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Sutter Butte Basin

Regional Levee Improvement Program Development Impact Fee

NEXUS STUDY

Adopted by _____ Ordinance No. ____
(Fee Effective Month____, 2023)

Prepared for: Butte County, Sutter County, City of Biggs, City of Gridley,
City of Live Oak, and City of Yuba City
Prepared by: Larsen Wurzel & Associates, Inc.
Prepared on Behalf of: Sutter Butte Flood Control Agency (SBFCA)
June 30, 2023

RESOLUTION PLACEHOLDER

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LIST OF ABBREVIATIONS

2007 Nexus Study	Yuba City Impact Fee Justification Report
2010 SBFCA Assessment ER	SBFCA Assessment District Final Engineer’s Report prepared by Parsons Brinckerhoff dated July 14, 2010
AB 602	Assembly Bill 602 (2021)
AB 1600	Assembly Bill 1600, Mitigation Fee Act
DWR	California Department of Water of Resources
CCI	Construction Cost Index
ENR	Engineering News-Record
FEMA	Federal Emergency Management Agency
FRWLP	Feather River West Levee Project
GDA	Gross Developable Acreage
JPA	Joint Powers Authority
Levee Fee	Yuba City flood protection development impact fee
LFMA	Local Flood Management Agency
LWA	Larsen Wurzel & Associates, Inc.
Member Land Use Agencies	Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively)
Nexus Study	Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee Nexus Study
Regional LDIF	Sutter Butte Basin Regional Levee Improvement Program Development Impact
SBFCA Board	SBFCA Board of Directors
USACE	U.S. Army Corp of Engineers

SUMMARY

Overview

Larsen Wurzel & Associates, Inc. (LWA) has prepared this Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee (Regional LDIF) Nexus Study (Nexus Study) by request of the Sutter Butte Flood Control Agency (SBFCA) and on behalf of the Counties of Butte and Sutter and the Cities of Biggs, Girdley, Live Oak, and Yuba City (collectively, the Member Land Use Agencies). This Nexus Study has been prepared to support the adoption of a Regional LDIF by each of the Member Land Use Agencies.

Since October 2007, Yuba City has collected a flood protection development impact fee (Levee Fee) as part of its comprehensive capital facilities fee program. This fee applied to all of Yuba City as well as Yuba City's sphere of influence within Sutter County. In addition, Sutter County relied on the same impact fee justification (2007 Nexus Study) to collect the levee fee within Sutter County's jurisdiction in the Sutter Butte Basin.

SBFCA is supporting the implementation of an updated development impact fee program for the entire region because the facts and circumstances supporting Yuba City's 2007 Nexus Study have changed. This study includes the following updates relative to the 2007 Nexus Study:

- A detailed update of the planned development in all jurisdictions within the boundaries of SBFCA;
- The full scope of SBFCA's levee improvement program; and,
- Recognition of SBFCA's current Assessment District and the funding provided through this mechanism.

It is intended that the Regional LDIF be collected throughout the entire Sutter Butte Basin. This Nexus Study provides the basis for a Regional LDIF to ensure that new development pays its proportionate share of the levee improvements that are being advanced by SBFCA to provide protection to the entire Sutter Butte Basin. It is expected that this Nexus Study and a Regional LDIF will be adopted by each of the Land Use Agencies.

SBFCA Background

SBFCA was formed in 2007 for the purpose of consolidating efforts of several agencies and communities with flood management responsibilities and implementing locally led flood protection projects. SBFCA is a joint powers authority (JPA) composed of the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts 1 and 9. Among SBFCA's member agencies, the cities and counties bear the responsibility for making key land use decisions and managing the floodplain. The member levee districts are responsible for the operation and maintenance of flood control facilities within their jurisdiction, including levees and appurtenant structures.

The SBFCA Board of Directors (SBFCA Board) is composed of 13 regular members, each of whom is an elected representative of a SBFCA member Agency. The SBFCA Board is the sole authorizing body for all SBFCA operations and actions. All SBFCA programs, projects, funding, financing, and policy decisions are approved by the SBFCA Board.

As provided for in the SBFCA JPA, SBFCA may exercise a broad suite of powers within its jurisdictional boundaries, including, but not limited to:

1. Plan and implement the ways and means to control flood waters within SBFCA boundaries.
2. Enter into contracts.
3. Evaluate, rehabilitate, reconstruct, repair, replace, improve, or add to the facilities of the State Plan of Flood Control in the Central Valley.
4. Acquire, develop, control, construct, manage, maintain, improve, operate, repair, and replace flood control facilities within the SBFCA boundaries.
5. Enter into agreements with any agency/department of the United States of America, the State of California, or any other governmental agency to provide funding necessary for SBFCA projects and programs.
6. Acquire property, by eminent domain or otherwise, and to hold and dispose of property necessary for SBFCA projects and programs.
7. Incur debts, liabilities, or obligations.
8. Levy and collect special benefits assessments, special capital assessments, and issue revenue bonds.
9. Impose and collect property-related fees, special taxes, and general taxes.
10. Prescribe, revise, and collect fees as a condition of land development.
11. Apply for, accept, and receive Federal, State, or local licenses, permits, grants, loans or other aid from any agency of the United States of America or the State of California.

A benefit assessment district, compliant with California Proposition 218, was created in 2010 to fund specific SBFCA operations, projects, and programs. SBFCA has also sought and received grant funding through a variety of sources (primarily from State of California grant programs). These funding agreements were executed following the formation of the JPA and Assessment District.

The SBFCA adopted Strategic Plan, dated April 2018, formulates and articulates a vision for flood management within the Basin and describes an approach to achieve that vision. The plan is updated every five years, or more often if warranted. It describes the accomplishments planned for the subsequent 10 years and who will be involved in accomplishing the goals and objectives identified. The Strategic Plan was intended to be implemented and referenced by the SBFCA Board, staff, consultants, and member and partner agencies. It informs and promotes alignment among the interested public, the State of California (Executive and Legislative branches), and involved flood managers at Federal, State, and local levels.

The Regional LDIF, when coupled with the SBFCA Assessment District and grant funds, generates the funding necessary to implement the SBFCA adopted Strategic Plan.

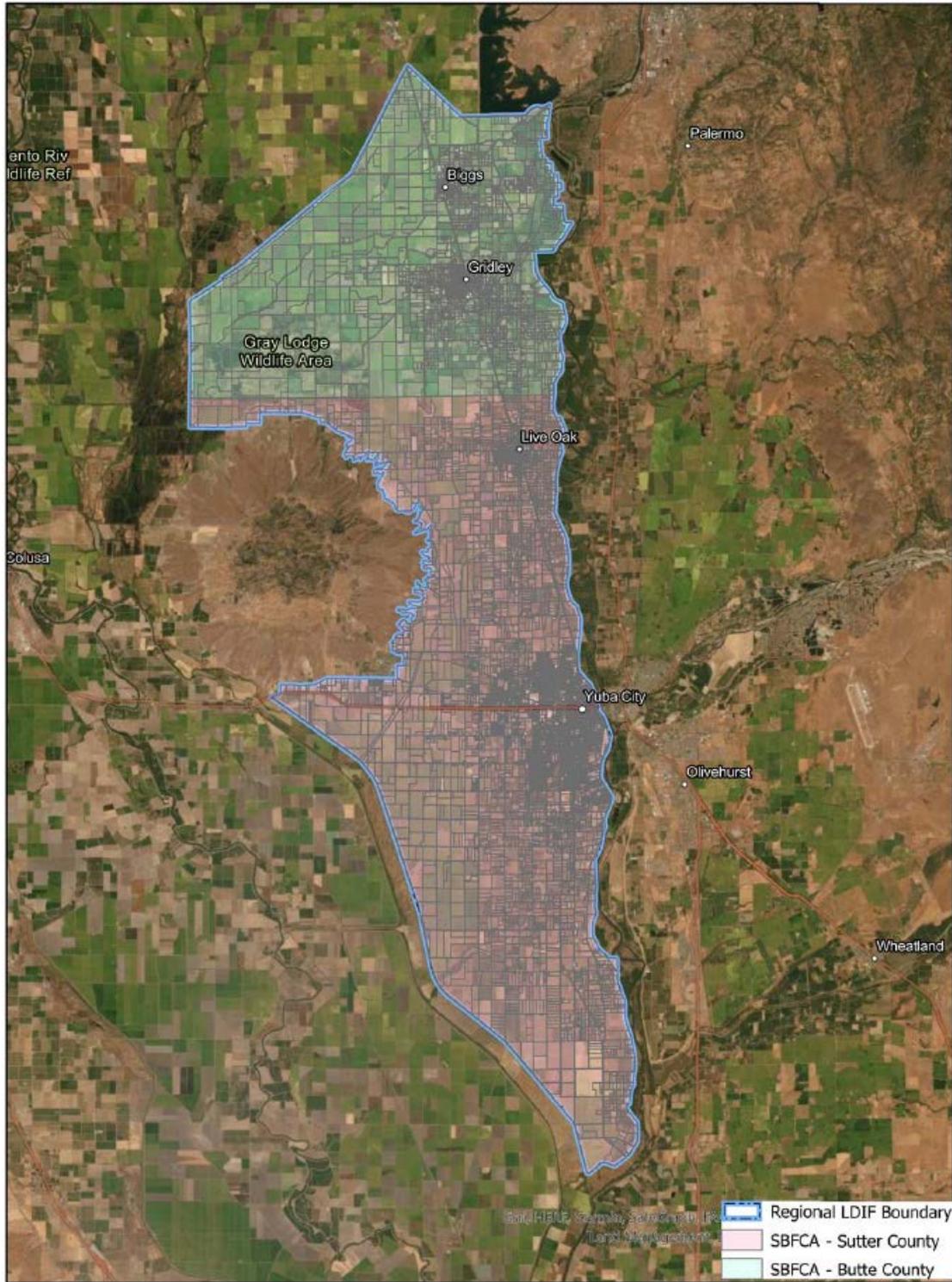
Regional Fee

This study is being prepared for SBFCA, the Local Flood Management Agency (LFMA) responsible for planning, implementing, funding, and financing the levee improvement program for the Sutter Butte Basin. This study is being prepared as a regional fee with the intent that each Member Land Use Agency will individually approve

the Nexus Study, adopt the Regional LDIF, and collect and remit fees to SBFCA. **Figure 1** shows the Regional LDIF Boundary.

While some portions of the Sutter Butte Basin levee improvement program have been completed, other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. At the time of the 2007 Nexus Study, and as late as the approval of SBFCA's Assessment District in 2010, it was expected that improvements in the southern portion of the Basin would be completed by either the U.S. Army Corp of Engineers (USACE) or California Department of Water Resources (DWR). Because of this, assessments collected from all properties, including those in the southern portion of the Basin, were utilized to advance construction throughout the entire reach of the Feather River West Levee Project, benefitting all properties within the Basin. Since the adoption of the 2010 Assessment, it has become clear to SBFCA that DWR will not be leading the improvements benefitting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.

Figure 1: Regional Levee Development Impact Fee Boundary



Authority and Procedures

Assembly Bill No. 1600: Mitigation Fee Act (1987)

This Nexus Study has been prepared to assist with the establishment of a Regional LDIF program in accordance with the provisions of Assembly Bill No. 1600, also known as the Mitigation Fee Act (AB 1600), as codified in Government Code §66000 *et. seq.* AB 1600 sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that “a reasonable relationship,” or nexus, must exist between a governmental exaction and the purpose of the condition. This Nexus Study documents that a reasonable relationship exists between the development impact fee to be levied on each land use category and the cost of facility improvements.

Nexus Study requirements include:

1. Identifying the purpose of the fee.
2. Identifying how the fee is to be used.
3. Determining how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
4. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
5. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

AB 1600 Requirement 1: Purpose of Fee

The Regional LDIF will provide funding for levee improvements to provide 200-year protection to the urban portion of the Sutter Butte Basin and 100-year protection to the remainder of the basin.

AB 1600 Requirement 2: Use of the Fee

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
 - Star Bend Setback Levee constructed by Levee District 1¹
 - Feather River West Levee Project (FRWLP) Phase 1
 - Gridley Bridge Erosion Repairs
 - Laurel Avenue Flood System Repair Project
 - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
 - Feather River West Levee repairs to Reaches 14 through 16

¹ The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.

- Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
 - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
 - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
 - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local funding (SBFCA's Benefit Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

As previously noted, this Nexus Study provides the required findings needed to impose a development impact fee pursuant to AB 1600. AB 1600 requires that the fee be calculated by spreading the costs among the anticipated future development in proportion to the impact that development has on the services provided. The 2007 Levee Fee was imposed and collected by Yuba City as a condition of new development's approval only within a portion of the Sutter Butte Basin. SBFCA has prepared this fee study to be collected on a regional basis and requests that all of the member land use agencies collect the fee on its behalf.

To determine costs associated with the Project and the planned development upon which to allocate the costs, a 30-year planning horizon has been assumed and is generally consistent with the remaining time horizons of each of the member land use agencies' General Plans.

AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Flood risk has two aspects: the probability of flooding and the consequences that follow. An area could have a high probability of flooding, but minimal consequences because it is vacant and contains no infrastructure or people. In this case, flood risk would be considered low. Conversely, a highly urbanized community that has a moderate or low probability of flooding would be considered high risk because of the greater consequences of a flood in that location (i.e., loss of life, livelihood, property, health, and human suffering). There are several ways to quantify flood risk including examining the risk of loss of life and risk of loss to property. The risk of loss to property can be expressed and quantified in terms of Expected Annual Damage (EAD). This Nexus Study uses EAD as a proxy for flood risk. EAD is the product of the probability of flooding (percent chance in any given year) and consequences (dollars of damage as a result of flooding). Without mitigation, additional development increases the EAD by increasing developed property at risk. To protect life and property, it is important for the LFMA to maintain a high level of service (in terms of maintaining low flood risk) within the Sutter Butte Basin as development increases. To maintain the current level of EAD and

reduce the level of flood risk to offset increased EAD, the LFMA must improve the flood protection facilities as development occurs.

Each development project will add to the necessity of flood protection due to the increased EAD because of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

AB 1600 Requirement 4: Relationship Between Need for Facility and Type of Development

As stated under **Requirement 3**, development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin require improved flood control and flood protection services to protect use and life.

Each development project will add to the necessity of flood protection due to the increased EAD as a result of that development. Additionally, each development project will benefit from the levee infrastructure already in place at the time of development. For the new development described in this Nexus Study to occur in the Sutter Butte Basin, levee improvements that reduce the probability of flooding are necessary.

AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility

This study includes the following components:

1. A determination of the amount of planned development upon which the costs of the fee funded facilities will be allocated.
2. The identification of costs associated with each improvement, facility, or program funded by the fee.
3. The development of a standard metric by which to proportionately allocate the costs of the facilities between land use categories.
4. A determination of the fee cost per acre for each land use category.
5. A determination of the fee per unit by land use category.
6. A discussion of how the program will be administered by the Land Use Agency.

The Regional LDIF is calculated on a gross developable acreage (GDA) basis then converted to a per unit fee. The fee will be collected on a per unit basis for all types of development. For Single and Multi-Family Residential, a unit is a single dwelling unit. For Commercial and Industrial, a unit is 1,000 square feet of building. All development projects requiring a building permit within the Sutter Butte Basin will be categorized into one of the three development type categories and will be subject to the fee. At the option of each Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation and collection. The details of the calculation and collection of the fee are further described within the **Fee Program Administration** section of this Nexus Study.

Table S-1 provides a summary of the proposed initial fee rates per 1,000 square foot through Fiscal Year 2022/2023.

Assembly Bill No. 602 (2021)**Level of Service Identification Requirements**

This Nexus Study has also been prepared in accordance with the provisions of Assembly Bill 602 (2021) (AB 602) as codified in Government Code § 65940.1, 66016.5, and 66019 and Health and Safety Code § 50466.5. AB 602 sets forth additional procedural requirements for the preparation of a Nexus Study and the adoption of a development impact fee. As it relates to the identification of level of service the following must be identified and provided:

1. The existing level of service;
2. The new level of service; and
3. An explanation of why the new level of service is appropriate.

AB 602 Requirement 1: Existing Level of Service

Segments of the Feather River levees do not provide adequate protection against 100-year flood flows and could cause the Sutter Butte Basin to fall into higher-risk Federal Emergency Management Agency (FEMA) flood zones. Ultimately this would result in FEMA requiring flood insurance on properties with a federally insured mortgage and issuing increased flood insurance rates accordingly. Many private lenders may also require flood insurance based on FEMA's requirement. As discussed in the **Regional Fee** section above, some portions of the Sutter Butte Basin levee improvement program have been completed, while other portions must still be completed to provide the entire Sutter Butte Basin with the reduced flood risk described in the 2007 Nexus Study. Since the 2007 Nexus Study, it has become clear to SBFCA that DWR will not be leading the improvements benefiting the southern portion of the Basin as had been expected. Development projects in the northern portion of the Basin that benefit from the improvements advanced by revenues from the entire Basin must now generate additional funding so that the remainder of improvements can be completed for the benefit of the entire Sutter Butte Basin.

AB 602 Requirement 2: New Level of Service

The Regional LDIF, in combination with other funding sources, will provide funding for levee improvements to provide the urban portion of the Sutter Butte Basin protection against 200-year flood flows within the Feather River and protection against 100-year flood flows within the Feather River for the remainder of the basin.

AB 602 Requirement 3: Explanation of Why the New Level of Service is Appropriate

Without the levee improvements, the Sutter Butte Basin would not be protected from 100-year or 200-year flood flows within the Feather River. This would result in increased risk of loss of use and life safety and may ultimately lead to the requirement of flood insurance as well increases to the FEMA flood insurance rates.

Housing Development Square Footage Basis Exemption Findings

AB 602 requires that the calculation of the fee on a housing development project be proportionate to the square footage of the proposed units of the development. This Nexus Study complies with the housing development square footage basis requirement.

Table S-1
SBFCA Regional Levee Development Impact Fee Program
Summary of Initial Fee Rates per 1,000 Sq Ft by Land Use Category

Land Use	Cost Share	Admin Fee	Fee Rate Per 1,000 Sq Ft [1]
	Table 8	3%	
Single Family	\$416	\$12	\$428
Multi-Family	\$261	\$8	\$269
Commercial	\$424	\$13	\$436
Industrial	\$271	\$8	\$279

[1] These initial Fee Rates are effective upon adoption through the end of FY 2022/2023 after which annual Fee escalation, as described in the Nexus Study, will be applied starting July 1, 2023. Rounded to the nearest whole dollar.

Procedural Requirements

The Member Land Use Agencies intend to adopt the Regional LDIF pursuant to the procedural requirements of both AB 1600 and AB 602. The procedures include the following:

- **Conduct a Noticed Public Hearing to Adopt the Nexus Study:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt this Nexus Study, at which oral or written presentations can be made, this may be part of a regularly scheduled meeting or a special meeting. This public hearing shall be noticed at least 30 days prior in accordance with Government Code § 66016.5(a)(7).
- **Conduct a Noticed Public Hearing to Adopt the Development Impact Fee:** Each Member Land Use Agency shall conduct a noticed Public Hearing, to adopt the development fee associated with this Nexus Study, at which oral or written presentations can be made, as part of a regularly scheduled meeting. This public hearing shall be noticed by publication at least 10 days prior in accordance with Government Code § 6062(a). In addition, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that any data required by Government Code § 66016(a) is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the Local Agency for mailed notice of meetings on new or increased fees or service charges.
- **Provide Public Information:** Each Member Land Use Agency shall provide public information, at least 10 days prior to their Public Hearing, including available public data indicating the amount of estimated costs required to provide the service for which the fee is to be levied.
- **Adopt a Resolution or Ordinance:** AB 1600 requires that any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution.

Note that Government Code § 66017 states that fees adopted pursuant to the provisions of Government Code § 66016 (those outlined above) are effective no sooner than 60 days after final action on the adoption of the new fee or increase to an existing fee.

LAND USE CATEGORIES & NEW DEVELOPMENT

Land Use Categories

AB 1600 sets forth standards by which monetary exactions on development projects are measured. The need for a public facility must be reasonably related to the level of service required, which varies in proportion to a particular land use type.

The following is a list of the land use type categories utilized for the purpose of this Regional LDIF:

- **Single-Family Residential:** Includes structures that are single-family dwellings and duplexes. Half-plexes, rural homes, and mobile homes requiring a build permit are included in this category.
- **Multi-Family Residential:** Includes structures that are occupied by three or more families living independently of each other, under one roof. This category includes condominiums, triplexes, four-plexes, apartment complexes.
- **Commercial:** Includes offices, retail facilities, hotels, motels, restaurants, service stations and car washes, medical and dental offices, banks, and any other development typically serving and open to the general public.
- **Industrial:** Includes development occupied by manufacturing, warehouses, processing plants, heavy and light industry, lumberyards, storage, bulk plants, truck transfer terminals, and any other development typically serving the manufacturing, storage, or processing industries.

Further details with respect to the specifics of each land use category are discussed within the **Fee Program Implementation** and **Fee Program Administration** sections of this Nexus Study.

Sutter Butte Basin Land Uses

A central principle to determining a development impact fee is to consider the amount of anticipated future growth over the time horizon of the proposed program. In this case, the scope of facilities needed to provide enhanced flood protection within the Sutter Butte Basin are not necessarily functionally related to the amount of planned or existing development. The new facilities will provide a benefit to existing development. As described above, this Regional LDIF program is one of several sources of funding needed to construct the improvements. The facilities funded by this fee need not be allocated to existing development as a separate funding mechanism will cover the benefit received and service provided to existing development.

This fee only applies to planned development within the Sutter Butte Basin that benefits from the facilities providing reduced flood risk. For the purposes of determining the allocation base for the fee, planned development is all development that has been identified by the land use jurisdictions and is expected to obtain a building permit after the implementation of this fee program.

Planned New Development

Planned new development within Sutter Butte Basin was estimated based on extensive research and coordination with the Counties of Butte and Sutter and the Cities of Biggs, Gridley, Live Oak, and Yuba City.

The details of the planned development estimated over the 30-year horizon of the fee program are documented in **Appendix A. Table 1** provides a summary of planned new development by land use that is subject to the fee for the duration of the fee program. This table provides the total GDA by land use category as well as the total number of Single-Family and Multi-Family units and 1,000 building square feet for Commercial and Industrial development throughout the entire basin. The calculation of units and 1,000 square feet per acre is reflective of development throughout the basin and not specific to any individual Land Use Agency.

Table 1
SBFCA Regional Levee Development Impact Fee Program
Planned Development Summary

Land Use	Gross Developable Acreage (GDA)	1,000 Building Sq Ft	1,000 Sq Ft Per Acre [1]
Reference	Table A-1	Table A-2	
	A	B	C = B / A
Single-Family	3,612	35,235	9.75
Multi-Family	786	8,983	11.42
Commercial	736	6,504	8.84
Industrial	427	5,792	13.57
Total	5,561		

CAPITAL IMPROVEMENTS AND PROJECTS

Capital Costs Allocable to Planned Development

As described above and within the SBFCA Assessment District Final Engineer's Report prepared by Parsons Brinckerhoff dated July 14, 2010 (2010 SBFCA Assessment ER), a series of improvements are needed to ensure that the levee system provides 200-year flood protection to the northern urban portion of the Sutter Butte Basin and 100-Year flood protection to the southern rural portion of the basin. A detailed cost estimate and financing plan has been prepared by SBFCA to demonstrate how the LFMA intends to generate the funds needed to implement its levee improvement program.

The Regional LDIF will fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the SBFCA Assessment District and State Grants to date. The Regional LDIF will fund:

- Improvements to the Feather River West Levee System including:
 - Star Bend Setback Levee constructed by Levee District 1²
 - Feather River West Levee Project Phase 1
 - Gridley Bridge Erosion Repairs
 - Laurel Avenue Flood System Repair Project
 - Federal Sutter Basin Feasibility Study and Increment Constructed by the US Army Corps of Engineers (local sponsor costs only)
 - Feather River West Levee repairs to Reaches 14 through 16
 - Lower Feather River Repairs (remaining repairs between Highway 99 and the Sutter Bypass East Levee)
- Sutter Bypass East Levee Project Phases 1 through 3 (from Wadsworth Canal downstream to Feather River confluence)
 - Includes critical repairs for 3 sub-reaches within Phase 1
- Urban Levee Design Criteria Compliance Projects
 - Ongoing certification reporting and compliance for a period of 30 years consistent with the term of projections of development within a Nexus Study
 - ULDC Compliance projects required to maintain an Urban Level of Protection

All of the costs of the above projects/scope of work are included in the Regional LDIF and all local (SBFCA Assessment) and non-local funding (State Grants) that offset these costs are reflected in this Nexus Study. The net remaining costs are the basis for a Regional LDIF.

The Regional LDIF will be only levied on Planned Development within the Sutter Butte Basin. This means that the portion of the costs allocable to existing development, will not be raised through this fee program. The

² The scope and costs of the Star Bend Setback Levee includes only the local share funded by SBFCA.

LFMA will use other local sources (SBFCA Assessment) and non-local (State Grants) to fund the balance of the costs not raised through this fee program.

Summary of Capital Improvements Funded by the Development Impact Fee

The actual costs incurred and estimated costs for the levee improvements are shown in **Table 2**. All estimated costs are in 2021 dollars. **Appendix B** provides details of State Grants and available SBFCA Assessment revenues. The total cost of capital improvements funded is approximately \$625.2 million in 2021 dollars. Other sources of funding are estimated to contribute approximately \$603.9 million which fund existing development's portion of the costs of the levee improvements. The estimated remaining \$21.3 million will be funded by Planned Development through this Regional LDIF program. This amount is used as the basis for calculating the Regional LDIF.

Table 2
SBFCA Regional Levee Development Impact Fee Program
Costs of Flood Control Capital Projects Covered by the Fee

Item	Total Cost
Program Expenditures	
Feather River West Levee Project Ph 1 & 2	
Star Bend Project Payments (to LD1)	\$2,222,242
Feather River West Levee Phase 1 (EIP / UFRR Project)	\$322,332,310
Gridley Bridge Erosion Repair	\$503,101
Laurel Avenue FSRP	\$11,102,697
Federal Project Feasibility Study & Construction (Local Share)	\$13,088,821
Reaches 14 to 16 Repairs	\$29,479,200
Lower Feather River Remainder Phase 2	\$20,000,000
Sutter Bypass Improvements	
Small Community Studies	\$999,969
Critical Repair Projects	\$30,000,000
Full Repair	\$190,000,000
ULDC Compliance Projects	\$5,500,000
<i>Subtotal Program Expenditures</i>	<i>\$625,228,341</i>
Program Revenues	
Non-Local Funding Sources [2]	\$473,768,575
Local Funding Sources [3]	\$130,146,977
<i>Subtotal Program Revenues</i>	<i>\$603,915,552</i>
Total Cost Funded by the Levee Fee	<i>\$21,312,789</i>

Source: SBFCA Budget

[1] Assumed 30-year timeframe at \$500,000 every 5 years.

[2] See Table B-1 for all grant funded sources.

[3] See Table B-2 for all available SBFCA assessment revenues and bond sale proceeds.

REGIONAL LDIF METHODOLOGY

In accordance with AB 1600, a calculation of development impact fees must be accompanied by an analysis with enough detail to justify that a thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Findings must ensure that a reasonable relationship exists between the proposed fee and the development upon which it will be levied. This section describes the methodology utilized in this report in accordance with the requirements of AB 1600.

The fee methodology utilized here includes the following steps:

1. Qualitatively determine and describe the land use categories utilized as the basis for the fee.
2. Quantify the projected growth within the benefiting area in each of the land use categories in terms of GDA.
3. Describe and estimate the capital improvement costs and their applicability to planned new development.
4. Estimate the total building footprint square feet in each land use category and the resulting damageable square feet of structure per acre for each land use category.
5. Use the estimated damageable square feet per acre, an assumed relative structure value per structure type, and the assumed flood damage percentage to estimate the average structure damage per acre per structure type.
6. Use an estimated relative land value per land use category and assumed flood damage percentage to estimate an average land damage per acre per land use category.
7. Use the estimated structure and land damages to determine an estimated total damage per acre per land use category.
8. Apply a Loss of Use and Life Safety Factor to adjust the total damage per acre to determine an adjusted damage per acre per land use category.
9. Determine a relative Flood Damage Index by relating the adjusted damage per acre for each land use category to that of the adjusted damage per acre for the Single-Family Residential land use category.
10. Utilize the Flood Damage index to determine the adjusted equivalent acreage which represents a weighted amount of planned development acreage by land use type within the Sutter Butte Basin.
11. Proportionately allocate the capital improvement costs to each land use category based upon the adjusted equivalent acreage.
12. Determine the cost per GDA by dividing the allocated costs by the GDA of each land use category.
13. Add to each cost per acre the costs of administration of the fee program.
14. Convert the per GDA fee to a per unit fee using assumed density and FAR data to determine the fee amount per unit per land use category to be collected by the land use agencies.

Cost Allocation and Calculation

The purpose of allocating the capital improvements costs among the various land uses is to provide an equitable method of funding the required improvements. The key to the cost apportionment of capital improvements to different land use types is the assumption that the benefits derived from the facilities are

related to land use type and that such benefits can be stated in relative terms. Only by relating the benefit received from the facilities and the services they provide to land use types can a reasonable nexus, or relationship, be established for the apportionment of costs to that land use.

Since the nature of the improvements in this Nexus Study relate to reducing the flood risk in the Sutter Butte Basin, the equivalency factor determined in Step 9 above is the Flood Damage Index. The Flood Damage Index is a relative factor that relates the adjusted property damages by land use to the property damage of an acre of Single-Family development. The greater the index value, the greater the impact in terms of property damage and loss of use and life associated with a possible flood. An index value closer to zero would indicate lower damage costs and loss of use and life associated with a flood. Given these facts, utilizing the Flood Damage Index as described above is a reasonable method to allocate costs proportionately based on land use.

The following describes the series of tables that calculate the Regional LDIF using the method described above.

Using the estimated total building square feet and the assumed average building stories, **Table 3** determines the estimated building footprint square feet and the associated damageable square feet of structure per acre.

After calculating the damageable square feet of structure per acre for each land use category, the value is then multiplied by the relative structure value per square foot and the assumed flood damage percentage to find the average structure damage per GDA, as shown in **Table 4**. The relative structure value and assumed flood damage percentage are based upon the 2010 SBFCA Assessment ER. **Table 5** uses the relative land value per acre and assumed flood damage percentage based upon the 2010 SBFCA Assessment ER to calculate the average land damage per acre.

By summing the average structure damage and average land damage per GDA values determined in **Table 4** and **Table 5**, a total damage per GDA can be determined. The total damage is then adjusted by a Loss of Use and Life Safety Factor, a factor determined by how many hours per day individuals occupy structures in each land use category. This factor is multiplied by the total damage per acre to determine an adjusted damage per acre. The adjusted damage per acre amount is then used to find the Flood Damage Index or equivalency factor, as illustrated in **Table 6**.

The Flood Damage Index from **Table 6** is used to determine an adjusted equivalent acreage. This amount is used to allocate the local cost to each land use category on a proportional adjusted equivalent acreage basis for each land use category. The allocated cost is then divided by the total GDA in each land use category to find the cost share per GDA as shown in **Table 7**.

Table 8 shows the allocated costs per GDA of the fee and the Administrative Fee of 3% to determine the total fee amount on a per GDA basis for each land use type. **Table 8** then calculates the Cost Share, Administrative Fee, and Fee Rate on a per unit or 1,000 building square feet basis based on the density of planned development shown in **Table 1**.

Appendix C shows the estimated allocated cost per unit for Residential and the estimated cost per 1,000 square feet for Non-Residential development by each Land Use Agency.

Table 3
SBFCA Regional Levee Development Impact Fee Program
Damageable Square Feet of Structure Per GDA

Land Use	Gross Developable Acreage (GDA)	1,000 Square Feet [1]	Estimated Total Building Sq Ft	Assumed Average Building Stories	Estimated Building Footprint Sq Ft	Damageable Structure Sq Ft per GDA
Reference	Table A-1	Table A-2				
	A	B	C = B*1,000	D	E = C/D	F = E/A
Single-Family [2]	3,612	35,235	35,234,973	1.17	30,201,406	8,361
Multi-Family [3]	786	8,983	8,983,350	2.00	4,491,675	5,711
Commercial	736	6,504	6,503,853	1.00	6,503,853	8,835
Industrial	427	5,792	5,792,371	1.00	5,792,371	13,572
Total	5,561		56,514,548		46,989,305	

[1] Single-Family and Multi-Family shown in units; Commercial and Industrial shown in 1,000s of square feet.

[2] Assumes average 2,100 square foot units (all stories) and 1,800 square foot single story units, thus imputing an assumed average number of stories per building.

[3] Assumes average 900 square foot units.

Table 4
SBFCA Regional Levee Development Impact Fee Program
Relative Structure Damage Per GDA

Land Use	Relative Structure Value Per Sq Ft	Damageable Structure Sq Ft per GDA	Assumed Flood Damage Percentage	Average Structure Damage Per GDA
Reference		Table 3		
	A	B	C	D = A*B*C
Single-Family [1]	\$60	8,361	35%	\$175,589
Multi-Family [1]	\$60	5,711	35%	\$119,939
Commercial	\$70	8,835	81%	\$500,949
Industrial	\$50	13,572	77%	\$522,520

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010

[1] The Sutter Butte Flood Control Agency Engineer's Report does not distinguish Single-Family from Multi-Family in the Residential land use category therefore the same relative structure value and flood damage percentage were utilized for both land uses.

Table 5
SBFCA Regional Levee Development Impact Fee Program
Relative Land Damage per GDA

Land Use	Relative Land Value Per GDA	Assumed Flood Damage Percentage	Relative Land Damage Per GDA
	A	B	C = A*B
Single-Family	\$251,000	10%	\$25,100
Multi-Family	\$278,000	10%	\$27,800
Commercial	\$554,000	10%	\$55,400
Industrial	\$233,000	10%	\$23,300

Source: SBFCA Assessment Final Engineer's Report date July 14, 2010

Table 6
SBFCA Regional Levee Development Impact Fee Program
Relative Flood Damage Index

Land Use	Average Structure Value Damage Per Acre	Average Land Value Damage Per Acre	Total Damage Per Acre	Loss of Use & Life Safety Factor [1]	Adjusted Total Damage Per Acre	Relative Flood Damage Index
Reference	Table 4	Table 5				
	A	B	C = A+B	D	E = C*D	F = E/\$602,066
Single-Family	\$175,589	\$25,100	\$200,689	3.00	\$602,066	1.00
Multi-Family	\$119,939	\$27,800	\$147,739	3.00	\$443,218	0.74
Commercial	\$500,949	\$55,400	\$556,349	1.00	\$556,349	0.92
Industrial	\$522,520	\$23,300	\$545,820	1.00	\$545,820	0.91

[1] A ratio of 3:1 based on 24 hours of use for Residential and 8 hours of use for Commercial and Industrial.

Table 7
SBFCA Regional Levee Development Impact Fee Program
Apportionment of Costs Per GDA

Land Use	Gross Developable Acreage	Flood Damage Index	Adjusted Equivalent Acreage	Local Cost Share Percentage	Local Cost Share	Cost Share per GDA
Reference	Table 1	Table 6			Table 2	
	A	B	C = A*B	D = C/5,258	E = D*\$21,312,789	F = E/A
Single-Family	3,612	1.00	3,612	68.7%	\$14,640,612	\$4,053
Multi-Family	786	0.74	579	11.0%	\$2,346,651	\$2,984
Commercial	736	0.92	680	12.9%	\$2,757,228	\$3,746
Industrial	427	0.91	387	7.4%	\$1,568,299	\$3,675
Total	5,561		5,258	100%	\$21,312,789	

Table 8
SBFCA Regional Levee Development Impact Fee Program
Development Fee Rate Summary

Land Use	Per GDA			1,000 Sq Ft	Per 1,000 Square Feet		
	Cost Share	Admin Fee	Fee Rate	Per Acre	Cost Share	Admin Fee	Fee Rate
Reference	Table 7	3%		Table 1			
	A	B = A * 3%	C = A+B	D	E = A/D	F = B/D	G = C/D
Single-Family	\$4,053	\$122	\$4,175	9.75	\$416	\$12	\$428
Multi-Family	\$2,984	\$90	\$3,073	11.42	\$261	\$8	\$269
Commercial	\$3,746	\$112	\$3,858	8.84	\$424	\$13	\$436
Industrial	\$3,675	\$110	\$3,785	13.57	\$271	\$8	\$279

FEE PROGRAM IMPLEMENTATION

The Regional LDIF calculations presented in this Nexus Study are based on the best improvement cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly, if the type or amount of new projected development changes, or if other assumptions significantly change such as Federal or State standards, this Nexus Study and the program should be updated accordingly.

Regional LDIF Collection

It is expected that each Land Use Agency in the Sutter Butte Basin will individually adopt the Regional LDIF and collect and remit fees to SBFCA. It is expected that as part of the adoption of this Nexus Study by a City or County, the agency will enter into a collection agreement with SBFCA and pursuant to that agreement, SBFCA will support the efficient administration and collection of the fee. SBFCA will support collection by clarifying and specifying any conditions that would trigger the collection of the Regional LDIF or similarly clarifying and specifying any exemption of the Regional LDIF as further described in **Exemptions from the Fee**, below. SBFCA may also support each City or County as requested to specify appropriate development conditions to ensure imposition of the fee, as well as clarify any specifics as to the calculation and collection of the fee. A City or County, at its discretion, may also allow for variations in the method of payment as further described in this section.

Fee Triggers/Applicability

The Regional LDIF will apply to all Planned Development in the Sutter Butte Basin that creates a flood protection impact. Planned Development is defined as all development that is required to obtain a building permit within the Sutter Butte Basin. At the option of the Land Use Agency, the fee may be calculated and collected either prior to issuance of a building permit or prior to building permit final and/or issuance of a certificate of occupancy. The Fee will be charged at the then current rate at the time of calculation.

Regional LDIF Program Boundary

The Regional LDIF calculations are based upon the total costs of the levee improvement program and estimated amount of development within the floodplain in the Sutter Butte Basin which encompasses the entire benefit area. By virtue of the cost allocation process, this Regional LDIF program will generate a proportional amount of fee revenue from the share of Planned Development within each of the land use agencies. **Figure 1** (page 4) illustrates the Regional LDIF Program Boundary.

Exemptions from the Fee

The following land uses and/or projects are exempt from the Regional LDIF:

1. Agricultural Exemption: Development on agricultural zoned land including development of rural residential parcels greater than 5 acres in size.

2. Additions to Pre-Existing Structures: Development projects that 1) require a building permit and 2) are increasing the amount of new structure square footage by no more than 500 new square feet are exempt from the fee. If the project increases the structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a proportionate basis. See details on the proportional basis in the Fee Program Administration, Number of Units section on page 28.
3. Replacement due to Damage (with or without Addition): If the proposed project is an in-kind replacement to a previously existing structure because of fire damage or other natural disaster, the project will be exempt from the fee so long as the replacement does not increase the amount of new structure by more than 300 square feet. If the project increases the structure by more than 300 square feet, the incremental new square footage will be charged the fee on a proportionate basis.
4. Structure raised above the 200-year Floodplain Elevation: Development projects with structures raised above the elevation of the 200-year flood as determined by the Land use agencies or structures removed from the 200-year floodplain by flood control improvements that meet the design standards applicable to the Federal-State flood control system as determined by the Land use agencies, shall be exempt from the fee. The “200-year flood” and “200-year floodplain” are determined without incorporating SBFCA’s completed Feather River West Levee improvements.
5. Open space.
6. Public Agency Owned Land (including Federal, State, and Land use agencies).

Written Waivers to the Fee

With written approval from the Land Use Agency having jurisdiction, any or all portions of the proposed fees may be waived if it can be determined that a proposed project will not derive permanent benefit from the improvements for which the fees are collected (i.e., it can be shown that the property does not benefit from the flood protection). Written fee waivers may be available on a case-by-case basis for certain temporary structures, such as a mobile temporary structure used for construction management purposes.

Coverage Period

Except as otherwise indicated as part of the Member Land Use Agency’s adoption process, the Regional LDIF is to be collected beginning the 61st day after the adoption of the resolution or ordinance approving the fee, as adopted by each Member Land Use Agency’s governing body and for 30-years thereafter, unless updated, amended, or repealed.

Administration Costs

The estimated costs of administration for the Regional LDIF have been included in the fee rates program shown on **Table S1** and **Table 8**. The proposed administrative fee is 3% of the cost of the fee. However, to the extent each Land Use Agency has its own process for determining the administrative cost of the fee, this amount may be adjusted by each Land Use Agency accordingly. These administrative costs will cover the following:

- The development and administration of the Regional LDIF Program.

- Accounting costs associated with the Regional LDIF.
- Any necessary or required annual review of the fee program costs, fees, and policies.
- Any necessary or required annual reporting requirements associated with the fee program.
- Any other ongoing and recurring administrative procedures associated with the program.

Variations in Method

The Land use agencies may allow for variations in the method of fee payment at the time of fee calculation, including:

- Use of any lawfully created Assessment District or Community Facilities District (CFD) to finance fee payment.
- Voluntarily accelerated payment of the fee at the time of filing of any application for a tentative subdivision map, parcel map, or an earlier land use application, at the then-applicable rate.
- The collection of fees or other payments to fund improvements by the land use jurisdictions that are to be used, by agreement, to directly fund or reimburse the cost of the facilities funded by the fee.

The use of these alternative payment mechanisms and the collection of the Regional LDIF may vary among the Land use agencies, however, in any case, the alternative method of payment will be documented within an agreement or memorandum by the Land Use Agency.

Refunds and Appeals Process

An applicant who has paid the Regional LDIF may request that such fee be refunded at any time prior to commencement of the development, although, to do so would terminate any approved application or permit. Refunds will be made according to the policies and procedures of Land Use Agency, as they are developed, and may reflect deductions to compensate for handling and administrative costs incurred by the land use agencies in processing the fee calculation, collection, and refund request.

Appeals regarding the determination of the applicability and amount of the LDIF are to be made in writing to the Land Use Agency. The Land Use Agency shall respond to the appeal request in writing within 30 days. The determination of the Land Use may be appealed pursuant to any adopted appeal procedures. Any determination by the Land Use Agency's Board of Directors shall be considered final.

Annual Fee Escalation

To address inflationary costs, the base fee rates shown in this study shall escalate by either the escalation schedule defined by each Member land Use Agency's fee adoption process, if not otherwise defined, each July 1st, commencing on July 1, 2023, or the next July 1st. The fee rates shall escalate by the percentage increase in the Engineering News-Record (ENR) 20-City Average Construction Cost Index (CCI) for the period ending April of the previous fiscal year. The base month for this adjustment shall be April of the year preceding adoption of the fee. The fee shall be the ratio of the most recent April index to the prior year's April index.

FEE PROGRAM ADMINISTRATION

The following describes the general procedures for the administration of the Regional LDIF. The staff of each Land Use Agency may develop more detailed administrative procedures or implement more specific policies after the adoption of the program to more efficiently administer the program and provide needed clarification in certain circumstances.

Fee Calculation

To calculate the Regional LDIF the following information is required:

- The land use category of the new development.
- The square footage of the development.
- The current fee rates.

The following provides detailed information on each requirement.

Land Use Categorization

The Development Services Department of the Member Land Use Agency will determine the correct Regional LDIF rate by classifying the proposed development into one of the following four land use categories:

- Single-Family Residential
- Multi-Family Residential
- Commercial
- Industrial

To classify the proposed development into one of the four land use categories, the agency will use the following information:

- The land use type from the zoning code that applies to the land upon which the development is proposed; and
- The descriptions of the four land use categories in this Nexus Study, found in the **Land Use Categories** discussion on page 11.

Total Square Footage of Development

For New Development of Vacant Land

In the case where a structure is being constructed on vacant land that has not previously been developed:

Residential Land Uses

- For all residential land uses, the fee is calculated proportionately to the square footage of the residential property. The total conditioned (habitable) square footage of the property is divided by 1,000 square feet to determine the total fee amount. Conditioned or habitable square footage

is livable space within a residential property excluding basements, garages, garden sheds, greenhouses, storage sheds, and covered patios.

Nonresidential Land Uses

- For nonresidential land uses, the total square footage of building space is divided by 1,000 square feet to determine the total fee amount.

For Development of Land with Pre-Existing Structures or Replacement Structures

Residential Land Uses

- For a residential expansion project in excess of 500 new habitable square feet, the incremental new square footage will be charged the fee on a 1,000 square foot basis.
- For residential replacement projects, if the project involves development of a new residential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure), and the new structure is larger than the demolished structure by 500 square feet or more, only the incremental new habitable square footage will be charged the fee per 1,000 square foot basis. The net new square footage in excess of 500 square feet will be determined by subtracting the documented habitable square footage of the previously existing structure from the new square footage.
- For residential expansion or replacement projects of less than 500 new square feet, no fee will be due.

Nonresidential Land Uses

- For nonresidential expansion projects of more than 500 new building square feet, the additional square footage will be charged the fee per 1,000 square foot basis.
- For nonresidential replacement projects, if the project involves development of a new nonresidential structure after the demolition of a pre-existing structure (regardless of the use of the pre-existing structure) and the new structure is larger than the demolished structure by 500 square feet or more, only the incremental new square footage will be charged the fee on a 1,000 square foot basis. The net new building square footage in excess of 500 square feet will be determined by subtracting the documented habitable square footage of the previously existing structure from the new square footage.
- For nonresidential expansion or replacement projects of less than 500 new building square feet, no fee will be due.

Calculation Steps

The following steps are required to calculate the development fee:

1. Determine the land use category fee rate based on the characteristics of the development and the descriptions of the land use categories.
2. Determine the total square footage of development using the definitions above.

3. Determine the total Regional LDIF by multiplying the fee rate from Step 1 and the proportional square footage from Step 2.

This is the fee applicable to the New Development.

Fee Revenue Accounting

The revenues raised by payment of the Regional LDIF shall be placed in a separate fund established by Yuba City (Yuba LDIF Fund). Separate and special accounts may be established in the Yuba LDIF Fund and used to account for collected revenues, along with any interest earnings. Yuba City will remit the collected funds to SBFCA pursuant to the terms of the collection agreement executed between SBFCA and Yuba City.

Periodic Review and Cost Adjustment

SBFCA will periodically review actual project costs and Regional LDIF collections to determine if any updates to the program are warranted. The periodic review will occur no less than every five years. During these reviews, the following aspects will be analyzed:

- Changes to the improvements to be funded by the Regional LDIF program
- Changes in the cost to update or administer the Regional LDIF program
- Changes in annual financing costs
- Changes in assumed land uses
- Changes in development absorption
- Changes in other funding sources

Any changes to the Regional LDIF based on the periodic update will be presented to the SBFCA Board of Directors and/or the Member Land Use Agency as required for approval before an increase of the fee will take effect. SBFCA will send notice of the fee change to the member land use, pursuant to the terms of the collection agreement(s) between SBFCA and the Member Land Use Agencies.

The fifth fiscal year following the first deposit into the fee account or fund, and annually thereafter, each Land Use Agency is required to make all the following findings about that portion of the account or fund remaining unexpended:

- Identify the purpose for which the fee is to be used.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to fulfill the levee improvements.
- Designate the approximate dates that the funding referred to in the above paragraph is expected to be deposited in the appropriate account or fund.

SBFCA and/or the Member Land Use Agency must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings unless the administrative costs exceed the amount of the refund.

According to Government Code §66006, SBFCA is required to deposit, invest, account for, and expend the fees in the prescribed manner.

NEXUS FINDINGS

Authority

This report has been prepared in support of the Regional LDIF in accordance with the procedural guidelines established in AB 1600, codified in California Government §66000 et. seq. This code section sets forth the procedural requirements for establishing and collecting development impact fees. The procedures require that a “reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition.”

Specifically, each Land Use Agency imposing a fee must:

6. Identifying the purpose of the fee.
7. Identifying how the fee is to be used.
8. Determining that a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
9. Determining how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
10. Demonstrating a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

Summary of Nexus Findings

The Regional LDIF to be collected for each land use is calculated based on applicability of planned new development to the capital improvement project and standardized acreage proportion of the land use category to the total cost of the improvement. With this approach, the following findings are made regarding the Regional LDIF:

AB 1600 Requirement 1: Purpose of Fee

The capital improvements funded by the Regional LDIF are necessary to serve new residential and nonresidential development as described in Section 5 of the SBFCA adopted Strategic Plan.

AB 1600 Requirement 2: Use of the Fee

The Regional LDIF will be used to design and construct levee improvements in order to reduce the probability of flooding within the Sutter Butte Basin as further described in Section 5 of the SBFCA adopted Strategic Plan.

AB 1600 Requirement 3: Relationship Between Use of Fees and Type of Development

Development of Residential, Commercial, and Industrial land uses within the Sutter Butte Basin will require improved flood control and flood protection services. This Regional LDIF, in conjunction with other funding sources, will fund the improved SBFCA flood protection system as described in Section 5 of the SBFCA adopted Strategic Plan .

AB 1600 Requirement 4: Relationship Between Need for Facility and Type of

Each Residential, Commercial, and Industrial development project adds to the incremental need for flood protection because of the increase in damage that would occur as a result of an uncontrolled flood, and the increased burden that the damages will place on the Land use agencies and SBFCA. For the new development described in this Nexus Study to occur within the Sutter Butte Basin, the level of flood control needs to be improved to provide a reduced probability of flooding to the Basin as described in Section 5 of the SBFCA Strategic Plan.

AB 1600 Requirement 5: Relationship Between Amount of Fees and Cost of Facility

The appropriate common use factor for allocating costs to each land use is the Relative Flood Damage Index. **Table 6** shows the respective Relative Flood Damage Index for each land use.

SBFCA, acting as LFMA, has estimated the total cost of the required facilities. The allocation of the costs based on the acres adjusted by the Relative Flood Damage Index have been presented in **Table 7**. The result is the cost of the improvements attributed to each acre of Residential, Commercial, and Industrial development. This allocation demonstrates the relationship between the amount of fee and the cost of the portion of the facility attributed to the specific type of development upon which the fee is imposed.

Appendix A: Planned Development Details

Planned Development Details	A-1
Table A-1: Total Developable Acreage	A-3
Table A-2: Total Developable Dwelling Units and Square Feet	A-4

Planned Development Details

Summary of Planned Development

Development expected to occur within the Regional LDIF Boundary over the next 30 years is subject to the Fee. Generally, development build-out projections from the member Land Use Agency General Plans were analyzed in conjunctions with historical development rates and it was established that using 75% of build-out projections was appropriate to determine the amount of development expected to take place over the next 30 years. Details of projected development acres by development type and Land Use Agency can be found in **Table A1**. Details of projected units for residential and 1,000s of square feet for nonresidential development by Land Use Agency can be found in **Table A2**. It should be noted that, the densities and floor area ratios (FAR) utilized in the calculation of the Regional LDIF are an aggregate of the data across all land use agencies and are not specific to any individual agency.

City of Biggs

The City of Biggs General Plan dated January 2014 Land Use Element Table LU-4 provides low, medium, and high housing growth scenarios at 3.3%, 3.7%, and 4.1%, respectively, from 2010 through 2035. The Land Use Element also states that unless regional conditions change significantly, annual growth of 1% to 1.5% is more likely. Extrapolating 1.5 percent growth from 2010 through 2050 results in an increase of 398 units. This is consistent with using 75% of the 2035 increase in units based on the low growth scenario which in turn is also consistent with the methodology utilized for other land use agencies. City staff indicated that over the last four years, six homes had been built. Given this information, it was determined that using the 1.5% growth projected growth would be appropriate. Development was assumed to be low density residential at 6 dwelling units per acre as shown in Table LU-5.

City of Gridley

The City of Gridley 2030 General Plan Land Use Element Table Land Use-2 provides low and high estimated growth within the City Planned Growth Area by dwelling units for residential and by square feet for nonresidential development. Table Land Use-3 provides the same information for growth within the Existing City and SOI. City staff indicated that over the last ten years, 225 residential units and 15,000 square feet of commercial had been built. Given this information, it was determined that using 75% of the lower projected growth from the General Plan would be appropriate. For residential development, average dwelling units per acre as indicated in Table Land Use-5 were utilized. For nonresidential development, half of the maximum FAR was assumed as indicated in Table Land Use-5.

City of Live Oak

The City of Live Oak 2030 General Plan Land Use Element Table LU-1 provides low and high build-out estimates for the City. The low build-out data was reduced by the estimated established development. City staff indicated that over the next ten years, approximately 450 residential units are already planned to be built. Given this information, it was determined that using 75% of the low build-out acreage estimates, reduced by

the estimated established development acreages, would be appropriate. To estimate total units for residential and 1,000s of square feet for nonresidential, per acre values were calculate based Table LU-1.

City of Yuba City

The City of Yuba City build-out estimates were developed through coordination with the Department of Development Services and use of the May 2018 General Plan Diagram and Water Master Plan in conjunction with GIS data. Build-out acreage estimates were reduced by the estimated established development acreages. To calculate total units for residential and 1,000s of square feet for nonresidential, the densities and FARs provided in the Land Use Classification section of the Yuba City General Plan dated April 8, 2004.

Butte County

Per Butte County Department of Development Services, Single-Family development is assumed to continue at a rate of 74 units per year for the next 30 years. The average lot size was calculated based the information found in the Butte County General Plan Land Use Element indicating that Single-Family units dispersed throughout the unincorporated County totaled approximately 30,000 units on 117,210 acres, or lot sizes of approximately 0.25 acres. Butte County encompasses approximately 1,064,421 acres, of which, approximately 71,737 acres are within the Regional LDIF Boundary, or about 6.75%. Therefore, development of 5 units per year for 30 years was assumed.

Sutter County

Per Sutter County Department of Development Services, Single-Family development is assumed to continue at an average rate of 21 units per year for the next 30 years. The average lot size for Single-Family Residences varies greatly within Sutter County, therefore, an average lot size of 0.25 acre was assumed, consistent with Butte County. Sutter County encompasses approximately 375,902 acres, of which, approximately 121,017 acres are within the Regional LDIF Boundary, or about 32.2%. Therefore, development of 7 units per year for 30 years was assumed.

Table A-1
SBFCA Regional Levee Development Impact Fee Program
Total Developable Acreage

Area / Project	Residential			Nonresidential			Total
	Single-Family	Multi-Family	Subtotal	Commercial	Industrial	Subtotal	
City of Biggs [1]	139	0	139	0	0	0	139
City of Gridley [2]	358	64	422	41	138	179	601
City of Live Oak [3]	1,653	171	1,824	361	0	361	2,186
City of Yuba City [4]	1,772	593	2,366	372	312	684	3,050
Butte County [5]	38	0	38	0	0	0	38
Sutter County [6]	53	0	53	0	0	0	53
Total Developable Land	4,013	828	4,841	775	449	1,224	6,065
Gross Acreage to GDA Factor	90%	95%		95%	95%		
Total GDA	3,612	786		736	427		5,561

A-3

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[2]City of Gridley 2030 General Plan Land Use Element Section, assumed 25% of the lower estimate of development identified would occur. For calculation of acreage, for Residential, the average dwelling units per acre were assumed; for Commerical and Industrial, half of the maximum FAR was assumed.

[3] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Serivces, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[5] Butte County 2030 General Plan Land Use Element states that Single-Family development is dispersed throughout the County with approximately 30,000 units on 117,210 acres, equating an average lot size of approximately 0.25 acres.

[6] Per Sutter County Department of Development Services, Single-Family average lot size varies greatly throughout the County, therefore, an average lot size of 0.25 acre was assumed which is consistent with Butte County.

Table A-2
SBFCA Regional Levee Development Impact Fee Program
Total Developable Dwelling Units and Square Feet

Area / Project	1,000s Square Feet			1,000s Square Feet		
	Single-Family	Multi-Family	Total	Commercial	Industrial	Total
	[1]	[2]				
City of Biggs [3]	836	0	836	0	0	0
City of Gridley [4]	3,898	894	4,793	806	2,400	3,206
City of Live Oak [5]	13,908	1,660	15,568	1,897	0	1,897
City of Yuba City [6]	15,837	6,429	22,266	3,801	3,392	7,193
Butte County [7]	315	0	315	0	0	0
Sutter County [8]	441	0	441	0	0	0
Total	35,235	8,983	44,218	6,504	5,792	12,296

[1] Assumes average 2,100 square foot units.

[2] Assumes average 900 square foot units.

[3] City of Biggs January 2014 General Plan Land Use Element Section states that 1.5% annual growth is most likely. Growth based on the 2010 reported units of 634. Assumed low density development at 6 dwelling units per acre.

[4] City of Gridley 2030 General Plan Land Use Element Section, assumed 75% of the lower estimate of development identified would occur. Assumed residential infill within existing City and SOI was 3:1 SFR:MFR.

[5] City of Live Oak 2030 General Plan Land Use Element Section, 75% of low build-out data less estimates of current development was assumed.

[6] Per City of Yuba City Department of Development Services, 75% of build-out estimates developed using the May 2018 General Plan Diagram and Water Master Plan less estimates of current development.

[7] Per Butte County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 74 units per year. Approximately 6.75% of Butte County is within the SBFCA Boundary, therefore, 5 units per year for 30 years was assumed.

[8] Per Sutter County Department of Development Services, Single-Family development throughout the County is assumed to continue at a rate of 21 units per year. Approximately 32.20% of Butte County is within the SBFCA Boundary, therefore, 7 units per year for 30 years was assumed.

Appendix B: Funding Sources Detail

Table B-1: Non-Local Funding Sources..... B-1

Table B-2: Local Funding Sources..... B-2

Table B-1
SBFCA Regional Levee Development Impact Fee Program
Non-Local Funding Sources

Item	Total Cost
Feather River West Levee Project (Phases 1 & 2)	
Sutter County Grant (Calpine Levee Funding)	\$1,300,000
EIP Design Grant (Prop 1E)	\$21,339,829
EIP/UFRR Construction Grant (Prop 1E)	\$234,748,777
FSRP Laurel Ave. - (Prop 1E & 84)	\$9,920,000
Gridley Bridge Erosion (Prop 13)	\$460,000
Prop 84/1E Emergency Work (R14 - 16)	\$25,000,000
Assumed State Funding for Lower Feather (75%)	\$15,000,000
<i>Subtotal Feather River West Levee Project (Phases 1 & 2)</i>	<i>\$307,768,606</i>
Sutter Bypass Improvements	
Small Community Grants	\$999,969
Assumed State Funding for Critical / Full Repair (75%)	\$165,000,000
<i>Subtotal Sutter Bypass Improvements</i>	<i>\$165,999,969</i>
Total Non-Local Funding	\$473,768,575

Source: SBFCA Budget

Table B-2
SBFCA Regional Levee Development Impact Fee Program
Local Funding Sources

Item	Local Funding
Projected Gross Annual Assessment Revenues	
Estimated 2010-45 Capital Portion of Assessment [1]	\$204,125,000.00
Gross Bond / Debt Financing Proceeds (Project Funds made available)	
Combined Proceeds from Sutter, Yuba City and LD 1 Loans	\$5,606,406.00
2011 Line of Credit Draws	\$14,737,649.20
2013 Bonds Project Fund Deposit	\$40,000,000.00
2015 Bonds Project Fund Deposit (Net of 2011 repayment)	\$33,708,415.34
<i>Subtotal Bond/Debt Financial Proceeds</i>	<i>\$94,052,470.54</i>
Gross Debt Service Costs (Principal & Interest)	
Loan Payments to Yuba City, Sutter County and LD 1 [2]	\$6,179,084.26
2011 Interest Costs	\$340,001.49
2013 Total Debt Service (P&I)	\$76,835,530.32
2015 Total Debt Service (P&I)	\$84,675,877.92
<i>Subtotal Debt Service</i>	<i>\$168,030,493.99</i>
Total Local Funding	\$130,146,976.55

[1] Assessment Revenue includes additional proceeds: gained interest, settlements, etc. and an assumption that in later years, assessments are levied up to the required debt service limit.

[2] Actual interest cost on short-term loans paid back to Yuba City, Sutter County and LD1. Proceeds and principal re-payment has been netted from this analysis.

Appendix C: Estimated Cost Allocation By Land Use Agency

Table C-1: Residential Estimated Cost per Unit by Land Use Agency C-1

Table C-2: Commercial & Industrial Estimated Cost per 1,000 Sq. Ft. by Land Use Agency..... C-2

Table C-1
SBFCA Regional Levee Development Impact Fee Program
Residential Estimated Cost Per Unit by Land Use Agency

Area	Single Family Acreage [1]	Multi-Family Acreage [1]	Total Allocated Cost	Cost Share Percentage	Single & Multi-Family	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$4,053) + (B*\$2,984)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	125	0	\$508,238	2.38%	836	\$608
City of Gridley	322	60	\$1,486,860	6.98%	4,793	\$310
City of Live Oak	1488	162	\$6,515,833	30.57%	15,568	\$419
City of Yuba City	1595	564	\$8,148,003	38.23%	22,266	\$366
Butte County	34	0	\$136,799	0.64%	315	\$434
Sutter County	47	0	\$191,519	0.90%	441	\$434

C-1

Table C-2
SBFCA Regional Levee Development Impact Fee Program
Commercial & Industrial Estimated Cost Per 1,000 Square Feet by Land Use Agency

Area	Commercial Acreage [1]	Industrial Acreage [1]	Total Allocated Cost	Cost Share Percentage	1,000 Square Feet	Average Allocated Cost
Reference	Table A-1	Table A-1	Table 7		Table A-2	
	A	B	$C=(A*\$3,746) + (B*\$3,675)$	$D=(C/\$21,312,789)$	E	$F=C/E$
City of Biggs	0	0	\$0	0.00%	0	\$0
City of Gridley	39	131	\$627,232	2.94%	3,206	\$196
City of Live Oak	343	0	\$1,285,905	6.03%	1,897	\$678
City of Yuba City	354	296	\$2,412,409	11.32%	7,193	\$335
Butte County	0	0	\$0	0.00%	0	\$0
Sutter County	0	0	\$0	0.00%	0	\$0

C-2