...” The legislature’s intent in adopting this amendment, as stated in the bill, was to codify the holdings of *Bixel v. City of Los Angeles* (1989), *Rohn v. City of Visalia* (1989), and *Shapell Industries Inc. v. Governing Board* (1991).

That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

However, Section 66001(g) also states that impact fees “may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) *refurbish existing facilities to maintain the existing level of service or* (2) *achieve an adopted level of service that is consistent with the general plan.*” (Emphasis added.)

Impact Fees for Existing Facilities. Impact fees may be used to recover costs for existing facilities to the extent that those facilities are needed to serve additional development and have the capacity to do so. In other words, it must be possible to show that fees used to pay for existing facilities meet the need and benefit elements of the nexus.

Recent Legislation

Several new laws enacted by the State of California since 2019 to facilitate development of affordable housing bear on the implementation of impact fees calculated in this study. Below are brief overviews of some key bills passed since 2019.

SB 330 – The Housing Crisis Act of 2019. Amendments to existing law contained in SB 330 prohibit the imposition of new approval requirements on a housing development project once a preliminary application has been submitted. That provision applies to increases in impact fees and in-lieu fees, except when the resolution or ordinance establishing the fee authorizes automatic, inflationary adjustments to the fee or exaction.

AB 1483 – Housing Data: Collection and Reporting. AB 1483 requires that a city, county or special district must post on its website a current schedule of its fees and exactions, as well as associated nexus studies and annual reports. Updates must be posted within 30 days.

SB 13 – Accessory Dwelling Units. SB 13 prohibits the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and provides that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. The proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process.

Existing law requires a water or sewer connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling unit’s size or the number of its plumbing fixtures. SB 13 revises the

basis for calculating the connection fee or capacity charge to either the accessory dwelling unit's square feet or the number of its drainage fixture units.

AB 602 – Amendments to the Planning and Land Use Law and the Mitigation Fee Act.

AB 602, which was passed and signed in 2021, adds section 65940.1 to the Planning and Land Use Law requiring cities, counties and special districts that have internet websites to post schedules of fees, exactions and affordability requirements, annual fee reports, and an archive of nexus studies on that website, and to update that information within 30 days after any changes.

AB 602 also adds Section 66016.5 to the Mitigation Fee Act imposing several new requirements for impact fees that go into effect in 2022, including:

- A nexus study must identify the existing level of service for each facility, identify the proposed new level of service (if any), and explain why the new level of service is appropriate.
- If a nexus study supports an increase in an existing fee the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.
- Large jurisdictions (counties over 250,000 and cities within those counties) must adopt a capital improvement plan as part of the nexus study.
- All impact fee nexus studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin and impact fee nexus study of the date of the hearing.
- Nexus studies shall be updated at least every eight years, from the period beginning on January 1, 2022.
- 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 in the development. A nexus study is not required to comply with this requirement if the local agency makes certain findings specified in the law. A local agency that imposes a fee proportionately to the square footage of units in 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.
- Authorizes any member of the public, including an applicant for a development project, to submit evidence that impact fees proposed by an agency fail to comply with the Mitigation Fee Act, and requires the legislative body of the agency to consider such evidence and adjust the proposed fee if deemed necessary.

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the type of facility being addressed. To some extent those methods are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is represented by some attribute of development such as added population or added vehicle trips that represent the impacts created by different types and amounts of development.

Plan-Based or Improvements-Driven Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified in a facility plan, while the development is identified in a land use plan that forecasts potential development by type and quantity.

Using this method, facility costs are allocated to various categories of development in proportion to the service demand created by each type of development. To calculate plan-based impact fees, it is necessary to determine what facilities will be needed to serve a particular increment of new development.

With this method, the total cost of eligible facilities is divided by total units of additional demand to calculate a cost per unit of demand (e.g., a cost per capita for parks). Then, the cost per unit of demand is multiplied by factors representing the demand per unit of development (e.g., population per unit) to arrive at a cost per unit of development.

This method is somewhat inflexible in that it is based on the relationship between a specific facility plan and a specific land use plan. If either plan changes significantly the fees will have to be recalculated.

Capacity-Based or Consumption-Driven Method. This method calculates a cost per unit of capacity based on the relationship between total cost and total capacity of a system. It can be applied to any type of development, provided the capacity required to serve each increment of development can be estimated and the facility has capacity available to serve the development. Since the cost per unit of demand does not depend on the particular type or quantity of development to be served, this method is flexible with respect to changing development plans.

In this method, the cost of unused capacity is not allocated to development. Capacity-based fees are most commonly used for water and wastewater systems, where the cost of a system component is divided by the capacity of that component to derive a unit cost. However, a similar analysis can be applied to other types of facilities. To produce a schedule of impact fees based on standardized units of development (e.g. dwelling units

or square feet of non-residential building area), the cost per unit of capacity is multiplied by the amount of capacity required to serve a typical unit of development in each of several land use categories.

Standard-Based or Incremental Expansion Method. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. The standard can be established as a matter of policy or it can be based on the level of service being provided to existing development in the study area.

Using the standard-based method, costs are defined on a generic unit-cost basis and then applied to development according to a standard that sets the number of service units to be provided for each unit of development.

Park in-lieu and impact fees are commonly calculated this way. The level of service standard for parks is typically stated in terms of acres of parks per thousand residents. A cost-per-acre for park land or park improvements can usually be estimated without knowing the exact size or location of a particular park. The ratio of park acreage to population and the cost per acre for parks is used to calculate a cost per capita. The cost per capita can then be converted into a cost per unit of development based on the average population per dwelling unit for various types of residential development.

Standard-based fee calculations using the existing level service as the standard appear to be well-suited to meeting the requirement that impact fees be based on the existing level of service. That requirement was added by Section 66016.5 as part of AB 602 and became effective in 2022.

Note on Impact Fees for Accessory Dwelling Units (ADUs). Recent amendments to Section 65852.2 of the Government Code provide that impact fees may not be imposed on ADUs smaller than 750 square feet. It also establishes the following requirement for impact fees imposed on ADUs of 750 square feet or more:

“Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.”

Although it is not spelled-out in Section 65852.2, we think it is obvious that when calculating ADU impact fees in cases where the primary unit is a single-family detached unit, the starting point for the proportionality calculation is the fee that applies to the single-family unit.

The law also allows for ADUs on lots or parcels where the primary units are multi-family units. There are two potential complications for ADUs in multi-family complexes. The first is that the existing units in a multi-family complex may be of different sizes, which makes it more difficult to determine what square footage should be used for the primary unit when calculating the proportional fee for an ADU. The second is that the ADU may be similar in size to the existing units, which means that proportional impact fees for any ADU larger than 750 square feet would not benefit from a significant reduction in impact

fees. The District should establish a policy to define the primary unit square footage that would apply for ADUs in multi-family projects. One possibility would be to use the average size of existing units in the complex. Another would be to base the primary unit square footage on the largest unit in the complex, which would have the effect of reducing the ADU impact fee.

The formula for calculating proportional ADU impact fees would be:

$$\text{Primary unit impact fee} \times (\text{ADU square feet} / \text{Primary unit square feet})$$

One thing that becomes obvious in that formula is that, for an ADU of a particular size, a larger primary unit results in lower impact fees for the ADU. For example, if the ADU is 1,000 square feet and the primary unit is 2,000 square feet, the proportional impact fee for the ADU would be 50% of the impact fee that would apply to the primary unit. But if the primary unit is 1,200 square feet, the impact fee for the same-sized ADU would be 83.33% of the primary unit fee. It seems likely that discrepancy is an unintended consequence of language in Section 65852.2 that was not thoroughly considered before adoption.

Also, as mentioned earlier, residential impact fees adopted after July 1, 2022, must be proportionate to the square footage of a unit. It seems likely that impact fees based on square footage for primary units will tend to reduce the inequity created by the proportionality language of Section 65852.2 because the fees that apply to a smaller primary unit would be less than the fees that apply to a larger primary unit.

Subsequent Chapters

Chapter 2 of this report contains data on development and service demand in the District. Impact fees for HFPD facilities apparatus, vehicles and equipment are calculated in Chapter 3. Chapter 4 covers implementation of the impact fees calculated in this report.

Chapter 2. Development Data

This chapter presents data on existing development within the Hughson Fire Protection District (Hughson FPD) that will be used to calculate impact fees in this report. The information in this chapter may be used to establish levels of service, analyze facility needs, and allocate the cost of capital facilities among various types of development.

Land use and development data in this chapter are based on information from the U.S. Census Bureau and the American Community Survey (ACS), the California Department of Finance (DOF) Demographic Research Unit, the Stanislaus County Assessor and other sources as noted in this chapter.

Study Area

The study area for this study is the area within the boundaries of the Hughson Fire Protection District which includes the City of Hughson and a portion of unincorporated Stanislaus County surrounding the City.

Development Types

The development types for which impact fees are calculated in this study are listed below. Traditionally, impact fees for residential development are based on unit types such as single-family, multi-family and mobile home units. However, AB 602, enacted in 2021, added Section 66016.5 to the Government Code. That section requires that, “[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.” It further states that “[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.” Consequently, the residential development categories used in this study are based on unit size rather than the type of unit. The list of development categories used in this study is shown below.

- Residential: < 800 Sq. Ft.
- Residential: > 800 – 1,300 Sq. Ft.
- Residential: > 1,300 – 1,900 Sq. Ft.
- Residential: > 1,900 – 2,500 Sq. Ft.
- Residential: > 2,500 Sq. Ft.
- Senior/Assisted Living
- Commercial
- Industrial
- Public/Quasi-Public Facilities

Residential. As noted in the previous section, the residential development categories used in this study are based on unit size and do not distinguish among unit types (e.g., single-family, multi-family or mobile home).

Senior/Assisted Living. This category includes facilities for independent living and assisted living for residents over 65, as well as skilled nursing facilities, memory care facilities and other similar uses. It excludes age-restricted residential developments that do not provide on-site caregivers.

Commercial. The Commercial category includes retail commercial, service commercial and similar uses.

Industrial. The Industrial category includes manufacturing, warehousing, processing and similar uses, including greenhouses.

Quasi-Public Facilities. This category includes quasi-public facilities such as religious institutions, hospitals and private schools. All of the demand associated with this category in the analysis of HFPD calls for service was from churches or other religious institutions. Government facilities are not included in this category because in most cases those facilities are exempt from impact fees. It is also worth noting that the analysis of HFPD calls for service in this study did not identify any calls from government facilities.

Units of Development

In this study, quantities of existing and planned development are measured in terms of certain units of development. Those units are discussed below.

Dwelling Units. Residential development in this study is measured in terms of dwelling units (DUs).

Building Area. Non-residential development in this study is measured in terms of building area in square feet or thousands of square feet, denoted as KSF.

Demand Variable

In calculating impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Some measurable attribute of development such as population, vehicle trips or calls for service are used in those formulas to reflect the impact of different types and amounts of development on the demand for specific public services and the facilities that support those services.

Those attributes are referred to in this study as “demand variables.” Demand variables are selected either because they directly measure service demand created by various types of development, or because they are reasonably correlated with that demand.

The demand variable used in this study is calls for service. The impact of development on the need for facilities, apparatus and vehicles used by the Hughson Fire Protection is represented by the number of calls for service per year received by HFPD. The service demand created by a particular type of development is represented by the average number of calls per unit per year generated by that type of development.

Those calls-for-service-per-unit-per year factors, also called demand factors, are based on analysis by NBS of a random sample of calls for service for a one-year period. The number

of calls generated during that year by each type of development is divided by the number of units of that development type to arrive at calls-per-unit-per-year factors that are shown in Table 2.1 and used to calculate impact fees in Chapter 3 of this report. For additional detail see Chapter 3.

Demand Factors

Table 2.1 shows the calls for service-per-unit-per-year factors for each type of development defined in this study. As noted above, those factors are based on an analysis by NBS of all calls for service received by the Hughson Fire Protection District for a one-year period, specifically the period from December 1, 2021, to November 30, 2022.

With respect to residential development, available data do not allow calls for service to be related directly to residential units by unit size, so the calls for service analysis identifies calls generated by single-family, multi-family and mobile home units. Then, to meet the requirement of Government Code Section 66016.5 which requires residential impact fees to be proportional to square footage, calls-for-service factors by unit size category were estimated on a sliding scale around the overall average rate. In other words, the residential calls-for-service factors shown in Table 2.1 increase with unit size and those factors range around the overall average rate for residential development.

Table 2.1 - Fire Department Calls per Unit per Year

Development Type ¹	Unit Type ²	Fire Calls per Unit ⁸
Residential: <800 Sq. Ft.	DU	0.110
Residential: >800-1,300 Sq. Ft.	DU	0.150
Residential: >1,300-1,900 Sq. Ft.	DU	0.190
Residential: >1,900-2,500 Sq. Ft.	DU	0.230
Residential: >2,500 Sq. Ft.	DU	0.270
Senior/Assisted Living	Room	1.059
Commercial	KSF	0.167
Industrial	KSF	0.008
Quasi-Public Facilities ²	KSF	0.034

¹ Fire Department calls for service per unit per year based on analysis of a random sample of all HFPD calls for service from 12/1/21 to 11/30/22; see discussion in text and in Chapter 3

² Public/Quasi-Public Facilities analyzed in this study consist primarily of religious institutions and do not include government owned buildings which are not subject to impact fees

Existing Development

Table 2.2 presents data on existing development as of January 2023 in the area served by the Hughson Fire Protection District.

It is important to note that in Table 2.2, all residential development is grouped into a single category. As noted above, this study is required to calculate residential impact fees in proportion to square footage, so residential development types are defined in this study by unit-size categories rather than by unit types. However, we do not have data that would allow us to break out existing residential development into unit-size categories, so in Table 2.2 all residential development is grouped into a single category. However, in Chapter 3, specific impact fees are calculated for each residential unit size category.

Table 2.2: Existing Development January 1, 2023 - Hughson FPD

Development Type	Unit Type ¹	No. of Units ²	Fire Calls per Year ³
General Residential	DU	3,192	606
Senior/Assisted Living	Room	237	251
Commercial	KSF	238.9	40
Industrial	KSF	3,885.4	30
Quasi-Public Facilities	KSF	233.9	8
Totals			935

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area

² Existing residential units based on data from the 2022 California Department of Finance E-5 report; existing non-residential units based on CoStar data and the Stanislaus County Assessor's property database

³ Fire Department calls for service per unit per year based on analysis of a random sample of all HFPD calls for the period from 12/1/21 to 11/30/2022; see discussion in text

Forecasts of future development within the District were not available for use in this report. The impact fee calculations do not require forecasts of future development. However, without such forecasts, it is not possible to project potential revenue from the impact fees calculated in this report.

Chapter 3. Impact Fees

This chapter calculates impact fees for Hughson Fire Protection District (Hughson FPD) capital facilities, apparatus, vehicles and equipment of the types identified later in this chapter.

Methodology

This chapter calculates impact fees using the standard-based method discussed in Chapter 1. Standard-based fees are calculated using a specified relationship or standard that determines the number of service units to be provided for each unit of development. All of the impact fees calculated in this chapter are based on the existing level of service (LOS) provided by the District, as defined in the section titled Existing Facilities and Existing Level of Service, below. Impact fees calculated in that manner are intended to provide the funding needed to maintain the existing level of service as the District grows.

Service Area

The impact fees calculated in this chapter are intended to apply to all new development in the District with the exception of government buildings, which are typically exempt from impact fees.

Demand Variable

As discussed in Chapter 2, a “demand variable” is a quantifiable attribute of development that is used in impact fee calculation formulas to represent the impact of development on the need for capital facilities. The demand variable used to calculate impact fees for Hughson FPD facilities in this chapter is calls for service per year.

Impact fees calculated in this chapter for different types of development vary depending on the number of calls for service per unit per year generated by each development type. The calls-for-service-per-unit-per-year factors used to calculate impact fees for Hughson FPD facilities in this study are derived from analysis of a random sample of all of District calls for service for a one-year period from December 1, 2021, to November 30, 2022. The District logged 1,016 calls for service for that period.

NBS took a random sample of 500 of those calls and classified them by the type of development where the call originated. Of the 500 sampled calls, only 400 could be classified because some of the calls were at locations other than a specific address or the address could not be matched to a specific type of development. Statistically, the 400 classified calls represent a sample large enough to reach a margin of error of 3.8% at a 95% confidence level.

After determining the distribution of calls by development type, the number of sampled calls for each type of development was scaled up to match the full year’s calls and then divided by the number of existing units of the corresponding development type to arrive

at a calls-per-unit-per year factor for each type of development. Calls associated only with agricultural land were not included in the total existing calls for service shown in Table 3.3 in this chapter because there will be no completely new agricultural land in the District which could be subject to impact fees. The calls-per-unit-per-year factors used in the impact fee calculations in this chapter are from Table 2.1 in Chapter 2

Existing Facilities and Existing Level of Service

In 2021, AB 602 added Section 66016.5 to the Mitigation Fee Act. That section requires, after January 1, 2022, that the level of service used in an impact fee study must be compared with the existing level of service. If the level used in the impact fee study exceeds the existing level of service, an explanation is required. The impact fees calculated in this chapter are based on the existing level of service as shown in Table 3.3, later in this chapter, so there is no level-of-service issue with respect to Section 66016.5.

In this chapter, the existing level of service for Hughson FPD facilities is based on the relationship between the current number of calls for service per year and the replacement cost of existing facilities, apparatus, vehicles and equipment. Table 3.1 lists the District's buildings with their replacement cost. The existing balance of the HFPD impact fee fund will be used to fund capital improvements and is included as an existing asset.

Table 3.1: Existing Fire Department Facilities

Facility	Constr Date	Building Sq Ft ¹	Bldg Repl Cost ²	Site Acres ³	Site Value ⁴	Impact Fee Cost Basis ⁵
Administration Building	2006	4,006	\$ 1,392,675	0.07	\$ 21,000	\$ 1,413,675
Apparatus Building	1969	5,000	\$ 1,676,183	0.50	\$ 150,000	\$ 1,826,183
Existing Balance in HFPD Impact Fee Fund						\$ 452,563
Total						\$ 3,692,421

¹ Building square footage provided by the Hughson Fire Protection District (HFPD)

² Building replacement cost from HFPD insured property schedule

³ Site acres provided by HFPD

⁴ Site value based on \$300,000 per acre

⁵ Impact fee cost basis = building replacement cost + site value

Table 3.2 lists the District's existing firefighting apparatus and vehicles and the personal protective equipment issued to firefighters and shows the replacement cost for each. Equipment associated with apparatus and vehicles is included in the replacement cost of those items.

Table 3.2: Existing Apparatus, Vehicles and Equipment

Model Year	Unit	Description	Replacement Cost ¹
2020	Engine 39	Pierce Impel Type I Engine	\$ 850,000
2013	Engine 239	Pierce Impel Type I Engine	\$ 850,000
1991	Engine 339	Pierce Dash Type I Engine	\$ 850,000
2010	Tender 39	High-Tech Kenworth 3,000 Gal.	\$ 450,000
2008	Grass 39	Pierce Ford F550 Type 6 Engine	\$ 400,000
2012	Utility 39	Ford F350 DRW Command Vehicle	\$ 100,000
2014	Utility 239	Chevy Tahoe Utility Vehicle	\$ 80,000
Personal Protective Gear @ \$7,350 each for 33 Firefighters			\$ 242,550
Total			\$ 3,822,550

¹ Replacement cost provided by the Hughson Fire Protection District

Table 3.3 calculates the District's existing level of service as a cost per call for service per year for the District's facilities, apparatus, vehicles and equipment. The cost per call is calculated using the costs from Tables 3.1 and 3.2 and the existing calls for service per year from Table 2.2.

Table 3.3: Cost per Capita - Fire Department Facilities

Impact Fee Cost Basis ¹	Existing Calls for Service per Year ²	Cost per Call ³
\$7,514,971	935	\$8,037.40

¹ See Tables 3.1 and 3.2

² See Table 2.2

³ Cost per call = impact fee cost basis / existing service population

Impact Fees per Unit

Table 3.4 calculates impact fees per unit by development type for Hughson FPD facilities and other capital assets. Those fees are based on the cost per call from Table 3.3 and calls-for-service-per-unit-per-year factors from Table 2.1.

No impact fees are calculated in this study for public facilities owned by government agencies because they are typically exempt from such fees. The Quasi-Public category shown in Table 3.4 includes facilities constructed by religious institutions, private schools, hospitals and similar uses which are not legally exempt from impact fees. The calls-per-unit-per-year data used in this study for Quasi-Public Facilities is based almost entirely on data for existing churches and other religious facilities, so the fee shown for Quasi-Public Facilities in Table 3.4 would be most applicable to religious facilities.

Customizing Impact Fees. For any other type of non-residential development that does not fit well into either the commercial or industrial category, the District can customize impact fees based on an analysis of the number of calls for service they are likely to

generate. That analysis can be based on the calls generated by similar uses in the District or in areas served by other fire departments. The formula to calculate a customized fee would be:

$$\text{Impact Fee per Unit} = \text{Calls per Unit per Year} \times \text{Cost per Call from Table 3.3}$$

Change in Units for Non-Residential Fees. Up to this point in this study, the unit used for non-residential development has been one-thousand square feet (KSF) of building area. However, for consistency with the District's existing non-residential impact fees, the non-residential impact fees shown in Table 3.4 are shown as square foot fees.

Table 3.4: Fire Impact Fees per Unit

Development Type	Units ¹	Cost per Call ²	Calls per Unit per Year ³	Impact Fee per Unit ⁴
Residential: <800 Sq. Ft.	DU	\$8,037.40	0.110	\$ 884.11
Residential: >800-1,300 Sq. Ft.	DU	\$8,037.40	0.150	\$ 1,205.61
Residential: >1,300-1,900 Sq. Ft.	DU	\$8,037.40	0.190	\$ 1,527.11
Residential: >1,900-2,500 Sq. Ft.	DU	\$8,037.40	0.230	\$ 1,848.60
Residential: >2,500 Sq. Ft.	DU	\$8,037.40	0.270	\$ 2,170.10
Senior/Assisted Living	Room	\$8,037.40	1.059	\$ 8,512.19
Commercial	SF	\$8,037.40	0.167	\$ 1.35
Industrial	SF	\$8,037.40	0.008	\$ 0.06
Quasi-Public Facilities	SF	\$8,037.40	0.034	\$ 0.27

¹ Units of development: DU = dwelling unit; SF = gross square feet of building area

² See Table 3.3

³ See Table 2.1

⁴ Impact per unit = cost per call X calls per unit per year

Updating the Fees

The impact fees calculated in this chapter are based on the current estimated cost of Hughson FPD facilities, apparatus, vehicles and equipment. We recommend that the fees be reviewed annually and adjusted as needed using local cost data or an index such as the *Engineering News Record* Construction Cost Index (CCI). See the Implementation Chapter for more on indexing of fees.

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

Identify the purpose of the fee;

Identify the use of the fee; and,

Determine that there is a reasonable relationship between:

- a. The use of the fee and the development type on which it is imposed;

- b. The need for the facility and the type of development on which the fee is imposed; and
- c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see “Legal Framework for Impact Fees” in Chapter 1.) The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to mitigate the impact of new development on the need for facilities, apparatus, vehicles and equipment (capital assets) used by the Hughson FPD to serve development in the District.

Use of the Fee. Impact fees calculated in this chapter will be used to provide capital assets needed to mitigate the impacts of new development on the services provided by the District. Specifically, those fees would be used to partially fund a new building to house firefighting apparatus and vehicles. The existing apparatus building does not have the capacity to serve added demand. The fees may also be used to acquire additional apparatus, vehicles and equipment needed to serve future development. Also, as discussed further in Chapter 4, the District is required to adopt a capital improvement plan as part of this nexus study. As provided by the Mitigation Fee Act, revenue from impact fees may also be used for temporary loans from one impact fee fund or account to another.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to provide capital assets needed to mitigate the impact of new development on the demand for services provided by the District.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. New development increases the need for facilities, apparatus, vehicles and/or equipment to maintain the existing level of service as described earlier in this chapter. Without funding to provide for those needs, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the District.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the impact fees for Hughson FPD capital assets calculated in this chapter depends on the number of calls for service per unit per year associated with each category of development. The fees per unit of development calculated in this chapter for each type of development are based on the estimated number of calls per unit per year associated with that type of development in the District. Thus, the fee charged to a development project reflects the impact of that project on capital assets needed by Hughson FPD to serve development in the District.

Chapter 4. Implementation

This chapter of the report contains recommendations for adoption and administration of impact fees, and for the interpretation and application of the development impact fees and in-lieu fees calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Adoption

The form in which development impact fees are enacted should be determined by the attorney for the agency adopting the fees. As noted in Chapter 1, California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states that a (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.” Because the Hughson Fire Protection District encompasses both the City of Hughson and a portion of unincorporated Stanislaus County, the impact fees calculated in this report would have to be adopted by both the City Council and the Board of Supervisors to be effective within the entire District.

Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public-hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the 10-day notice period. **However, Section 66016.5 added by AB 602 in 2021 requires that impact fee nexus studies be adopted at a public hearing with at least 30-days’ notice.**

Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed in Chapter 1 of this report.

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be provided by the adopting agency’s attorney. A more complete discussion of the nexus for each fee can be found in individual chapters of this report.

Sample Finding: Purpose of the Fee. The City Council (or Board of Supervisors) finds that the purpose of the impact fees hereby enacted is to protect the public health, safety and welfare by requiring new development to contribute to the cost of public facilities needed to mitigate the impacts of new development.

Sample Finding: Use of the Fee. The City Council (or Board of Supervisors) finds that revenue from the impact fees hereby enacted will be used to acquire capital assets needed to mitigate the impacts of new development on the Hughson Fire Protection District and identified in the 2023 Hughson Fire Protection District Development Impact Fee Study by NBS.²

Sample Finding: Reasonable Relationship. Based on analysis presented in the 2023 Hughson Fire Protection District Development Impact Fee Study by NBS, the City Council (or Board of Supervisors) finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Notices and Statute of Limitations. Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance."

Section 66020 (d) (1) requires that the agency, at the time it imposes an impact fee, provide a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

Collection of Fees. The District should enter into a Memorandum of Understanding or other agreement with each of the agencies (the City and the County) adopting the impact fees calculated in this study to establish who will be responsible for collecting those fees,

² According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information. Also note that Section 66016.5 (a)(6) requires that large jurisdictions adopt a capital improvement plan as part of an impact fee nexus study. That requirement applies in counties of 250,000 or more and cities in those counties.

how they will be remitted to the District if collected by the City and/or County, and which agency or agencies will be responsible for preparing mandatory annual reports and five-year findings required by the Mitigation Fee Act (see page 4-5 below).

Section 66007(a) provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first.

However, "utility service fees" (not defined, but likely referring to water and sewer connections) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

Statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

Notwithstanding the foregoing restrictions, some cities collect impact fees for all facilities at the time building or grading permits are issued, and builders may find it convenient to pay the fees at that time.

In cases where the fees are not collected upon issuance of building permits, Sections 66007 (c) (1) and (2) provide that the responsible agency may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited "with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected." Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees "with other fees for the improvement" refers to a specific capital improvement or a class of improvements (e.g., street improvements).

We are not aware of any municipality that has interpreted that language to mean that funds must be segregated by individual projects. And, as a practical matter, that approach

would be unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (i.e., streets, park improvements), but not for individual projects.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly to meet the requirement that there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, an agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction is within the discretion of the governing body but may not result in increased costs to other development projects. So, the effect of such policies is that the lost revenue must be made up from sources other than impact fees.

Credit for Improvements Provided by Developers. If an agency requires a developer, as a condition of project approval, to dedicate land or construct facilities or improvements for which impact fees are charged, the agency should ensure that the impact fees are adjusted so that the overall contribution by the developer does not exceed the impact created by the development.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the responsible agency may accept or reject such offers, and may negotiate the terms under which such an offer would be accepted. Excess contributions by a developer may be offset by reimbursement agreements.

Credit for Existing Development. If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project that represents a net increase in impact on the relevant facilities, applying the measure of demand used in this study to calculate the impact fee in question.

Annual Report. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;

3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the agency determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

The annual report must be reviewed by the agency's governing body at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Five-Year Findings and Refunds under the Mitigation Fee Act. Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d). At least two recent Court of Appeal decisions in California have required cities to refund substantial amounts of impact fee or in-lieu fee revenue for failing to adequately comply with the five-year findings.

For a useful discussion of the foregoing requirements, see “The Mitigation Fee Act’s Five-Year Findings Requirement: Beware Costly Pitfalls” by Glen Hansen, Senior Counsel, Abbott and Kindermann, and Rick Jarvis, Managing Partner, Jarvis, Fay and Gibson, presented at the 2022 League of California Cities City Attorneys’ Spring Conference.

Audit Requests. Section 66023 provides that any person may request an audit to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product, public facility, as defined in Section 66000, or service provided by the local agency. The legislative body of the local agency may retain an independent auditor to conduct the audit but is not required to conduct an audit if an audit has been performed for the same fee within the previous 12 months.

The agency shall retain an independent auditor to conduct an audit only if the person who requests the audit deposits with the local agency the amount of the local agency’s reasonable estimate of the cost of the independent audit. At the conclusion of the audit, the local agency shall reimburse unused sums, if any, or the requesting person shall pay the local agency the excess of the actual cost of the audit over the amount that was deposited.

However, if the local agency fails to comply with the annual report requirement of Section 66006 following the establishment, increase or imposition of a fee, but requires payment of that fee in connection with the approval of a development project for three consecutive years, the agency shall not require a deposit for the independent audit and shall pay the cost of the audit.

Indexing of Impact Fees. Impact fees calculated in this report are based on current costs and should be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by those fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets. The *Engineering News Record* Building Cost Index (BCI) and Construction Cost Index (CCI) are useful for indexing construction costs. Where land costs are covered by an impact fee or in-lieu fee, land costs should be adjusted based on changes in local land prices. Updating of costs for other types of assets may be based on recent purchases or vendor price estimates.

Requirements Imposed by AB 602

In 2021, the California Legislature passed AB 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that went into effect in 2022. The new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:

- 1) A city, county or special district that has an internet website shall post on its website:
 - a) A current written schedule of fees, exactions and affordability requirements applicable to a proposed housing development project and shall present that information in a manner that identifies the fees, exactions and affordability requirements that apply to each parcel and the fees that apply to each new water and sewer utility connection.
 - b) All zoning ordinances and development standards and specifying the zoning, design and development standards that apply to each parcel.
 - c) A list of the information that will be required from any applicant for a development project, as specified in Government Code Section 69540.
 - d) The current and five previous annual fee reports required by Government Code Section 66006 and Subsection 66013 (d).
 - e) An archive of impact fee nexus studies, cost of service studies or equivalent conducted on or after January 1, 2018.
- 2) The above information shall be updated within 30 days of any changes.
- 3) A city or county shall request from a development proponent, upon issuance of a certificate of occupancy or final inspection, the total amount of fees and exactions associated with the project for which the certificate is issued. That information must be posted on the website and updated at least twice a year.
- 4) Before adoption of an impact fee, an impact fee nexus study shall be adopted.
- 5) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate.
- 6) 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 the fees collected under the original fee.
- 7) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage if 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. A nexus study is not required to comply with this requirement if the agency makes certain findings outlined in the statute.

- 8) Large jurisdictions as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities in those counties) shall adopt a capital improvement plan as part of a nexus study.
- 9) All studies shall be adopted at a public hearing with at least 30-days' notice, and the local agency shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.
- 10) Studies shall be updated at least every eight years, beginning on January 1, 2022.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of particular impact fees should be made clear.

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues. Fees must be expended for the purposes identified in the impact fee nexus study in which they were calculated, and the responsible agency must be able to show that funds have been properly expended.

Recovery of Administrative Costs

To recover the cost of periodic impact fee update studies and ongoing staff costs for capital budgeting, annual reports, five-year updates and other requirements of the Mitigation Fee Act, an administrative charge may be added to the impact fees calculated in this report. See the Executive Summary for a discussion of an administrative charge to recover some costs for administration and/or updating of impact fees.

HUGHSON FIRE PROTECTION DISTRICT CAPITAL IMPROVEMENT PLAN 2023 2023-2028



Hughson Fire Protection District

Capital Improvement Plan FY 23/24 to FY 27/28

Introduction

Prepared by Tony Douds, District Board Member

The Capital Improvement Plan (CIP) is one of the most significant planning processes for the Hughson Fire Protection District. This plan attempts to identify the capital needs of the organization over five-year periods. This plan not only identifies the immediate needs but also seeks to capture longer-term capital needs and funding options. This is the first year that the District has been able to produce this document under our stand alone form of governance. The running period of this plan extends to the fiscal year 2027/28.

In general, the CIP is a planning document that is updated annually and subject to change as the needs of the organization and community become more defined and projects move along in their respective planning and budgeting processes. The effective use of a CIP process provides for considerable advance project identification, planning, evaluation, scope, definition, design, public discussion, cost estimating, and financial planning.

The objectives used to develop the CIP include:

- To preserve and improve the infrastructure of the organization through capital asset procurement in a measured and sustainable manner.
- To maximize the useful life of capital investments by scheduling major renovations, modifications, and procurement at the appropriate time.
- To identify and examine current and future infrastructure and equipment needs and establish priorities among projects so that available resources are used to the best advantage.
- To improve financial planning and stability by comparing needs with resources, estimating future funding issues, and identifying potential fiscal implications.

With the preceding in mind, this plan will serve several specific purposes. First and foremost, as a guide for the District Board and its administration towards current and future capital improvement needs. Second, this plan informs the district's personnel, the community, business, and other interested parties about the capital needs of the district and the projected costs of those needs. Third, several administrative and regulatory requirements attempt to be met with this plan. Fourth, this plan will identify funding methodologies which hopefully will yield positive progress to plan objectives and recommendations. Fifth, this Capital Improvement Plan supports and identifies the financial decisions, allocations, and needs over a prescribed period of time whether funding is available or not. Lastly, the plan provides a list of options for funding and their feasibility.

Fire Department

The Hughson Fire Department provides fire and emergency medical services for the City of Hughson and surrounding Stanislaus County unincorporated area out of one station (Stanislaus County station 39). The fire station is located at 2315 Charles Street in Hughson California. The fire district office and personnel quarters are located at 2316 3rd Street in Hughson California directly behind the fire station.

The department's response area covers roughly 35 square miles with approximately 1.5 square miles and a population of 7,488 within the city limits of Hughson and 33.5 square miles and a population of approximately 5,000 within Hughson Fire District part of Stanislaus County unincorporated area.

The Hughson Fire Department is staffed with an average of 28 personnel, including 25 volunteer members, 3 full-time employees: Fire Chief, Assistant Chief/Board Admin Assistant, and Engineer/Training Officer. Currently, the existing manpower is struggling to meet the needs of the community efficiently. Hughson Fire anticipates adding several volunteer firefighter positions in the next twelve months, to provide better 24/7 response capabilities out of Station 39.

Introduction:

Recommendations contained in this plan for personnel, facilities, apparatus and equipment strike a balance between recognized industry standards and the needs of our community given the resources that are available. As standards change and costs rise this plan is intended to be flexible and updated on an annual basis. This plan has been prepared to serve several purposes, including:

- Serve as a Capital Improvement Plan (CIP) to support future financial decisions and allocations.
- Provide the basis for budgeting capital projects as the District adapts to meet current and anticipated demands.
- Serve as a guide for the District's Board of Directors on future funding needs.
- Inform interested parties about the current and planned future configuration of the Fire Department's capital assets and funds.
- Provide consistent planning for major expenditures for "just in time" replacement of apparatus, equipment and facility needs.

The following sections of this CIP present the guidance used for making capital improvements, specific replacement schedules, facility use, cost estimates and the general financial strategy to accomplish the plan.

Section 1

Program Context

As one of California's Fire Protection Districts organized under Fire Protection District Act of 1961 and further revised under Fire Protection District Act of 1987, the Hughson Fire Protection District provides fire and EMS services. The district's jurisdiction is over 35 square miles of area, includes the city of Hughson, California and agricultural land surrounding the city.

The adopted Mission Statement "Protecting lives, property and the environment for our community" is vested in our ability to provide as robust an approach to emergency medical services (EMS), fire response and suppression, special operations, vehicle extrication, hazardous materials response, fire district administration, staff training, and public safety education. Having a Board adopted Capital Improvement Plan which is both realistic and dynamic is essential to meeting the intent of that Mission Statement and ensuring operational safety. Recommended standards for fire protection and emergency medical services issued by the National Fire Protection Association (NFPA) are important considerations. Sometimes these are incorporated into law and regulations, and often are used by courts to determine industry standards.

Also, of importance to the Fire District and property owners served by the District, are Public Protection Classification Surveys performed by the Insurance Services Office (ISO) for the insurance industry. The results have a direct bearing on the premiums charged by companies for fire insurance. The District's current split public protection classification is 03 in the urban area of the Hughson City limits and 3Y for the rural area of the District. Recent experience shows that the failure to meet minimum acceptable service standards causes immediate and expensive increases in fire insurance premiums for property owners in the rated area. A well-formulated Capital Improvement Plan (CIP) is rooted in consistent planning for major expenditures and in anticipation of the "just-intime" replacement of apparatus, equipment, and facilities. CIPs are most effectively done in 5-year increments in which the current year drops into the annual operating budget and off of the 5-year plan.

Supported by an appropriate funding stream and thoughtful analysis and forecasting by staff, the CIP is a powerful instrument for managing the Fire District's level of service delivery and in seeking the necessary funding. Major capital improvements may include the following:

Apparatus: Purchase and/or refurbishment/replacement of Type-I Engines, Type-III Engines, Type-VI; ladder trucks; water tenders; command vehicles; utility vehicles; and light vehicles

Major Equipment: Purchase and/or replacement of personal protective equipment (PPEs), self-contained breathing apparatus (SCBAs), rescue tools, fire hose, communications equipment, information technology related devices and hardware, and small/portable equipment.

Facilities: New construction, renovation or major maintenance of fire stations, training facilities (classrooms and manipulative drill ground buildings and props), and administrative and support offices. Property acquisition is also addressed in this category.

The administration has chosen to include non-capitalized equipment purchases in selected categories as a way to account for additional equipment items necessary for operations and service provision. These items include rescue equipment, personal protective gear, IT devices, small equipment, etc.

Debt payment has also been included in the plan as a way to provide a comprehensive look at what is being spent annually on equipment related purchases, be they direct budget allocation, debt payments, or actual capitalized equipment and improvements.

The CIP allows policymakers and management to effectively plan, approve, and implement a sustained and continuous effort when operating a progressive fire protection service delivery system through a proactive budgeting strategy. If funding for a CIP has not yet been established, there is a requisite initial investment whenever inaugurating or restoring a CIP. Hughson Fire Protection District is just now developing from this type of situation. This is necessary for creating a baseline of equipment and identifying the sources of funding to support an equipment and facilities replacement schedule based on a formally established policy specifying the useful service life of equipment and facilities. Certain safety equipment, such as structural and wildland firefighting gear and self-contained breathing apparatus, has OSHA-mandated service lives.

Section 2

Capital Acquisitions – Apparatus

The Hughson Fire Protection District, with the initial adoption of a CIP, has established some standard apparatus and equipment depreciation and replacement schedules. Primary funding is now provided under the pay as you go process, by borrowing capital, or through grants.

Type I Engine Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule policy of 15 years of frontline service for all Type I firefighting apparatus, with a minimum of 10 years reserve service before consideration of decommissioning the apparatus. Apparatus refurbishment may also be a consideration.

Type 1/Quint Acquisition Recommendations: The CIP and Administration is recommended future consideration of a “Quint” type fire apparatus. The multipurpose capability of such a unit would be beneficial in this specific response area and based on what is currently planned. With the purchase, an existing Type I Engine can be retired from front line service, thus placing the current unit into reserve status.

Type III and Type VI Engine Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule policy of 20 years of frontline service for all Type III and VI firefighting apparatus. Apparatus refurbishment may also be a consideration.

Water Tender Replacement Recommendations: Continue to follow and implement an apparatus replacement schedule policy of 30 years of frontline service for all Water Tender apparatus. Apparatus refurbishment may also be a consideration.

Light Duty Vehicle Replacement Recommendations: It is recommended that light vehicles should be considered for a replacement policy of 15 years for the Chief Command Vehicles and On-Call Officer Vehicles (due to intense, high mileage use).

CIP Project Table for Apparatus: Following is the CIP Project Table which incorporates the preceding recommendations and includes estimated cost allocations and define funding recommendations and/or specific funding strategies.

HFD Projected Useful Life of Fire Apparatus				
Apparatus & Type	1st Out Response	2nd Out Response	Emergency Reserve	Total
Engine or Quint Type 1	15 Years	10 Years	5 Years	30 Years
Grass Type 6 & Brush Type 3	20 Years	N/A	N/A	20 Years
Water Tender	30 Years	N/A	N/A	30 Years
Command/Utility Vehicle	15 Years	N/A	N/A	15 Years

HFD Current Fleet				
Apparatus & Type	Placed In Service 1st Out	Actual or Projected Move to 2nd Out	Actual or Projected Move to Reserve	Projected Retirement
Engine 39 Type 1	2020	2035	2045	2050
Engine 239 Type 1	2014	2020	2030-2039*	2044
Engine 339 Type 1	1991	1998	2014	2028**
Grass 39 Type 6	2008	N/A	N/A	2028***
Water Tender 39 Type 1	2010	N/A	N/A	2040
Command/Utility 39 Type 7	2012	N/A	N/A	2027
Command/Utility 239 SUV	2014	N/A	N/A	2029

HFD Additional and Replacement Apparatus Needs Next 5 Years		
Apparatus & Type	Estimated Cost as of 2023 ¹	Reason of Addition
Additional Command/Utility	\$100,000	A third command/utility vehicle would prove to be beneficial to support and back up a probational on call captain. This would allow for both chiefs and or senior captains to be available in a command vehicle as back up and support to the probational on call captain, as well as when they are no longer on probation. This command/utility unit could also serve as the apparatus to pull the rescue boat and to be a back up to the two primary command vehicles during maintenance or down time

HFD Additional and Replacement Apparatus Needs Next 6 to 10 Years		
Apparatus & Type	Estimated Cost as of 2023 ¹	Reason of replacement or addition
Command/Utility Type 7	\$120,000	Current command utility 39 will have reached its useful life
Command/Utility SUV	\$100,000	Current command utility 239 will have reached its useful life
Brush Type 3****	\$475,000	Demand and useful benefits of a type 3 and HFD needs to minimize dependency on other agencies
Quint Aerial Type 1*****	\$1,300,000	Demand and useful benefits of a Quint Type 1 and HFD needs to minimize dependency on other agencies

*Engine 239 move to reserve time could vary due to it moved from 1st out to 2nd out in a shorter then normal time period, and if and when HFD acquired a Quint Aerial apparatus

** Engine 339 may be extended beyond 2028 due to space limitation with current apparatus bay

***If the HFD were able to build a new apparatus bay in the next 5 to 7 years, Grass 39 would be extended until a new brush unit was purchased, and then grass 39 would move to a back up roll to the new Brush apparatus

**** Space limitation with current apparatus bay does not allow for this addition until new apparatus bay is completed

*****Space limitation with current apparatus bay does not allow for this addition until new apparatus bay is completed

¹ Estimated cost are as of 2023. HFD would estimate an approx. 5% increase in cost year over year

Section 3

Capital Acquisitions – Major Equipment

This section discusses the replacement of major equipment in the on-going business of fire, rescue, and EMS service delivery by the Hughson Fire Protection District. It includes personal protective equipment (PPE) turnout gear, self-contained breathing apparatus (SCBA), rescue extrication tools, life support cardiac monitoring/intervention equipment, fire hose, small equipment, radios, and information technology related devices such as desktop/laptop computers and tablets. While some items may not be considered a capital asset by policy, they are included as a way of presenting some of our ongoing equipment needs.

Personal Protective Equipment (PPE): PPE's are recommended to be replaced every ten years, or every two NFPA standards revision cycles, or whenever the equipment is damaged beyond repair or fails an inspection. The Hughson Fire Protection District has approximately 30 sets of frontline structural firefighting gear and an equal number of wildland firefighting PPE gear. The District is making a concerted effort to provide each career firefighter with a second set of gear. We also must focus on turnout gear that has meet its life expectancy. With the increase in staffing, the total number of new sets of turnout gear will increase by approximately 40 sets. The 2023 cost for one (1) set of structural firefighting gear (pants, coat, hood, boots, helmet, and gloves) cost is approximately \$7,450. One (1) set of wildland firefighting gear (pants, jacket, boots, helmet, gloves, filtered respirators, and fire shelters) cost approximately \$1,800. One (1) set of EMS Jacket cost approximately \$900. Therefore, in order to amortize the cost of PPE replacement in a planned fashion over a 5-7 year period, the District should budget \$40,000 to \$50,000 annually toward PPE, in addition to maintenance and repairs. This would, in effect, allow the District to maintain its serviceable complement of PPEs (structural, wildland and medical) in manageable increments.

Recommendation: Complete the phase in of replacement and second set of turnouts as set forth through the previously established replacement plan and accelerate the replacement if possible. As turnouts are replaced the older sets shall become the members back up set of turnouts. This will allow for turnouts to be laundered more efficiently reducing the member's exposure to carcinogens and helping prolong the life and performance of the turnouts. If a set is not serviceable due to wear, age, contamination, or degradation that member will be placed back onto the list to receive an additional set after higher priority sets are ordered. Turnout gear falling out of usable life compliance must be replaced. Non-structural Volunteer PPE to support the logistical roll should also be funded.

The goal of the turnout replacement program should be to have members in similar sets of turnouts in regard to condition and age. If the sets are similar in condition and age the member shall wear the first set of turnouts until contamination occurs and then switch to the second set of turnouts. They shall stay in this set of turnouts until they are contaminated. Alternating the wearing of the two sets of turnouts will spread the wear and tear over two sets of turnouts, increasing the life span of both sets until the recommended replacement time frame, not to exceed 10 years.

Fire Hose and Nozzles: The National Fire Protection Association's (NFPA) Standard-1962 calls for annual hose testing and allows for keeping hose as long as it passes the annual service test. However, a generally accepted practice is to remove hose from service after 10 years, as recommended by the NFPA in Standard-1962 (2008 Edition), Annex A.7.1., which states "While all users should establish their own retirement schedule, fire departments should give careful consideration to a 10-year maximum service life under normal operating conditions." Therefore, an annual budget

should be maintained for replacing a prescribed amount of hose inventory, so it will not need replacement all at once while also providing for damaged hose repair and replacement. Another way to consider the cost of hose is to consider a complete hose complement for each engine. The cost to replace an engine's hose complement and as currently configured in the District is \$9,700. This allocation can be amortized over 10-year increments or longer based on annual testing. The District has done an acceptable job in the replacement of hose on its front line and reserve engines.

Recommendation: Hose testing must be performed through this extended period of replacement. The use of a third-party hose testing company is the most efficient way to conduct this critical task. Funding for hose inventories should also be provided. Engine replacement hose should be purchased as affordable and to include hose for at least one reserve engine.

Rescue Tools: Hydraulic rescue tools are mission critical equipment for delivering service. These units should be replaced every 10 years depending on advances in technology and the cost of maintenance and repairs to each unit. The District has made good progress in past years in this area. Funding for new battery powered tools (eDRAULIC) should continue.

Recommendation: Refocus on the purchase of battery powered units in order to equip all staffed engines. An additional set of heavy rescue eDRAULIC tools should be considered when financially feasible or with grant funding if possible.

EMS Equipment: The defibrillators and CPR Lucas devices have been a huge technological improvement to the departments response over a decade and is responsible for many lives saved within the Hughson Fire Protection District. Over the last 2 decades, the district has managed to acquire a total of 5 AED's to be placed in the 2 command vehicles as well as 2 type I engines and 1 type VI engine. With a county wide grant, the district obtained the first CPR Lucas device in 2018. This CPR Lucas device has proven to be an asset in the efforts of preserving life during a cardiac arrest with less personnel resources to be on scene to conduct effective CPR. The original Lucas device is stored on the first out engine 39.

Recommendation: Due to their age and ongoing improved technological advancements, the district will need to update their current fleet of 5 AED's. The district would like to add a second Lucas device to be installed on engine 239. Having a second device would be a significant benefit should the original Lucas device have any technical issues, engine 239 respond to a cardiac arrest while engine 39 is on a different call, and when the district responds to mutual aid calls within our neighboring departments. The district will still have a Lucas device within the district.

Category	Overall item description	Total Cost	Expected fiscal year purchased				
			2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Structure Fire PPEs	30 complete sets	\$ 223,500.00	\$ 44,700.00	\$ 37,250.00	\$ 52,150.00	\$ 37,250.00	\$ 52,150.00
Wildland Fire PPEs	30 complete sets	\$ 54,000.00	\$ 10,800.00	\$ 9,000.00	\$ 12,600.00	\$ 9,000.00	\$ 12,600.00
Medical PPE Jacket	30 Jackets	\$ 27,000.00	\$ 5,400.00	\$ 4,500.00	\$ 6,300.00	\$ 4,500.00	\$ 6,300.00
SCBA's	End of Life replacements	\$ 237,100.00		\$ 142,260.00		\$ 94,840.00	
Extrication Tools	Heavy Rescue eDraulics	\$ 62,000.00	\$ 62,000.00				
AED's & Lucas Device	5 AED & 1 Lucas Device	\$ 35,000.00	\$ 20,000.00		\$ 15,000.00		
Fire Hose	Various sizes total 13,550ft	\$ 75,670.00			\$ 45,402.00		\$ 30,268.00
Miscellaneous Equipment	2 Exhaust fans and gas meter	\$ 14,000.00	\$ 14,000.00				
		\$ 728,270.00	\$ 156,900.00	\$ 193,010.00	\$ 131,452.00	\$ 145,590.00	\$ 101,318.00

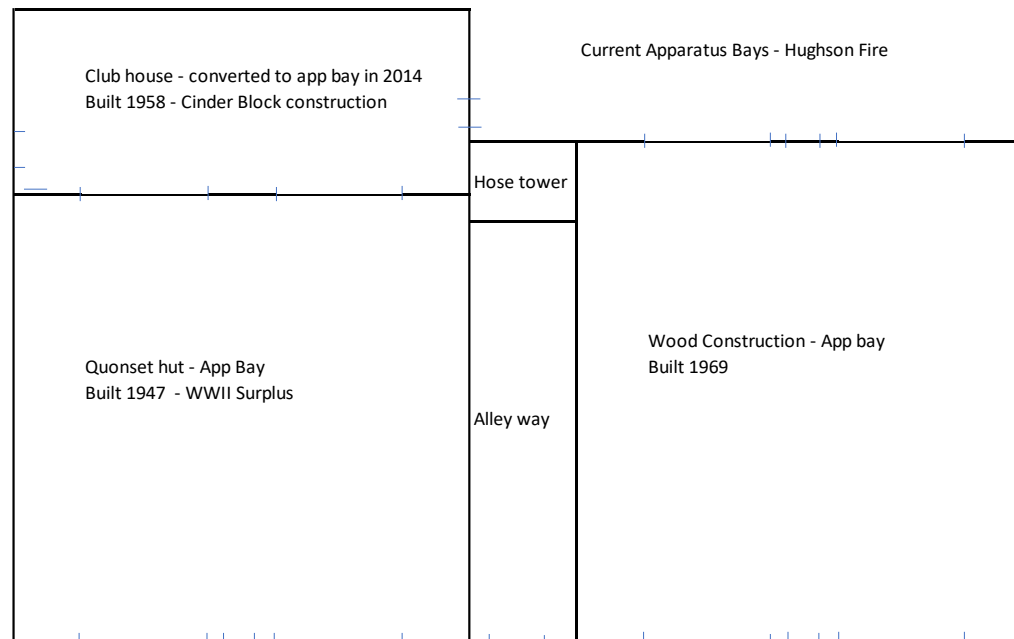
Section 4

Capital Acquisitions – Facilities

Capital improvements and investments in facilities can represent some of the largest expenditures of a Capital Improvement Plan, especially if new fire facilities are contemplated. The facilities section requires a very dynamic approach if new facilities are considered. Detailed response time analysis, call saturation data, ISO cost/benefits, flood plain impacts, current and proposed development and associated zoning, street and highway access, are just some of the considerations which make predicting new facilities needs a challenge.

The Hughson Fire Protection District has been fortunate over the years to be able to continue to maintain the single station. Generally speaking, current station location currently meets the existing response needs. The District's single station is comprised of 3 buildings joined by common exterior walls. Modifications have been made over the years to continue to house the existing inventory of fire apparatus. New purchases of the larger fire apparatus over the last few decades have forced removal of some interior walls to place apparatus where fire personnel space existed.

General Recommendation: Due to the age of the buildings that make up the District's apparatus bays and the modifications to house the existing fire apparatuses, the District will need to consider updating the existing fire station. This will allow the district to expand as well as be able to meet the space requirements for new apparatuses like a quint or a type III engine to improve the service levels for which the district is reliant on surrounding departments to fulfill the need. The improved facility would also meet the current health and safety requirements as identified by the National Fire Protection Association (NFPA). The estimated cost to replace & build a new fire station is \$3,500,000.



Section 5

CIP Funding Summary

Based on the preceding recommendations the Hughson Fire Protection District estimates that over the next five years, the District needs to consider \$4,328,270 in Capital Investments. The amount considers the three areas of capital investment identified in this document.

They include \$100,000 (2.3%) for Apparatus, \$728,270 (16.8%) for Major Equipment and \$3,500,000 (80.9%) for Facilities. A report is pending within the FY23/24 fiscal year and will identify the costs to be included in the Capital Improvement Plan in future years.

Section 6

Funding Strategies

This financial strategy provides an analysis and recommendations for funding the needs and projects identified in the Capital Improvement Plan. This is designed to be a living document and not the final answer. Utilized along with thoughtful analysis and forecasting by staff, it allows management and Board of Directors to effectively plan and approve a sustainable maintenance of effort through a proactive budgeting strategy.

This financial strategy document provides a description of several Capital Improvement Fund funding possibilities by presenting alternatives with a recommendation, an implementation schedule, and an estimated cost to implement the recommendation.

Sources of Capital Funds

Funding for capital improvements comes from several sources. These funds are generated through local taxes, fees, charges, outside funding or other similar sources. The availability of these funds is sensitive to economic cycles, labor contract impacts, non-represented employee costs, outside service contracts, health insurance costs, etc.

Pay-As-You-Go (PAYG) comes from annual appropriations and is part of the adopted operating budget. PAYG funding provides the greatest flexibility and historically has funded many capital projects. Projects that are typically smaller in scale as well as minor renovations are likely candidates for PAYG funding – as long as the project has an expected useful life of at least 10 years or more. PAYG has no debt service cost that must be paid on the expenditure. It is available at the start of the fiscal year but must compete with other operating programs for funding. Funding can also be carried over at the end of each fiscal year.

Loan financing refers to debt financing of projects. Loan financing is generated through the borrowing of funds (principal) at a cost (interest) through the sale of municipal bonds or through a standard financial loan with traditional banking institution.

Inter-Governmental Loans refers to loans specifically provided from one government entity to another. In some cases, they can be interest free or structured with interest. They are usually considered for one-time capital purchases. While still a consideration, it may be difficult for one agency to loan money to another due to internal funding needs and restrictions on reserve amounts.

Grant Funding has been a very positive funding source for the District. Over the past twenty years the District has secured over \$1,000,000 in grant funding from all sources. Annual grant opportunities should continue to be pursued. The most profitable and financially beneficial grants have been through the Assistance to Firefighter's Grants (AFG). The District has been able to purchase SCBA's, refilling station for SCBA bottles, washer/extractor of structure gear cleaning, thermal imaging units and most recently a grant award for heavy rescue tools under a regional grant.

Impact Fees are assessed on new development in order to pay for a portion of the costs of the capital facilities needed to serve the new development. Impact fees are one-time assessments established by local governments to assist with the provision of Capital Improvements necessitated by new growth and development.

Philanthropic Donations are another potential source of funding. While the opportunities are far and few between, there are times when this opportunity does make itself available. Funding is generally in smaller amounts.

Section 7

Summary

The need for capital investment planning is an important responsibility for the Hughson Fire Protection District. As demonstrated in the preceding pages, the District has many critical needs. The Capital Improvement Plan allows the District and the public to see the identified needs, projected costs, and the estimated timeline assigned to those needs. Not all items within a CIP will be funded or can be funded. Therefore, the CIP can allow the organization and governing body to establish priorities, make adjustments, establish procurement policies, and otherwise, better manage its financial resources that are applied to capital improvements. Lastly, this document should be considered a dynamic document subject to significant change over time. While effort has been put forth to forecast the needs in five (5) year periods, unforeseen influences can and will have an impact on what is presented. The impacts may include labor resources, downturns in the economy, or emergency procurement needs, to name a few. The CIP is only a guide towards future needs and capital costs. The most current year of the CIP should receive the most attention regarding funding efforts as it represents the most reliable estimate of what is needed both functionally and what can potentially be supported financially.

**HUGHSON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
“SPECIAL MEETING”
MINUTES**

2316 3RD STREET
HUGHSON, CA. 95326

APRIL 18, 2023

CALL TO ORDER: 7:00PM

ROLL CALL:

(x) DAVID ABSHER (x) GUS VILLARREAL (x) TONY DOUDS (x) MIGUEL OSEGUERA (x) MARK HUGHES

PUBLIC COMMENT: “MEMBERS OF THE PUBLIC MAY BE HEARD ON ANY ITEM OF INTEREST TO THE PUBLIC. A PERSON ADDRESSING THE BOARD WILL BE LIMITED TO FIVE (5) MINUTES UNLESS THE CHAIRPERSON OF THE BOARD GRANTS A LONGER PERIOD OF TIME. COMMENTS BY MEMBERS OF THE PUBLIC ON ANY ITEM ON THE AGENDA WILL ONLY BE ALLOWED DURING CONSIDERATION OF THE ITEM BY THE BOARD. MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE HUGHSON FIRE PROTECTION DISTRICT AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION IN THE OFFICE OF THE HUGHSON FIRE STATION, 2316 3RD STREET, HUGHSON CALIFORNIA, DURING NORMAL BUSINESS HOURS

MOTION/DISCUSSION

- **MOTION/DISCUSSION:** FOLLOW UP DISCUSSION DUE TO EXTENDED CHANGES MADE TO THE NBS IMPACT FEE STUDY FINAL REPORT APPROVED ON 4-12-23.
 - Discussion on minor grammatical changes that NBS made on Development Impact Fee Study dated 4-14-23. A motion was made by Villarreal to accept and approve the revised updated NBS Development Impact Fee Study dated 4-14-23, and to have the board secretary present this study to the City of Hughson and the Stanislaus County Board of Supervisors to adopt before a public hearing with the required 30-day notice of the hearing.
 - Motion was seconded by Hughes.
 - The vote of all board members to accept the motion was 5 yes and 0 noes.

FOR THE GOOD OF THE ORDER:

- **None**

ADJOURNMENT:

MOTION: Oseguera

SECOND: Villarreal

VOTE: 5 Yes 0 No

TIME: 7:17PM

Respectfully submitted.

Randall Kelley

Secretary to the Board of Directors