



STAFF REPORT
11/9/2022

TO: Honorable Mayor and City Council Members

FROM: Gabriel Perez, Development Services Director

SUBJECT: Introduce Ordinance No. 1199 for first reading amending Chapter 4.40 of the Coachella Municipal Code pertaining to the collection of Transportation Uniform Mitigation Fees (TUMF).

STAFF RECOMMENDATION:

Staff recommends that the City Council introduce Ordinance No. 1199 for first reading, by title only, to amend Chapter 4.40 of the Coachella Municipal Code pertaining to the collection of Transportation Uniform Mitigation Fees (TUMF).

EXECUTIVE SUMMARY:

Ordinance No. 1199 would modify the Coachella Municipal Code relating to the Transportation Unified Mitigation Fee (TUMF), which would authorize an inflation adjustment for the each fiscal year reflecting the annual Consumer Price Index (CPI) increase when an action by the Coachella Valley Association of Governments (CVAG) Executive Committee approves adjusting the TUMF rates for fiscal year.

BACKGROUND:

The TUMF was established in 1989 as a one-time impact fee charged on all new development occurring within the CVAG region. TUMF funds are applied to transportation-related facilities and infrastructure required to address new growth within the Coachella Valley and are intended to compliment revenue generated through Riverside County's Measure A sales tax. The current TUMF rates were adopted in 2018. The existing ordinance requires that a resolution be presented annually to the City Council authorizing the inflation adjustment to the TUMF subsequent to an action by CVAG to adjust TUMF. CVAG is requesting that cities adopt a TUMF model ordinance, which would allow the City to administratively implement the TUMF adopted by CVAG for the corresponding fiscal year.

DISCUSSION/ANALYSIS:

The CVAG Executive Committee approved adjusting the TUMF rates for fiscal year 2022-2023 by rise 8.2% rise in CPI. The comparison of current and proposed increase in fees is shown below in Table 1.

**Table 1 –
TUMF Increase FY 2022-23**

<i>TUMF Category</i>	<i>Current Rate</i>	<i>Proposed Rate</i>	<i>Difference</i>
<i>Residential (per dwelling unit)</i>			
<i>Single family detached</i>	\$2,358	\$2,550	\$192
<i>Multi-family attached</i>	\$1,358	\$1,470	\$112
<i>Nursing/congregate care</i>	\$505	\$545	\$40
<i>Transit oriented single family</i>	\$2,004	\$2,170	\$166
<i>Transit oriented multi-family</i>	\$1,154	\$1,250	\$96
<i>Non Residential (per 1,000 sq. ft)</i>			
<i>Retail</i>	\$6,135	\$6,640	\$505
<i>Office</i>	\$2,440	\$2,640	\$200
<i>Industrial</i>	\$1,240	\$1,340	\$100
<i>Fuel - gas (per dispensing unit)</i>	\$8,790	\$9,515	\$725
<i>Fuel - electric (per dispensing unit)</i>	\$93	\$100	\$7
<i>Hotel (per room)</i>	\$3,583	\$3,880	\$297
<i>Golf course (per acre)</i>	\$939	\$1,015	\$76

In addition to the TUMF increase, CVAG is requesting that cities amend their TUMF ordinances to allow for Coachella Valley cities to administratively implement the TUMF rate adjustments approved by the CVAG Executive Committee. Currently, the existing City ordinance requires that the City Council approve a resolution to implement any new TUMF rate increases. Staff believes adoption of the ordinance would streamline the TUMF adoption and allow City staff the time to prepare administration of the TUMF rate increases before the rate increases take effect.

ALTERNATIVES:

1. Introduce Ordinance No. 1199 for first reading, by title only, to amend Coachella Municipal Code Chapter 4.40.
2. Take no action.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

The total projected collection for TUMF is unknown and is dependent on future development activity. The TUMF CPI adjustment will increase the fee as determined by the CVAG Executive Committee.

RECOMMENDED ALTERNATIVE(S):

Staff recommends alternative #1.

Attachments:

1. Ordinance No. 1199 (1st Reading)
2. April 25, 2022 CVAG Notice of TUMF inflation adjustment
3. Existing TUMF Ordinance - C.M.C. Chapter 4.40