

ITEM 5.4

CITY MANAGER'S REPORT November 13, 2023 CITY COUNCIL REGULAR MEETING

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE 2024 SJMSCP DEVELOPMENT FEE ANNUAL ADJUSTMENT

RECOMMENDATION: Council to Consider the Following:
1. Hold a Public Hearing; and
2. Adopt a Resolution Approving an Annual Adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) Development Fee for 2024

SUMMARY:

On August 24, 2023, the San Joaquin Council of Governments (SJCOG) Board approved the annual adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) development fees, and is now requesting each participating jurisdiction to adopt the annual adjustment to become effective on January 1, 2024.

The final calculation of the 2024 SJMSCP development fees shows an approximate overall decrease of 7.4% in the most commonly impacted categories of Agricultural and Natural habitat classifications compared to 2023. The decrease is due primarily to a reduction in the land acquisition component (Category A) for agricultural land price values of comparable sales even though there was a rise in the reported Consumer Price Index (CPI) for Categories B (Assessment and Enhancement) and C (Land Management and Administration). The total of these 3 categories equates to the final amount of the development fee.

The following table shows the habitat categories, the current 2023 fees, and proposed 2024 fee adjustments (per acre).

YEAR	2020	2021	2022	2023	2024 (Proposed)
Multi-purpose	\$6,412	\$8,682	\$9,781	\$9,629	\$8,918
Agriculture/Natural	\$12,822	\$17,363	\$19,561	\$19,255	\$17,833
Vernal Pool (grasslands)	\$52,833	\$71,544	\$80,453	\$75,320	\$69,408
Vernal Pool (wetted)	\$100,788	\$161,286	\$174,040	\$176,878	\$177,724

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Staff recommends adoption of the attached resolution approving an annual adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) development fees for 2024.

BACKGROUND:

On November 6, 2001, the City Council adopted Ordinance No. 01-194, establishing the SJMSCP. The plan established a procedure to mitigate the impacts of new development on undeveloped land within the Cities of Lathrop, Escalon, Tracy, Ripon, Manteca, Lodi, Stockton, and San Joaquin County. Each City and the County adopted the SJMSCP and the recommended fee schedule at that time. A Habitat Conservation Map (Attachment 2) identifies those areas within the City of Lathrop that are subject to a specific habitat fee category. Since its adoption, the developer paid SJMSCP fees have been adjusted annually to be effective on January 1st of each year.

The development fees were calculated using a formula which is adjusted annually [Fee = Category A (acquisition) + Category B (assessment & enhancement) + Category C (land management & administration)]. Each component of the formula is adjusted using a specific mechanism which relates to the individual component in the fees.

Projects which participate under the SJMSCP benefit from a pre-determined streamlined processing of the project rather than navigating a very long and cumbersome regulatory process through the state and federal permitting agencies. By participating, the project can choose a number of ways to provide mitigation for the impacts of the project:

1. Pay a fee;
2. Redesign the project to avoid/minimize impacts;
3. Provide land in lieu of the SJMSCP fee which the project will negotiate the easement/fee title costs; or
4. Any combination of the above options.

Alternatively, the project proponent may choose to not participate in the SJMSCP and fulfill mitigation requirements on their own with state and federal permitting agencies.

It's important to note that development projects in Lathrop such as River Islands, Central Lathrop, South Lathrop and Gateway have taken advantage of the benefit this program.

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RECOMMENDATION:

Staff recommends that the City Council consider all information provided and submitted, take and consider all public testimony and, if determined to be appropriate, adopt a resolution approving the annual adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2024.

FISCAL IMPACT:


The fee adoption has no fiscal impact to the City. Developers may participate in the SJMSCP plan or opt out and fulfill mitigation requirements with state and federal permitting agencies.

ATTACHMENT:

1. Resolution to approve the 2024 San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) development fee.
2. SJMSCP Habitat Conservation Map
3. 2024 Habitat Fee Table

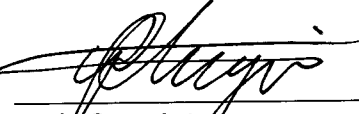
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APPROVALS:



James Michaels
Senior Planner

10/27/2023
Date



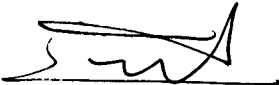
Rick Caguiat
Community Development Director

10/30/23
Date



Cari James
Finance Director

10/30/23
Date



Salvador Navarrete
City Attorney

10.30.2023
Date



Stephen J. Salvatore
City Manager

11.1.23
Date

RESOLUTION NO. 23 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE ANNUAL ADJUSTMENT TO THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN (SJMSCP) DEVELOPMENT FEE FOR 2024

WHEREAS, the City Council of the City of Lathrop adopted Ordinance No. 01-194 establishing the authority for collection of a Development Fee for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) for all new development pursuant to the SJMSCP within the City of Lathrop; and

WHEREAS, a "Fee Study" dated July 1, 2001 was prepared which analyzed and identifies the costs, funding, and cost-benefit of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan; and

WHEREAS, the purpose of the SJMSCP development fee is to finance the goals and objectives of the SJMSCP that include, but are not limited to preserve land acquisition, preserve enhancement, land management, and administration that compensate for such lands lost as a result of future development in the City of Lathrop and in San Joaquin County; and

WHEREAS, after considering the fee study and the testimony received at the public hearing, the Lathrop City Council approved said report; and further found that the future development in the City of Lathrop will need to compensate cumulative impacts to threatened, endangered, rare and unlisted SJMSCP covered species and other wildlife and compensation for some non-wildlife related impacts to recreation, agriculture, scenic values and other beneficial open space uses; and

WHEREAS, an "Updated Fee Study" was prepared in 2006, 2011, 2016 and 2020 which analyzed and identified the costs and funding of the SJMSCP; and

WHEREAS, the SJMSCP development fees are divided into three categories: Category A - Acquisition; Category B - Enhancement; and Category C - Land Management/Administration; and

WHEREAS, the SJMSCP development fees for the different habitat types is shown on Attachment 3 of the staff report; and

WHEREAS, to ensure that the SJMSCP development fees keep pace with inflation, annual adjustments are made to the fees based on the method previously adopted by the Lathrop City Council; and

WHEREAS, the method of annual adjustments was modified in 2011, 2016, and 2020; and

WHEREAS, the 2020 adjustment resulted in a minor change to category “A” with an adjustment to the easement to fee title percentage used in the fee model and category “C” with pivoting to a more robust diversified endowment investment for higher return on investment.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the City Council of the City of Lathrop, as follows:

1. The City Council finds and declares that the purposes and uses of the development fee, and the determination of the reasonable relationship between the fees’ uses and the type of development project on which the fees are imposed, are all established in Ordinance No. 01-194, and remain valid, and the City Council therefore adopts such determinations.
2. The 2024 development fee for the three habitat types – natural land and agricultural lands, vernal pool habitat, and multi-purpose open space conversion, shall be as set forth in Attachment 3 of the staff report, incorporated by reference herein.
3. The fee provided in this resolution shall be effective on January 1, 2024 – December 31, 2024.

The foregoing resolution was passed and adopted this 13th day of November 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

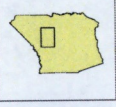
ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk

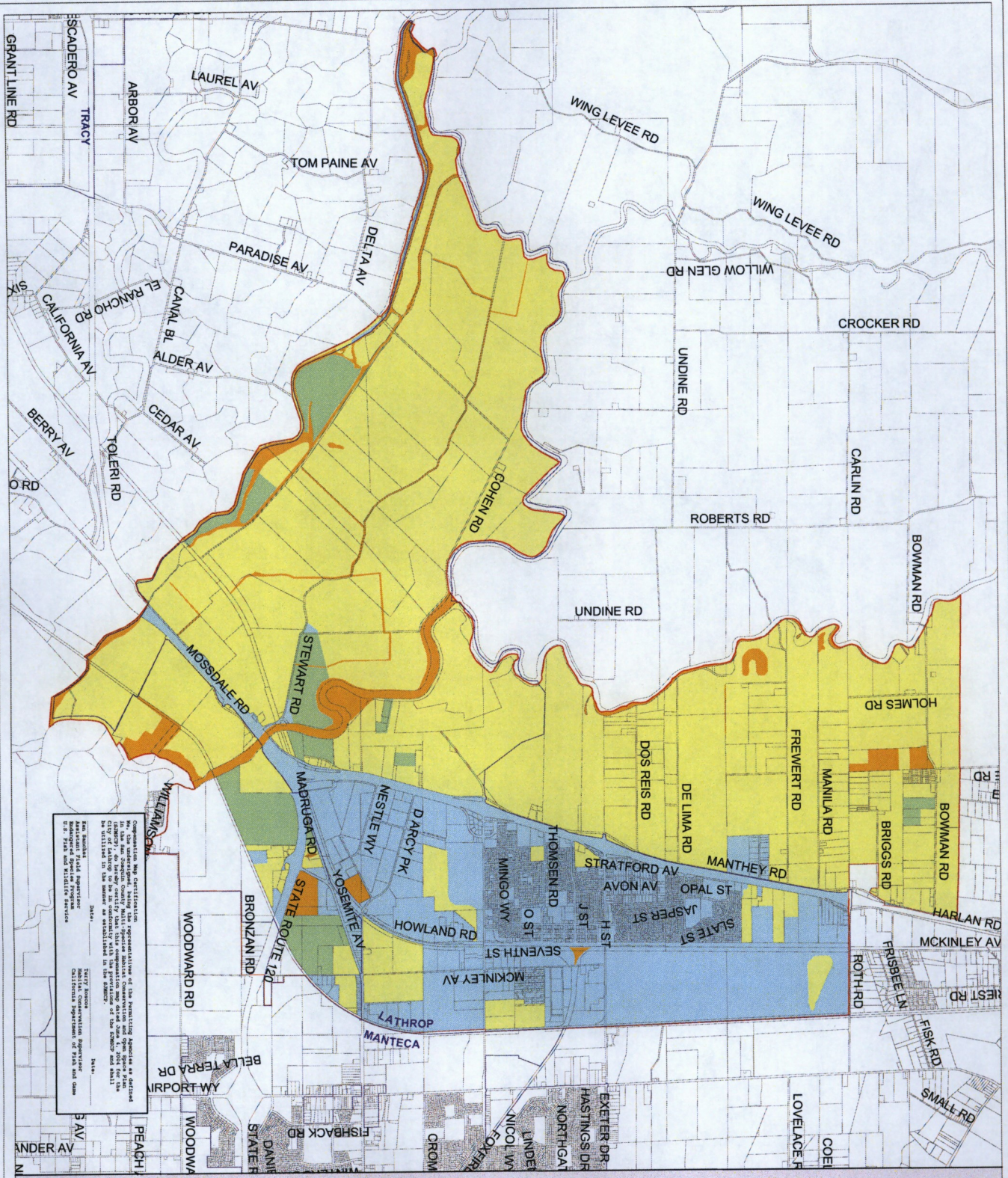


Salvador Navarrete, City Attorney



CITY OF LATHROP

San Joaquin County of Governments
 500 West Broadway
 Stockton, CA 95202



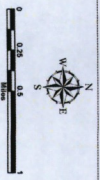
Competition map certification representative of the Planning Agency as defined in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan. The City of Lathrop is an addendum to the provisions of the Plan and shall be utilized in the manner as referenced in the Plan.

San Joaquin County Planning Agency
 500 West Broadway
 Stockton, CA 95202

City of Lathrop
 500 West Broadway
 Stockton, CA 95202

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan

- LAND CATEGORY / PAY ZONES
- CATEGORY A
- NO PAY ZONE
- CATEGORY B
- CATEGORY B PAY ZONES
- CATEGORY C
- CATEGORY C PAY ZONES
- CATEGORY D
- NATURAL LANDS HABITAT PAY ZONE B (Agricultural)
- CATEGORY E
- VERNAL POOLS PAY ZONE C
- CATEGORY F
- PROR AGREEMENT
- PLANNING AREA BOUNDARY
- URBAN EXPANSION AREA
- CITY LIMITS
- PARCEL LINE





SJCOG, Inc.

555 East Weber Avenue • Stockton, CA 95202 • (209) 235-0574 • Email: boyd@sjcog.org

San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)

David Bellinger

CHAIR

Diane Lazard

VICE CHAIR

Diane Nguyen

EXECUTIVE DIRECTOR

Member Agencies

CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

2024 Updated Habitat Fees*

Habitat Type	Fee Per Acre
Multi-Purpose Open Space	\$8,918
Natural	\$17,833
Agriculture	\$17,833
Vernal Pool - uplands	\$69,408
Vernal Pool - wetted	\$177,724

* Effective January 1, 2024 – December 31, 2024

2024 Endowment Fees with In-lieu Land**

Type of Preserve	Enhancement Cost/acre	Land Management Cost/acre	TOTAL PER ACRE ENDOWMENT
Agricultural Habitat Lands	\$6,038.00	\$792.15	\$6,830.15
Natural Lands	\$6,038.00	\$792.15	\$6,830.15
Vernal Pool Habitat			
<i>Vernal Pool Grasslands</i>	\$14,906.00	\$1,956.53	\$16,862.53
<i>Vernal Pool Wetted</i>	\$123,058.00	\$1,918.14	\$124,976.14

** Effective January 1, 2024 – December 31, 2024 in lieu of fees to be used as the endowment for the dedicated land preserves (Category B + C) based on impacted acres.

VELB Mitigation

A special fee category shall apply when removal of the Valley Elderberry Long-horned Beetle (VELB) habitat of elderberry shrubs occurs. The fee shall be paid to SJCOG, Inc. or a VELB mitigation bank approved by the Permitting Agencies. The current fee, as established in the VELB Conservation Fund Account managed by the Center for Natural Lands Management, and approved by the USFWS, is \$1,800 per VELB Unit (one unit= one stem over 1" in diameter at ground level which is removed). Fees shall be established by the JPA during preconstruction surveys (i.e., counts of stems to be removed with and without exit holes shall be completed during preconstruction surveys) and shall be paid to the JPA prior to ground disturbance or stem removal, whichever comes first.

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