

The Economics of Land Use



Discussion Materials

Commercial Affordable Housing Linkage Fee Analysis

Prepared for:

City of Roseville

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Table 1
City of Roseville
Commercial Affordable Housing Linkage Fee Analysis
Regional Comparison of Affordable Housing Fee by Jurisdiction

Jurisdiction	Commercial Linkage	Fee Requirements			
		Land Use	Base	Admin.	Total
City of Rocklin	NA	NA	NA	NA	NA
Placer County	Employee Accommodation Fee in the Sierra Nevada and Lake Tahoe areas Per County Ordinance No. 60050-B Eastern Placer County Nexus-Based Affordable Housing Study by Hanford Economic Consulting (2018)	East County Only Nonresidential (restaurant/bar, retail, office, service, light industrial, lodging, other, and outdoor recreation)	Per Sq. Ft.		\$2.00
City of Folsom	Housing Trust Fund Fee Res. 10296, 2019	Commercial / Industrial	Per Sq. Ft.		\$1.73
City of Sacramento	Housing Trust Fund Per City Ordinance 18.56 Nexus Study by Keyser Marston Associates, Inc. (2006)	Commercial / Retail Hotel Manufacturing Office Warehouse (office portion only = max 25%)	Per Sq. Ft.		\$2.22 \$2.63 \$1.73 \$2.76 \$0.76

Table 1
City of Roseville
Commercial Affordable Housing Linkage Fee Analysis
Regional Comparison of Affordable Housing Fee by Jurisdiction

Jurisdiction	Commercial Linkage	Land Use	Fee Requirements			
			Base	Admin.	Total	
City of Elk Grove	Affordable Housing Fee Program City Ord. Chapt 16.89		Per Sq. Ft.			
		Commercial / Retail	\$0.83	\$0.02	\$0.85	
		Hotel	\$2.46	\$0.07	\$2.53	
		City of Elk Grove Affordable Housing Nexus Study by David Paul Rosen & Associates (2013)	Manufacturing	\$0.94	\$0.03	\$0.97
		Office	\$0.00	\$0.00	\$0.00	
		Warehouse	\$1.01	\$0.03	\$1.04	
City of Rancho Cordova	Housing Trust Development Impact Fee		Per Sq. Ft.			
		Commercial / Retail	\$0.77	[1]	\$0.77	
		Hotel	\$0.92	[1]	\$0.92	
		Manufacturing	\$0.61	[1]	\$0.61	
		Office	\$0.97	[1]	\$0.97	
		Warehouse	\$0.26	[1]	\$0.26	
		R&D	\$0.82	[1]	\$0.82	
Sacramento County	Housing Trust Fund Program [2]		Per Sq. Ft.			
		Commercial / Retail	-	-	\$0.77	
		Hotel	-	-	\$0.92	
		Manufacturing	-	-	\$0.61	
		Office	-	-	\$0.97	
		Warehouse	-	-	\$0.26	
		R&D	-	-	\$0.82	

Source: City of Folsom Community Development Department; City of Rancho Cordova Municipal Code; City of Sacramento Community Development Department; City of Rocklin Municipal Code; City of Elk Grove Municipal Code; Placer County; Sacramento County; EPS.

[1] The administrative fee falls between \$30 - \$100 total and is determined by the plan review.

[2] Sacramento County is currently in the process of updating the Housing Trust Fund Program fees, which have not been updated since 1992.

Table 2
City of Roseville
Commercial Affordable Housing Linkage Fee Analysis
Commercial Affordable Housing Fee by Land Use

Item	Commercial Affordable Housing Fee							Median	Average
	City of Rocklin	Placer County (East Only) [1]	City of Folsom	City of Sacramento	City of Elk Grove	City of Rancho Cordova	Sacramento County		
Land Use									
Commercial / Retail	NA	\$2.00	\$1.73	\$2.22	\$0.85	\$0.77	\$0.77	\$1.29	\$1.39
Hotel	NA	\$2.00	\$1.73	\$2.63	\$2.53	\$0.92	\$0.92	\$1.87	\$1.79
Manufacturing	NA	\$2.00	\$1.73	\$1.73	\$0.97	\$0.61	\$0.61	\$1.35	\$1.28
Office	NA	\$2.00	\$1.73	\$2.76	\$0.00	\$0.97	\$0.97	\$1.35	\$1.41
Warehouse	NA	\$2.00	\$1.73	\$0.76	\$1.04	\$0.26	\$0.26	\$0.90	\$1.01
R&D	NA	\$2.00	\$1.73	-	-	\$0.82	\$0.82	\$1.28	\$1.34

Source: City of Folsom Community Development Department; City of Rancho Cordova Municipal Code; City of Sacramento Community Development Department; City of Rocklin Municipal Code; City of Elk Grove Municipal Code; Placer County; Sacramento County; EPS.

[1] The commercial linkage fee for Placer County only applies to nonresidential land use developments in the East County.

Table 3
City of Roseville
Commercial Affordable Housing Linkage Fee Analysis
Commercial Linkage Fee Absorption Analysis

Land Use Category	Maximum Commercial Linkage Fee per Sq. Ft.	Proposed Commercial Linkage Fee	Total Buildout Estimate [1] Minimum	Minimum Land Use Absorption Scenario								
				25%		50%		75%		100%		
				Sq. Ft.	Potential Fee Revenue	Sq. Ft.	Potential Fee Revenue	Sq. Ft.	Fee	Sq. Ft.	Potential Fee Revenue	
Land Use Category												
Commercial Office including Medical Office	\$32.99	\$1.39	1,371,912	342,978	\$476,740	685,956	\$953,479	1,028,934	\$1,430,219	1,371,912	\$1,906,958	
Retail/Restaurant	\$98.97	\$1.39	4,016,981	1,004,245	\$1,395,901	2,008,490	\$2,791,802	3,012,736	\$4,187,703	4,016,981	\$5,583,603	
Warehouse/Industrial	\$14.02	\$0.88	2,996,454	749,113	\$659,220	1,498,227	\$1,318,440	2,247,340	\$1,977,660	2,996,454	\$2,636,879	
Total			8,385,347	2,096,337	\$2,531,860	4,192,674	\$5,063,721	6,289,010	\$7,595,581	8,385,347	\$10,127,441	
			Total Buildout Estimate [1] Maximum	Maximum Land Use Absorption Scenario								
				25%		50%		75%		100%		
				Sq. Ft.	Potential Fee Revenue	Sq. Ft.	Potential Fee Revenue	Sq. Ft.	Potential Fee Revenue	Sq. Ft.	Potential Fee Revenue	
Land Use Category												
Commercial Office including Medical Office	\$32.99	\$1.39	2,743,825	685,956	\$953,479	1,371,912	\$1,906,958	2,057,869	\$2,860,438	2,743,825	\$3,813,917	
Retail/Restaurant	\$98.97	\$1.39	8,103,273	2,025,818	\$2,815,887	4,051,636	\$5,631,774	6,077,454	\$8,447,662	8,103,273	\$11,263,549	
Warehouse/Industrial	\$14.02	\$0.88	7,491,135	1,872,784	\$1,648,050	3,745,567	\$3,296,099	5,618,351	\$4,944,149	7,491,135	\$6,592,198	
Total			18,338,232	4,584,558	\$5,417,416	9,169,116	\$10,834,832	13,753,674	\$16,252,248	18,338,232	\$21,669,664	
RHNA Very Low and Low Income Housing Requirement		6,178										
Average City Subsidy per Unit		\$69,633										
Total Estimated Subsidy		\$430,192,461										

Source: City of Roseville; EPS.

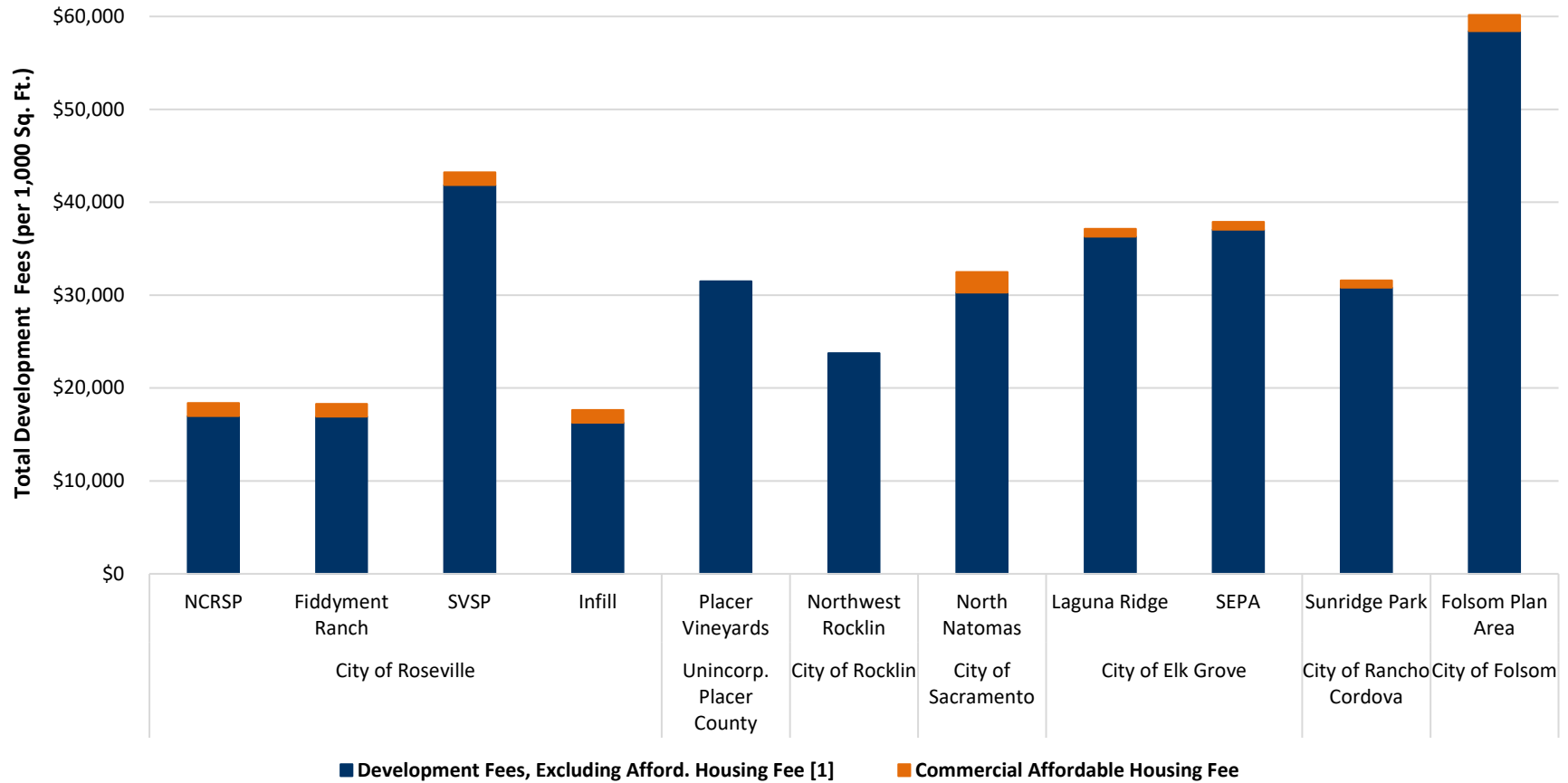
[1] Total minimum and maximum buildout estimates per the City of Roseville General Plan floor-area-ratios.

Table 4
City of Roseville
Commercial Affordable Housing Linkage Fee Analysis
Affordable Project Summary

Item	Developer	Income Levels Accepted	Unit Mix		Project Cost	City-Provided Subsidy		
			Number	Size		Amount	%	Per Unit
Affordable Project								
Main Street Plaza Apartments	Meta Housing Corp.	30% AMI	27	1-bedroom	\$33,724,760	\$3,668,503	10.9%	\$56,439
		35% AMI	21	2-bedrooms				
		40% AMI	17	3-bedrooms				
		50% AMI	65	Subtotal				
		60% AMI						
Lohse Apartments	Mercy Housing	10% of units at 30% AMI	12	1-bedroom	\$27,662,292	\$6,106,989	22.1%	\$105,293
		28% of units at 40% AMI	27	2-bedrooms				
		34% of units at 50% AMI	19	3-bedrooms				
		26% of units at 60% AMI	58	Subtotal				
Junction Station	St. Anton Communities	50% AMI	20	Studio	\$14,471,493	\$4,360,000	30.1%	\$54,500
		60% AMI	60	1-bedroom				
			80	Subtotal				
Total			203		\$75,858,545	\$14,135,492	18.6%	\$69,633

Source: Project Web Sites; Sacramento Business Journal; City of Roseville; EPS.

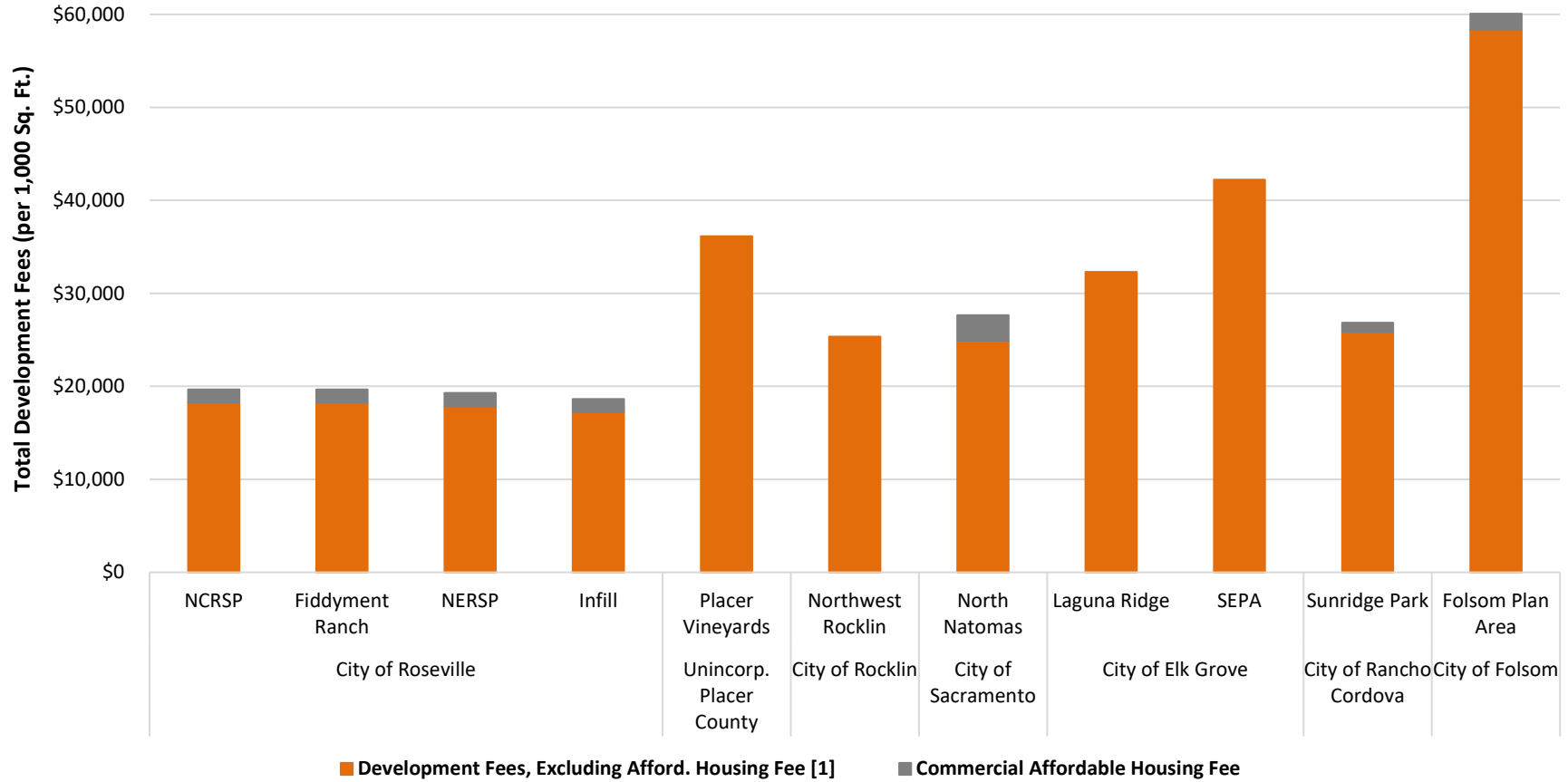
Development Fees: Retail



Source: Terry Madsen; City of Roseville; EPS.

[1] Development fees per Terry Madsen, include processing, City and County development impact, plan area, and school impact fees.

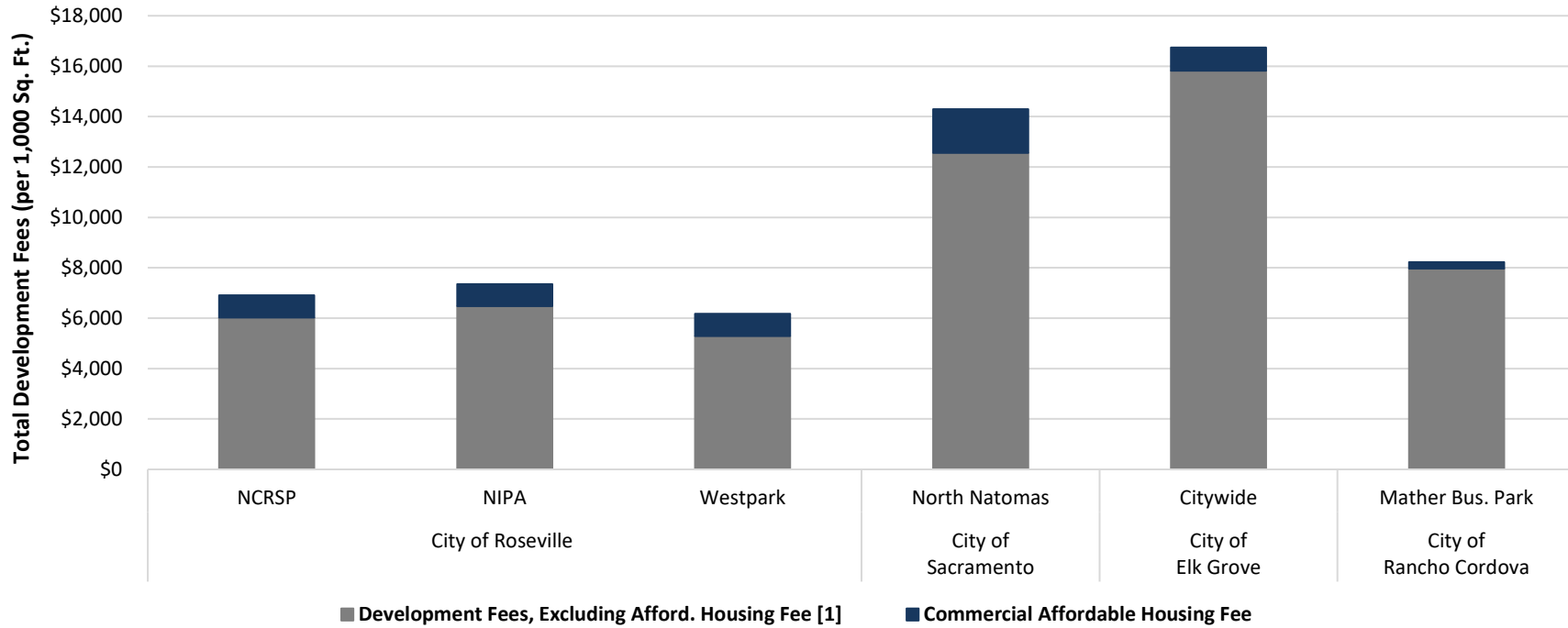
Development Fees: Office



Source: Terry Madsen; City of Roseville; EPS.

[1] Development fees per Terry Madsen, include processing, City and County development impact, plan area, and school impact fees.

Development Fees: Industrial



Source: Terry Madsen; City of Roseville; EPS.

[1] Development fees per Terry Madsen, include processing, City and County development impact, plan area, and school impact fees.