



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Information
July 18, 2006

Honorable Mayor and
Members of the City Council

Title: Housing Trust Fund Report - Annual Automatic Fee Increase Notice

Location/Council District: Citywide

Recommendation: Receive and file.

Contact: Desmond Parrington, Associate Planner, 808-5044

Presenters: None

Department: Planning

Division: Long-Range Planning

Organization No: 4912

Description/Analysis

Issue: On October 12, 2004, the City Council approved Ordinance 2004-057 instituting an automatic annual increase for the Housing Trust Fund fee based on changes in the construction cost index to ensure that the Fund kept pace with housing construction costs. The annual increase in the construction cost index was 2.64% for the period from March 2005 to 2006. As result, the Housing Trust Fund fees have been automatically adjusted to reflective this increase. The new fee levels are identified in Attachment 1. This information is provided as an addendum to the Housing Trust Fund Annual Report which was presented to City Council on April 4, 2006 by the Sacramento Housing and Redevelopment Agency.

Policy Considerations: The increase is consistent with the City's Strategic Plan goal to increase opportunities for all Sacramento residents to live in safe and affordable housing. It is also consistent with the City's Housing Element goals and policies.

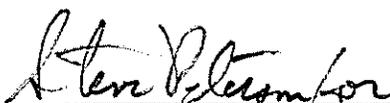
Environmental Considerations: There are no environmental considerations associated with this report.

Rationale for Recommendation: None. This is an informational item only.

Financial Considerations: The automatic annual adjustment will increase Housing Trust Fund fee revenue by approximately 2.64%. Currently, the Housing Trust Fund fees generate approximately \$1.5 million annually. So, based on the same level of non-residential development, the fee increase would generate an additional \$40,000 per year.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: 
Steve Peterson, Principal Planner
Long Range Planning

Approved by: 
Carol Shearley, Director
Planning Department

Recommendation Approved:

for 
Ray Kerridge
City Manager

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Attachment 1



**FEE NOTICE
HOUSING TRUST FUND FEE INCREASE
EFFECTIVE JULY 1, 2006**

Housing Trust Fund fees will increase on July 1, 2006. Housing Trust Fund (HTF) fees apply to new non-residential development (including reuse/rehabilitation that results in a change in use). Projects that apply for permits on and after July 1, 2006, will be subject to the increased fee. Per City Ordinance 17.188, Housing Trust Fund fees are adjusted automatically each year based on increases in the construction cost index.

CITYWIDE PROJECTS (Excluding North Natomas)

Building Type/ HTF Fee Level (fee/sq ft)	Current Fee Level	New Fee Level (7/1/06)
Office	\$1.79	\$1.84
Hotel	\$1.70	\$1.74
Research and Development	\$1.52	\$1.56
Commercial	\$1.43	\$1.47
Manufacturing	\$1.12	\$1.15
Warehouse/Office*	\$0.65	\$0.67
Warehouse	\$0.49	\$0.50

* Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.

NORTH NATOMAS PROJECTS ONLY

Use*/ HTF Fee Level (fee/sq ft)	Current Fee Level	New Fee Level (7/1/06)
Highway Commercial	\$1.96	\$2.01
Community/Neighborhood Commercial	\$1.47	\$1.51
Office/Business	\$1.47	\$1.51
M-50	\$1.25	\$1.28
M-20	\$1.03	\$1.06
Light Industrial	\$0.80	\$0.82

* Each nonresidential development project will be subject to a fee which is based on the applicable North Natomas community plan land use category.

FOR MORE INFORMATION CALL: (916) 808-5656