

# *The County of Yuba*

## **Community Development and Services Agency**

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**TO:** Board of Supervisors

**FROM:** Community Development and Services Agency, Mike Lee

**SUBJECT:** Community Development & Services: Approve Fee Credit and Reimbursement Agreement for Drainage Facilities with LGI Homes for the Goldfields Ranch development and authorize chair to sign

**DATE:** March 26, 2024

**NUMBER:** 141/2024

### RECOMMENDATION:

That the Board approve the attached Fee Credit and Reimbursement Agreement for Drainage Facilities with LGI Homes California, LLC for the Goldfields Ranch development and authorize the chair to execute.

### BACKGROUND:

In order to facilitate development in the East Linda area and to account for the necessary drainage infrastructure, the South Yuba Drainage Master Plan was developed. A nexus study was subsequently prepared by David Taussig & Associates, to determine the fair share cost of the identified drainage improvements attributable to each dwelling unit. The nexus study lays out the drainage projects eligible for reimbursement and the maximum amount of reimbursement money associated with each project. On April 1, 2014, your Board approved the updated nexus study and set the impact fees based on the findings in the nexus study update.

### DISCUSSION:

The proposed Fee Credit and Reimbursement Agreement for Drainage Facilities for the LGI Homes Goldfields Ranch subdivision is to further clarify the reimbursement/fee credit process. LGI Homes is proposing to construct eligible drainage facilities as identified in the SYDMP and in the attached agreement as part of its Goldfields Ranch development. These improvements consist of onsite drainage improvements for which LGI Homes will be eligible for fee credits against each unit of development withing the subdivision; and offsite improvements for which LGI Homes will be eligible for cash

reimbursement from previously collected drainage impact fees in Trust 253, the repository for SYDMP impact fees.

While the cost of the eligible onsite drainage improvements constructed by LGI Homes is expected to far exceed \$1,000,000, the agreement stipulates they will only be credited and reimbursed the lesser of the maximum amount of drainage impact fees attributable to the full development of the Goldfields Ranch project, or the actual cost of the improvements. This equates to 499 lots times the current impact fee rate of \$1,900.65 per lot, for a total of \$948,424.35 (note the drainage impact fee credit excludes the 3% administrative component). The drainage impact fee increases annually by the inflationary adjustment factor. Per the agreement, the credit due LGI Homes will increase by the same inflationary adjustment factor.

For the offsite drainage improvements, LGI Homes will be reimbursed by the County for the actual cost of the improvements. The cash for these improvements, estimated at approximately \$3 million, will come from Trust 253, the repository for previously collected drainage impact fees from within the SYDMP area. There is an escape clause in the agreement that the County can choose not to proceed with the offsite improvements if in the County's sole discretion we determine the costs to be unreasonable.

#### COMMITTEE ACTION:

The Land Use and Public Works Committee was bypassed due to the routine nature of the request.

#### FISCAL IMPACT:

A FY 24/25 budget appropriation will be made for the reimbursement work as the work is proposed to take place in that fiscal year. Eligible drainage improvements are funded by the developer and then either reimbursed or fee credited from drainage impact fees collected in the South Yuba Drainage Master Plan area.

#### Source of Funds:

General Fund \$0

Trust 253, Special Drainage Trust, the repository for SYDMP impact fees. Slightly less than \$1 million in fee credits will be applied as development occurs for onsite improvements, and reimbursement of approximately \$3 million for offsite improvements.

#### *Attachments*

Fee Credit & Reimbursement Agreement