

# DEVELOPMENT FEE INCENTIVE PROGRAM SUMMARY

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FEBRUARY 2021



### **Incremental Impact Fee Increase (One Time 5% increase + Annual CPI)- City Core**

| <b>Traffic Signal Fees</b>   | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                     | <b>Year 1</b>                   | <b>Year 2</b>                   | <b>Year 3</b>                   | <b>Year 4</b>                   | <b>Year 5</b>                   |
|--|--|--------------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Residential Zones/Residential Specific Plans and Multiple Family Residential Zones | \$ per dwelling unit/\$ per average daily trip | \$1,124/\$26.68    | \$ per dwelling unit                    | \$212 (single)<br>\$142 (multi) | \$212 (single)<br>\$142 (multi) | \$212 (single)<br>\$142 (multi) | \$212 (single)<br>\$142 (multi) | \$212 (single)<br>\$142 (multi) |
| Commercial Zones   | \$ per dwelling unit/\$ per average daily trip | \$0.14/\$26.68     | \$ per 1,000 sq. ft.                    | \$28.01                         | \$29.41                         | \$30.89                         | \$32.43                         | \$34.05                         |
| Industrial/Manufacturing/Industrial Specific Plans                                 | \$ per dwelling unit/\$ per average daily trip | \$0.09/\$26.68     | \$ per 1,000 sq. ft.                    | \$28.01                         | \$29.41                         | \$30.00                         | \$30.60                         | \$31.22                         |
|  |  |                    |   |                                 |                                 |                                 |                                 |                                 |
| <b>Traffic Facilities</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                     | <b>Year 1</b>                   | <b>Year 2</b>                   | <b>Year 3</b>                   | <b>Year 4</b>                   | <b>Year 5</b>                   |
| Single Family Dwellings  | \$ per dwelling unit                           | \$1,790            | \$ per dwelling unit                    | \$1,879.89                      | \$1,917.49                      | \$1,955.84                      | \$1,994.95                      | \$2,034.85                      |
| Multi-Family Dwellings/Mobile Homes  | \$ per dwelling unit                           | \$1,592            | \$ per dwelling unit                    | \$1,671.97                      | \$1,705.41                      | \$1,739.51                      | \$1,774.31                      | \$1,809.79                      |
| Commercial   | \$ per gross bldg. sq. ft.                     | \$1,660.00         | \$ per 1,000 sq. ft.                    | \$1,743.00                      | \$1,777.86                      | \$1,813.42                      | \$1,849.69                      | \$1,886.68                      |
| Industrial   | \$ per gross bldg. sq. ft.                     | \$600              | \$ per 1,000 sq. ft.                    | \$630.00                        | \$642.60                        | \$655.45                        | \$668.56                        | \$681.93                        |
|  |  |                    |   |                                 |                                 |                                 |                                 |                                 |
| <b>Drainage Fee</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                     | <b>Year 1</b>                   | <b>Year 2</b>                   | <b>Year 3</b>                   | <b>Year 4</b>                   | <b>Year 5</b>                   |
| Single Family Dwelling or Mobile Home within a Residential or Multi Family Zone    | \$ per dwelling unit                           | \$4,780            | cost per acre R-7000<br>\$18,374 p/acre | \$2,952.66                      | \$3,011.72                      | \$3,071.95                      | \$3,133.39                      | \$3,196.06                      |
| Any other development within Commercial, Industrial or any zone not indicated      | \$ per sq. ft.                                 | \$0.39             | cost per sq. ft.                        | \$0.42                          | \$0.43                          | \$0.44                          | \$0.45                          | \$0.45                          |
|  |  |                    |   |                                 |                                 |                                 |                                 |                                 |
| <b>Parks Fees</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                     | <b>Year 1</b>                   | <b>Year 2</b>                   | <b>Year 3</b>                   | <b>Year 4</b>                   | <b>Year 5</b>                   |
| Park Development Fee   | \$ per dwelling unit                           | \$2,534            | \$ per dwelling unit                    | \$2,660.70                      | \$2,713.91                      | \$2,768.19                      | \$2,823.56                      | \$2,880.03                      |
| Administrative Offices Fee: Residential  | \$ per dwelling unit                           | \$61               | \$ per dwelling unit                    | \$64.24                         | \$65.52                         | \$66.83                         | \$68.17                         | \$69.53                         |
| Administrative Offices Fee: Non Residential  | \$ per sq. ft.                                 | \$20.00            | \$ per 1,000 sq. ft.                    | \$21.000                        | \$21.420                        | \$21.848                        | \$22.285                        | \$22.731                        |
| Corporate Yard: Residential  | \$ per dwelling unit                           | \$58               | \$ per dwelling unit                    | \$60.65                         | \$61.86                         | \$63.10                         | \$64.36                         | \$65.65                         |
| Corporate Yard Fee: Non Residential  | \$ per sq. ft.                                 | \$20.00            | \$ per 1,000 sq. ft.                    | \$21.00                         | \$21.420                        | \$21.848                        | \$22.285                        | \$22.731                        |

### **Incremental Impact Fee Increase (One Time 5% increase + Annual CPI)- Outer Zone**

| <b>Traffic Signal Fees</b>   | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                  | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
|--|--|--------------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Residential Zones/Residential Specific Plans and Multiple Family Residential Zones | \$ per dwelling unit/\$ per average daily trip | \$1,124/\$26.68    | \$ per dwelling unit                 | \$1,180.20    | \$1,203.80    | \$1,227.88    | \$1,252.44    | \$1,277.49    |
| Commercial Zones   | \$ per dwelling unit/\$ per average daily trip | \$0.14/\$26.68     | \$ per 1,000 sq. ft.                 | \$28.01       | \$29.41       | \$30.89       | \$32.43       | \$34.05       |
| Industrial/Manufacturing/Industrial Specific Plans                                 | \$ per dwelling unit/\$ per average daily trip | \$0.09/\$26.68     | \$ per 1,000 sq. ft.                 | \$28.01       | \$29.41       | \$30.00       | \$30.60       | \$31.22       |
|  |  |                    |                                      |               |               |               |               |               |
| <b>Traffic Facilities</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                  | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Single Family Dwellings  | \$ per dwelling unit                           | \$1,790            | \$ per dwelling unit                 | \$1,879.89    | \$1,917.49    | \$1,955.84    | \$1,994.95    | \$2,034.85    |
| Multi-Family Dwellings/Mobile Homes  | \$ per dwelling unit                           | \$1,592            | \$ per dwelling unit                 | \$1,671.97    | \$1,705.41    | \$1,739.51    | \$1,774.31    | \$1,809.79    |
| Commercial   | \$ per gross bldg. sq. ft.                     | \$1,660.00         | \$ per 1,000 sq. ft.                 | \$1,743.00    | \$1,777.86    | \$1,813.42    | \$1,849.69    | \$1,886.68    |
| Industrial   | \$ per gross bldg. sq. ft.                     | \$600              | \$ per 1,000 sq. ft.                 | \$630.00      | \$642.60      | \$655.45      | \$668.56      | \$681.93      |
|  |  |                    |                                      |               |               |               |               |               |
| <b>Drainage Fee</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                  | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Single Family Dwelling or Mobile Home within a Residential or Multi Family Zone    | \$ per dwelling unit                           | \$4,780            | cost per acre R-7000 \$18,374 p/acre | \$2,952.66    | \$3,011.71    | \$3,071.95    | \$3,133.39    | \$3,196.05    |
| Any other development within Commercial, Industrial or any zone not indicated      | \$ per sq. ft.                                 | \$0.39             | cost per sq. ft.                     | \$0.42        | \$0.43        | \$0.44        | \$0.45        | \$0.45        |
|  |  |                    |                                      |               |               |               |               |               |
| <b>Parks Fees</b>  | <b>Current Unit</b>                            | <b>Current Fee</b> | <b>Updated Unit</b>                  | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
| Park Development Fee   | \$ per dwelling unit                           | \$2,534            | \$ per dwelling unit                 | \$2,660.70    | \$2,713.91    | \$2,768.19    | \$2,823.56    | \$2,880.03    |
| Administrative Offices Fee: Residential  | \$ per dwelling unit                           | \$61               | \$ per dwelling unit                 | \$64.24       | \$65.52       | \$66.83       | \$68.17       | \$69.53       |
| Administrative Offices Fee: Non Residential  | \$ per sq. ft.                                 | \$20.00            | \$ per 1,000 sq. ft.                 | \$21.000      | \$21.420      | \$21.848      | \$22.285      | \$22.731      |
| Corporate Yard: Residential  | \$ per dwelling unit                           | \$58               | \$ per dwelling unit                 | \$60.65       | \$61.86       | \$63.10       | \$64.36       | \$65.65       |
| Corporate Yard Fee: Non Residential  | \$ per sq. ft.                                 | \$20.00            | \$ per 1,000 sq. ft.                 | \$21.00       | \$21.420      | \$21.848      | \$22.285      | \$22.731      |

## **City Wide User Fee Increase**

[City Resolution 15-29](#) adopted on June 23, 2015 approved an annual CPI adjustment of City Wide User Fees

### **Estimated Annual CPI Adjustments**

FISCAL YEAR 18/19 – 3.2%

FISCAL YEAR 19/20- 3%

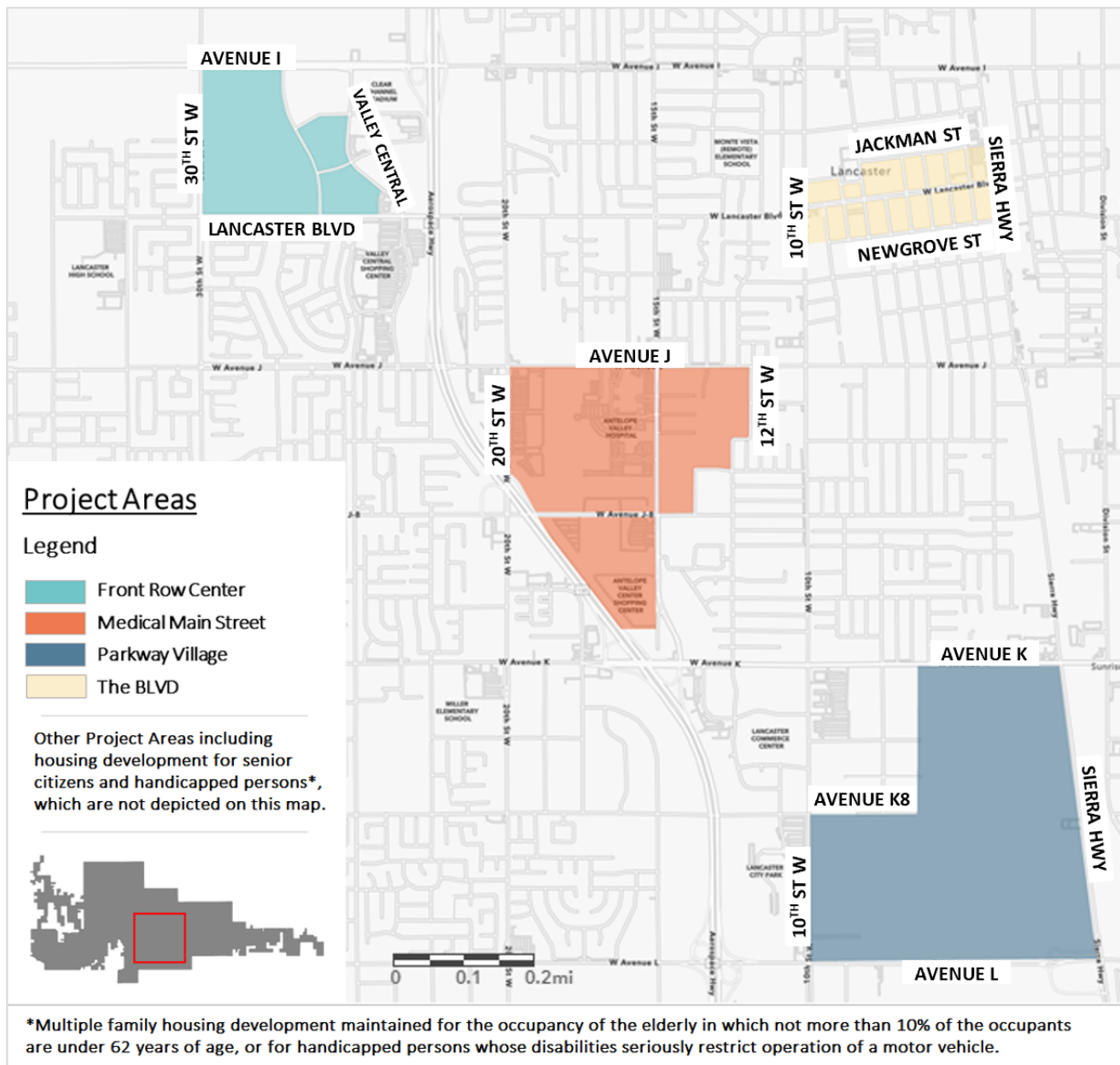
Estimated CPI Adjustment to City Wide User Fees = 6.2%

Fees will go into effect on March 23, 2021

## **Special Pre-Designated Project Areas**

*Pre-Designated Project Areas* are located within the City's core and include the following locations in the City.

- Location(s) –Medical Main Street, Parkway Village, Front Row Center, the BLVD and Senior Housing Developed anywhere within City limits.
- Impact Fee Program – the City will facilitate development in pre designated project areas by charging *no impact fees* for developments which include office, mixed use, commercial, medium and high density residential and/or industrial components in their design. The same incentive will also be applied for senior housing developed within City limits.



## **Fee Reduction Program - Core**

To promote increased development and density in the City's Core, staff is proposing a fee reduction based on the amount of lot coverage that a developer builds for a given project, relative to the average lot coverage for that land use, and the maximum lot coverage allowable. High density residential projects can achieve up to a **50% fee reduction** and mixed-use residential projects are eligible for up to a **100% fee reduction**. Commercial, office and mixed-use development projects can achieve up to a **100 percent fee reduction** and industrial projects can achieve up to a **50 percent fee reduction** based on the proposed incentive. Below are examples based on development type and various lot coverage scenarios.

Residential HDR - [Max Fee Reduction Per Code is 50% for HDR/Average Lot Coverage 25%](#)

### **35% lot coverage**

$$(35-25) / (50-25) * 50 = 20\% \text{ fee reduction}$$

### **45% lot coverage**

$$(45-25) / (50-25) * 50 = 40\% \text{ fee reduction}$$

Residential Mixed Use - [Max Fee Reduction Per Code is 100% for Mixed Use/Average Lot Coverage 25%](#)

### **30% lot coverage**

$$(30-25) / (100-25) * 100 = 6.7\% \text{ fee reduction}$$

### **50% lot coverage**

$$(50-25) / (100-25) * 100 = 33\% \text{ fee reduction}$$

### **75% lot coverage**

$$(75-25) / (100-25) * 100 = 67\% \text{ fee reduction}$$

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Commercial/Office/Mixed Use – [Max Fee Reduction Per Code is 100%/Average Lot Coverage 27.5%](#)

### **30% lot coverage**

$$(30-27.5) / (100-27.5) * 100 = 3.45\% \text{ fee reduction}$$

### **50% lot coverage**

$$(50-27.5) / (100-27.5) * 100 = 31\% \text{ fee reduction}$$

### **75% lot coverage**

$$(75-27.5) / (100-27.5) * 100 = 66\% \text{ fee reduction}$$

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Industrial - [Max Fee Reduction Per Code is 50%/ Average Lot Coverage 25%](#)

### **30% lot coverage**

$$(30-25) / (50-25) * 50 = 10\% \text{ fee reduction}$$

### **40% lot coverage**

$$(40-25) / (50-25) * 50 = 30\% \text{ fee reduction}$$

## **Financing Programs to Encourage Development and Economic Investment**

### ***Statewide Community Infrastructure Program (SCIP)***

#### **What is SCIP?**

The Statewide Community Infrastructure Program (SCIP), is a tax-exempt financing program offered through the California Statewide Communities Development Authority (CSCDA) to help developers finance public infrastructure and impact fees. Applicants benefit from SCIP because it allows them to obtain low-cost, long-term financing of Fees and Improvements, which can otherwise entail substantial cash outlays.

#### **How does it work?**

The program finances development impact fees and other public infrastructure with long-term assessments levied on the developed properties. The participating cities and counties can get paid upfront and the loans are repaid by future property owners over 30 years.

#### **Who can participate in the program?**

Commercial, industrial and residential projects. Typically projects with between \$500,000 and \$20,000,000 in impact fees and/or public infrastructure participate in the program.

### ***Bond Opportunities for Land Development (BOLD)***

#### **What is BOLD?**

The BOLD Program offers a means to finance new or continuing construction of infrastructure and public facilities through bonds the California Municipal Finance Authority (CMFA) issues as an alternative to issuance of land-secured bonds directly by a public entity. Repayment of the bond is in the form of special taxes payable by home buyers or other end users, levied under the special taxing authority provided by a CFD.

#### **How does it work?**

By working directly with developers, the BOLD Program facilitates financing for infrastructure and fee obligations of developers, covering a broad range of development cost obligations necessary for new development imposed by municipalities, including both facilities and/or impact fees.

#### **Who can participate in the program?**

Commercial, industrial and residential projects.

## **City Wide Community Facilities District/Private Streets Policy**

Starting in 2021, The City of Lancaster will begin requiring all new residential development projects to annex to City of Lancaster CFD No. 2021-1 (Public Services).

The purpose of the CFD is to ensure that new development pays its own way for Parks & Recreation, Public Works and Public Safety-related services, as well as other public services that are eligible for CFD funding.

The City Council will also consider a policy that requires that all new residential development constructed in the Outer Zone to include private streets for ingress and egress into and through the development along with sewers, storm drains, and private landscaping and those areas within the Landscaping Maintenance Districts. Home Owners' Association and that Home Owners' Association, or similar entity, will be responsible for maintenance of the development's private streets storm drains, sewers, and landscaping.

## Services Fee CFD Assessments

### City Core and Outer Zone

| Parks & Recreation                            |                           | Development Services                                   |               |
|---|---------------------------|--|---------------|
| Cost Item                                     | Expenditures <sup>1</sup> | Cost Item  | Expenditures  |
| Maintenance                                   | \$6,338,335               | Signs, Markings, Signals                               | \$1,015,624   |
| Maintenance (207 Funds)                       | \$44,403                  | Street Lights  | \$2,864,234   |
| Pool  | \$357,590                 | Utilities (Drainage Maintenance AD)                    | \$1,036,025   |
| Special Events                                | \$579,700                 | Public Works (Road Maintenance GF)                     | \$4,287,420   |
| Shortfall from LMD                            | \$1,245,860               | Public Works (Drainage Maintenance AD)                 | \$1,107,486   |
| Administration                                | \$737,672                 | Public Works (Facilities GF)                           | \$82,500      |
| Park Rangers                                  | \$149,054                 | Subtotal   | \$10,393,289  |
| Subtotal                                      | \$9,452,614               |  |               |
|   |                           | <b>Total Development Services</b>                      | \$10,393,289  |
| LESS: Measure A and Grant Revenues            | (\$651,812)               |  |               |
|   |                           | City Population  | 154,698       |
| Total Parks & Recreation                      | \$8,800,802               | Number of Employees within City                        | 47,114        |
|   |                           | Persons per Household <sup>4</sup>                     | 3.10          |
| Inner Core Park Acres <sup>2</sup>            | 76.2                      |  |               |
| Outer Zone Park Acres <sup>2</sup>            | 298.4                     | Service Population <sup>3</sup>                        | 178,255       |
|   |                           |  |               |
| Inner Core Parks & Rec Expenditures           | \$1,790,233               | Development Services Base Tax                          | \$181         |
| Outer Zone Parks & Rec Expenditures           | \$7,010,570               |  |               |
|   |                           | Inner Core Public Works Adjustment Factor <sup>5</sup> | 69%           |
| Inner Core Service Population <sup>2, 3</sup> | 80,036                    | Outer Zone Public Works Adjustment Factor <sup>5</sup> | 143%          |
| Outer Zone Service Population <sup>2, 3</sup> | 74,662                    |  |               |
|   |                           | <b>Inner Core Dev Svcs Annual Tax</b>                  | <b>\$125</b>  |
| Persons per Household <sup>4</sup>            | 3.10                      | <b>Outer Zone Dev Svcs Annual Tax</b>                  | <b>\$258</b>  |
|   |                           |  |               |
| <b>Inner Core Parks &amp; Rec Annual Tax</b>  | <b>\$69</b>               | <b>Public Safety</b>                                   |               |
| <b>Outer Zone Parks &amp; Rec Annual Tax</b>  | <b>\$291</b>              |  |               |
|   |                           | Budgeted Expenditures                                  | \$28,898,890  |
|   |                           | LESS: Est. Fixed Costs (30%)                           | (\$8,669,667) |
|   |                           | Variable Costs   | \$20,229,223  |
|   |                           |  |               |
|   |                           | Service Population <sup>3</sup>                        | 178,255       |
|   |                           | Public Safety Expenditures per Person Served           | \$113         |
|   |                           | Persons per Household <sup>4</sup>                     | 3.10          |
|   |                           |  |               |
|   |                           | <b>Public Safety Annual Tax</b>                        | <b>\$352</b>  |
|   |                           |  |               |
| <b>Combined Special Tax</b>                   |                           |  |               |
|   |                           |  |               |
| <b>Inner Core Annual Special Tax</b>          | <b>\$546</b>              |  |               |
| <b>Outer Zone Annual Special Tax</b>          | <b>\$901</b>              |  |               |



### Sample Developer Financing – City Core

|   |                 |                    |           |                     |
|---|-----------------|--------------------|-----------|---------------------|
| <b>Product Information</b>                    |                 |                    |           |                     |
| Average Home Price                            | \$ 349,060.00   |                    |           |                     |
| Average SF                                    | 1998            |                    |           |                     |
| <b>Tax Rate</b>                               |                 |                    |           |                     |
| General                                       | 1.00000%        |                    | \$        | 3,490.60            |
| Community College                             | 0.04722%        |                    | \$        | 164.83              |
| Elementary Schools                            | 0.07507%        |                    | \$        | 262.03              |
| High Schools                                  | 0.02187%        |                    | \$        | 76.35               |
| Special Water                                 | 0.07049%        |                    | \$        | 246.05              |
| <b>Total</b>                                  | <b>1.21465%</b> |                    | <b>\$</b> | <b>4,239.86</b>     |
| <b>Other Tax Bill Payments</b>                |                 |                    |           |                     |
| LA County San Dist. No. 14                    |                 | \$ 487.88          | \$        | 487.88              |
| Lancaster Drainage Ben Dist.                  |                 | \$ 71.67           | \$        | 71.67               |
| LMD No. 1                                     |                 | \$ 114.57          | \$        | 114.57              |
| Street Light Maint Dist.                      |                 | \$ 104.53          | \$        | 104.53              |
| City Services CFD                             |                 | \$ 546.00          | \$        | 546.00              |
| Mosquito & Vector Control Dist.               |                 | \$ 10.68           | \$        | 10.68               |
| LA County Water Dist. No. 40                  |                 | \$ 10.00           | \$        | 10.00               |
| County Fire                                   |                 | \$ 70.10           | \$        | 70.10               |
| <b>Total</b>                                  |                 | <b>\$ 1,415.43</b> | <b>\$</b> | <b>1,415.43</b>     |
| TEBRA per square foot                         |                 |                    | \$ 0.0424 | \$ 84.72            |
| LA County Parks Measure A per SF              |                 |                    | \$ 0.0160 | \$ 31.97            |
| <b>Total</b>                                  |                 |                    |           | <b>\$ 116.68</b>    |
| <b>Benefit District Financing Analysis</b>    |                 |                    |           |                     |
| Total Average Taxes in \$\$                   |                 |                    | \$        | 5,771.98            |
| Total Average Taxes as %                      |                 |                    |           | 1.6536%             |
| MAX Acceptable Tax Rate Burden as %           |                 |                    |           | 2.0000%             |
| Incremental Tax Increase (ITI) as %           |                 |                    |           | 0.3464%             |
| Per Unit Annual Tax from ITI as \$\$          |                 |                    | \$        | 1,209.22            |
| Annual Tax Revenue based on ITI 99 Units      |                 |                    | \$        | 119,713.03          |
| <b>PV 30 year Bond at 4%</b>                  |                 |                    | <b>\$</b> | <b>2,070,081.71</b> |
| Estimated Issuance Cost (20.78%)              |                 |                    | \$        | 430,061.34          |
| *Estimated City Maintenance Cost              |                 |                    | \$        | -                   |
| <b>Estimated SCIP Financing Amount</b>        |                 |                    | <b>\$</b> | <b>1,640,020.37</b> |
| <b>Estimated Finance Cost per Unit</b>        |                 |                    |           |                     |
| Estimated Costs Eligible for SCIP Financing   |                 |                    | \$        | 3,562,015.00        |
| <b>Future SCIP District Amount (Per Unit)</b> |                 |                    | <b>\$</b> | <b>16,565.86</b>    |

### Sample Developer Financing – Outer Zone

|   |                 |                    |           |                        |
|---|-----------------|--------------------|-----------|------------------------|
| <b>Product Information</b>                    |                 |                    |           |                        |
| Average Home Price                            | \$ 349,060.00   |                    |           |                        |
| Average SF                                    | 1998            |                    |           |                        |
| <b>Tax Rate</b>                               |                 |                    |           |                        |
| General                                       | 1.00000%        |                    |           | \$ 3,490.60            |
| Community College                             | 0.04722%        |                    |           | \$ 164.83              |
| Elementary Schools                            | 0.07507%        |                    |           | \$ 262.03              |
| High Schools                                  | 0.02187%        |                    |           | \$ 76.35               |
| Special Water                                 | 0.07049%        |                    |           | \$ 246.05              |
| <b>Total</b>                                  | <b>1.21465%</b> |                    |           | <b>\$ 4,239.86</b>     |
| <b>Other Tax Bill Payments</b>                |                 |                    |           |                        |
| LA County San Dist. No. 14                    |                 | \$ 487.88          |           | \$ 487.88              |
| Lancaster Drainage Ben Dist.                  |                 | \$ 71.67           |           | \$ 71.67               |
| LMD No. 1                                     |                 | \$ 114.57          |           | \$ 114.57              |
| Street Light Maint Dist.                      |                 | \$ 104.53          |           | \$ 104.53              |
| City Services CFD                             |                 | \$ 901.00          |           | \$ 901.00              |
| Mosquito & Vector Control Dist.               |                 | \$ 10.68           |           | \$ 10.68               |
| LA County Water Dist. No. 40                  |                 | \$ 10.00           |           | \$ 10.00               |
| County Fire                                   |                 | \$ 70.10           |           | \$ 70.10               |
| <b>Total</b>                                  |                 | <b>\$ 1,770.43</b> |           | <b>\$ 1,770.43</b>     |
| TEBRA per square foot                         |                 |                    | \$ 0.0424 | \$ 84.72               |
| LA County Parks Measure A per SF              |                 |                    | \$ 0.0160 | \$ 31.97               |
| <b>Total</b>                                  |                 |                    |           | <b>\$ 116.68</b>       |
| <b>Benefit District Financing Analysis</b>    |                 |                    |           |                        |
| Total Average Taxes in \$\$                   |                 |                    |           | \$ 6,126.98            |
| Total Average Taxes as %                      |                 |                    |           | 1.7553%                |
| MAX Acceptable Tax Rate Burden as %           |                 |                    |           | 2.0000%                |
| Incremental Tax Increase (ITI) as %           |                 |                    |           | 0.2447%                |
| Per Unit Annual Tax from ITI as \$\$          |                 |                    |           | \$ 854.22              |
| Annual Tax Revenue based on ITI 99 Units      |                 |                    |           | \$ 84,568.03           |
| <b>PV 30 year Bond at 4%</b>                  |                 |                    |           | <b>\$ 1,462,353.20</b> |
| Estimated Issuance Cost (20.78%)              |                 |                    |           | \$ 303,805.19          |
| *Estimated City Maintenance Cost              |                 |                    |           | \$ -                   |
| <b>Estimated SCIP Financing Amount</b>        |                 |                    |           | <b>\$ 1,158,548.00</b> |
| <b>Estimated Finance Cost per Unit</b>        |                 |                    |           |                        |
| Estimated Costs Eligible for SCIP Financing   |                 |                    |           | \$ 3,562,015.00        |
| <b>Future SCIP District Amount (Per Unit)</b> |                 |                    |           | <b>\$ 11,702.51</b>    |

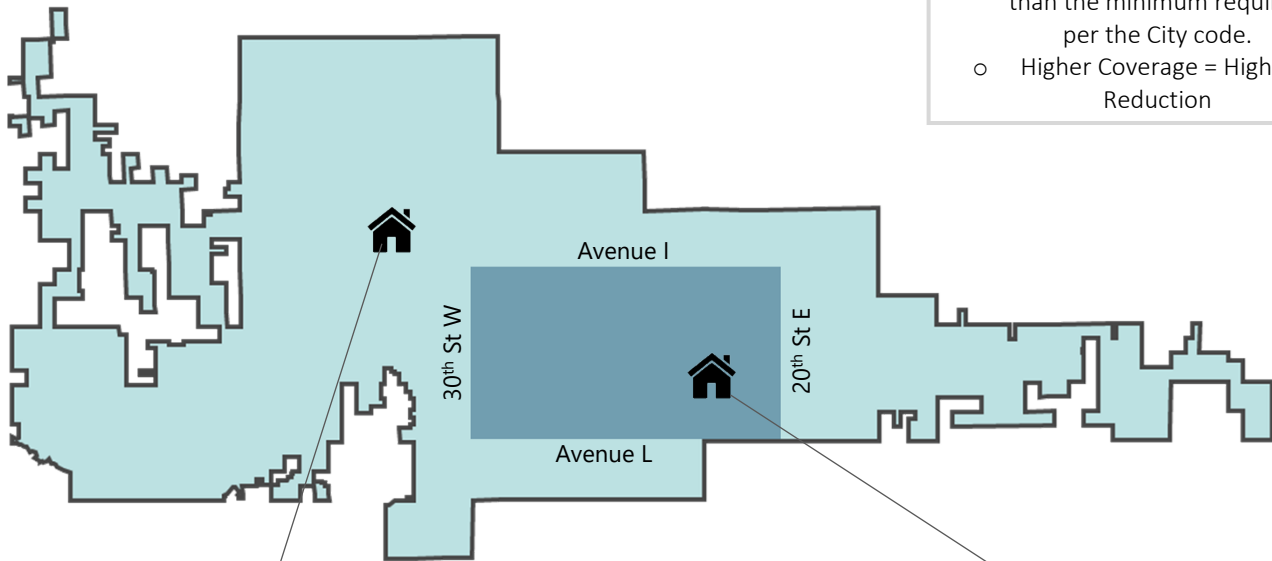
### Fee Reduction Program Scenario

2,000 Sq. Ft. Single Family Home

|   | CURRENT FEES       | PROPOSED FEES:<br>CITY CORE | PROPOSED FEES:<br>OUTER ZONE |
|---|--------------------|-----------------------------|------------------------------|
| Impact Fees   | \$10,488.11        | \$8,225.29                  | \$9,193.49                   |
| Building and Safety   | \$6,981.83         | \$7,400.74                  | \$7,400.74                   |
| Engineering   | \$5,859.69         | \$6,211.27                  | \$6,211.27                   |
| Impact Fee Reduction<br>✓ High Density Residential<br>✓ 45% Lot Coverage<br>→ Fee Reduction = 40% | -                  | (\$3,290.12)                | -                            |
| Impact Fee Financing  |                    | Eligible for SCIP/BOLD      | Eligible for SCIP/BOLD       |
| Max Financing Amount  |                    | \$16,565.86                 | \$11,702.51                  |
| SCIP or BOLD Financing Amount   |                    | \$4,935.17                  | \$9,193.49                   |
| <b>Total Fees to Build</b>  | <b>\$23,329.63</b> | <b>\$18,547.18</b>          | <b>\$22,805.50</b>           |
| <b>Total Fees less SCIP or BOLD</b>   |                    | <b>\$13,612.01</b>          | <b>\$13,612.01</b>           |

#### CITY OF LANCASTER MAP

■ City Core ■ Outer Zone



#### Criteria to Qualify for a Fee Reduction

- Build in the City Core
- Add lot coverage greater than the minimum required per the City code.
- Higher Coverage = Higher Reduction



**Fees to build in  
Outer Zone = \$13,612.01**  
(No fee reduction)



**Fees to build in  
City Core = \$13,612.01**  
(45% Lot Coverage = 40%  
Impact Fee Reduction)

### **Expected Timeline**

|                   |   |
|-------------------|---|
| January 20, 2021  | Meeting with the BIA and Developers to discuss the City Development Outline                     |
| February 18, 2021 | Notice of Public Hearing  |
| February 23, 2021 | City Council Meeting Vote<br>If approved, Impact Fee Reduction Program is effective immediately |
| March 9, 2021     | Second City Council Reading   |
| March 23, 2021    | Impact Fee Increase Goes into Effect<br>Citywide Development Fee CPI Increase Goes into Effect  |
| April 1, 2021     | SCIP applications due for SCIP Series 2021B   |
| Fall 2021         | BOLD Applications due   |