CITY OF BELL GARDENS

DEVELOPMENT IMPACT FEE NEXUS STUDY

FINAL DRAFT

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Executive Summary

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

- Transportation Facilities
- Parks and Recreation Facilities
- General Government Facilities
- Law Enforcement Facilities
- General Plan Update

Background and Study Objectives

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

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

Facility Standards and Costs

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

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

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. This approach is also used to support a specific demand standard identified by policy in a City's General Plan. This approach is used for the transportation facilities fees in this report.

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

Use of Fee Revenues

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

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

Development Impact Fee Schedule Summary

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

Table E.1: Maximum Justified Impact Fee Summary

Land Use	Trans-portation Facilities	Parks and Recreation Facilities - Subdivisions[1]	Parks and Recreation Facilities - Infill[1]	General Government Facilities	Law Enforcement Facilities	General Plan Update	Total - Subdivisions	Total - Infill
Residential - per Sq. Ft.	$ 1.43	$ 14.99	$ 10.57	$ 0.64	$ 1.09	$ 0.10	$ 18.26	$ 13.84
Nonresidential - per Sq. Ft.								
Commercial	$ 3.79	$ -		$ 0.18	$ 0.30	$ 0.03		$ 4.30
Office	3.97	-		0.27	0.46	0.04		4.74
Industrial	2.30	-		0.10	0.16	0.02		2.58

[1] A residential development project either plays the subdivision fee or the infill fee for parks and recreation facilities, not both.

Sources: Tables 3.5, 4.9, 5.6, 6.7 and 7.5.

Other Funding Needed

Impact fees cannot fund costs associated with remedying existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project. This means that the development impact fees levied within Bell Gardens cannot fund the share of new projects needed to serve existing development or new development that is not subject to the fee.

As shown in **Table E.2,** approximately $46.8 million in additional funding is anticipated to be needed to complete the facilities the City currently plans to develop, if fees are adopted at the maximum justified fee level. The "Additional Funding Projected" column shows non-impact fee funding projected to be needed to complete the improvements partially funded by impact fees. These facilities are needed partially to remedy existing deficiencies and partly to accommodate new development.

To the extent that the City adopts fees that are lower than the maximum justified amount, the non-impact fee funding projections would increase. Potential sources of revenue include, but are

not limited to, existing or new general fund revenues, existing or new taxes, special assessments, bond proceeds, and grants.

Table E.2: Additional Funding Required

Fee Category	Total Project Cost	Projected Impact Fee Revenue	Additional Funding Required
Traffic Facilities	$ 40,427,317	$ 3,032,049	$ 37,395,268
Parks and Recreation Facilities[1]	24,690,000	24,690,000	-
General Government Facilities	1,636,964	1,636,964	-
Law Enforcement Facilities	10,500,000	2,788,000	7,712,000
General Plan Update	2,000,000	258,000	1,742,000
Total	$ 79,254,281	$ 32,405,013	$ 46,849,268

[1] Total project cost shown if no development occurs in subdivisions. Impact fees will fully fund new development's share of park and recreation facilities.

Sources: Tables 3.3, 4.6, 5.4, 6.6 and 7.4.

1. Introduction

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

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

Public Facilities Financing in California

The changing fiscal landscape in California during the past 40 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

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

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

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to establish impact fees for the City based on the most current available facility plans and growth projections. The maximum justified fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands.

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

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

facility plans to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *Engineering News-Record*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 9.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 9.

Study Methodology

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

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

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

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.

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

New Development Facility Needs and Costs

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

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

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

Existing Inventory Method

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

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

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

Planned Facilities Method

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

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

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. This approach is also used to support a specific demand standard identified by policy in a City's General Plan. This approach is used for the transportation facilities fees in this report.

System Plan Method

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

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

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

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

Organization of the Report

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

Chapters 3 through 7 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- Transportation Facilities
- Parks and Recreation Facilities
- General Government Facilities
- Law Enforcement Facilities
- General Plan Update

Chapter 8 describes how this nexus study complies with the requirements of AB 602.

Chapter 9 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code* Sections 66016 through 66018.

The five statutory findings required for adoption of the maximum justified public facilities fees in accordance with the Mitigation Fee Act are documented in Chapter 10.

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2022 base year and a planning horizon of 2040.

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

- The estimate of existing development in 2022 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2040 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2022 through 2040 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

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

Land Use Types

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

- **Residential dwelling units:** All residential dwelling units including detached and attached one-unit dwellings (Includes single family homes and townhomes) and attached multifamily dwellings including duplexes and condominiums. Fees charged per square foot.
- **Commercial:** All commercial, retail, educational, lodging, and service development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All warehouse, distribution, manufacturing, and other industrial development.

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

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

Impact Fees for Accessory Dwelling Units

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

than 750 square feet can be charged impact fees in proportion to the size of the primary dwelling unit.

Calculating Impact Fees for Accessory Dwelling Units

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

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

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

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Bell Gardens, both in 2022 and in 2040. The base year estimates of household residents and dwelling units comes from the California Department of Finance. The projection or residents is based on data from the Southern California Association of Governments (SCAG) 2040 Regional Transportation Plan (RTP).

Base year employees were estimated based on the latest data from the US Census' OnTheMap application and exclude local government (public administration) employees. Total projected workers were also identified in the SCAG RTP.

Table 2.1: Existing and New Development

	2022	2040	Increase
Residents[1]	38,362	44,000	5,638
Dwelling Units[2]			
Single Family	7,554	7,656	102
Multifamily	2,646	2,682	36
Total	10,200	10,338	138
Employment[3]			
Commercial	4,673	5,552	879
Office	2,421	2,877	456
Industrial	1,743	2,071	328
Total	8,837	10,500	1,663
Building Square Feet[4]			
Commercial	2,204	2,619	415
Office	743	883	140
Industrial	1,503	1,785	283
Total	4,449	5,287	837

[1] Current household population from California Department of Finance. Projection for 2040 based on SCAG RTP Growth Forecast.
[2] Current values from California Department of Finance. Projection for 2040 based on SCAG RTP Growth Forecast of households, adjusted to all housing units using current DOF reported vacancy of 2.3%. Assumes same ratio of single family to multifamily will be maintained as development occurs.
[3] Current estimates of primary jobs from the US Census' OnTheMap. Projection based on SCAG RTP Growth Forecast. Assumes current ratio among land uses will be maintained.
[4] Estimated building square feet calculated based on employment estimates and density factors in Table 2.2.

Sources: California Department of Finance, Table E-5, 2022; 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction; OnTheMap Application, http://onthemap.ces.census.gov; Table 2.2, Willdan Financial Services.

Occupant Densities

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

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

Table 2.2: Occupant Density Assumptions

Residential	3.76	Residents Per Dwelling Unit
Nonresidential		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: California Department of Finance, Table E-5, 2022; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

3. Transportation Facilities

This chapter details an analysis of the need for transportation facilities to accommodate new development. The chapter documents a reasonable relationship between new development and the impact fee for funding of these facilities.

Trip Demand

The need for transportation facilities is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the City's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

These adjustments allow for a holistic quantification of trip demand that takes trip purpose and length into account for fee calculation purposes.

Table 3.1 shows the calculation of trip demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the Institute of Traffic Engineers (ITE) and by the San Diego Association of Governments (SANDAG). The trip rates come from ITE. The pass-by trip assumptions and trip length assumptions come from SANDAG. Data from SANDAG is used because the surveys provide one of the most comprehensive databases available of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses.

Table 3.1: Trip Rate Adjustment Factors

	Primary Trips[1]	Diverted Trips[1]	Total Excluding Pass-by[1]	Average Trip Length[2]	Adjust-ment Factor[3]	ITE Category	PM Peak Hour Trips[4]	Trip Demand Factor[5]
	A	*B*	*C = A + B*	D	*E = C x D*		*F*	*G = E x F*
Residential								
Single Family	86%	11%	97%	7.9	1.11	Single Family Housing (210)	1.00	1.11
Multifamily	86%	11%	97%	7.9	1.11	Apartment (220)	0.67	0.74
Nonresidential - per 1,000 Sq. Ft.								
Commercial	47%	31%	78%	3.6	0.41	Shopping Center (820)	4.09	1.68
Office	77%	19%	96%	8.8	1.22	General Office (710)	1.44	1.76
Industrial	79%	19%	98%	9.0	1.28	General Light Industrial (110)	0.80	1.02

[1] Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip. Based on SANDAG data.
[2] In miles. Based on SANDAG data.
[3] The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9 miles.
[4] Trips per dwelling unit or per 1,000 building square feet.
[5] The trip demand factor is the product of the trip adjustment factor and the trip rate.

Sources: San Diego Association of Governments, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, April 2002; Institute of Traffic Engineers, Trip Generation, 11th Edition; Willdan Financial Services.

Trip Demand Growth

The planning horizon for this analysis is 2040. **Table 3.2** lists the 2022 and 2040 land use assumptions used in this study. The trip demand factors calculated in are multiplied by the existing and future dwelling units and nonresidential square footage to determine the increase in trip demand attributable to new development.

Table 3.2: Land Use Scenario and Trip Demand

	Trip Demand	2022		Growth 2022 to 2040		Total - 2040	
Residential	Factor	Units/ KSF	Trips	Units/ KSF	Trips	Units/ KSF	Trips
Residential - Dwelling Units							
Single Family	1.11	7,554	8,385	102	113	7,656	8,498
Multifamily	0.74	2,646	1,968	36	27	2,682	1,995
Subtotal		10,200	10,353	138	140	10,338	10,493
Nonesidential - 1,000 Square Feet							
Commercial	1.68	2,204	3,703	415	697	2,619	4,400
Office	1.76	743	1,307	140	246	883	1,553
Industrial	1.02	1,503	1,533	283	288	1,785	1,821
Subtotal		4,449	6,543	837	1,231	5,287	7,774
Total			16,896		1,371		18,267
			92.5%		7.5%		100%

Sources: Tables 2.1 and 3.1.

Planned Facilities and Allocation to New Development

The City plans to use transportation facilities fee revenue to construct improvements to add capacity to the system of transportation facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development. The City should program fee revenue to capacity expanding projects through its CIP and budget process. The City's impact fee transportation CIP is shown in **Table 3.3.** Projects that are rehabbing or retrofitting existing facilities have been excluded from this list. A share of each project corresponding with new development's total share of trip demand at the planning horizon is allocated to new development through this impact fee. In total, approximately $3 million is allocated to new development through the impact fee.

Table 3.3: Transportation Project Costs and Allocation to New Development

CIP No.		Total Project Cost	Allocation to New Development	Cost Allocated to New Development
	Florence Corridor Complete Streets Project	$ 22,013,000	7.5%	$ 1,650,975
	LSPR Intersections Evaluation Study	165,000	7.5%	12,375
3850	Eastern/florence Intersections Evaluation Study	1,218,621	7.5%	91,397
3871	Florence Ave at Jaboneria Ira Improvements Project	2,367,696	7.5%	177,577
3903	ATP Cycle 5 Complete Street Improvement Phase I (Matching)	100,000	7.5%	7,500
3903	ATP Cycle 5 Complete Street Improvement Phase I (Matching)	400,000	7.5%	30,000
3903	ATP Cycle 5 Complete Street Improvement Phase I	6,500,000	7.5%	487,500
3871	Various Streets Improvements Project	2,372,000	7.5%	177,900
3875	Garfield/Clara Intersection Widening	400,000	7.5%	30,000
3877	Traffic Studies	256,000	7.5%	19,200
3881	Intersection Improvements Garfield and Eastern	4,635,000	7.5%	347,625
Total		$ 40,427,317		$ 3,032,049

Sources: City of Bell Gardens; Table 3.2, Willdan Financial Services.

Fee per Trip Demand Unit

Every impact fee consists of a dollar amount, representing the value of facilities, divided by a measure of demand. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into housing unit (cost per unit) and employment space (cost per 1,000 square feet) fees by multiplying the cost per trip by the trip generation rate for each land use category. These amounts become the fee schedule.

Table 3.4 displays the calculation of the cost per trip demand unit. The total cost allocated to new development from Table 3.3 is divided by the growth in trip demand from Table 3.2 to determine the cost per trip needed to accommodate new development. This figure drives the fee calculation.

Table 3.4: Cost per Trip to Accommodate Growth

Costs Allocated to New Development	$	3,032,049
Growth in Trips		1,371
Cost per Trip	$	2,212

Sources: Tables 3.2 and 3.3.

Fee Schedule

Table 3.5 shows the maximum justified transportation facilities fee schedule. The City can adopt any fee up to these amounts. The maximum justified fees are based on the cost per trip identified in Table 3.4. The cost per trip is multiplied by the trip demand factors in Table 3.1 to determine a fee per unit of new development. The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

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

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

Table 3.5: Maximum Justified Transportation Facilities Impact Fee Schedule

	A	*B*	*C = A x B*	*D = C x 0.02*	*E = C + D*	*F = E / Average*
Land Use	**Cost Per Trip**	**Trip Demand Factor**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.[3]**
Residential Dwelling Unit[4]	$ 2,212	1.01	$ 2,234	$ 45	$ 2,279	$ 1.43
Nonresidential - per Building Square Feet						
Commercial	$ 2,212	1.68	$ 3,716	$ 74	$ 3,790	$ 3.79
Office	2,212	1.76	3,893	78	3,971	3.97
Industrial	2,212	1.02	2,256	45	2,301	2.30

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential.

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

[3] Assumes an average of 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

[4] Average trip demand factor per residential dwelling unit weighted by projected single family and multifamily development.

Sources: Tables 3.1 and 3.4; Willdan Financial Services.

4. Parks and Recreation Facilities

The purpose of the parks and recreation facilities impact fee is to fund the parks and recreation facilities needed to serve new development. The maximum justified impact fee is presented based on the City's existing park facility standards.

Service Population

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

Table 4.1: Park and Recreation Facilities Service Population

	Residents
Existing (2022)	38,362
Growth (2022 to 2040)	5,638
Total (2040)	44,000

Source: Table 2.1.

Existing Park and Recreation Facilities Inventory

The City of Bell Gardens maintains several park and recreation facilities throughout the city. **Table 4.2** summarizes the City's existing parkland inventory in 2022. All facilities are located within the City limits. In total, the inventory includes a total of 66.72 acres of City-owned parkland.

Table 4.2: Parkland Inventory

Name	Address	Acres
Ford Park	8000 Park Lane	47.02
Veterans Park	6946 Perry Road	15.05
Skate Park	6645 Florence Place	0.85
Marlow Park	6640 Marlow Avenue	0.92
Gallant Park	5982 Gallant Street	0.25
Hannon Park	6902 Hannon Street	0.42
Asmus Park	8321 Jaboneria Road	0.76
Woodworth House	6820 Foster Bridge Boulevard	0.59
Neighborhood Youth Center	7117 El Selinda Avenue	0.86
Total - Parkland		66.72

Source: City of Bell Gardens.

Table 4.3 displays the City's inventory of recreation centers and special use facilities, including community centers, park buildings and various other facilities. The total replacement cost of these facilities is divided by the existing park acres to determine an existing special use facilities cost per improved park acre.

Table 4.3: Recreation Centers and Special Use Facilities Inventory

	Inventory	Units	Unit Cost	Replacement Cost
Veterans Park Recreation Center	4,770	Sq. Ft.	$ 394	$ 1,881,495
Senior Citizens Center	4,385	Sq. Ft.	263	1,151,325
Ross Auditorium	13,970	Sq. Ft.	199	2,774,128
Marlow Park Building	790	Sq. Ft.	331	261,450
Clubhouse	25,800	Sq. Ft.	279	7,195,020
Concession Building	1,390	Sq. Ft.	150	208,425
Golf Clubhouse	2,147	Sq. Ft.	159	342,300
Bell Gardens Park	14,324	Sq. Ft.	224	3,204,600
Neighborhood Youth Center	3,420	Sq. Ft.	306	1,046,535
Neighborhood Youth Center- Storage Building	4,800	Sq. Ft.	112	536,550
Neighborhood Youth Center- Classroom - Cafeteria Building	1,584	Sq. Ft.	258	408,975
Sierra Building - Community Services Facility	9,095	Sq. Ft.	211	1,920,870
Total	86,475			$ 20,931,673
Total Park Acres				66.72
Building and Special Use Facilities Cost per Acre				$ 313,724

Sources: City of Bell Gardens; Table 4.2, Willdan Financial Services.

Parkland and Park Facilities Unit Costs

Table 4.4 displays the unit costs necessary to develop parkland in Bell Gardens. The land cost assumption was based on an analysis of recent land sales within the City of Bell Gardens using data from CoStar. An estimate of $748,000 per acre for standard parkland improvements is based on the recent data from other Willdan clients. The land value is based on the weighted average of land sales in Bell Gardens provided by CoStar since 2017 and is consistent with the assumption used in other chapters of this report. In total, it costs approximately $2.5 million to acquire and improve an acre of parkland in Bell Gardens.

Table 4.4: Park Facilities Unit Costs

	Cost Per Acre	Share of Total Costs
Improvements		
Standard Park Improvements[1]	$ 748,000	
Special Use Facilities	313,724	
Subtotal	$1,061,724	42%
Land Acquisition	$1,455,000	58%
Total Cost per Acre	$2,516,724	100%

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

Sources: CoStar; Table 4.3, Willdan Financial Services.

Parkland and Park Facility Standards

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

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of parkland and park facilities), or an adopted policy standard contained in a master facility plan or general plan. Facility standards may also be based on a land dedication standard established by the Quimby Act.[1] In this case, the City will use the Mitigation Fee Act to impose park impact fees for development not occurring in subdivisions and will use the Quimby Act for development occurring in subdivisions.

Mitigation Fee Act

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.[2] A simple and clearly defensible approach to calculating a facility standard is to use the City's existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to fund new parkland and park facilities at the same level as existing residents have provided those same types of facilities to date.

[1] *California Government Code* §66477.

[2] See the *Benefit* and *Burden* findings in *Background Report*.

Quimby Act

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

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

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

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

City of Bell Gardens Parkland and Park Facilities Standards

Table 4.5 shows the existing standard for improved park acreage per 1,000 residents based on the type of parkland. In total the City has an existing parkland standard of 1.74 acres per 1,000 residents, which allows the City to charge at 3.0 acres per 1,000 residents under the Quimby Act. For development not subject to the Quimby Act, the fee analysis in this report will be based on maintaining a 1.74 acre per 1,000 service population standard as new development adds demand for parks in Bell Gardens.

Table 4.5: Park Facility Standards

Developed Park Acreage	66.72
Service Population (2022)	38,362
Existing Standard (Acres per 1,000 Residents)	1.74
Quimby Act Standard (Acres per 1,000 Residents)	3.00

Sources: Tables 4.1 and 4.2.

Facilities Needed to Accommodate New Development

Table 4.6 shows the park facilities needed to accommodate new development at the existing standard and the Quimby standard, respectively. To achieve the standard by the planning horizon, depending on the amount of development subject to the Quimby Act, new development must fund the purchase and improvement of between 9.81 and 16.91 parkland acres, at a total cost ranging between $24.7 million and $35 million.

The facility standards and resulting fees under the Quimby Act are higher, because development will be charged to provide 3.0 acres of parkland per 1,000 residents, and 1.74 acres of improvements, whereas development not subject to the Quimby Act will be charged to provide only 1.74 acres of parkland per 1,000 service population, and 1.74 acres of improvements. Since the exact amount of development that will be subject to the Quimby fees is unknown at this time, Table 4.6 presents the range of total facility costs that may be incurred depending on the amount of development occurring in subdivisions.

Table 4.6: Park Facilities to Accommodate New Development

	Calculation	Parkland	Improvements	Total Range[1]
Parkland (Quimby Act), Improvements (Mitigation Fee Act)[2]				
Facility Standard (acres/1,000 capita)	*A*	3.00	1.74	
Service Population Growth (2022 to 2040)	*B*	5,638	5,638	
Facility Needs (acres)	*C = A x B/1000*	16.91	9.81	
Average Unit Cost (per acre)	*D*	$ 1,455,000	$ 1,061,724	
Total Cost of Facilities	*E = C x D*	$ 24,604,000	$ 10,416,000	$ 35,020,000
Parkland and Improvements - Mitigation Fee Act[3]				
Facility Standard (acres/1,000 capita)	*A*	1.74	1.74	
Service Population Growth (2022 to 2040)	*B*	5,638	5,638	
Facility Needs (acres)	*C = A x B/1000*	9.81	9.81	
Average Unit Cost (per acre)	*D*	$ 1,455,000	$ 1,061,724	
Total Cost of Facilities	*E = C x D*	$ 14,274,000	$ 10,416,000	$ 24,690,000

Note: Totals have been rounded to the thousands.

[1] Values in this column show the range of the cost of parkland acquisition and development should all development be either subject to the Quimby Act, or to the Mitigation Fee Act, respectively.

[2] Cost of parkland to serve new development shown if all development is subject to the Quimby Act (Subdivisions of 50 units or more). Parkland charged at 3.0 acres per 1,000 residents; improvements charged at the existing standard.

[3] Cost of parkland to serve new development shown if all development is subject to the Mitigation Fee Act. Parkland and improvements are charged at the existing standard.

Sources: Tables 4.1, 4.3, and 4.5.

Parks and Recreation Facilities Cost per Capita

Table 4.7 shows the cost per capita of providing new park facilities at the Quimby standard, and the existing facility standard. The cost per capita is shown separately for land and improvements. The costs per capita in this table will serve as the basis of three fees:

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

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

Table 4.7: Park Facilities Cost per Capita

		Land				Improvements
	Calculation	Quimby Fee	OR	Impact Fee	AND	Impact Fee
Parkland Investment (per acre)	*A*	$ 1,455,000		$1,455,000		$ 1,061,724
Existing Standard (acres per 1,000 capita)	*B*	3.00		1.74		1.74
Total Cost Per 1,000 capita	*C = A x B*	$ 4,365,000		$2,531,700		$ 1,847,400
Cost Per Resident	*D = C / 1,000*	$ 4,365		$ 2,532		$ 1,847

Sources: Tables 4.4 and 4.5.

Use of Fee Revenue

The City can use park and recreation facilities fee revenue to purchase parkland and construct facilities to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development. The City should program fee revenue to capacity expanding projects through its CIP and budget process. The City's current parks CIP is shown in **Table 4.8**. Note that the costs in Table 4.7 do not drive the fee calculation. Rather, the costs shown in the table indicate the initial uses of park impact fee revenue. Additional projects will need to be identified to meet the City's park standards as new development occurs.

Table 4.8: Park Facilities CIP

New Aquatics Center	$21,600,000

Source: City of Bell Gardens.

Fee Schedule

To calculate fees by land use type, the investment in park facilities is determined on a per resident basis for parkland acquisition, and parkland improvements. These investment factors (shown in Table 4.7) are based on the unit cost estimates and the City's existing facility standards.

Table 4.9 shows the maximum justified park and recreation facilities fee based on the existing standard per capita under the Quimby Act and under the existing park standard under the Mitigation Fee Act, respectively. The investment per capita is converted to a fee per dwelling unit using the residential occupancy density factor from Table 2.2. The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

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

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

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

Table 4.9: Maximum Justified Park and Recreation Facilities Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee	F = E / Average Fee per Sq. Ft.[3]
Residential Dwelling Unit - Subdivision						
Quimby Fee In Lieu of Land Dedication	$ 4,365	3.76	$ 16,412	$ 328	$ 16,740	$ 10.53
Improvements	1,847	3.76	6,945	139	7,084	4.46
Total	$ 6,212		$ 23,357	$ 467	$ 23,824	$ 14.99
Residential Dwelling Unit - Infill						
Parkland Acquisition	$ 2,532	3.76	$ 9,520	$ 190	$ 9,710	$ 6.11
Improvements	1,847	3.76	6,945	139	7,084	4.46
Total	$ 4,379		$ 16,465	$ 329	$ 16,794	$ 10.57

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential.

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

[3] Assumes an average of 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 4.7; Willdan Financial Services.

5. General Government Facilities

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

Service Population

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

Table 5.1 shows the existing and future projected service population for general government facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for general government facilities.

Table 5.1: General Government Facilities Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents			
Existing (2022)	38,362	1.00	38,362
New Development	5,638	1.00	5,638
Total (2040)	44,000		44,000
Workers			
Existing (2022)	8,837	0.31	2,739
New Development	1,663	0.31	516
Total (2040)	10,500		3,255
Combined Residents and Weighted Workers			
Existing (2022)			41,101
New Development			6,154
Total (2040)			47,255

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

Sources: Table 2.1; Willdan Financial Services.

Existing Facilities Inventory

The City's general government facilities inventory is comprised of the City Hall, and the Public Works Yard. The replacement cost of these facilities was provided by the City. The land value is based on the weighted average of land sales since 2017 in Bell Gardens provided by CoStar. In total the City owns approximately $11 million worth of general government facilities. **Table 5.2** displays the City's existing inventory of general government facilities.

Table 5.2: Existing General Government Facilities Inventory

	Quantity	Units	Unit Cost	Replacement Cost
Land				
City Hall - 7100 Garfield Avenue[1]	0.91	acres	$1,455,000	$ 1,324,050
Public Works Yard - 8323 and 8327 Garfield Avenue	1.29	acres	1,455,000	1,876,950
Subtotal	2.20			$ 3,201,000
Buildings				
City Hall[2]	11,000	sq. ft.	$ 323	$ 3,554,565
Public Works Office[3]	480	sq. ft.	118	56,700
Public Works Garage[3]	720	sq. ft.	51	36,750
Veterans Park Public Works Garage - 6662 Loveland[4]	532	sq. ft.	145	77,175
Old Public Works Yard- Building 1[4]	4,800	sq. ft.	145	697,830
Old Public Works Yard- Building 2[4]	624	sq. ft.	86	53,550
Public Works Garage- 8323 Garfield	6,050	sq. ft.	150	907,500
Public Works Garage- 8327 Garfield	11,200	sq. ft.	150	1,680,000
Attached Office Building - 8327 Garfield	4,000	sq. ft.	150	600,000
Paint Storage Shed- 8327 Garfield	256	sq. ft.	33	8,400
Equipment Shelter- 8327 Garfield	528	sq. ft.	33	17,325
Materials Storage - Shelter- 8327 Garfield	1,240	sq. ft.	50	61,950
Subtotal	41,430			$ 7,751,745
Total Value - Existing Facilities				$ 10,952,745

[1] Total site is 1.93 acres. Allocated to general government uses based on square footage of building used for general government purposes vs. police department uses.
[2] Excludes police department share, which is listed in the law enforcement facilities fee inventory. Total building size is 22,000 square feet.
[3] Located at Ford Park. Land listed in parkland inventory and excluded from this table.
[4] Located at Veterans Park. Land listed in parkland inventory and excluded from this table.

Sources: City of Bell Gardens; CoStar; Willdan Financial Services.

Cost Allocation

Table 5.3 shows the calculation of the existing facilities standard per capita for general government facilities. This cost is calculated by dividing the total existing value of all general government facilities by the existing service population. The cost per capita is multiplied by the worker weighting factor of 0.31 to determine the cost per worker.

Table 5.3: General Government Facilities Existing Standard

Value of Existing Facilities	$ 10,952,745
Existing Service Population	41,101
Cost per Capita	$ 266
Facility Standard per Resident	$ 266
Facility Standard per Worker[1]	82

[1] Based on a weighing factor of 0.31.

Sources: Tables 5.1 and 5.2.

Fee Revenue Projection

The City plans to use general government facilities fee revenue to construct improvements and acquire capital facilities and equipment to add capacity to the City's general government facilities to serve new development. **Table 5.4** shows the projected fee revenue based on the growth in service population identified in Table 5.1.

Table 5.4: Revenue Projection - Existing Standard

Cost per Capita	$ 266
Growth in Service Population (2022 to 2040)	6,154
Projected Fee Revenue	$ 1,636,964

Sources: Tables 5.1 and 5.3.

Capital Improvement Plan

The City should program fee revenue to capacity expanding projects through its CIP and budget process. The City's general government facilities impact fee CIP is shown in **Table 5.5**. Note that the costs in Table 5.5 do not drive the fee calculation. Rather, the costs shown in the table indicate the initial uses of impact fee revenue. Additional projects will need to be identified to meet the City's facility standards as new development occurs.

Table 5.5: General Government Facilities CIP

	Project Cost
Facility Master Plan	$ 350,000
Total Cost - Planned Facilities	$ 350,000

Sources: City of Bell Gardens; Willdan Financial Services.

Fee Schedule

Table 5.6 shows the maximum justified general government facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

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

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

Table 5.6: Maximum Justified General Government Facilities Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee	F = E / Average Fee per Sq. Ft.[3]
Residential Dwelling Unit	$ 266	3.76	$ 1,000	$ 20	$ 1,020	$ 0.64
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 82	2.12	$ 174	$ 3	$ 177	$ 0.18
Office	82	3.26	267	5	272	0.27
Industrial	82	1.16	95	2	97	0.10

[1] Fee per dwelling unit or per 1,000 square feet of nonresidential.

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

[3] Assumes an average of 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 5.3.

6. Law Enforcement Facilities

The purpose of this fee is to ensure that new development funds its fair share of law enforcement facilities. A fee schedule is presented based on the system standard of law enforcement facilities in the City of Bell Gardens to ensure that new development provides adequate funding to meet its needs.

Service Population

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

Table 6.1: Law Enforcement Facilities Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents			
Existing (2022)	38,362	1.00	38,362
New Development	5,638	1.00	5,638
Total (2040)	44,000		44,000
Workers			
Existing (2022)	8,837	0.31	2,739
New Development	1,663	0.31	516
Total (2040)	10,500		3,255
Combined Residents and Weighted Workers			
Existing (2022)			41,101
New Development			6,154
Total (2040)			47,255

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

Sources: Table 2.1; Willdan Financial Services.

Existing Facility Inventory

The City's law enforcement facilities inventory is comprised of a share of space at City Hall, support facilities, vehicles and trailers. **Table 6.2** displays the City's existing inventory of law enforcement facilities, including equipment and vehicles. In total the City owns $10.9 million worth of law enforcement facilities.

Table 6.2: Existing Law Enforcement Facilities Inventory

	Quantity	Units	Unit Cost	Replacement Cost
Police Department				
City Hall - 7100 Garfield Avenue	1.02	acres	$1,455,000	$ 1,484,100
Police Department (in City Hall)	11,000	sq. ft.	323	3,554,565
Police Traffic Trailer	672	sq. ft.	114	76,650
Police Carport	720	sq. ft.	13	9,030
Subtotal	12,393			$ 5,124,345
Vehicles and Equipment				
Vehicles	53	vehicles	$ 105,000	$ 5,565,000
Trailers	1	trailer	200,000	200,000
Subtotal				$ 5,765,000
Total Value - Existing Facilities				$ 10,889,345

[1] Total site is 1.93 acres. Allocated to law enforcement uses based on square footage of building used for law enforcement uses vs. general government purposes.

Sources: City of Bell Gardens; CoStar; Willdan Financial Services.

Planned Facilities

Table 6.3 summarizes the planned law enforcement facilities needed to serve the City, as identified by City staff. The City plans to purchase new vehicles and equipment and to make capacity expanding upgrades to its radio system and network programs. The total cost of the identified facilities is $10.5 million.

Table 6.3: Planned Law Enforcement Facilities

	Quantity	Units	Unit Cost	Project Cost
New Vehicles	60	vehicles	$ 105,000	$ 6,300,000
IT Servers (including installation)	10	servers	75,000	750,000
Licensing Warranties	1		250,000	250,000
Software Updates	1		150,000	150,000
APC (Batteries)	1		150,000	150,000
Firewalls	1		200,000	200,000
IT Switches and Misc IT equipment	1		200,000	200,000
Radio System Update and Network Programs	1		2,500,000	2,500,000
Total Cost - Planned Facilities				$ 10,500,000

Sources: City of Bell Gardens; Willdan Financial Services.

Cost Allocation

Existing Level of Service

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

Once the planned facilities have been constructed and new development has increased the City's service population the resulting facility cost per capita will be higher than the cost per capita shown in Table 6.4. The increased facility standard is needed to ensure that the City can provide adequate law enforcement services throughout the City.

Table 6.4: Existing Level of Service

Value of Existing Facilities	$ 10,889,345
Existing Service Population	41,101
Cost per Capita	$ 265
Facility Standard per Resident	$ 265
Facility Standard per Worker[1]	82

[1] Based on a weighing factor of 0.31.

Sources: Tables 6.1 and 6.2.

Future Level of Service

Table 6.5 shows the calculation of the system plan facilities standard per capita for law enforcement facilities. The planned facilities will serve both existing and new development, so the costs of the planned facilities are allocated to both existing and new development using this

methodology. This cost standard is calculated by dividing the total value of all law enforcement facilities in 2040 by the total service population in 2040. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker. The resulting standard is the cost standard that will be achieved when all the facilities are realized, and new development has come online.

Table 6.5: Law Enforcement Facilities- System Standard

Value of Existing Facilities	$ 10,889,345
Value of Planned Facilities	10,500,000
Total System Value (2040)	$ 21,389,345
Future Service Population (2040)	47,255
Cost per Capita	$ 453
Cost Allocation per Resident	$ 453
Cost Allocation per Worker[1]	140

[1] Based on a weighting factor of 0.31.

Sources: Tables 6.1, 6.2 and 6.3.

Fee Revenue Projection

The City plans to use law enforcement facilities fee revenue to construct improvements and acquire capital facilities and equipment to add to the system of law enforcement facilities to serve new development. **Table 6.6** details a projection of fee revenue, based on the service population growth increment identified in Table 6.1. The City should program law enforcement facilities fee revenue to capacity expanding projects through its CIP and budget process. After accounting for the projected future impact fee revenue approximately $7.7 million in non-fee funding will be needed to complete the planned facilities.

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

Table 6.6: Revenue Projection - System Standard

Cost per Capita	$	453
Growth in Service Population (2022 to 2040)		6,154
Fee Revenue	$	2,788,000
Net Cost of Planned Facilities		10,500,000
Non-Fee Revenue to Be Identified	$	7,712,000

Sources: Tables 6.1, 6.3 and 6.4.

Fee Schedule

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

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

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

Table 6.7: Law Enforcement Facilities Fee - Maximum Justified Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / Average Fee per Sq. Ft.[3]
Residential Dwelling Unit	$ 453	3.76	$ 1,703	$ 34	$ 1,737	$ 1.09
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 140	2.12	$ 297	$ 6	$ 303	$ 0.30
Office	140	3.26	456	9	465	0.46
Industrial	140	1.16	162	3	165	0.16

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential.
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting,
[3] Assumes an average of 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 6.5.

7. General Plan Update

The purpose of this fee is to ensure that new development funds its fair share of a future general plan update. The City will undertake a general plan update between now and the planning horizon of 2040. This study will guide future facility planning needed to serve all development within the City. A fee schedule is presented based on the system plan standard of general plan updates in the City of Bell Gardens to ensure that new development funds its fair share of the future general plan update.

Service Population

The general plan update will serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers. **Table 7.1** shows the existing and future projected service. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for advanced planning.

Table 7.1: General Plan Update Service Population

	A Persons	*B* Weighting Factor	*A x B = C* Service Population
Residents			
Existing (2022)	38,362	1.00	38,362
New Development	5,638	1.00	5,638
Total (2040)	44,000		44,000
Workers			
Existing (2022)	8,837	0.31	2,739
New Development	1,663	0.31	516
Total (2040)	10,500		3,255
Combined Residents and Weighted Workers			
Existing (2022)			41,101
New Development			6,154
Total (2040)			47,255

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

Sources: Table 2.1; Willdan Financial Services.

Planned Costs

Table 7.2 lists the City's anticipated advanced planning costs within the 2040 planning horizon. Estimated study costs were provided by City staff for use in this analysis. In total, the City has identified $2 million in general plan update costs.

Table 7.2: General Plan Update Costs

General Plan Update	$ 2,000,000
Total	$ 2,000,000

Sources: City of Bell Gardens.

Facility Standard

Table 7.3 shows the calculation of the system plan facilities standard per capita for general plan updates. The study will identify facilities needed to serve both existing and new development, so the costs of the studies are allocated to both existing and new development using this methodology. The cost standard is calculated by dividing the total cost of all general plan updates needed by 2040 by the total service population in 2040. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 7.3: General Plan Update– System Standard

Cost of Future Updates through 2040	$	2,000,000
Future Service Population (2040)		47,255
Cost per Capita	$	42
Cost Allocation per Resident	$	42
Cost Allocation per Worker[1]		13

[1] Based on a weighting factor of 0.31.

Sources: Tables 7.1 and 7.2.

Fee Revenue Projection

The City plans to use general plan update fee revenue to complete the study identified in Table 7.2. The study will be used to identify facility needs and level of service standards, among other policy directives, to serve the City as it grows. **Table 7.4** details a projection of fee revenue, based on the service population growth increment identified in Table 7.1. The City should program advanced planning fee revenue to specific projects annually through its CIP and budget process. After accounting for the projected future impact fee revenue approximately $1.7 million in non-fee funding will be needed to complete the general plan update.

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

Table 7.4: Revenue Projection - System Standard

Cost per Capita	$	42
Growth in Service Population (2022 to 2040)		6,154
Fee Revenue	$	258,000
Net Cost of Planned Facilities	$	2,000,000
Non-Fee Revenue to Be Identified	$	1,742,000

Sources: Tables 7.1, 7.2 and 7.3.

Fee Schedule

Table 7.5 shows the maximum justified general plan update fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

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

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

Table 7.5: General Plan Update Maximum Justified Impact Fee Schedule

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / Average Fee per Sq. Ft.[3]
Residential Dwelling Unit	$ 42	3.76	$ 158	$ 3	$ 161	$ 0.10
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$ 13	2.12	$ 28	$ 1	$ 29	$ 0.03
Office	13	3.26	42	1	43	0.04
Industrial	13	1.16	15	-	15	0.02

[1] Fee per dwelling unit, per 1,000 square feet of nonresidential.
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting,
[3] Assumes an average of 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 7.3.

8. AB 602 Requirements

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

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

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

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

Compliance with AB 602

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

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

1. For fees calculated under the existing standard methodology, the fees are calculated such that new development funds facilities at the existing level of service. These fee categories are general government and park and recreation facilities. The existing level service in terms of the existing facility investment per capita shown in each corresponding chapter.
2. For the fees calculated under the system standard methodology, the maximum justified fees represent an increase in the facility level of service. The law enforcement facilities fees, transportation facilities fees and general plan update fees calculated under this methodology. The increased level of service is required to fund new development's fair share of facilities identified by the City as necessary to serve the entire City. New development will not fund the entirety of the increase in level of service, rather, it will fund a share of the increased level of service represented by the planned facilities. The City will have to fund existing development's share of the increase level of service through any other funding source.

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

This study is the first impact fee nexus study completed in Bell Gardens, so there are no fee assumptions to review.

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

The Capital Improvement Plan for this nexus study is comprised of the identified planned facilities within each facility fee chapter. Planned facilities identified in this document are sourced from the City's current adopted CIP and City staff. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study.

9. Implementation

Impact Fee Program Adoption Process

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

Inflation Adjustment

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

The fee amounts can be adjusted based on the change in the index compared to the index in the base year of this study (2022).

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

Reporting Requirements

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

Table 9.1 summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 9.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements[1]	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

[1] Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §6601 and §6606.

Programming Revenues and Projects with the CIP

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

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

10. Mitigation Fee Act Findings

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

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

Purpose of Fee

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

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

Use of Fee Revenues

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

Fees documented in this report, if enacted by the City, would be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City limits. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: transportation facilities, parks and recreation facilities, general government facilities, law enforcement facilities and general plan updates.

Benefit Relationship

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

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

Burden Relationship

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

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

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

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

Proportionality

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

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

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