

**MEMORANDUM**  
**August 31, 2018**

TO: Don Young, City of Redlands

FROM: Andrea Roess, Managing Director  
Steve Runk, Engineer  
Nehal Thumar, Vice President

SUBJECT: City of Redlands Impact Fees and Capacity Fees for Accessory Dwelling Units

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The City of Redlands (the “City”) has adopted impact fees and capacity fees (“Fees”) in the past in order to mitigate the impacts from new development. Most of these Fees are paid by all new development with the City. However, the current Fees do not include a land use category for secondary residential units, known as accessory dwelling units (“ADUs”). Development of new ADUs, like the primary residential units located on such parcels, will result in an increase in demand for public facilities. In order to address this situation, David Taussig & Associates, Inc. (“DTA”) has prepared this memorandum to support the City’s efforts to assess appropriate Fees on ADUs that are commensurate to the infrastructure needs for such future development. Therefore, DTA has now calculated Fee amounts for ADUs as described further below.

**ADU Definition**

Pursuant to California Government Code Section 65852.2, an Accessory Dwelling Unit is defined as follows:

*“Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated.*

ADUs are also typically referred to as in-law units or granny flats. Due to the nature of ADUs, it can be difficult to predict when and how much ADU development may occur in the future. Therefore, until better information is available regarding the scope and magnitude of ADU development in the City, it is reasonable to calculate Fees for ADUs based on the Fees currently charged to single family residential units and adjusted downward based on the equivalent dwelling unit methodologies described below.

The City has provided information regarding the expected size and number of residents per unit for two categories of ADUs based upon the size of the ADU. Therefore, Fees are calculated for two categories of ADUs.

### **Fee Methodology**

Fees are typically calculated for each land use based on an equivalent development unit ("EDU") method to fairly allocate costs to new development and determine the appropriate Fee levels that will provide a source of funds to pay for facilities.

Application of the EDU methodology depends upon reasonable choices of variables that adequately measure demand for respective facilities ("demand variable"). The applicable demand variables are described below:

#### **Residents per Unit**

Additional residents resulting from new residential development will generate demand for expanded police, fire, parks, library, and government facilities. Therefore, population increase would be considered a reasonable common demand variable and the population growth from a new residence would be used as the baseline.

#### **Average Daily Trips per Unit**

Additional traffic generated by new development requires expansion of existing roadway systems, therefore vehicular trips generated by growth in the various land uses would be a reasonable variable to measure traffic demand. In this case the Average Daily Trips ("ADT") would be the common demand variable for transportation facilities and the ADTs generated by a residential dwelling unit would be the baseline value to which the ADTs generated by the remaining land uses would be compared. The original Fees for transportation were based on ADTs. However, for purposes of the ADUs, we have estimated the ADTs based on the proportionate change in the residents per unit.

#### **Water Usage per Unit**

Demand for water and sewer facilities can be measured by the amount of water usage measured in gallons per day from the various land uses. Water usage was chosen as the demand variable because it is a reliable industry standard and best relates the quantity of water and sewage use generated by the various land uses. For purposes of the ADUs, water usage is based on 50% of the total water use for a residential unit (to reflect indoor usage only) and adjusted for the residents per ADU, and further adjusted to reflect 85% occupancy of ADUs.

#### **Similar to Apartment**

According to the City, the solid waste fee is codified at \$650 per single family residential unit and \$325 per apartment unit. An ADU is equivalent to an apartment and therefore an appropriate Solid Waste Fee for all ADUs should be the same as for an apartment unit.

Part I of the enclosed worksheet indicates the demand variables described above used for each fee category. Part II of the worksheet shows the EDU calculation for the ADU categories when compared to the demand variable for a single family residential unit.

The two ADU categories and the corresponding residents per unit factors were provided by the City. The average daily trips per unit have been estimated by DTA. The water usage per unit for the ADU categories has been estimated by DTA based on input from the City.

**Fee Amounts**

The Fees for each facility type are calculated in Part III of the worksheet. We have summarized the fee amounts for the ADU categories in the table below:

<b>Facility Type</b>	<b>ADU (greater than 700 sq. ft.)</b>	<b>ADU (less than or equal to 700 sq. ft.)</b>
Police	\$18.67	\$14.00
Fire	\$357.74	\$268.31
Parks	\$2,454.85	\$1,841.14
Library	\$164.02	\$123.01
Government Facilities	\$425.55	\$319.16
Transportation	\$937.54	\$703.16
Sewer Capacity	\$824.65	\$618.49
Water Capacity	\$1,146.08	\$859.56
Water Source	\$206.29	\$154.72
Solid Waste	\$325.00	\$325.00
<b>Total</b>	<b>\$6,860.39</b>	<b>\$5,226.55</b>

**Note:**

Any ADU established through the remodeling of existing floor area will not be subject to Sewer Capacity, Water Capacity, Water Source, or Solid Waste Development Impact Fees pursuant to AB 2299.

The storm drain Fee per ADU is \$0 because the current storm drain fee is calculated on a per lot basis and ADUs are constructed on already developed lots so any storm drain fee for that lot has already been paid.

All Fees listed above already include a 2% administrative charge.

Please note that the City assesses other fees not included in the table above, but the City has determined that ADUs are not subject to such other fees.

**CITY OF REDLANDS DEVELOPMENT IMPACT FEES  
ACCESSORY DWELLING UNITS**

**Part I: Summary of Fee Categories**

Facility Type	Original Study Prepared by	EDU Methodology
Police	DTA	Residents per Unit
Fire	DTA	Residents per Unit
Parks	DTA	Residents per Unit
Library	DTA	Residents per Unit
Government Facilities	DTA	Residents per Unit
Transportation	DTA	Residents per Unit
Sewer Capacity	Other Firm	Water Usage per Unit
Water Capacity	Other Firm	Water Usage per Unit
Water Source	Other Firm	Water Usage per Unit
Solid Waste	Other Firm	Residents per Unit

**Part II: EDU Methodologies**

	Residents per Unit		Water Usage per Unit (gal/day)	
	EDU Factor		EDU Factor	
Single Family Residence	3.23	1.00	600	1.00
ADU (>700 SF) [2]	2.00	0.62	158	0.26
ADU (<=700 SF) [2]	1.50	0.46	119	0.20

**Part III: Fee Amounts**

	Police Fee	Fire Fee	Parks Fee	Library Fee	Government Facilities Fee	Transportation Fee
Single Family Residence [1]	\$30.11	\$577.08	\$3,959.94	\$264.58	\$686.45	\$1,512.36
ADU (>700 SF)	\$18.67	\$357.74	\$2,454.85	\$164.02	\$425.55	\$937.54
ADU (<=700 SF)	\$14.00	\$268.31	\$1,841.14	\$123.01	\$319.16	\$703.16

  

	Sewer Capacity Fee	Water Capacity Fee	Water Source Fee	Solid Waste Fee	Total Fee for ADUs
Single Family Residence [1]	\$3,130.00	\$4,350.00	\$783.00	\$650.00	N/A
ADU (>700 SF)	\$824.65	\$1,146.08	\$206.29	\$325.00 [3]	\$6,860.39
ADU (<=700 SF)	\$618.49	\$859.56	\$154.72	\$325.00 [3]	\$5,226.55

[1] Based on current fee amount provided by City 8/2/18.

[2] Residents per unit factors for ADUs provided by City 8/31/18.

[3] Per City, based on apartment rate.