

Resolution No. 2015-11-17-1602

STOCKTON CITY COUNCIL

**RESOLUTION ADOPTING A STOCKTON ECONOMIC STIMULUS PROGRAM
SUPERSEDING EXISTING PUBLIC FACILITIES FEE REDUCTION PROGRAM FOR
RESIDENTIAL AND NON-RESIDENTIAL PROJECTS**

In 1988 the City Council adopted Stockton Municipal Code section 16.72.260, which established the authority for imposing and charging public facilities fees for new development; and

In 2005 the City Council increased these fees in response to a nexus study. The fee increases resulted in a significant increase in residential and nonresidential public facility fees; and

On September 14, 2010, the City Council adopted Resolution No. 10-0309, which established a temporary reduction of certain public facilities fees for non-residential projects Citywide, exempted certain public facilities fees for residential projects in the "Greater Downtown Stockton Area," reduced certain public facilities fees for single-family residential projects developed within the existing City limits, as of October 14, 2008, and increased the Public Facilities Administrative Fee to 3.5% until December 2012; and

On November 16, 2010, the City Council adopted Resolution No. 10-0377, which expanded the program to include multi-family projects with a sunset date of December 31, 2012; and

On December 11, 2012, the City Council adopted Resolution No. 2012-12-11-1601, which extended certain components of the fee reduction program through December 31, 2013, which were scheduled to sunset on December 31, 2012; and

On December 17, 2013, the City Council adopted Resolution No. 2013-12-17-1502, which extended certain components of the fee reduction program through December 31, 2014, which were scheduled to sunset on December 31, 2013; and

On November 18, 2014, the City Council adopted Resolution No. 2014-11-18-1501, which extended certain components of the fee reduction program through December 31, 2015, which were scheduled to sunset on December 31, 2014; and

On August 18, 2015, the Mayor introduced the Stockton Economic Stimulus Plan (SESP) for City Council consideration, the City Council directed the City Manager to return to Council on October 6, 2015 and report on the financial impacts of the SESP and the status of the General Plan; and

On October 6, 2015, the Council members scheduled a study session for October 13, 2015 to discuss the SESP. At the study session, Council discussed the SESP (Item 15-2115. On November 3, 2015, Council further debated the SESP and an alternative proposal (Item 15-2124) and moved to continue the public hearing to November 17, 2015 so that further analysis related to the alternative could be considered.

At the continued public hearing of November 17, 2015, the Building Industry Association (BIA) submitted a revised proposal which was further discussed and deliberated by Council.

In order to stimulate new development, attract new business, improve the unemployment rate, and jump start the local economy, the City Council of the City of Stockton desires to implement the following Stockton Economic Stimulus Plan; now therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

The Stockton Economic Stimulus Program (SESP) proposal is hereby adopted as follows:

1. Residential.
2. This program supersedes the City's 2010 Economic Development Department (EDD) Public Facilities Fee Reduction Program adopted in 2010 and extended through December 31, 2015. However, the current EDD program remains in force until such time the SESP is fully implemented.
3. Under the program, applicants will receive a reduction of City Building, Street Improvement and Parks Public Facilities Fees (PFF) for single family and multi-family permits up to a total of \$19,997 or 100% of these fees whichever is less.

More specifically, the PFF fees to be reduced are:

- a. City Office Space
 - b. Community Recreation Centers
 - c. Libraries
 - d. Police Stations
 - e. Fire Stations
 - f. Street Improvements
 - g. Parks
4. The program for residential permits will last for 36 months from the date of Council adoption and shall be reviewed by Council within 18 months of program adoption. The reduction program applies to the first 1,000 single family permits issued citywide for

builders who comply with the terms of the program. The reduction program also applies for the first 500 multi-family units issued citywide for builders who comply with the terms of the program. Only units within the existing City Limits as described in the 2008 General Plan Settlement Agreement shall be eligible to participate in this program.

5. To participate in the residential component of the SESP, a developer must comply with the following local hire and disadvantaged individual requirements.

6. Local Hire Requirement. Participation in the Program is contingent on at least 50% of the workforce on a permit residing within Stockton. Employees residing within the City of Stockton city limits are considered local hires. By time of permit issuance, the builder must provide a list of all employees to work on a particular permit with names and addresses of the employees and identify which employees reside within Stockton city limits.

Should the number of local hires fall under 50%, the applicant has 30 days to cure the deficiency. If the applicant is unable to cure this within the 30 days, the applicant will be deemed non-compliant and subject to the penalties set out in paragraph 11, below.

From the time of the first residential building permit issued to an applicant, the applicant must make a quarterly report to the City. The report will identify the total number of workers employed on the project and the number of those employees who reside within the City of Stockton.

7. Disadvantaged Requirement. Disadvantaged communities will be included in the local workforce to the greatest extent feasible. Projects participating in this program shall work with the BIA to coordinate the hiring of disadvantaged Stockton residents to appropriate positions matching skills and experience to job requirements and staffing needs. In order to facilitate the inclusion of disadvantaged communities, the BIA has entered into an agreement with the NAACP. (See Attachment A for details).

To be considered as disadvantaged for the purposes of this requirement, an individual or firm must be a member of one of the following groups as listed within the City's Public Works Disadvantaged Enterprise (DBE) Program:

1. African American
2. Asian Pacific American
3. Native American
4. Women

The BIA shall provide opportunities to youth from SJCOE YouthBuild, Lincoln High School's Engineering Construction Academy, SUSD Edison's woodworking and construction, and Jane Fredrick's masonry program.

8. On a monthly basis, the applicant will submit a report to the City identifying the total number of lots in their project, the number of permits issued, the number of homes under construction and the number of homes with a final permit.

9. Once a permit is issued, the applicant must start construction within six months of issuance unless an extension, authorized by state law and local ordinance is approved.

10. A builder may receive no more than twenty (20) building permits at any given time for each final map, or forty (40) citywide for builders involved in more than one subdivision under the SESP. The builder must start and receive a first inspection for each permit within six months of the permit being issued, unless the builder receives an extension as provided by state law and local ordinance. Permits in SB 535 disadvantaged areas are exempt from this paragraph.

11. If a participating builder does not satisfy the conditions of the Program, then the builder will be required to reimburse the City the equivalent reduction of 100% of City Buildings, Street Improvement and Parks PFF, as detailed above, for each issued permit that was in a stage prior to final permit inspection during the non-compliant period and shall not be eligible to further participate in the Program.

12. In the event the Program expires, or the numerical count of 1,000 single family unit permits and 500 multifamily unit permits is reached, or a developer chooses to not participate in the Program, or a developer is no longer eligible to participate in the program due to noncompliance with the local hire requirement of the SESP, the city will require payment of fees in the full, unabated amount.

13. Commercial/Industrial.

14. The current Commercial and Industrial fee reduction shall remain in effect until a new nexus study is completed and new Public Facility Fees (PFF) are adopted in conjunction with the current General Plan Update.

A 50% reduction of the following PFF for Commercial and Industrial permits shall remain in place until new fees are adopted under the General Plan Update:

- i. City Office Space
- ii. Community Recreation Centers
- iii. Libraries
- iv. Police Stations
- v. Fire Stations
- vi. Street Improvements

15. The fee reduction program set out in this resolution shall take effect 60 days following Council adoption.

16. All other provisions of the Public Facilities Fees Program shall remain in full force and effect.

17. The City Manager is authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED AND ADOPTED. November 17, 2015.



ANTHONY SILVA, Mayor
City of Stockton

ATTEST:



BONNIE PAGE, City Clerk
City of Stockton



Attachment A

To facilitate the hiring of disadvantaged Stockton residents the BIA will collaborate with the NAACP and other such organizations to match workers to jobs. All projects participating in this program shall submit to the BIA all vacant positions and all new positions to be filled for the project prior to any other type of solicitation or recruitment efforts by the project general contractors and each and every subcontractor working on the project. All job vacancies and openings will be submitted to the NAACP, and others as requested, for their use in matching up jobs to workers. The NAACP will create and maintain a list of workers desiring a job with one or more projects, contractors or sub-contractors utilizing this program. The information about each worker shall include standard employment information enabling a prospective employer to determine the proper skills, licenses and experience of each worker. The BIA its members and their contractors and sub-contractors will use their best efforts to hire from the lists provided for positions at all levels.