



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** General Services Department

**Subject:** Approve Independent Contractor Agreement 25C5065 with Willdan for a not-to-exceed total amount of \$265,380.00 to prepare a Comprehensive Development Impact Fee Study and develop of a Comprehensive Development Impact Fee Program

**Meeting Date:** March 25, 2025

**Formal Title:** Approve Independent Contractor Agreement 25C5065 with Willdan for a not-to-exceed total amount of \$265,380.00 to prepare a Comprehensive Development Impact Fee Study and develop of a Comprehensive Development Impact Fee Program

### **Recommended Actions**

1. Approve agreement with Willdan in the amount of \$265,380 to prepare a Comprehensive Development Impact Fee Study and develop a Comprehensive Development Impact Fee Program; and
2. Authorize the Director of the General Services Department or designee to sign the agreement.

### **Executive Summary**

The recommended contract with Willdan will allow the consultant to assist the County in preparation of a Comprehensive Development Impact Fee Study and development of a Comprehensive Development Impact Fee Program.

### **Discussion**

The County intends to create a countywide, plan-based impact fee calculation system consistent with the requirements of the California Mitigation Fee Act and implementing regulations affecting adoption of development impact fees in California. Impact fees collected in the unincorporated areas per criteria outlined in County Code will support capital facilities and infrastructure projects found in the County's General Plan Access + Mobility Element, Capital Improvement Program, Long- Range Facility Plan, and Active Transportation Plan. The specific scope of work for the contract is as follows:

#### **Phase One – Policy & Planning Review**

- Review Existing Policies & Identify Issues – Assess policy direction, funding priorities, and planning documents
- Compare Strategies from Other Jurisdictions – Identify best practices for impact fee programs
- Evaluate Capital Improvement & Master Plans – Review infrastructure needs and unfunded projects
- Analyze Existing Fee Programs & Nexus Study – Examine current fees and identify areas for improvement
- Present Findings from Phase One – Provide a summary of research and preliminary recommendations
- Develop Phase Two Work Plan – Establish the framework for the next phase of

analysis

Phase One – Policy & Planning Review is anticipated for completion within seven month of commencement, or April 2025 through October 2025.

### **Phase Two – Fee Structure Development**

- Determine Fee Categories & Policy Issues – Identify infrastructure needs and new fee categories
- Assess Existing & Future Development – Analyze growth projections and infrastructure demand
- Establish Facility Standards – Define service levels for various public facilities
- Calculate Facility Needs & Costs – Identify costs and funding gaps for infrastructure projects
- Analyze Alternative Funding Sources – Identify non-impact fee revenue options
- Compare Fees with Other Jurisdictions – Benchmark Santa Cruz County fees against neighboring regions
- Develop Fee Calculation Model & Justification – Provide legally defensible fee structures
- Offer Policy Guidance on Fee Adjustments – Advise on exemptions, annual updates, and best practices
- Prepare Final Report & Public Presentations – Present findings to stakeholders and the Board of Supervisors

Phase Two – Fee Structure Development is anticipated for completion within nine months of commencement, or November 2025 through July 2025.

### **Project Administration & Meetings**

- Stakeholder Engagement & Policy Consultation – Conduct up to 10 in-person meetings
- Staff Support & Coordination – County staff will assist with data collection and policy resolution

On May 1, 2024, the County issued a Request for Proposals (RFP) for qualified firms to submit a proposal to prepare a Comprehensive Development Impact Fee Study (Study) and develop a Comprehensive Development Impact Fee Program (Program). On June 14, 2024, the County received three proposals in response to the RFP, including from Willdan. After consideration of all proposals, it was determined that Willdan is uniquely qualified to provide analysis of past, current, and future impact fees, a legally defensible Study, and recommendations for a Comprehensive Development Impact Fee Program. The Study is expected to conclude with final recommendations and fee program by June 2027.

Several County departments, including Community Development and Infrastructure, General Services, Parks, and Sanitation District, will contribute to the development of the Study and Program. Willdan's experience of collaborating with multiple stakeholders as well as facilitating in-house and public meetings makes the firm well suited to contract with the County. Willdan is based out of Oakland and has assisted more than

100 California government agencies with development and/or update of comprehensive impact fee programs, including for the counties of Stanislaus, San Benito, and Riverside, and the cities of Pismo Beach, Santa Clara, and Morgan Hill.

The Comprehensive Development Impact Fee Study aims to ensure that new developments in Santa Cruz County contribute equitably to the funding of public infrastructure. By analyzing the financial impacts of future developments, the study seeks to:

- **Ensure Fair Contributions:** New developments can strain public resources, such as parks, roads, and emergency services. Implementing updated impact fees ensures that developers contribute their fair share to mitigate these impacts, preventing existing residents from bearing the costs.
- **Enhance Infrastructure Planning:** With a clear understanding of future development impacts, the County can better plan and prioritize infrastructure projects, leading to more efficient and timely improvements that align with community needs.
- **Increase Transparency for Developers:** The study will establish a clear, consistent, and legally defensible fee structure, helping developers understand the costs associated with their projects upfront. This transparency reduces uncertainty, streamlines the development process, and allows for better financial planning when proposing new projects.

The recommended contract allows the County to conduct critical work that aims to create a balanced approach where development is supported through predictable and fair impact fees while ensuring that public infrastructure keeps pace with growth.

## **Financial Impact**

Funding for the work included in the consultant contract has been approved through the Community Development and Infrastructure Department under GL Key 60100, Object 62330, JL Key MI60077.

## **Strategic Initiatives**

Equity Framework - County Facilities & Infrastructure, Plans, Policies & Budgets

Operational Plan - Comprehensive Health & Safety, Reliable Transportation,

Sustainable Environment

Climate Action - Transportation, Government Operations

## **Submitted By:**

Michael Beaton

## **Recommended By:**

Carlos J. Palacios, County Administrative Officer

## **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.