



Agenda Item No: 1.k

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: December 2, 2025

Submitted by: Joe Lambert

From: Development Services

Subject:

AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH DTA PUBLIC FINANCE, INC. TO COMPLETE A DEVELOPMENT IMPACT FEE NEXUS STUDY UPDATE AND TO CREATE A PUBLIC SAFETY COMMUNITY FACILITIES DISTRICT

Financial Impact:

Fiscal Impact:

Total cost of previously approved agreement:	\$127,000
Staff recommended contingency for Amendment No. 1:	<u>\$+20,000</u>
Total cost of proposed agreement + Amendment No. 1:	\$147,000
General Plan Update Fee funds (208-749504-9900 Project: 7449504):	\$147,000

Summary:

On June 18, 2024, City Council approved a Professional Services Agreement with David Taussig & Associates (now known as DTA Public Finance, Inc.), in a not-to-exceed amount of \$127,000 to prepare a new Development Impact Fee Nexus Study Report to facilitate an update of both Citywide Development Impact Fees and Transit-Oriented Development (TOD) Impact Fees and to create a successor Public Safety Community Facilities District (CFD). The recommended actions would amend the Professional Services Agreement with DTA Public Finance, Inc. extending the term of the agreement until December 31, 2026, with Staff recommended contingency.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Approve Amendment No. 1 to the Professional Services Agreement with DTA Public Finance, Inc. to facilitate an update of both Citywide Development Impact Fees, Transit-Oriented Development Impact Fees and to create a successor Public Safety Community Facilities District (CFD) for the City of Placentia for an amount not to exceed \$147,000; and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Goal to: Keep Development Impact Fees current and updated to facilitate cost recovery by requiring new development to pay a fair share of costs for City facilities, as Objective Number 1.3 is to

Update Fee Study/Cost Allocation. In addition, this action is consistent with Objective Number 3.12 to secure funding for affordable housing as the Citywide Residential Affordable Housing Impact Fees will likely be adjusted commensurate with the nexus fee study prepared by DTA.

Discussion:

Development Impact Fee Update

The existing DIFs currently in place include the following:

- Citywide Public Safety Impact Fee Program (Now known as Fire, Police Animal Shelter fees pursuant to the City of Placentia Development Impact Fee Nexus Study, dated April 2023)
- Citywide Park and Recreation Impact Fee Program
- Citywide Quimby Land Dedication and In-Lieu Fee Program
- Citywide Sewer Impact Fee Program
- Citywide Traffic Impact Fee Program
- Citywide Storm Drainage Impact Fee Program
- TOD Traffic Impact Fee
- TOD Sewer Impact Fee (Now updated pursuant to the City of Placentia Development Impact Fee Nexus Study, dated April 2023)
- TOD Streetscape Infrastructure Impact Fee
- A Residential Affordable Housing Impact Fee (“RAHIF”) requiring developers to pay a fee to mitigate the additional demand for affordable housing that is created by proposed market rate residential development.

As stated in the 2024 Request for Proposals (RFP), the City is proposing to keep and update all of the existing aforementioned DIFs already in place. DTA will conduct a Nexus Study to update all of those fees commensurate with actual and projected impacts. In addition, DTA's Nexus Study would consider the following components/programs for the DIFs at a minimum:

- Updated Public Safety DIF to adequately capture Police, Placentia Fire and Life Safety, Emergency Medical Services (EMS), and Dispatch, as well as Animal Control Services
- Create Public Facilities DIF
- Create Information Technology DIF or incorporate into Public Facilities (or similar) DIF

Successor Public Safety Community Facilities District (CFD)

The City implemented CFD 2014-01, to help offset rising police department operating costs attributed to new residential development. Although successfully implemented in 2014, it did not capture properties developed during the City's exponential growth spurt between 1970 and 2014. Also, since that time the City has started its own fire department, contracted with a private 911 paramedic service provider, and expanded its emergency communications (dispatch) operations as well.

The boundaries of CFD 2014-01 cover the entire City and all new development projects are conditioned to be annexed into the CFD as a condition of receiving development entitlements and other project approvals. Rather than try to modify the existing CFD (requiring participant voting) to include the new added public safety operating costs, an entirely new successor CFD can be created, including aforementioned added public safety costs. Future development would then be conditioned to annex into the newly created successor CFD. It is envisioned that the boundaries of the new CFD will also match the City's boundaries.

Fiscal Impact Summary:

The FY 2024-2025 CIP Budget includes \$127,000 for the Development Impact Fee Update

and Successor Public Safety Community Facilities District project. As such, the recommended actions would approve an amendment to the Professional Services Agreement with DTA Public Finance, Inc., extending the term of the agreement until December 31, 2026, with Staff recommended contingency in a not-to-exceed amount of \$147,000. General Plan Update Fee funds (749506-6017) are the revenue source funding the subject PSA and said funds are restricted to efforts related to furthering the goals of the City's General Plan. Adequate General Plan Update Fee funds are available in the FY 25-26 Budget to fund the subject PSA Amendment No.1 with the Staff recommended contingency.

Attachments

[1.and1.a. Amendment No. 1 to DTA PSA with Attachment A.pdf](#)

[2.Certificates of Insurance DTA.pdf](#)