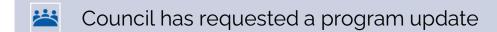
# SCITY OF STOCKTON

Stockton Economic Stimulus Program (SESP) Update & Consideration of Potential Program Amendments

City Council Meeting June 3, 2025 Agenda Item 16.4

#### **Overview**



- Program background and summary of PFF funds waived to-date
- SESP Employment Effect
- Financial Implications
- >>> Potential options available to the Council for consideration

#### Introduction: Public Facility Fees (PFFs)

#### Authorized Under AB 1600

Charged to new development to fund infrastructure

Based on the demand created by additional residents and employees

Legally required to show "nexus" between new growth and impacts to City facilities

#### PFFs Included in SESP:

- City Office Space
- Community Recreation Centers
- Library
- Police Stations
- Street Improvements
- Fire Stations
- Parkland\*
- City Administrative

\*Parkland fee not charged on Nonresidential Permits

### **Background: SESP Program Timeline**



Program Established (CC Resolution 2015-11-17-1602)

#### Reduced fees for Residential, Commercial, & Industrial Development

- Intent: Stimulate building + incentivize local hiring
- Limits:
  - Cap of 1,000 Single Family Residential (SFR) & 500 Multi-Family Residential (MFR) permits
  - Builders cannot receive more than 20 permits per Final Map, and no more than 40 citywide at any given time
  - Program expires December 31, 2018
- **Requires**: 50% local hire + BIA & NAACP to coordinate inclusion of disadvantaged communities; quarterly self-certified reporting by recipients (residential only)
- Projected Impacts: UOP Study (presented by BIA in support of program) predicted creation of 3,700 jobs for every 1,000 SFRs in addition to other economic benefits to region

## **SESP Fee Waiver Amounts Per Land Use Type**

Category	Sub-Category	Total Waived
Residential  100% reduction for included fees	Single Family	\$19,919.61 per unit
	Multi-Family	\$14,572.80 per unit
Commercial 50% reduction for included fees	Office	\$2,912 Per 1,000 SF
	Retail	\$3,502 Per 1,000 SF
	Guest Rooms	\$5,626 Per room
Industrial 50% reduction for included fees	n/a	\$1,192.58 Per \$1,000 SF

### **Background: Program Timeline**

2018

Program Extended (CC Resolution 2018-07-17-1302)

- Expiration extended 2 years to December 31, 2020
- Increased permit limitations in non-disadvantaged areas to 30 per subdivision & 80 citywide

2019

#### Program Expansion (CC Motion 2019-08-20-1405)

- Removed program expiration date; expiration now triggered by PFF Nexus Study adoption
- Eliminated caps (1,000 single family permits, 500 multi-family permits)
- Removed local hire requirement for multi-family projects
- Removed limits per builder

## Residential Fee Amounts Waived By Category

	Single-Family	Multi-Family	
PFF Category	3,461 SFR Permits	548 MFR Units	
City Office Space	\$1,616,287	\$214,268	
Community Recreation Centers	\$1,664,741	\$221,940	
Library	\$3,121,822	\$417,028	
Police Stations	\$2,045,451	\$272,356	
Street Improvements	\$45,775,186	\$5,291,488	
Fire Stations	\$2,703,041	\$360,584	
Parkland	\$9,683,878	\$938,176	
Administrative Fee (3.5%)	\$2,331,365	\$270,053	
TOTAL \$ WAIVED	\$68,941,771	\$7,985,893	

\$76,927,664 in Waived Residential PFFs

All figures are rounded to the nearest whole dollar.

#### **Non-Residential Fees Waived By Category**

	Commercial (164 Permits)			Industrial	
PFF Category	Office (74 Permits)	Retail (88 Permits)	Guest Rooms (2 Permits)	(113 Permits)	
	Total \$ Waived				
City Office Space	\$18,621	\$7,248	\$512,896	\$438,025	
Community Recreation Centers	\$12,456	\$6,291	\$ -	\$400,243	
Library	\$28,148	\$15,623	\$8,424	\$963,852	
Police Stations	\$44,903	\$17,395	\$13,141	\$1,067,122	
Street Improvements	\$1,129,851	\$920,585	\$252,253	\$9,653,681	
Fire Stations	\$37,572	\$19,649	\$6,943	\$929,429	
Parkland	\$ -	\$ -	\$ -	Exempt	
Administrative Fee (3.5%)	\$44,504	\$34,538	\$27,778	\$470,833	
TOTAL \$ WAIVED	\$1,316,055	\$1,021,329	\$821,435	\$13,923,185	

\$17,082,004 in Waived Non-Residential PFFs

All figures are rounded to the nearest whole dollar.

## **Employment Projections & Actuals**

Single-Family Residential Development Under SESP				
	UOP Study Projections	Actual Annual Averages*		
Single-Family Housing Units (SFRs)	1,000	385		
Total Construction Jobs	2,138	614		
Jobs for Stockton Residents	n/a	320		
Total Jobs per Housing Unit Ratio	2.14	1.59		

<sup>\*</sup>From 1/1/16 - 12/31/24, 3,461 SFRs were constructed, with 5,525 unduplicated construction jobs reported

## **Financial Impacts**

Fee	<b>Total Waived</b> Between 1/1/2016 & 12/31/2024	
City Office Space	\$2,807,345	
Community Recreation Centers	\$2,305,671	
Library	\$4,554,897	
Police Stations	\$3,460,368	
Street Improvements	\$63,023,044	
Fire Stations	\$4,057,218	
Parkland	\$10,622,054	
Administrative Fee (3.5%)	\$3,179,071	
TOTAL \$ WAIVED	\$94,009,668	

All figures are rounded to the nearest whole dollar.