

**Meeting of the City of Fresno**  
**Infill Development Ad Hoc Council Subcommittee**  
**Meeting Minutes**  
**April 9, 2013**  
**3:00 P.M.**

The City of Fresno Infill Development Ad Hoc Council Subcommittee convened at 3:05 p.m. in Meeting Room 'A' (Room 2165), City Hall, on April 9, 2013.

In attendance: Councilmember's Brand, Olivier and Baines, City Manager Mark Scott, APW Director Scott Mozier, Keith Bergthold, Assistant Director DARM, Planning Manager Mike Sanchez, Senior Deputy City Attorney Yukimoto, and City Clerk Spence.

Self introductions were made.

Councilmember Olivier made a motion to approve the minutes of March 26, 2013. Chair Brand seconded the motion. The motion was approved on a vote of 2-0-1 with Councilmember Baines absent.

Prior to getting into the fees, Chair Brand stated that he spoke with Keith and clarified that during the last two meetings we were focused on the Overlay Districts and we designated the areas South of Olive as the highest priority. Keith suggested that going forward (this will eventually become a policy recommendation), that we include the Transit Corridors like Blackstone for example, as an Overlay District itself, all along the entire Corridor. This is a good idea to incentivize this 41 Corridor that for twenty years we've been trying to make a change in the General Plan.

Chair Brand stated that the Mitigation Fee Act basically governs how you establish your Development Impact Fees. It's different than Prop 218 which establishes a direct nexus to the cost. He stated that one of the reasons he wrote the Act was to advocate for a tiered fee structure, but there are already some fees that are partially tiered.

Chair Brand asked if there is anyone in the public who has actual experience in doing Infill projects and had obstacles trying to do the project, would testify to this committee so we can get an idea on real world applications where people are trying to make a difference whether the project is large or small. Please come forward and give us your name for the record and tell us your story.

The first person to speak was Bill Robinson. Mr. Robinson spoke about an example of issues he ran into doing Infill Development. He used this project as an example to the Planning Commission meeting last night. The property is located at Maroa and Barstow where 19 units on 1.86 acres was going to be developed. Four neighborhood meetings were held with 100+ in attendance. The original project was going to be 32 units, three story high density, and multi-family residential. It was reduced down to 19 units in order to get the neighborhood buy-in. The opposition to the project came from County residents. There needs to be some education on behalf of the development community by the city. You have to let the neighbors know what type of development is planned on those vacant lots. People need to understand that this will be necessary, that Infill projects will be here, they will be higher density, and they may not look exactly like a 45 year old neighborhood that it surrounds. You have already identified underutilized and vacant lots; there could be neighborhood mailings or meetings to let the neighborhood know what the General Plan is going to be so they know what is going to happen there.

The Committee Members asked questions of Mr. Robinson regarding fees. There was also discussion about the amount of time it takes to process CUP's. Some of the time lost because it's routed to twenty agencies the City of Fresno has no control over. Councilmember Baines clarified that outside entities have timeframes to respond. Keith clarified that the fees had not been updated in 20 years. Chair Brand stated that we should be reviewing and updating fees every 5 years. Mr. Robinson requested that the County islands adjacent to infill areas be addressed; annexation may be an option.

Mike Prandini of Building Industry Association was the next speaker. Mr. Prandini commented on the fee structure. The fee structure for Planning and Development had a matrix study that was very thorough, but it analyzed what you "do", not what you "should be doing". It did not look at if this is the right way to do it. The overhead rate is out of whack with most jurisdictions around here.

The next speaker was Sam Lucido. Mr. Lucido acquired property at Clinton and Hwy 41. He wanted to replace the duplex that resided on the property prior to the freeway going in. When he went to the Development Department to get the fees on it, he was astounded (water, police, fire, park, etc). The total amount came to over \$15,000. This was to replace something that had already been there. No infrastructure had to be added. They also told him he needed a sound study fee. The last sound study fee he had cost him around \$25,000. He decided not to do the project and he wrote Chair Brand a letter. There was discussion regarding should fees be charged again if the fees were previously paid by a prior owner. There was discussion about flexibility and efficiency. It was suggested that this parcel of land be used as an example. Mark Scott suggested identifying the lots where no additional fees need to be paid. Chair Brand wants to take to Council firm recommendations to be implemented. Councilmember Baines clarified the fees for a replacement property versus a vacant lot that was never developed in the past. He also requested to make a policy change and do away with the arbitrary one year rule. Mark Scott asked Mike Sanchez for input. Mike offered to work with Mr. Lucido. Ms. Yukimoto stated the City should be doing a study of fees every five years. The City Attorney's Office would like to work with staff on this if the subcommittee is ok with that. Chair Brand read Policy Recommendation Section 3: Fee Audits contained in the Act.

Prior Planning Director, Al Solis. He provided real world examples that occurred in the last two to three months. A prospective buyer wanted to purchase a parcel to build a building on and when he investigated all of the city fees he couldn't believe the fees were correct because the fee total is more than I'm paying for the land. He walked away from the deal. The next example – a person had some property one property away from the City of Fresno and wanted to expand his business so he purchased the property adjacent to the City of Fresno. He thought he could do some development and we explained to him it wasn't that easy it looked like he needed rezoning and annexation. He asked us for a ballpark figure and a timeline related to that and he almost fainted. He ended up not using the land and developing somewhere else. The 3<sup>rd</sup> example happened today someone called interested in one of the older, larger industrial buildings in Fresno that's been sitting for some time. I am really concerned that when we total up the fees whether or not an opportunity to develop an older piece of property may run just like these other two. The fees are scaring people away. They being with Fresno and end up developing in unincorporated areas or in smaller cities.

Councilmember Olivier stated he walked Sam Lucido out and Sam told him that people like him are buying dilapidated houses and tearing them down and then rebuilding in order to avoid the fees.

Jeff Roberts (Granville Homes). Mr. Roberts provided personal accounts of some of his experience with Infill projects. Approximately 25 years ago he purchased a house and stills own it today, it's rarely

vacant. In 1989 he purchased a home on Ashland and Milbrook in 2008 when his twelve year tenant gave notice, he decided to build a two story and he had a lot of opposition from the neighborhood for wanting to build a two story. He got the votes from the Council to build the two story. The fees were about \$18,000 for the City fees. The rent did not command a lot because of the location. The top story never had a vacancy, but the bottom story has been broken into three times and he's lost three tenants from that property. These are problems any infill project can have anywhere in the City. A fee break would help have him offset some of these issues. This is one property I don't plan to keep long term.

Sal Gonzales of the Kashian & Company. He sent out a letter to the City Council regarding the water infrastructure. This is really important as it relates to infill. He feels that the development agreement that Scott and his staff developed for Fancher Creek project was very innovative and very creative and was done really, really well. There are components in there that are salient and mainstreaming and would actually help in the process. Chair Brand asked if he was using CFD financing and the response was yes. More discussion regarding CFD financing ensued.

Jeff Roberts suggested working with the school district on infill projects. Chair Brand asked Jeff to send him an email about this issue. There was also a suggestion to invite the Flood Control District and other Special Districts to these meetings. More discussion regarding special districts ensued.

Kristine Barker, FIRM. She gave an example of San Diego having problems with buildings being raised which lower the property values and developers waiting for revitalization to occur. She cautioned the committee to make sure there is protection to make sure things actually get built. We don't want someone buying lots and sit on them for years and not build in order to avoid paying fees. Chair Brand stated that most people go into it wanting to develop then they run into some of the roadblocks like we've heard today so we've got to find a way to incentivize and remove the blight. She also discussed less funding going to Fresno Unified School District.

The meeting adjourned at 4:33 p.m. The next meeting is scheduled for 4/23/2013 at 3 p.m.

*The minutes of April 9, 2013 were approved on May 7, 2013 with a motion by Chair Brand and a second by Councilmember Baines. The motion passed on a 3-0 vote.*