

Folsom City Council Staff Report

MEETING DATE:	12/10/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	<p>Sacramento County Transportation Fee Program Update</p> <p>Resolution No. 11304 – A Resolution Adopting the Measure A Sacramento Countywide Transportation Mitigation Fee Program 2024 Nexus Study Update Report</p> <p>Resolution No. 11305 – A Resolution Authorizing the City Manager to Execute the Amended (August 2024) Agreement on Operating Protocols between the City of Folsom and the Sacramento Transportation Authority related to the Sacramento Countywide Transportation Mitigation Fee Program</p>
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt the following resolutions:

Resolution No. 11304 – A Resolution Adopting the Measure A Sacramento Countywide Transportation Mitigation Fee Program 2024 Nexus Study Update Report

Resolution No. 11305 – A Resolution Authorizing the City Manager to Execute the Amended (August 2024) Agreement on Operating Protocols between the City of Folsom and the Sacramento Transportation Authority related to the Sacramento Countywide Transportation Mitigation Fee Program

BACKGROUND / ISSUE

The Sacramento Transportation Authority (STA) Board adopted an updated nexus study for the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). As required under the Measure A Ordinance, all recipient agencies of the Measure A program are required to adopt the SCTMFP and subsequent actions to receive distributions of Measure A revenues.

In 2004, Sacramento countywide voters supported the renewal of Measure A (new Measure A), which is a 1/2 cent Transportation Sales tax. The new Measure A, which went into effect in 2009, included an Expenditure Plan and extended the existing Measure A sales tax for 30 years. Administered by the Sacramento Transportation Authority (STA), the new Measure A sales tax also required implementing the Sacramento Countywide Transportation Mitigation Development Impact Fee Program (SCTMFP) to partially fund the transportation improvements and projects identified in the Measure A Expenditure Plan. The program was created to generate a uniform transportation mitigation fee on certain new development in Sacramento County as a funding source for road and transit system improvements needed to accommodate projected growth.

Each jurisdiction was required to implement the SCTMFP as a condition of receiving the new Measure A sales tax revenues. These collected revenues are then remitted to the STA for reallocation to specific countywide transportation projects included in the Measure A Expenditure Plan. Each local fee is required to be consistent with the SCTMFP, as adopted by the STA.

In 2022, the STA spearheaded efforts to conduct an updated nexus study supporting the SCTMFP to ensure current and forecasted land uses are consistent with the categories outlined in the program. Following extensive collaboration with the impacted agencies and various stakeholders, on June 13, 2024, the STA Governing Board approved a resolution:

- Adopting the 2024 SCTMFP Nexus Study with additional land use categories
- Setting the updated SCTMFP Fee Rates effective January 1, 2025
- Including a new residential fee structure to align with AB 602 requirements for fees to be proportional to square footage categories
- Amending the local arterial program to include smart growth arterials and corridors
- Revising the SCTMFP overall program allocation

On August 8, 2024, the STA Governing Board approved an Amended Agreement on Operating Protocols which incorporates the updated Fee Rates effective January 1, 2025, and includes fee reductions for infill and transit-oriented development projects, and additional exemptions for accessory dwelling units less than 750 square feet and development projects intended for use by the County or the City.

Updated Fee Amounts and New Residential Fee Structures. The fees for the various development types were updated using current trip generation rates consistent with state law. In addition, the residential fees were updated to align with AB 602 requirements for fees to be

proportionate to the square footage of the proposed development. The Nexus Study consultant worked with local agency staff to find the most appropriate square footage categories. Based on the 2024 SCTMFP Nexus Study fee calculation and the Agreement on Operating Protocols (Amended – August 2024), the new fee rates effective January 1, 2025, are set as follows:

Category	Prior Fee Imposed (FY 2024/2025)	New Fee
Single Family Residential		
Very Small (≤ 800 sq. ft.)	\$1,574 per unit	\$1,088 per unit
Small (801-1,200 sq. ft.)	\$1,574 per unit	\$1,334 per unit
Medium-Small (1,201-1,600 sq. ft.)	\$1,574 per unit	\$1,451 per unit
Medium (1,601-2,400 sq. ft.)	\$1,574 per unit	\$1,574 per unit
Large ($> 2,400$ sq. ft.)	\$1,574 per unit	\$1,730 per unit
Single Family Residential, Senior		
Very Small (≤ 800 sq. ft.)	\$1,260 per unit	\$497 per unit
Small (801-1,200 sq. ft.)	\$1,260 per unit	\$609 per unit
Medium-Small (1,201-1,600 sq. ft.)	\$1,260 per unit	\$663 per unit
Medium (1,601-2,400 sq. ft.)	\$1,260 per unit	\$719 per unit
Large ($> 2,400$ sq. ft.)	\$1,260 per unit	\$790 per unit
Multi-Family Residential		
Very Small (≤ 800 sq. ft.)	\$1,101 per unit	\$995 per unit
Small (801-1,200 sq. ft.)	\$1,101 per unit	\$1,221 per unit
Medium-Small (1,201-1,600 sq. ft.)	\$1,101 per unit	\$1,327 per unit
Medium (1,601-2,400 sq. ft.)	\$1,101 per unit	\$1,440 per unit
Large ($> 2,400$ sq. ft.)	\$1,101 per unit	\$1,582 per unit
Multi-Family Residential, Senior		
Very Small (≤ 800 sq. ft.)	\$943 per unit	\$440 per unit
Small (801-1,200 sq. ft.)	\$943 per unit	\$540 per unit
Medium-Small (1,201-1,600 sq. ft.)	\$943 per unit	\$587 per unit
Medium (1,601-2,400 sq. ft.)	\$943 per unit	\$637 per unit
Large ($> 2,400$ sq. ft.)	\$943 per unit	\$700 per unit

Category	Prior Fee Imposed (FY 2024/2025)	New Fee
Accessory Dwelling Units		
Very Small (<750 sq. ft.)	Exempt from fee	Exempt from fee
Otherwise (>750 sq. ft.)	Fee is based on the ratio of the floor area of the ADU compared to the primary unit, times the fee that would be charged on the primary unit, if the primary unit was being newly built.	Fee is based on the ratio of the floor area of the ADU compared to the primary unit, times the fee that would be charged on the primary unit, if the primary unit was being newly built.
Office Uses	\$1,890 per 1,000 sq. ft.	\$1,807 per 1,000 sq. ft.
Retail Use	\$2,362 per 1,000 sq. ft.	\$2,361 per 1,000 sq. ft.
Industrial Use	\$1,260 per 1,000 sq. ft.	\$827 per 1,000 sq. ft.
Hotel/Motel	\$912 per sleeping room	\$854 per sleeping room
Extended Stay Hotel/Motel	\$810 per sleeping room	\$559 per sleeping room
Hospital	\$2,639 per 1,000 sq. ft.	\$1,796 per 1,000 sq. ft.
Service Station	\$2,047 per fuel pump	\$3,442 per fuel pump
Supermarket	\$2,362 per 1,000 sq. ft.	\$1,078 per 1,000 sq. ft.
Warehouse/Self Storage	\$394 per 1,000 sq. ft.	\$238 per 1,000 sq. ft.
Assisted Living Facility	\$454 per bed	\$434 per bed
Congregate Care	\$333 per unit	\$369 per unit
Child Day Care	\$725 per student	\$682 per student
Private School (K-12)	\$410 per student	\$414 per student
Auto Repair/Body Shop	\$2,362 per 1,000 sq. ft.	\$2,361 per 1,000 sq. ft.
Gym/Fitness Center	\$2,362 per 1,000 sq. ft.	\$2,361 per 1,000 sq. ft.
Drive-thru Car Wash	\$2,362 per 1,000 sq. ft.	\$2,361 per 1,000 sq. ft.
Normalized Cost Per Trip (All other uses)	\$167 per trip	\$167 per trip
Measure A Administrative Fee	None	2% of total Measure A Development Impact Fee

POLICY / RULE

Financial agreements with external governmental agencies require City Council approval.

ANALYSIS

Adoption of the Measure A Sacramento Countywide Transportation Mitigation Fee Program 2024 Nexus Study Update Report and Execution of the Amended Agreement on Operating Protocols are requirements for the city to continue receiving Measure A funds.

FINANCIAL IMPACT

This recommendation has no fiscal impact. All fees collected under this program are remitted to the STA for distribution through the capital program. Additionally, amendments to the Measure A Program do not increase or reduce the City's distribution of Measure A revenues. The Fee Program allows the city to charge a 2% administrative fee to cover administrative reporting and similar costs to administer the fee.

ENVIRONMENTAL REVIEW

The Project is exempt from CEQA consistent with Statutory Exemption Section 15273(a)(4), which states establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies is not a project, and therefore not subject to the provisions of CEQA.

ATTACHMENTS

1. Resolution No. 11304 – A Resolution Adopting the Measure A Sacramento Countywide Transportation Mitigation Fee Program 2024 Nexus Study Update Report
2. Resolution No. 11305 – A Resolution Authorizing the City Manager to Execute the Amended (August 2024) Agreement on Operating Protocols between the City of Folsom and the Sacramento Transportation Authority related to the Sacramento Countywide Transportation Mitigation Fee Program
3. 2024 SCTMFP Nexus Study
4. Agreement on Operating Protocols

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

Attachment 1
Resolution No. 11304

RESOLUTION NO. 11304

A RESOLUTION ADOPTING THE MEASURE A SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM 2024 NEXUS STUDY UPDATE REPORT

WHEREAS, on July 29, 2004, the Sacramento Transportation Authority (STA) adopted Ordinance No. 04-01, including the Sacramento County Transportation Expenditure Plan 2009-2039, codifying the allocation of the new Measure A sales taxes and Measure A development impact fees for specified public improvement projects;

WHEREAS, on November 2, 2004, the voters in Sacramento County approved an extension of the one-half cent Measure A transportation sales tax, to become effective on April 1, 2009, and approved the Measure A Expenditure Plan;

WHEREAS, STA Ordinance No. 04-01 required each jurisdiction in the county to adopt the Measure A development impact fees as a condition of receiving the new Measure A sales tax proceeds consistent with the Measure A Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP);

WHEREAS, on June 7, 2006, STA adopted Resolution No. 06-0006, approving the SCTMFP Nexus Study, which identified the additional public facilities required by new development and determined the amount of the development impact fees to be imposed on a countywide basis, ensuring all new development paid its fair share of the costs of new public facilities needed to serve such development;

WHEREAS, the STA Resolution that adopted the Measure A Nexus Study and set for the SCTMFP rates effective April 1, 2009 provided that protocols related to SCTMFP Fee implementation issues, including but not limited to, required dates of Fee remittance to STA and documentation to be submitted by each participating Agency, shall be established by future resolution of the STA and contracts between the STA and the participating agencies;

WHEREAS, on January 30, 2009, the City Council adopted Resolution No. 8444 – A Resolution Implementing the Voter-Approved Sacramento County Transportation Mitigation Fee Program, effective April 1, 2009;

WHEREAS, in an effort to ensure the SCTMFP reflects current and anticipated land uses and public infrastructure and transportation needs, the STA conducted an updated Nexus Study, working with various affected agencies and stakeholders to achieve consistency;

WHEREAS, on June 13, 2024, the STA Governing Board adopted Resolution No. 24-0005 approving the 2024 Sacramento Countywide Transportation Mitigation Fee Program Nexus Study with an updated project list, includes a Smart Growth Arterials and Corridors program, and has an updated fee amounts and new residential fee structures to align with AB 602 requirements for fees to be proportional to square footage categories with the new updated rates to be effective January 1, 2025;

WHEREAS, in accordance with the Mitigation Fee Act (Government Code Section 66000

et seq.) on this date of December 10, 2024 a public hearing was held on the adoption of the 2024 SCTMFP Nexus Study and the Operating Protocols Agreement, Amended August 2024, notice of said public hearing having been duly and properly given; and all written and oral presentations having been duly considered by the Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom does hereby adopt the 2024 SCTMFP Nexus Study and proposed impact fees, and has determined this action meets Public Resources Code (PRC) Section 21080(b)(8) and CEQA Statutory Exemption Section 15273(a)(4) which states, establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies is not a project, and therefore not subject to the provisions of CEQA as the SCTMFP will fund non-expansion projects.

PASSED AND ADOPTED this 10th day of December 2024, by the following roll-call vote:

AYES: Councilmember(s);
NOES: Councilmember(s);
ABSENT: Councilmember(s);
ABSTAIN: Councilmember(s);

MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Resolution No. 11305

RESOLUTION NO. 11305

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE
AMENDED (AUGUST 2024) AGREEMENT ON OPERATING PROTOCOLS
BETWEEN THE CITY OF FOLSOM AND THE SACRAMENTO TRANSPORTATION
AUTHORITY RELATED TO THE SACRAMENTO COUNTYWIDE
TRANSPORTATION MITIGATION FEE PROGRAM**

WHEREAS, the New Measure A Transportation Sales Tax approved by the County voters in 2004, called for the implementation of a Sacramento Countywide Transportation Mitigation Development Impact Fee Program so that new development paid its fair share of the costs of the transportation improvements included in the Measure A Expenditure plan; and

WHEREAS, the City of Folsom was required to implement the Sacramento County Transportation Mitigation Fee Program SCTMFP, also referred to as the Measure A Fee, as a condition of receiving New Measure A sales tax revenues, in accordance with the provisions of AB 1600, and the fees went into effect on April 1, 2009; and

WHEREAS, Sacramento Transportation Authority (STA) staff developed an Agreement on Operating Protocols to apply to all jurisdictions in the County, regarding the obligation to impose, collect, account, and remit the Measure A development impact fees to STA which was approved by the STA Board on August 28, 2008; and

WHEREAS, STA staff coordinated with local jurisdictions to prepare a technical amendment to the Agreement on Operating Protocols in order to update the fee rate schedule to accommodate specific types of land development; and

WHEREAS, on June 13, 2024, the STA Governing Board adopted Resolution No. 24-0005 approving the 2024 Sacramento Countywide Transportation Mitigation Fee Program Nexus Study with additional land use categories, updated fee amounts and new residential fee structures to align with AB 602 requirements, with the new updated rates to be effective January 1, 2025; and

WHEREAS, on August 8, 2024, the STA Governing Board adopted Resolution No. 24-0006 approving an amended Operating Protocols Agreement to utilize the updated SCTMFP fee rates and the 2024 SCTMFP Nexus Study; and

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Folsom does hereby authorize the City Manager to Execute the Amended (August 2024) Agreement on Operating Protocols between the City of Folsom and the Sacramento Transportation Authority related to the Sacramento Countywide Transportation Mitigation Fee Program.

PASSED AND ADOPTED this 10th day of December 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 3

2024 Sacramento Countywide Transportation Mitigation Fee Program Nexus Study



2024 Nexus Study Update Report

Sacramento Transportation Authority

May 24, 2024



→ **The Power of Commitment**

Executive Summary

The purpose of this report is to present information that the Sacramento Transportation Authority (STA) may find useful in updating the Sacramento County Transportation Mitigation Fee (SCTMF), pursuant to the requirements of the Mitigation Fee Act. The report updates previous work in several ways:

- It incorporates new land use forecasts for Sacramento County, prepared under a different contract.¹
- The status of individual transportation projects was updated. This resulted in some projects no longer needing future SCTMF funding because the project has either been completed or is no longer planned.
- Project costs were updated, based on construction cost inflation and new estimates prepared by member agencies.
- The trip generation rates were updated to reflect the new data found in the 11th edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*.
- The percentage of the need for new transportation projects attributable to new development was recalculated using a version of SACOG's latest travel demand model.
- Board policies since the last nexus study, such as those regarding fees for retail developments, are reflected in the calculation of future fees.
- Several new sections were added based on requirements mandated by AB 602, which went into effect in 2022.

These updates enable STA and the local jurisdictions to reaffirm the findings required by the Mitigation Fee Act, which are described in Chapter 5, and implement the fee program.

Most readers of this report will find the calculation of the impact fees to be the part of greatest interest. This is found in Chapter 4. The proposed fee for the average single-family home would adhere to the 2004 voter-approved Measure A Ordinance's express requirement to adopt a fee consistent with State law. In 2021, the Legislature passed AB 602, which requires cities, counties, and special districts, *inter alia*, to "calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development." (Cal. Government Code, § 66016.5(a)(5)(a)). AB 602 also allows for other systems beyond square footage-based proportionality but requires "...an explanation as to why square footage is not an appropriate metric," and "that an alternative basis [...] bears a reasonable relationship between the fee charged and the burden posed by new development", and "that other policies in the fee structure support smaller developments..." (Cal. Government Code, § 66016.5(a)(5)(b)).

Accordingly, the percentage increase or decrease in fees for different types of development varies due to changes in their trip generation rates and the new AB 602-mandated adjustment for floor area. For example, while the rate for the average single-family dwelling (SFD, medium size 1,601-2,400 sq.ft.) would not change, the fee for very small SFD (≤ 800 sq.ft.) would decrease by \$486 (31%) and the fee for small SFD (801-1,200 sq.ft.) would decrease by \$240 (15%). The fee for medium-small SFD (1,201-1,600 sq.ft.) would increase by \$123 (8%) and the fee for large SFD ($>2,400$ sq.ft.) would increase by \$156 (10%). Rates for age-restricted senior housing would decrease. Rates for multi-family dwellings would generally increase for all development types except very small units due to revisions to their trip-generation rate. Per the Measure A Ordinance, non-SFD rates are set in proportion to the trip generation rate of a (medium) single-family dwelling unit.

¹ Technical Memorandum: *Sacramento Transportation Authority Development Forecasts*, dated August 18, 2021

Please note that these are all “potential” changes to fees; the STA Board may, at its discretion, choose to set fee rates for any given development type at a level lower than that calculation in this report. It may not, however, set the fee rates higher than those supported by a nexus calculation.

The intent of this study is to validate the fee and allow the local jurisdictions to continue to implement the fee. A local jurisdiction that fails to implement the fee would forfeit local street and road maintenance funds provided by Measure A. All such funds would be made immediately available on a pro rata basis to all other local jurisdictions that have this fee program in place.

Contents

1. Introduction	1
1.1 Purpose of this report	1
1.2 Background on the SCTMF Program	1
1.3 Implementation History	2
2. Review of Previous Nexus Study	5
2.1 Methodology Used	5
2.2 Key Assumptions	7
3. Updates of Key Inputs	9
3.1 Development Growth Forecasts	9
3.2 Traffic and Ridership Growth Forecasts	10
3.3 Volume-to-Capacity Ratios	16
3.4 Project Cost Estimates	18
4. Updated Fee Calculation	22
4.1 Consideration of Residential Floor Area	22
4.1.1 Accessory Dwelling Units (ADUs)	24
4.2 Computing the Maximum Allowable Fee	24
4.3 Recommended Fee by Land Use Category	25
4.4 Funding from Other Sources	28
4.4.1 Funding from Local Jurisdictions	28
5. Mitigation Fee Act Findings	32
5.1 Purpose of the Fee	32
5.2 Use of Fee Revenues	32
5.3 Use/Type-of-Development Relationship	32
5.4 Need/Type-of-Development Relationship	32
5.5 Proportionality Relationship	33
5.6 Residential Floor Area	33

Table index

Table 1: Revenues by Year and Jurisdiction	3
Table 2: Expenditure by Years and Jurisdiction	4
Table 3: Computation of Average Rate for Commercial/Retail Uses	14
Table 4: Computation of Average Rate for Industrial Uses	14
Table 5: Computation of Average Rate for Warehouse/Self Storage Uses	14
Table 6: Computation of Average Rate for Lodging Uses	14
Table 7: Trip-Generation Rates Used for Forecast of Traffic Growth	15

Table 8: Growth in Trips Generated in Sacramento County	15
Table 9: LOS Policies of Jurisdictions in Sacramento County	16
Table 10: Volume-to-Capacity Ratios for Measure A Road Projects	17
Table 11: Updated Project Costs	19
Table 12: Construction Cost Inflation	21
Table 13: Computation of Average Trip Generation by Dwelling Size Category	23
Table 14: Computation of DUEs by Size and Dwelling Type	24
Table 15: Calculation of Fee per New Vehicle Trip (for Roads) and Per New Dwelling Unit Equivalent (for Roads and Transit)	25
Table 16: Fees for Residential Developments	26
Table 17: Updated Fees by Non-Residential Development Type	27
Table 18: Grant Funding for Completed Measure A Projects	29
Table 19: Expected Grant Funding Needs for SCTMF-Funded Projects	30

Figure index

Figure 1: Forecast Versus Actual Revenues	2
Figure 2: Steps Used in the 2006 Fee Calculation	6
Figure 3: Forecast Versus Actual Housing Starts in Sacramento County	7
Figure 4: Forecast for Development of Single-Family Dwellings	11
Figure 5: Forecast for Development of Multi-Family Dwellings	12
Figure 6: Forecast for Non-Residential Development	13

1. Introduction

1.1 Purpose of this report

California's Mitigation Fee Act (Government Code Sections 66000 to 66025) requires agencies that impose impact fees to periodically review the assumptions and calculations used in computing the fee. It further requires them to revise the calculation if necessary to maintain a nexus, i.e. a logical connection between the developments that will be required to pay the fee and the impact being mitigated. The agency is then required to make certain specific findings certifying that the fee is in conformance with the Act. As STA does not impose impact fees, it would instead recommend that local agencies participating in the Measure A Program adopt the nexus study and revised fee schedule, with the local agencies then taking individual actions to formalize adoption.

The purpose of this report is to review the assumptions and methodology used in computing the Sacramento County Transportation Mitigation Fee (SCTMF), update them as needed, and recommend changes to the fee schedule that will enable it to accomplish the Program's goals. The report is also intended to document this work and fulfill the requirements of the Mitigation Fee Act, including new requirements pursuant to the passage of Assembly Bill (AB) 602 in 2021.

1.2 Background on the SCTMF Program

In 1988 the voters of Sacramento County approved a half-cent sales tax for transportation improvements in Sacramento County. The Sacramento Transportation Authority (STA) was created as a countywide transportation agency to fiscally administer the program. Measure A, the 30-year extension of the 1988 sales tax, was approved by voters in 2004 and went into effect in April 2009 when the previous tax expired.

One component of Measure A was the introduction of a countywide transportation mitigation fee. This was enacted by the STA Board in Section VII of STA Ordinance 04-01. The stated goal was "to develop and implement a uniform transportation mitigation fee on all new development in Sacramento County that will assist in funding road and transit system improvements needed to accommodate projected growth and development."

The expected proceeds of the fee were tentatively allocated as follows:

- 35% Local streets and roads for capital improvements and rehabilitation
- 20% Public transit for capital improvements and rehabilitation
- 20% Local interchange upgrades, safety projects, and congestion relief improvements on the local freeway system, including bus and carpool lane projects.
- 15% Smart Growth Incentive Program
- 10% Transportation Project Environmental Mitigation, including, but not limited to, habitat conservation, open space preservation, habitat replacement, and recreation, and overall environmental enhancement of transportation facilities to the benefit of local transit users and neighborhoods. Necessary open space preservation and natural habitat preservation programs shall be eligible uses of these funds.

A nexus study for the fee was completed in June 2006 which recommended the fee of \$1,000 per single-family dwelling, with other developments to be charged based on their trip-generation rate relative to single-family dwellings. This study is described in detail in a later section of this report.

1.3 Implementation History

SCTMF fees were imposed, and revenues are collected, by local jurisdictions in Sacramento County based on the SCTMF as part of their development approval process. The revenues are then remitted to STA, which then distributes the proceeds to various eligible projects in accordance with direction from the STA Board. Each of the seven-member jurisdictions (the six incorporated cities plus the County) have projects included in the Expenditure Plan, as do three additional agencies. These are Caltrans, Sacramento Regional Transit, and the Capitol Southeast Connector JPA.

Fees started to be collected in 2009 when Measure A went into effect. More than \$80.5 million in fees have been collected to date. Table 1 shows the program revenues by fiscal year and jurisdiction. Revenues have followed a general upward trajectory over time, as the development industry in the region has recovered from the Great Recession in (late 2007 to mid-2009).

Table 2 shows the program expenditures by fiscal year and implementing agency. As of June 30, 2023, the program has made more than \$68 million available to six different agencies for Measure A projects.

Although the SCTMF Program has successfully brought in tens of millions of dollars for transportation projects needed to accommodate continued growth, the program has not achieved its revenue goals. Figure 1 compares the revenues that were forecast in the 2006 nexus study with the amounts actually received. For the 2008-2023 period, the program brought in only 16% of the expected revenue. This is due in large part to unfortunate timing, with the program kicking off during the Great Recession. Real estate development was among the hardest hit during the recession and among the slowest to recover. With little development activity taking place to generate revenue, impact fee programs across California failed to generate the revenues expected from pre-recession forecasts, when development was booming.

Figure 1: Forecast Versus Actual Revenues

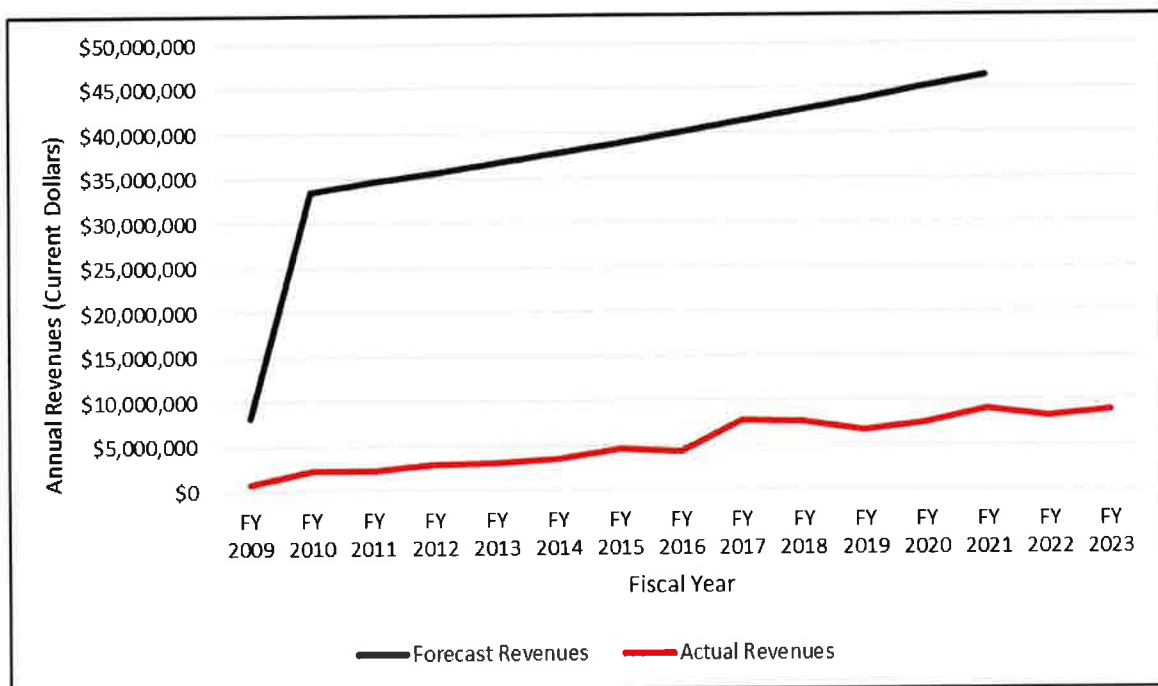


Table 1: Revenues by Year and Jurisdiction

Fiscal Year	City of Sacramento	Sacramento County	Elk Grove	Folsom	Rancho Cordova	Galt	Citrus Heights	Total
FY 2009	\$140,644	\$75,381	\$51,729	\$388,909	\$92,800	\$784	\$1,452	\$751,700
FY 2010	\$774,416	\$540,256	\$539,123	\$160,098	\$259,378	\$32,697	\$15,989	\$2,321,958
FY 2011	\$549,987	\$476,898	\$860,663	\$235,420	\$204,379	\$0	\$7,091	\$2,334,437
FY 2012	\$587,824	\$864,400	\$990,421	\$151,321	\$302,467	\$0	\$60,930	\$2,957,362
FY 2013	\$871,942	\$925,576	\$588,839	\$372,038	\$378,345	\$17,152	\$22,491	\$3,176,382
FY 2014	\$601,826	\$768,585	\$665,916	\$504,350	\$360,591	\$629,402	\$9,872	\$3,540,542
FY 2015	\$1,628,337	\$901,922	\$835,144	\$563,908	\$352,981	\$246,253	\$95,594	\$4,624,139
FY 2016	\$1,330,694	\$1,053,408	\$920,723	\$387,388	\$428,758	\$127,781	\$114,898	\$4,363,650
FY 2017	\$4,433,942	\$1,709,179	\$408,227	\$309,544	\$708,906	\$188,900	\$89,477	\$7,848,174
FY 2018	\$3,871,298	\$1,009,173	\$1,434,011	\$833,234	\$400,807	\$52,510	\$20,720	\$7,621,753
FY 2019	\$2,707,448	\$1,233,164	\$1,338,725	\$782,022	\$471,078	\$80,266	\$71,335	\$6,684,037
FY 2020	\$3,198,236	\$1,479,587	\$964,492	\$878,685	\$916,239	\$96,852	\$17,465	\$7,551,556
FY 2021	\$1,712,959	\$2,850,723	\$1,658,050	\$1,165,476	\$934,092	\$376,875	\$258,817	\$8,956,993
FY 2022	\$2,660,711	\$1,448,899	\$1,014,918	\$1,175,200	\$179,181	\$1,385,171	\$373,344	\$8,237,425
FY 2023	\$2,526,006	\$1,796,877	\$1,223,435	\$1,609,388	\$152,326	\$1,528,205	\$20,006	\$8,856,242
Interest	\$256,077	\$158,994	\$74,692	\$130,288	\$20,238	\$89,506	\$10,944	\$740,739
Total	\$27,852,348	\$17,293,022	\$13,569,106	\$9,647,269	\$6,162,567	\$4,852,353	\$1,190,426	\$80,567,090
% of Total	35%	21%	17%	12%	8%	6%	1%	100%

Source: STA

Table 2: Expenditure by Years and Jurisdiction

Fiscal Year	City of Sacramento	Sacramento County	Elk Grove	Folsom	Rancho Cordova	Galt	Citrus Heights	Caltrans	SacRT	Capitol Southeast Connector	Total
FY 2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2012	\$371,690	\$382,219	\$0	\$0	\$0	\$0	\$59,275	\$1,400,667	\$3,940,833	\$1,370,479	\$7,525,163
FY 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,078	\$0	\$0	\$20,078
FY 2014	\$1,471,903	\$1,084,917	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,556,820
FY 2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2017	\$8,578,391	\$1,872,358	\$0	\$0	\$666,782	\$0	\$0	\$3,047,319	\$106,607	\$2,275,776	\$16,547,233
FY 2018	\$1,076,989	\$614,425	\$0	\$0	\$434,878	\$0	\$0	(\$6,599,873)	(\$4,047,440)	(\$2,316,651)	(\$10,837,673)
FY 2019	\$716,073	\$1,689,048	\$0	\$0	\$1,322,520	\$0	\$0	\$1,193,987	\$0	\$4,659,492	\$9,581,120
FY 2020	\$193,614	\$1,867,750	\$0	\$0	\$1,569,163	\$0	\$0	\$937,911	\$0	\$7,144,332	\$11,712,770
FY 2021	\$483,507	\$6,372,770	\$0	\$0	\$2,756,887	\$0	\$0	\$1,883,549	\$0	\$4,006,952	\$15,503,666
FY 2022	\$447,031	\$4,334,452	\$93,561	\$0	\$0	\$0	\$600,000	\$0	\$0	\$7,898,740	\$13,373,785
FY 2023	\$469,776	\$24,244	\$165,212							\$1,966,518	\$2,625,749
Total	\$13,808,974	\$18,242,182	\$258,773	\$0	\$6,750,230	\$0	\$659,275	\$1,883,639	\$0	\$27,005,638	\$68,608,711

Notes: Some cell values are negative. This indicates cases where money from the General Fund was used to reimburse earlier expenditures from the SCTMF Program.

Expenditures for Caltrans, SacRT, and Capitol Southeast Connector have occurred within multiple jurisdictions.

2. Review of Previous Nexus Study

Section 66016.5(a)(4) of AB 602, which went into effect on July 1, 2022, states that *"If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee."* This chapter is intended to fulfill this requirement by reviewing the methodology and assumptions used in the original nexus study by David Taussig & Associates, dated June 2006, entitled "Sacramento Transportation Authority Development Impact Fee Study".

2.1 Methodology Used

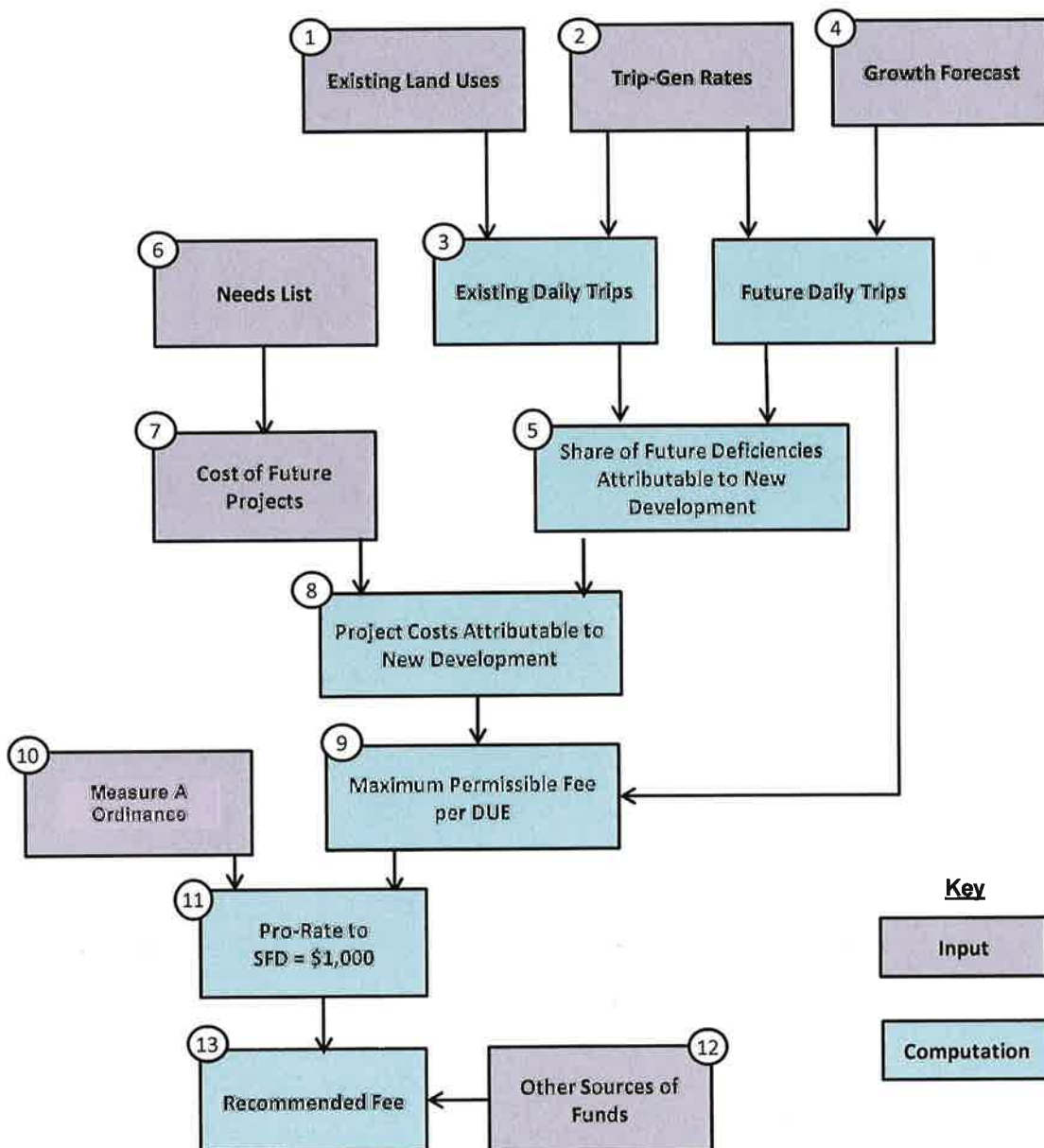
The methodology used in the 2006 fee calculation is shown in Figure 2. The key steps were:

- 1) Estimates for the existing residential and non-residential land uses in Sacramento County were provided by SACOG.

The study purposefully excluded neighborhood and community retail uses from the fee calculation. The rationale was that trips to and from these uses would be made on local streets and thus would not contribute to traffic on the regional roads funded by the fee program.
- 2) Trip generation rates were taken from the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 6th Edition. For the commercial retail land use category, a blended rate of 7 retail land use codes was used. The rates for retail uses were also adjusted to account for pass-by trips.
- 3) The number of units for each land use type, dwelling units for residential and square feet for non-residential, were multiplied by the ITE trip generation rates to estimate the daily number of vehicle trips generated in Sacramento County.
- 4) Forecasts for future growth were provided by SACOG and used to generate an estimate of the number of vehicle trips that would be generated in Sacramento County in the study's horizon year (2039).
- 5) Future development's fair share of the cost of roadway improvements was then calculated as its share of total trips generated in 2039, which was 31%.
- 6) A "Needs List" of projects was developed through consultation with Sacramento County, STA member cities, and Caltrans, and included in the Measure A Transportation Expenditure Plan (TEP). No further elaboration of this process was provided in the nexus study. However, the fact that the project list was approved by the voters, who agreed to tax themselves to pay for the projects, is strongly indicative of a consensus that the facilities listed are in fact needed.
- 7) A cost was assigned to every project on the Needs List. The nexus study did not state where the cost estimates came from, but it is likely that they were provided by whichever agency was tasked with implementing the project.
- 8) The percentage share of costs attributable to new development from Step 5 was applied to the project costs in Step 7 to find the total project costs attributable to new development.
- 9) This was divided by the growth in trips to find the allowable fee per new trip (\$1,005/single-family dwelling).
- 10) The STA Board of Directors made a policy decision to limit the fee on new development to \$1,000 per single-family dwelling.
- 11) The permissible fee rates from Step 9 were duly factored down pro rata so that the fee on single-family dwellings was \$1,000.

- 12) Other sources of funding, including sales tax revenues, local agency fees, and State and federal programs, were identified as sources for the remaining funds required to implement the projects on the Needs List.
- 13) The final fee schedule was then submitted to the STA Board for approval.

Figure 2: Steps Used in the 2006 Fee Calculation



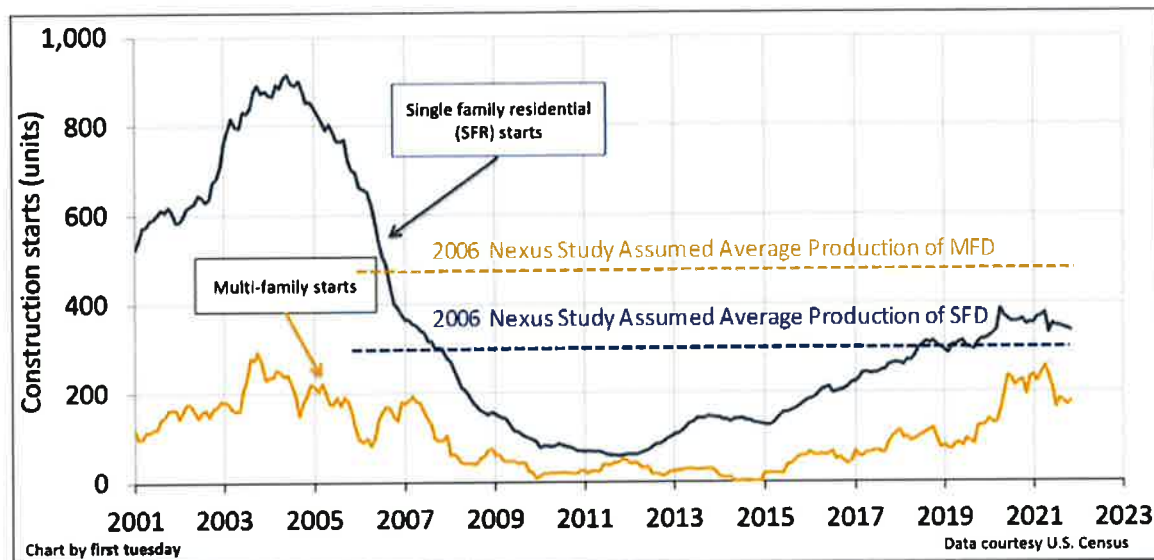
2.2 Key Assumptions

As seen in Figure 2, the key assumptions in the 2006 study pertain to existing and proposed land uses, trip-generation rates, and project costs. These are discussed below.

Land Use Assumptions

The 2006 nexus study reported that its land use assumptions came directly from SACOG's travel demand model; the origins of the data in the model were not discussed. Figure 3 compares the study's assumed production of single-family housing (dark lines) and multi-family housing (amber lines). As shown in Figure 3, the 2006 study assumed that the average long-term monthly production of multi-family would approximately double the previous highest-ever single-month production. Contrary to this forecast, MFD production declined after 2006, resulting in a 4-or-5-fold overestimate of MFDs that would pay the fee. The 2006 study also assumed a reduction in single-family housing production, though the actual reduction was greater than the forecast reduction.

Figure 3: Forecast Versus Actual Housing Starts in Sacramento County



The discrepancy between the forecast and the actual housing production can mostly be attributed to the effects of the Great Recession on the local, state, and national real estate markets. Housing starts fell statewide by 68% between 2007 and 2009 and did not recover to pre-recession levels for 10 years. Furthermore, SACOG's belief at that time that residential development in the Sacramento region would focus on dense, infill development, including high levels of apartment development in Sacramento County, has not been fulfilled to the extent that had been hoped for in 2006.

Trip Generation Rates

The ITE *Trip Generation Manual* has been the standard industry source for vehicle trip data for generations. The *Trip Generation Manual* contains data from field surveys of thousands of sites and is regularly updated to capture the effects of changes in travel behavior. The 2006 study's use of this source was therefore in accordance with standard industry practice. The 2006 study used the 6th edition of the *Trip Generation Manual*; the current edition is the 11th.

Project Cost Estimates

The 2006 study does not state the source of the project cost estimates, beyond saying that the Needs List, "... is a compilation of projects and costs identified by the local agency planning and engineering departments." No further details are provided in the report.

3. Updates of Key Inputs

The current nexus study offers an opportunity to update the key assumptions underpinning the nexus between new development and the fee. This process is described below.

3.1 Development Growth Forecasts

Land use forecasts are made for a variety of reasons, including preparation of a jurisdiction's General Plan, air quality conformity forecasts, and planning for transportation and other infrastructure projects, to name just a few. STA therefore commissioned Economic & Planning Systems, Inc. (EPS) to develop growth forecasts specifically for use in the SCTMF nexus update study. The results were documented in a technical memorandum to STA.²

EPS's development forecasts project short-term and longer-term land use changes for the total STA geography and by individual jurisdiction. The short-term projections focus on a 3-year period – fiscal years 2022, 2023, and 2024 – while the longer-term development projections identify anticipated development through the remainder of the program (i.e. through 2039).

EPS used several sources when developing their forecasts, including historical building permit data by land use; the development pipeline, including planned and proposed development projects, residential units, non-residential square footage, etc.; and population, household, and employment projections. This data was provided by the seven-member jurisdictions, SACOG, the California Department of Finance, the Construction Industry Research Board, the North State Building Industry Association, and several media outlets.

EPS grouped potential development into three categories:

1. Active Entitled Development. This category includes the remaining residential units and nonresidential square footage for projects that are delivering homes or building infrastructure, including only those residential units and nonresidential square footage where building permits have not yet been issued. Development projects in this category are either developing – with absorption anticipated to continue in the near term – or anticipated to start vertical construction within the next 3 to 5 years.
2. Planned Development. Planned development includes projects that have been approved and have tentative maps, but infrastructure has not yet been initiated. Development in this category is considered likely to develop within the next 5 to 20 years.
3. Conceptual Development. Development classified as conceptual for this analysis includes projects for which planning applications may have been submitted but not yet approved. This category also includes development concepts that may have been reported by the local jurisdiction, developers, or via third-party sources such as the Sacramento Business Journal or other news entities. Development in this category may not occur within the next 20 years.

Growth forecasts at the county and city levels were used as control totals to limit the growth in the three categories described above to amounts reasonably foreseeable within the life of the SCTMF Program, considering past development performance.

Figure 4 charts the development of single-family dwellings since 2011 and the forecast going forward to the end of the SCTMF Program in 2039. Note the spike in construction in the City of Sacramento after a

² Technical Memorandum: *Sacramento Transportation Authority Development Forecasts*, dated August 18, 2021

moratorium on development in Natomas³ was lifted, allowing many projects already in the development pipeline to proceed.

Figure 5 shows data for the same period for the development of multi-family housing. There was a surge in units between 2015 and 2020, especially in the Natomas, Downtown, and Midtown areas. This is forecast to drop as the stock of relatively easily developed lots becomes exhausted.

Figure 6 shows the corresponding graphs for non-residential development. In 2016 there was a spike in construction, again due to lifting the moratorium on development in Natomas, but also encompassing major developments in other locations, like Delta Shores.

In each case, the period between 2015 and 2020 appears to represent one-off occurrences of the release of pent-up demand. The forecasts going forward represent a return to long-term average conditions.

3.2 Traffic and Ridership Growth Forecasts

The development forecasts from the previous section must be converted into forecasts for the growth in traffic associated with new development in Sacramento County. The conversion from dwelling units (for residential development) and thousands of square feet (for non-residential developments) to trips was done using the trip generation rates found in the eleventh edition of the *ITE Trip Generation Manual*.

The *Trip Generation Manual* has dozens of land use categories that do not directly correspond to the land use categories used in the land use forecast. For example, the *Trip Generation Manual* has trip generation rates for 76 types of retail and service establishments aggregated into a single "Commercial, Retail" category in the land use forecasts. This reflects the reality that a commercial building may host a variety of tenants over its service life, so attempting to forecast individual uses, for example, "hair salons," would be speculative at best. Instead, some representative use sub-categories were combined to generate averages to represent large categories of development. Table 3, Table 4, Table 5, and Table 7 show the derivation of the average trip generation rates for the commercial/retail, industrial, warehouse/self-storage, and lodging categories, respectively. Table 7 shows the resulting rates used to forecast the growth in traffic attributable to future development in Sacramento County.

The growth estimates for each category were then multiplied by their respective trip-generation rates to determine the growth in daily vehicle trips generated by new development (see Table 8). A similar calculation was done for the trips generated by existing land uses, with the existing land uses taken from SACOG's SACSIM travel demand model. Table 8 shows that 5.6% of the trips generated in Sacramento County in 2039, when Measure A expires, would be attributable to new development.

Besides generating new vehicle trips, new development also generates new users for the transit system. This was computed as the percentage of dwelling units in the horizon year that would be built between 2022 and 2039. As seen in Table 8, 8.7% of transit riders in 2039 could be attributed to new development.

³ In the wake of the flooding of parts of New Orleans due to Hurricane Katrina, the Federal government imposed a moratorium on development in the Natomas basin until the levees protecting it could be inspected and strengthened. The moratorium lasted 7 years. It was lifted in 2015.

Figure 4: Forecast for Development of Single-Family Dwellings

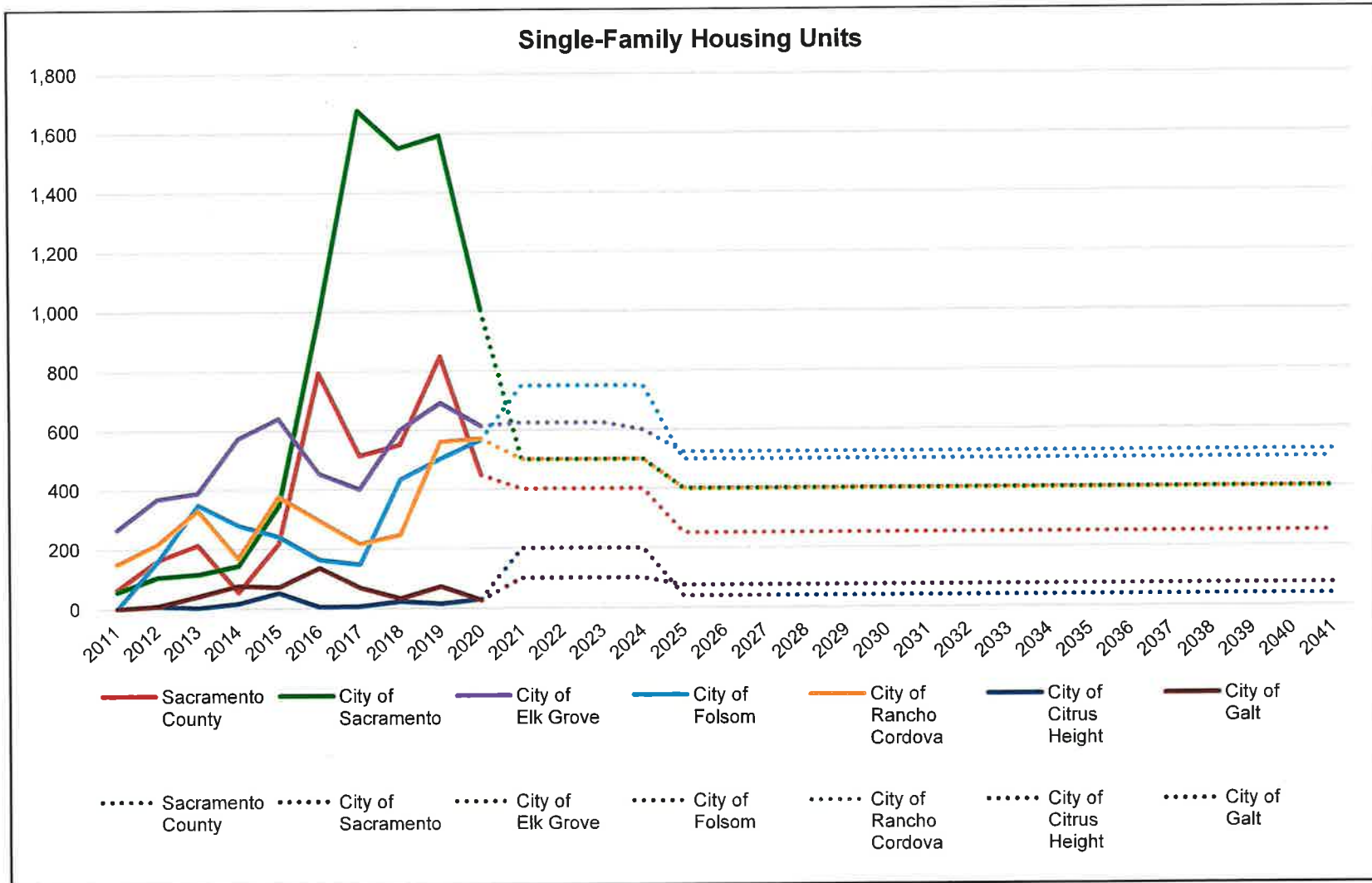


Figure 5: Forecast for Development of Multi-Family Dwellings

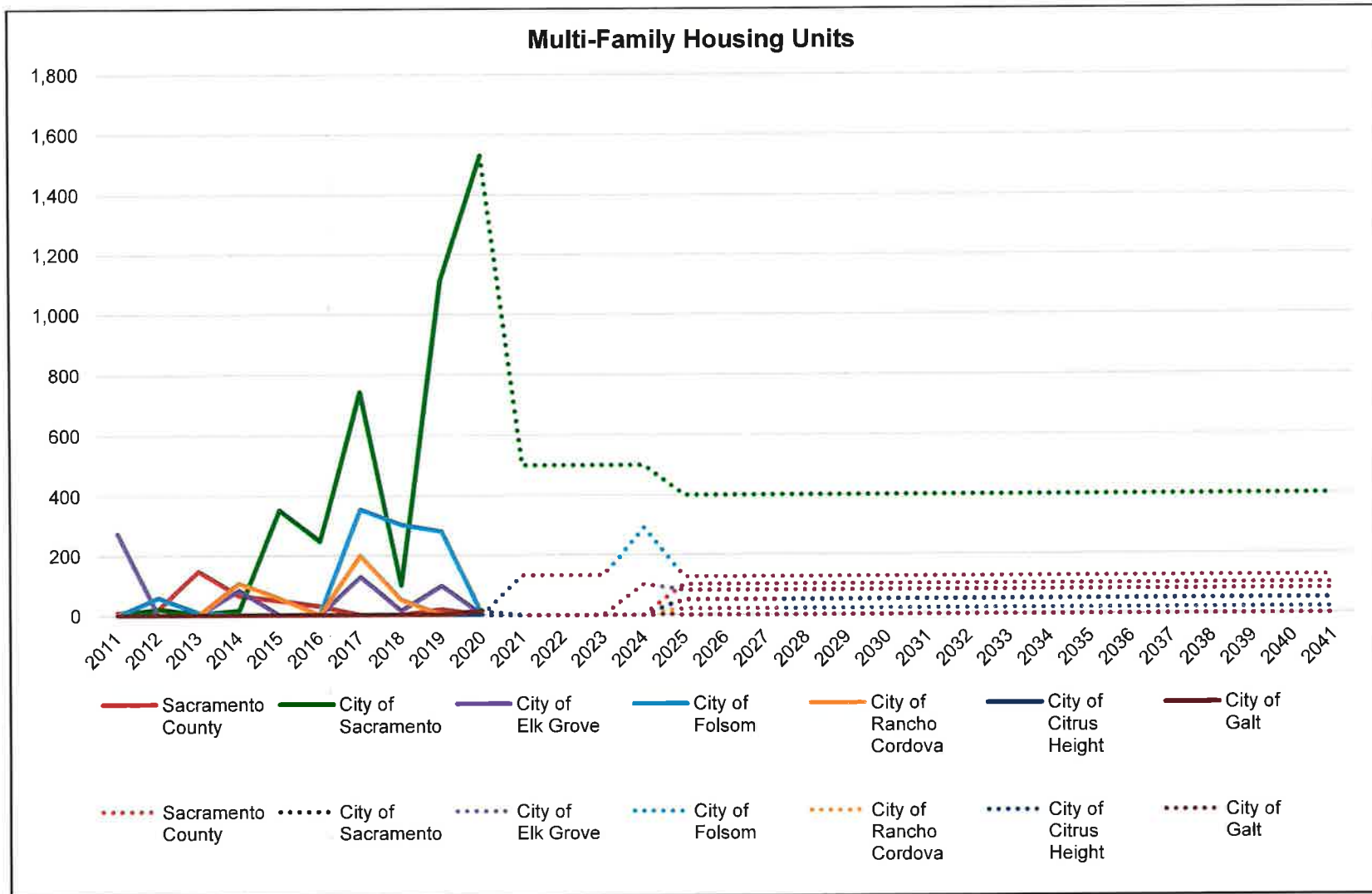


Figure 6: Forecast for Non-Residential Development

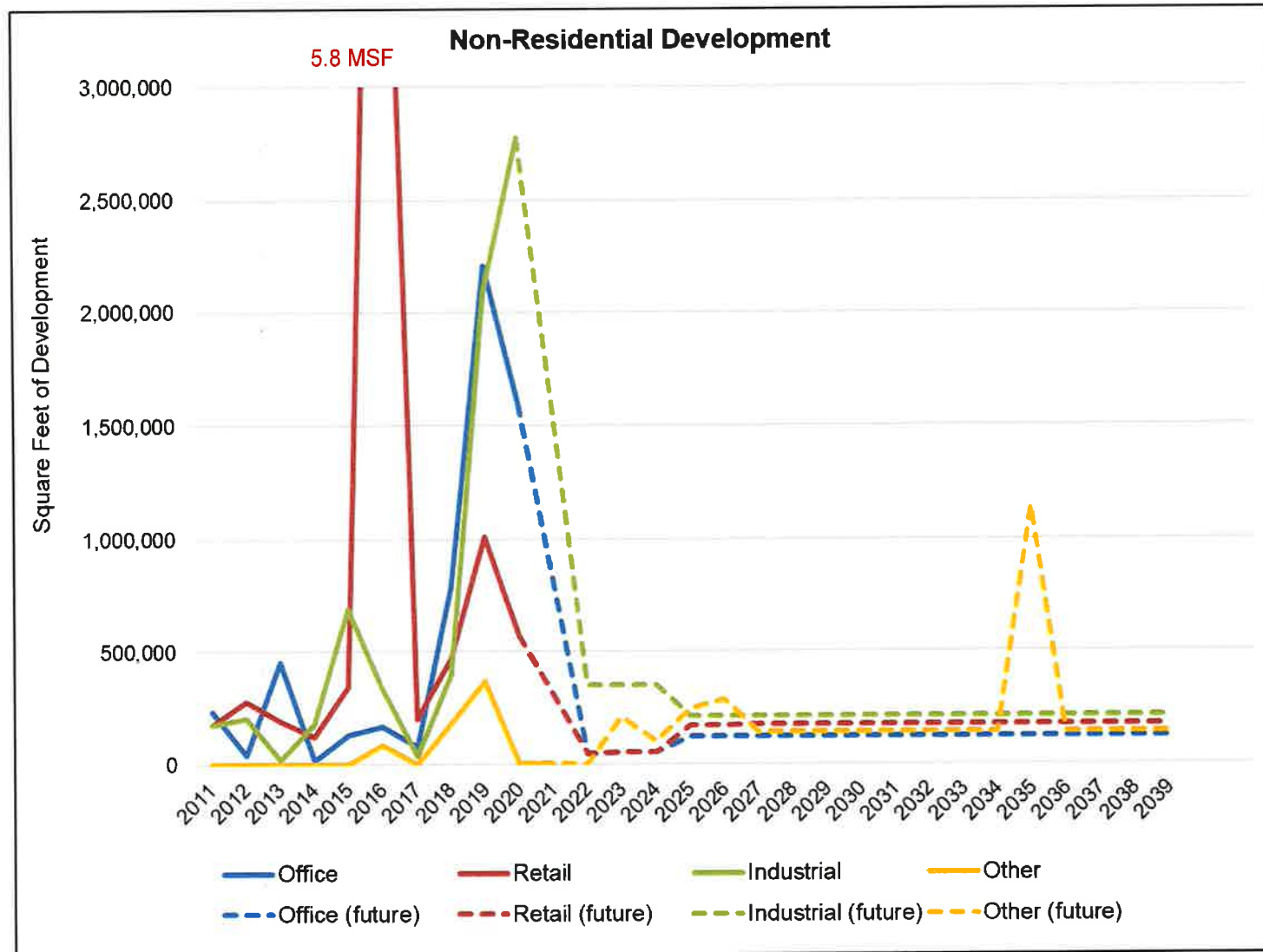


Table 3: Computation of Average Rate for Commercial/Retail Uses

ITE Description	ITE Code	Unit	Daily Trip-Gen Rate	Pass-by Credit	Net Daily Trip-Gen Rate	Estimated % Square Footage	Weighted Average ADT's
			(A)	(B)	(C)=(A)*(1-B)	(D)	(E)=(C)*(D)
Shopping Center (>150k)	820	KSF	37.01	40%	22.21	40%	8.88
Convenience Store*	851	KSF	762.28	56%	335.40	11%	36.89
Fine Dining Restaurant	931	KSF	83.84	44%	46.95	15%	7.04
Fast-Food Restaurant	933	KSF	450.49	55%	202.72	5%	10.14
Automobile Sales (new vehicles)	840	KSF	27.84	0%	27.84	6%	1.67
Home Improvement Superstore	862	KSF	30.74	42%	17.83	15%	2.67
Drive-In Bank	912	KSF	100.35	35%	65.23	8%	5.22
Combined Rate						100.00%	72.52

* Pass-by rate taken from land use 945, Convenience Store/Gas Station

The Estimated % Square Footage is from the 2006 Nexus Study, Appendix E.

Table 4: Computation of Average Rate for Industrial Uses

Industrial Land Uses	ITE Code	Unit	Daily Trip-Gen Rate
General Light Industrial	110	KSF	4.96
Industrial Park	130	KSF	3.37
Manufacturing	140	KSF	3.93
Average Rate			4.09

Table 5: Computation of Average Rate for Warehouse/Self Storage Uses

Warehouse Uses	ITE Code	Unit	Daily Trip-Gen Rate
High-Cube Warehouse	154	KSF	1.40
Self Storage	151	KSF	1.45
Average Rate			1.43

Table 6: Computation of Average Rate for Lodging Uses

Lodging Land Uses	ITE Code	Unit	Daily Trip-Gen Rate
Hotel	310	Room	7.99
Business Hotel	312	Room	4.02
Motel	320	Room	3.35
Average Rate			5.12

Table 7: Trip-Generation Rates Used for Forecast of Traffic Growth

SCTMFP Land Use Code	ITE Code	Unit	Daily Trip-Gen Rate
Residential, Single Family	210	DU	9.44
Residential, Multi-Family	220	DU	6.74
Commercial, Retail	Mixed	KSF	72.52
Commercial, Office	710	KSF	10.84
Industrial	Mixed	KSF	4.09
Hospital/Medical	610	KSF	10.77
Warehouse/Self Storage	Mixed	KSF	1.43

Table 8: Growth in Trips Generated in Sacramento County

Development Type	Daily Trip-Gen Rate per Unit	Existing in 2022		Future Growth (2022-2039)	
		Number of Units	Daily Trips	Number of Units	Daily Trips
Residential, Single Family	9.44	362,022	3,417,491	42,050	396,952
Residential, Multi-Family	6.74	221,885	1,495,503	13,775	92,844
Commercial, Retail	72.52	94,445	6,849,004	2,764	200,441
Commercial, Office	10.84	57,936	628,026	1,964	21,290
Industrial	4.09	100,527	410,822	4,186	17,107
Hospital/Medical	10.77	8,538	91,954	2,793	30,081
Warehouse/Self Storage	1.43	23,319	33,229	971	1,384
Total Trips			12,800,845		760,097
Percent of Trips in 2039			94.4%		5.6%
Percent of DUs in 2039		91.3%		8.7%	

3.3 Volume-to-Capacity Ratios

For an impact fee to be collected, there must be a need for capacity improvements that are triggered by new development. Capacity deficiencies are identified using level of service (LOS) thresholds that are established in a jurisdiction's general plan. The LOS policies of the 7 jurisdictions in Sacramento County are shown in Table 9.

Table 9: LOS Policies of Jurisdictions in Sacramento County

Jurisdiction	LOS Policy
Sacramento County	"D" on rural roadways, "E" on urban roadways
City of Sacramento*	See note below
Elk Grove	Not explicitly stated, but target delay at signalized intersections corresponds to LOS "D"
Folsom	LOS "D", with some exceptions allowed
Rancho Cordova	LOS "D", with some exceptions allowed
Citrus Heights	LOS "E", with some exceptions allowed
Galt	LOS "C", except "D" within ¼ mile of SR-99 interchanges

*The City of Sacramento has adopted Traffic Impact Study Guidelines, which identify roadway volume service thresholds that approximate an equivalent LOS C/D threshold for roadway sizing.

As can be seen in Table 9, the predominant approach among Sacramento County jurisdictions is to maintain LOS "D" in most situations. This balances a reasonable degree of mobility with the need to keep the cost of infrastructure at an affordable level.

Table 10 shows the volume-to-capacity (V/C) ratio for the Measure A roadway projects that have not yet been constructed. The volumes assume that the forecast new growth occurs and the capacity assumes that no improvements are made to the roadway network. For context, a V/C ratio between 0.9 and 1.0 indicates LOS "E" and a V/C ratio greater than 1.0 indicates LOS "F." For every project on the list, new growth worsens the V/C ratio. And in every case but one, the V/C ratio would be worse than the acceptable threshold of 0.90, which is the upper limit of LOS "D". Based on these results, we determined that new development causes or contributes to the deficiencies triggering every project listed in Table 10 except for A25SC.

Table 10: Volume-to-Capacity Ratios for Measure A Road Projects

Project Name	STA Project #	Jurisdiction	Volume/Capacity Ratio	
			Existing	Existing + Growth
A. LOCAL ARTERIAL PROGRAM				
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	1.31	1.32
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	1.15	1.22
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	1.39	1.50
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	1.40	1.53
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	1.11	1.30
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	1.01	1.04
I-5/SR 99/SR 50 Connector	A16JP1	CSCA JPA	1.09	1.26
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	1.01	1.03
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	1.12	1.16
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	1.23	1.25
Madison Avenue: Phase 2 (Hazel Ave – Greenback Lane)	A25SC	Sac County	0.67	0.71
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	1.44	1.48
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine)	A28SC	Sac County	1.43	1.66
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	0.98	1.17
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	0.85	0.99
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	1.17	1.22
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	1.19	1.24
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM				
I-5 Bus/Carpool Lanes: Phase 1 from Elk Grove to US 50	A45CT1	Caltrans	1.05	1.17
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	1.26	1.35
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	1.06	1.10
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	1.05	1.11
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	0.95	1.02
E. SMART GROWTH INCENTIVE PROGRAM				
I-5/SR 99/SR 50 Connector, \$5 million for the Cosumnes River Permanent Open Space Preserve	A16JP3	CSCA JPA	1.16	1.33
F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM				
I-5/SR 99/SR 50 Connector, \$5 million for the Cosumnes River Permanent Open Space Preserve	A16JP4	CSCA JPA	1.16	1.33

3.4 Project Cost Estimates

As can be seen in the Measure A project list in Table 11, since its passage, 19 Measure A projects have been completed and will need no further funding from the SCTMF Program. Additionally, 7 projects have been dropped from the list for one reason or another, and will also not need SCTMF Program funding.

Member agencies were asked to provide their most recent cost estimates for the remaining projects. These estimates, shown in Column A of Table 11, were developed in different years and were adjusted to reflect current construction prices. Per STA policy, this adjustment used the Engineering News Record Construction Cost Index (ENR CCI) overall annual average. Table 12 shows how the construction cost inflator was developed from the price indices for all 20 cities reported in ENR's survey of construction prices nationwide.

Table 11: Updated Project Costs

Project Name	STA Project #	Jurisdiction	Most Recent Cost Estimate	Year of Most Recent Cost Estimate	Cost Inflation Factor	Updated Project Cost
			(A)		(B)	(C) = (A)*(B)
A. LOCAL ARTERIAL PROGRAM						
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	\$5,349,275	2019	1.18	\$6,333,993
Antelope Road: Roseville Rd - I-80	A02CH	Citrus Heights	Completed			
Antelope Road: I-80 - Auburn Blvd	A03CH	Citrus Heights	\$26,000,000	2022	1.03	\$26,702,045
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	\$4,944,101	2009	1.56	\$7,706,291
Arden Way: ITS improvements Del Paso-Ethan Way	A04CS	City of Sac	Not Planned			
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	\$27,765,597	2022	1.03	\$28,515,317
Bradshaw Road: Calvine-Florin	A07SC	Sac County	Completed			
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	\$197,396,000	2009	1.56	\$307,677,965
Bruceville Road: Sheldon-Cosumnes River Blvd	A09CS	City of Sac	Not Planned			
Cosumnes River Blvd: I-5-Franklin Blvd	A10CS	City of Sac	Completed			
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	\$6,348,910	2022	1.03	\$6,520,342
Folsom Blvd: 65th-Watt	A12CS	City of Sac	Not Planned			
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	\$40,698,159	2019	1.18	\$48,190,055
Folsom Blvd Streetscape: Phase 1 (Bradshaw to Sunrise)	A14RC1	Rancho Cordova	Completed			
Folsom Blvd Streetscape: Phase 2 (Bradshaw to Sunrise)	A14RC2	Rancho Cordova	Completed			
Folsom Bridge Crossing	A15FS	Folsom	Completed			
I-5/SR 99/SR 50 Connector	A16JP1	CSCA JPA	\$504,000,000	2022	1.03	\$517,608,881
I-5/SR 99/SR 50 Connector, \$5 million for the Cosumnes River Perm	A16JP2	CSCA JPA	Completed			
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	\$41,716,000	2022	1.03	\$42,842,405
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	\$68,500,035	2019	1.18	\$81,109,823
Greenback Lane: I-80-Manzanita Ave	A20SC	Sac County	\$15,000,000	2009	1.56	\$23,380,258
Greenback Lane: (West City Limit to Fair Oaks Blvd)	A18CH	Citrus Heights	Completed			
Hazel Avenue: Phase 1 (US 50 – Madison Ave)	A21SC	Sac County	Completed			
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	\$83,121,000	2019	1.18	\$98,422,280
Hazel Avenue: (US Highway 50 – Folsom Blvd)	A23SC	Sac County	\$105,000,000	2022	1.03	\$107,835,183
Madison Avenue: Phase 1 (Sunrise Blvd – Hazel Ave)	A24SC	Sac County	\$30,381,000	2022	1.03	\$31,201,340
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	\$90,411,746	2009	1.56	\$140,923,332
S Watt/Elk Grove-Florin Road: Phase 1 (Folsom Blvd – Calvine Rd)	A27SC	Sac County	\$53,000,000	2022	1.03	\$54,431,093
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine Rd)	A28SC	Sac County	\$180,111,556	2009	1.56	\$280,736,981
Elk Grove - Florin Rd (Calvine Rd - Elk Grove Blvd)	A29EG1	Elk Grove	Not Planned			
Elk Grove - Florin Rd (Calvine Rd - Sheldon Rd)	A29EG2	Elk Grove	\$2,495,550	2022	1.03	\$1,617,116
Elk Grove - Florin Rd (Calvine Road – Old Placerville Road)	A29EG3	Elk Grove	Not Planned			
Sheldon Road: Bruceville-Elk Grove-Florin	A30EG1	Elk Grove	Not Planned			
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	8,551,924	2022	1.03	\$8,782,841
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	\$33,883,638	2019	1.18	\$40,121,087
Sunrise Blvd: (Gold Country Road-Jackson Rd)**	A32RC	Rancho Cordova	Completed			
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	\$43,518,800	2019	1.18	\$51,529,932
Sunrise Blvd: Phase 2 (Greenback Lane – Oak Ave)	A35CH	Citrus Heights	\$8,300,000	2022	1.03	\$8,524,115
Sunrise Blvd: Phase 1 (Oak Ave - Antelope Rd)	A34CH	Citrus Heights	Completed			
Sunrise Blvd: Phase 3 (Antelope Rd – City Limit)	A36CH	Citrus Heights	\$6,400,000	2022	1.03	\$6,572,811
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	\$82,909,270	2019	1.18	\$98,171,573

Table 11: Updated Project Costs (continued)

Project Name	STA Project #	Jurisdiction	Most Recent Cost Estimate	Year of Most Recent Cost Estimate	Cost Inflation Factor	Updated Project Cost
			(A)		(B)	(C) = (A)*(B)
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM						
Downtown Intermodal Station	A38CS	City of Sac	\$400,000,000	2023	1.00	\$400,000,000
LRT extension (Meadowview Rd. to Cosumnes Riv Blvd)	A39RT	SacRT	Completed			
Regional Rail Commuter Service	A40RT	SacRT	Not Planned			
LRT extension to Airport (planning/enviro/design only)	A41RT	SacRT	\$7,195,809	2022	1.03	\$7,390,108
LRT improvements in I-80 Corridor	A42RT	SacRT	Completed			
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM						
Bus/carpool ramp connection (SR-50E to SR-99S)	A43CT	Caltrans	\$300,000,000	2022	1.03	\$308,100,524
I-80 Bus/carpool lanes (I-5 to Capital City Fwy)	A44CT	Caltrans	Completed			
I-5 Bus/Carpool Lanes: Phase 1 from Elk Grove to US 50	A45CT1	Caltrans	Completed			
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	\$90,000,000	2022	1.03	\$92,430,157
Ramp widenings for connectors between SR 50 and I-5	A46CT	Caltrans	\$300,000,000	2022	1.03	\$308,100,524
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 1	A47CT	Caltrans	Completed			
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	\$128,000,000	2022	1.03	\$131,456,224
Central Galt/SR 99 interchange upgrade	A48GT	Galt	Completed			
Consumnes River Blvd./I-5 interchange upgrade	A49CS	City of Sac	Completed			
GrantLine Road/SR 99 interchange upgrades	A50EG	Elk Grove	Completed			
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	\$177,000,000	2022	1.03	\$181,779,309
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	\$115,000,000	2022	1.03	\$118,105,201
Sheldon Road/SR99 Interchange Upgrade	A53EG	Elk Grove	Completed			
Watt Ave/SR50 interchange upgrade	A54SC	Caltrans	Completed			
E. SMART GROWTH INCENTIVE PROGRAM						
Promotion of transit oriented development						
I-5/SR 99/SR 50 Connector, \$5 million for the Cosumnes River Permanent Open Space Preserve	A16JP3	CSCA JPA	\$5,000,000			\$5,000,000
F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM						
Environmental mitigation for Measure A transportation projects						
Open Space Acquisition						
Natural habitat preservation						
I-5/SR 99/SR 50 Connector, \$5 million for the Cosumnes River Permanent Open Space Preserve	A16JP4	CSCA JPA	\$5,000,000			\$5,000,000
Total for All Projects >						\$3,582,819,108

Table 12: Construction Cost Inflator

Year	ENR Construction Cost Index	Cost Inflator
	20-City Annual Average	
2009	8,570	1.56
2010	8,799	1.52
2011	9,070	1.47
2012	9,308	1.44
2013	9,547	1.40
2014	9,807	1.36
2015	10,035	1.33
2016	10,338	1.29
2017	10,737	1.24
2018	11,062	1.21
2019	11,281	1.18
2020	11,466	1.17
2021	12,133	1.10
2022	13,007	1.03
2023	13,358	1.00

4. Updated Fee Calculation

4.1 Consideration of Residential Floor Area

The State of California has instituted a new policy⁴ pertaining to fees on residential developments. California Government Code Section 66016.5(a)(5), which is new with the enactment of AB 602, states that,

- “(A) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.*
- (B) A nexus study is not required to comply with subparagraph (A) if the local agency makes a finding that includes all of the following:*
 - (i) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on housing development project.*
 - (ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.*
 - (iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.*
- (C) This paragraph does not prohibit an agency from establishing different fees for different types of developments.”*

AB 602 applies to impact fee programs generally and was not tailored to fit circumstances specific to transportation impact fees. Web research revealed that there are currently no well-established sources for trip generation rates based on residential unit size. However, data on the number of persons per household can be obtained from the U.S. Census Bureau's American Housing Survey, and data on the number of trips by household size is available from NCHRP Report 716, *Travel Demand Forecast: Parameters and Techniques*. This data was combined, as shown in Table 13, to estimate trip generation rates by residential unit size. The residential unit size categories were determined in coordination with the working group including the local agencies that have adopted the SCTMF Program. The data is based on single-family homes; the average size for a single-family home in Sacramento County is 2,255 sq. ft.

As can be seen in Table 13, although the trip generation rate is related to the size of the residence, it is not directly proportionate to the floor area, as is assumed in Section 66016.5(a)(5)(A). We recommend that STA therefore find, pursuant to Section 66016.5(a)(5)(B)(i), that it would not be appropriate to use square footage directly as the metric of traffic impacts for the purposes of the SCTMF Program. It should instead find, pursuant to Section 66016.5(a)(5)(B)(ii), that the data supports fees based on the relationships shown in the bottom row of Table 13 for new very small, small, medium-small, medium, and large-sized homes. It should further find, pursuant to Section 66016.5(a)(5)(B)(iii), that these relationships would ensure that smaller units would not be charged disproportionate fees compared to larger units.

⁴ Assembly Bill 602, signed into law in September 2021.

CGC Section 66016.5(a)(5)(C) allows agencies to establish different fees for different types of developments. As a matter of policy, STA determined that fees on multi-family housing should be set lower than those of single-family dwellings, in recognition of their low trip generation rates. The rates for multi-family and senior age-restricted housing were therefore calculated based on their respective daily trip-generation rates found in the *ITE Trip Generation Manual*. The average size for multifamily units in Sacramento County is less than 1,200 sq. ft., so the ITE rate for them, which represents the average unit, was used to compute the “Small” values for these dwelling types. The ratios between the trip-generation rates for the size categories are found in the bottom row of Table 13.

Table 13: Computation of Average Trip Generation by Dwelling Size Category

Persons per Household	Trips per Household	Total	Very Small			Small			Medium-Small			Medium			Large		
			≤ 800 sq.ft			801 to 1,200 sq.ft			1,201 to 1,600 sq.ft			1,601 to 2,400 sq.ft			> 2,400 sq.ft		
			Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips
	(A)		(B)	(C)=(B)*Σ(B)	(D)=(A)*(C)	(E)	(F)=(E)*Σ(E)	(G)=(A)*(F)	(H)	(I)=(H)*Σ(H)	(J)=(A)*(I)	(K)	(L)=(K)*Σ(K)	(M)=(A)*(L)	(N)	(O)=(N)*Σ(N)	(P)=(A)*(O)
1	4.1	32,110	7,889	55%	2.26	8,648	36%	1.46	6,421	28%	1.15	6,264	20%	0.81	2,888	12%	0.50
2	8.2	40,531	3,737	26%	2.14	8,092	33%	2.74	8,027	35%	2.87	11,767	37%	3.04	8,908	38%	3.10
3	11.2	17,618	1,307	9%	1.02	3,449	14%	1.59	3,618	16%	1.77	5,546	17%	1.96	3,699	16%	1.76
4	16.1	15,389	834	6%	0.94	2,370	10%	1.57	2,837	12%	1.99	4,745	15%	2.41	4,602	20%	3.15
5	18.6	7,046	334	2%	0.43	1,078	4%	0.83	1,267	6%	1.03	2,205	7%	1.29	2,162	9%	1.71
6	18.6	2,625	106	1%	0.14	408	2%	0.31	485	2%	0.39	792	2%	0.46	834	4%	0.66
7+	18.6	1,476	97	1%	0.13	214	1%	0.16	277	1%	0.22	443	1%	0.26	445	2%	0.35
Total		116,795	14,305	100%	7.06	24,258	100%	8.67	22,933	100%	9.42	31,760	100%	10.22	23,539	100%	11.23
Average Persons per Household		2.07	1.64			1.94			2.06			2.19			2.30		
Trip-Gen Rate as a % of SFD Average			69%			85%			92%			100%			110%		

Sources: Column (A) - NCHRP Report 716, Columns (B), (E), and (H) - American Housing Survey, 2021 National Household Demographics

Notes: 1,601-2,400 sq.ft. is assumed to be the SFD Average unit size range, based on average size of single family homes in the United States from various sources including statista.com

Table 13 was then used to compute the dwelling unit equivalents (DUEs) for different sizes of single-family, multi-family, and senior age-restricted housing. As with single-family dwellings, the use of size categories accords with the intent of Section 66016.5(a)(5)(B)(iii) that smaller units are not charged disproportionate fees compared to larger units.

Table 14: Computation of DUEs by Size and Dwelling Type

Dwelling Type	ITE 11th Edition Trip-Gen Rate (Daily)	Average Unit as % of Average SFD Trip-Gen Rate	Dwelling Unit Equivalents				
			Very Small (≤ 800 sq.ft.)	Small (801-1200 sq.ft.)	Medium-Small (1,201-1,600 sq.ft.)	Medium (1,601-2,400 sq.ft.)	Large (>2,400 sq.ft.)
Single-Family Residential	9.44	100%	0.69	0.85	0.92	1.00	1.10
Single-Family Residential, Senior	4.31	46%	0.32	0.39	0.42	0.46	0.50
Multi-Family Residential	7.32	78%	0.63	0.78	0.84	0.91	1.01
Multi-Family Residential, Senior	3.24	34%	0.28	0.34	0.37	0.40	0.44

4.1.1 Accessory Dwelling Units (ADUs)

In addition to the considerations discussed above pursuant to AB 602, a separate piece of legislation, SB 13, passed in 2019, establishes a new system for assessing fees on accessory dwelling units (ADUs). It amended CGC Section 65852.2(3)(A)(f)(3) to read,

"A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit."

Based on this subsection, if an ADU is smaller than 750 square feet it is exempt from the SCTMF. Fees on ADUs larger than 750 square feet require a two-part calculation. First, the SCTMF that would be charged to the primary dwelling unit is calculated, then the fee on the ADU is computed based on the ratio of its floor area to the primary dwelling unit. For example, if the primary dwelling unit were 2,000 sq. ft. and would be charged a fee of \$800, then an ADU 1,000 sq. ft. in size on that property would be charged a fee of \$400 (50% of the size, so 50% of the fee).

4.2 Computing the Maximum Allowable Fee

The methodology used to update the fee schedule repeated the first nine steps in the previous nexus study as shown in Figure 2, except that all inputs were updated as described in Chapter 3 of this report.

Table 15 shows how the updated project costs from Table 11 were combined with the updated forecast for new growth from Table 8 to compute the maximum allowable project cost attributable to each vehicle trip generated by new development in Sacramento County. Additionally, Table 15 computes the maximum allowable cost per DUE, based on the Fee per New Vehicle Trip and the trip generation rate of a single-family home from Table 7. Table 15 also reflects that the SCTMF has already spent some funds for projects that are in development but are not yet complete. This reduces the amount of funding needed from future development.

Table 15: Calculation of Fee per New Vehicle Trip (for Roads) and Per New Dwelling Unit Equivalent (for Roads and Transit)

Project Class	Maximum Permissible SCTMF Funding	SCTMF Funding Already Spent	Maximum Permissible Future SCTMF Funding
	(A)	(B)	(C) = (A) - (B)
Total for Local Arterial Program	\$107,274,039	\$34,738,980	\$72,535,059
Total for Connectors and Carpool Lanes	\$57,224,537	\$870,874	\$56,353,663
Total for Local Freeway Interchange Projects	\$12,652,662	\$696,441	\$11,956,221
Total for All Roadway Projects >	\$177,151,238	\$36,306,295	\$140,844,943
Total Number of Vehicle Trips from Future Growth >			760,097
Fee per New Vehicle Trip >			\$185
Fee per New Dwelling Unit Equivalent (DUE) >			\$1,749
Total for All Transit Projects >	\$35,550,125	\$12,095,221	\$23,454,904
Forecast Number of New Dwelling Units >			55,825
Fee per New Dwelling Unit Equivalent (DUE) >			\$420

4.3 Recommended Fee by Land Use Category

The next step is to compute the maximum allowable fee for each unit of new development. For residential uses, this is done by multiplying the DUE rates for each dwelling size shown in Table 14 by the fee per new DUE shown in Table 15.

Table 16 shows both the maximum allowable and proposed fee schedule for residential developments after the size adjustments shown in Table 14 were applied. Per the Measure A Ordinance, fees for uses that are not the average single-family unit (medium size) "shall be proportionate to the trip generation rate of the affected land use relative to the trip generation rate of a single family *[sic]* unit." The DUEs presented in Table 14 take into account the trip generation rates proportionate to the average single-family unit. Therefore, the proposed road cost per DUE and proposed fee per unit shown in Table 16 is calculated based on the current fee for the medium size single-family unit (equal to 1.00 DUE).

One notable feature of the table that is worth explaining is that the fees for multi-family dwellings (MFDs) increased more than the rates for single-family dwellings (SFDs). The reason is that trip generation rates for SFDs have decreased since 2006 as the average household size and the average number of working adults have declined for this housing type. On the other hand, the trip generation rate for MFDs has risen over the same period as fewer growing families have been able to move into SFDs due to affordability issues. The result is that MFDs have a relatively greater impact on roadway congestion than in the past.

The fees for non-residential developments are shown in Table 17. The cost per new trip generated from Table 15 was multiplied by the trip generation rates from Table 7 to produce the maximum allowable fee for each land use type. As stated previously, one of the purposes of this nexus study is to ensure that proposed fees are defensible. In other words, that the proposed fees are less than the maximum allowable fees.

The proposed fees, to comply with Measure A, are based on the escalated cost of \$1,000 per SFD originally established in 2006. Accordingly, the proposed SFD fee in 2023 dollars is \$1,574 per average SFD, which falls in the medium SFD size category in the revised fee schedule. Using the proposed fee per SFD (\$1,574 per unit) we can calculate the proposed cost per trip to be \$167 based on the daily trip generation rate for a single-family home (9.44). The proposed fee per unit is then calculated by multiplying the proposed cost per trip by the trip generation rate (column A). One noticeable aspect of Table 17 is that the percentage change in fee differs substantially for different development types. This arises from the fact that the trip generation rates for different land use categories have changed over time as travel behaviors and markets evolve.

Table 16: Fees for Residential Developments

Development Type	ITE Code	Dwelling Unit Equivalent (DUE)	Maximum Allowable Road Fee per DUE*	Maximum Allowable Transit Fee per DUE*	Total Maximum Allowable Fee per DUE*	Maximum Allowable Fee per Unit	Proposed Cost per DUE**	Proposed Fee per Unit	FY 24/25 Fee per Unit	Change in Fee	% Change in Fee
		(A)	(B)	(C)	(D)=(B)+(C)	(E)=(A)*(D)	(F)	(G)=(A)*(F)	(H)	(I)=(G)-(H)	(J)=(I)/(H)
Single-Family Residential	210										
Very Small (≤ 800 sq.ft.)		0.69	\$1,749	\$420	\$2,169	\$1,499	\$1,574	\$1,088	\$1,574	(\$486)	-31%
Small (801-1200 sq.ft.)		0.85	\$1,749	\$420	\$2,169	\$1,839	\$1,574	\$1,334	\$1,574	(\$240)	-15%
Medium-Small (1,201-1,600 sq.ft.)		0.92	\$1,749	\$420	\$2,169	\$2,000	\$1,574	\$1,451	\$1,574	(\$123)	-8%
Medium (1,601-2,400 sq.ft.)		1.00	\$1,749	\$420	\$2,169	\$2,169	\$1,574	\$1,574	\$1,574	\$0	0%
Large (>2,400 sq.ft.)		1.10	\$1,749	\$420	\$2,169	\$2,384	\$1,574	\$1,730	\$1,574	\$156	10%
Single-Family Residential, Senior	251										
Very Small (≤ 800 sq.ft.)		0.32	\$1,749	\$420	\$2,169	\$685	\$1,574	\$497	\$1,260	(\$763)	-61%
Small (801-1200 sq.ft.)		0.39	\$1,749	\$420	\$2,169	\$840	\$1,574	\$609	\$1,260	(\$651)	-52%
Medium-Small (1,201-1,600 sq.ft.)		0.42	\$1,749	\$420	\$2,169	\$913	\$1,574	\$663	\$1,260	(\$597)	-47%
Medium (1,601-2,400 sq.ft.)		0.46	\$1,749	\$420	\$2,169	\$990	\$1,574	\$719	\$1,260	(\$541)	-43%
Large (>2,400 sq.ft.)		0.50	\$1,749	\$420	\$2,169	\$1,089	\$1,574	\$790	\$1,260	(\$470)	-37%
Multi-Family Residential	220										
Very Small (≤ 800 sq.ft.)		0.63	\$1,749	\$420	\$2,169	\$1,371	\$1,574	\$995	\$1,101	(\$106)	-10%
Small (801-1200 sq.ft.)		0.78	\$1,749	\$420	\$2,169	\$1,682	\$1,574	\$1,221	\$1,101	\$120	11%
Medium-Small (1,201-1,600 sq.ft.)		0.84	\$1,749	\$420	\$2,169	\$1,829	\$1,574	\$1,327	\$1,101	\$226	21%
Medium (1,601-2,400 sq.ft.)		0.91	\$1,749	\$420	\$2,169	\$1,984	\$1,574	\$1,440	\$1,101	\$339	31%
Large (>2,400 sq.ft.)***		1.01	\$1,749	\$420	\$2,169	\$2,181	\$1,574	\$1,582	\$1,101	\$481	44%
Multi-Family Residential, Senior	252										
Very Small (≤ 800 sq.ft.)		0.28	\$1,749	\$420	\$2,169	\$607	\$1,574	\$440	\$943	(\$503)	-53%
Small (801-1200 sq.ft.)		0.34	\$1,749	\$420	\$2,169	\$745	\$1,574	\$540	\$943	(\$403)	-43%
Medium-Small (1,201-1,600 sq.ft.)		0.37	\$1,749	\$420	\$2,169	\$810	\$1,574	\$587	\$943	(\$356)	-38%
Medium (1,601-2,400 sq.ft.)		0.40	\$1,749	\$420	\$2,169	\$878	\$1,574	\$637	\$943	(\$306)	-32%
Large (>2,400 sq.ft.)***		0.44	\$1,749	\$420	\$2,169	\$965	\$1,574	\$700	\$943	(\$243)	-26%
Accessory Dwelling Units											
Very Small (<750 sq.ft.)											
Otherwise (>750 sq.ft.)											

* Maximum Allowable Cost and Fee Calculated for Nexus Study

** Proposed Road Cost per DUE is equal to the medium-sized single family dwelling unit fee for FY 24/25 to comply with Measure A.

*** No multi-family units of this size have been built in Sacramento County in the last 5 years

Note: For residential uses that are anticipated to have unique trip generation characteristics, such as those near transit or those with restricted parking, see Operating Protocols for fee calculation procedures.

Table 17: Updated Fees by Non-Residential Development Type

Development Type	ITE Code	Unit	Trip Generation Rate	Maximum Allowed Cost per Trip	Maximum Allowed Fee per Unit	Proposed Cost per Trip	Proposed Fee per Unit	FY 24/25 Fee per Unit	Change in Fee	% Change in Fee
			(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)	(G)=(E)-(F)	(H)=(G)/(F)
Office Use	710	KSF	10.84	\$185	\$2,009	\$167	\$1,807	\$1,890	(\$83)	-4%
Retail Use*		KSF	NA		\$2,624		\$2,361	\$2,362	(\$1)	0%
Industrial Use	110	KSF	4.96	\$185	\$919	\$167	\$827	\$1,260	(\$433)	-34%
Hotel/Motel	Mixed	sleeping room	5.12	\$185	\$949	\$167	\$854	\$912	(\$58)	-6%
Extended Stay Hotel/Motel	320	sleeping room	3.35	\$185	\$621	\$167	\$559	\$810	(\$251)	-31%
Hospital	610	KSF	10.77	\$185	\$1,996	\$167	\$1,796	\$2,639	(\$843)	-32%
Service Station**	944	Fuel Pump	20.64	\$185	\$3,825	\$167	\$3,442	\$2,047	\$1,395	68%
Supermarket*		KSF	NA		\$2,624		\$1,078.0	\$2,362	(\$1,284)	-54%
Warehouse/Self-Storage	Mixed	KSF	1.43	\$185	\$264	\$167	\$238	\$394	(\$156)	-40%
Assisted Living Facility	254	bed	2.60	\$185	\$482	\$167	\$434	\$454	(\$20)	-5%
Congregate Care	253	unit	2.21	\$185	\$410	\$167	\$368	\$333	\$35	11%
Child Day Care	565	Student	4.09	\$185	\$758	\$167	\$682	\$725	(\$43)	-6%
Private School (K-12)	532	Student	2.48	\$185	\$460	\$167	\$414	\$410	\$4	1%
Auto Repair/Body Shop*		KSF	NA		\$2,624		\$2,361	\$2,362	(\$1)	0%
Gym/Fitness Center*		KSF	NA		\$2,624		\$2,361	\$2,362	(\$1)	0%
Drive-through Car Wash*		KSF	NA		\$2,624		\$2,361	\$2,362	(\$1)	0%
All Other		Trip		\$185		\$167		\$167	(\$0)	0%

* Fee set by Board policy at 1.5 times the rate for Single-Family Dwellings for 1 KSF of retail

** Trip generation rate includes a reduction for pass-by trips, per ITE

4.4 Funding from Other Sources

As was discussed in the earlier sections, the SCTMF will provide only a portion of the funding required to implement the Measure A project list. The remainder must come from some other source. As is always the case with decades-long programs like the SCTMF, funding opportunities come and go with the passage of individual infrastructure funding acts, so there is always a degree of uncertainty regarding future funding. That said, the amount of grant funding provided to the Measure A projects that have been completed provides a general idea of grant funding that may be available in the future.

Table 18 shows the amount of grant funding used for individual projects that have now been completed. These have been grouped into four programs because the amount of grant funding often differs depending on the type of project. For example, Table 18 shows that local arterial projects have on average received 60% grant funding while transit capital improvements have received 80% grant funding.

Table 19 compares the amount of grant funding needed with the grant funding that has been historically available. In most cases, the amount needed and the amount received are roughly consistent. The sole exception is the Local Freeway Interchange Congestion Relief Upgrades program, where STA may need to seek additional funding from local jurisdictions if sufficient grant funding does not materialize.

4.4.1 Funding from Local Jurisdictions

Local funding (jurisdiction funding) is all funding identified for a project that is not grant funding or SCTMF funding. However, this may include Measure A sales tax funding.

Table 18: Grant Funding for Completed Measure A Projects

Primary Project	Sub Project	Total Project Cost	Third Party Grant Expenditures
A. LOCAL ARTERIAL PROGRAM			
Antelope Road Watt Ave to Auburn Blvd.	Roseville Rd. to I-80 Phase 1	12,397,000	6,200,000
Bradshaw Rd. Grantline Rd. to Folsom Blvd.	Calvine Rd. to Florin Rd. Phase 1	19,547,000	-
Folsom Blvd: 65th St. to Sunrise Blvd.	Bradshaw Rd. to Sunrise Blvd. Phase 1	4,759,152	3,659,000
	Bradshaw Rd. to Sunrise Blvd. Phase 2	14,667,761	10,805,860
	Bradshaw Rd. to Sunrise Blvd. Phase 3	6,836,770	2,724,000
	Bradshaw Rd. to Sunrise Blvd. Phase 4	5,062,000	4,838,000
	Bradshaw Rd. to Sunrise Blvd. Phase 5	6,100,000	5,500,000
Folsom Bridge Crossing	Folsom Bridge Crossing	145,851,098	100,152,288
Consumnes River Permanent Open Space Preserve	Consumnes River Permanent Open Space Preserve	5,000,000	-
Greenback Ln. I/80 to Auburn/Folsom Rd.	West City Limit to Fair Oaks Blvd.	19,176,000	16,188,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Folsom Blvd to White Rock Rd	7,735,000	-
Sunrise Blvd. Placer Co. to Grant Line Rd.	Oak Ave. to Antelope Rd. Phase 1	5,178,000	650,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Greenback Ln. to Oak Ave Phase 2	2,250,000	840,800
Local Arterial Program Total		254,559,781	151,557,948
		Percent of Grant Funding	60%
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM			
South Sac LRT Extension	South Sac LRT Extension	270,000,000	240,312,246
DNA LRT Extension	DNA LRT Extension	49,000,000	14,711,845
LRT I-80 Corridor Improvements	LRT I-80 Corridor Improvements	247,200	-
Rail Transit Improvements Total		319,247,200	255,024,091
		Percent of Grant Funding	80%
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM			
I-80 I-5 to Capital City Freeway	I-80 I-5 to Capital City Freeway	63,259,688	62,537,000
Hwy 50 Bus/Carpool Lanes Sunrise Blvd. to Downtown	Sunrise Blvd. to Downtown Phase 1	100,406,202	67,612,969
Regional Bus/Carpool Lane Connectors/Extensions Total		163,665,890	130,149,969
		Percent of Grant Funding	80%
LOCAL FREEWAY INTERCHANGE CONGESTION RELIEF UPGRADES			
Cosumnes Blvd. I-5 Interchange	Cosumnes Blvd. I-5 Interchange	85,315,164	31,009,376
Central Galt Interchange	Central Galt Interchange	50,641,711	13,962,875
Grantline Rd. Hwy 99 Interchange Upgrade	Grantline Rd. Hwy 99 Interchange Upgrade	77,400,000	-
Sheldon Rd. Hwy 99 Interchange Upgrade	Sheldon Rd. Hwy 99 Interchange Upgrade	73,470,838	20,801,000
Watt Ave. Hwy 50 Interchange	Watt Ave. Hwy 50 Interchange	38,318,000	26,962,680
Local Freeway Interchange Congestion Relief Upgrades Total		325,145,713	92,735,931
		Percent of Grant Funding	29%

Table 19: Expected Grant Funding Needs for SCTMF-Funded Projects

Project Name	STA Project #	Jurisdiction	Updated Project Cost	% Attributable to Regional Growth	Maximum Permissible Fee Cost Based on % Attributable	Funding from Local Jurisdiction	Funding Needed from Other Sources
			(A)	(B)	(C)=(A)*(B)	(D)	(E)=(A)-(C)-(D)
A. LOCAL ARTERIAL PROGRAM							
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	\$6,333,993	5.6%	\$354,704	\$2,066,509	\$3,912,780
Antelope Road: I-80 - Auburn Blvd	A03CH	Citrus Heights	\$26,702,045	5.6%	\$1,495,315	\$0	\$25,206,731
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	\$7,706,291	5.6%	\$431,552	\$2,000,000	\$5,274,738
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	\$28,515,317	5.6%	\$1,596,858	\$11,933,654	\$14,984,805
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	\$307,677,965	5.6%	\$17,229,966	\$131,578,000	\$158,869,999
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	\$6,520,342	5.6%	\$365,139	\$4,886,659	\$1,268,544
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	\$48,190,055	5.6%	\$2,698,643	\$13,673,000	\$31,818,412
I-5/SR 99/SR 50 Connector*	A16JP1	CSCA JPA	\$517,608,881	5.6%	\$28,986,097	\$25,000,000	\$463,622,783
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	\$42,842,405	5.6%	\$2,399,175	\$16,716,000	\$23,727,230
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	\$81,109,823	5.6%	\$4,542,150	\$45,750,000	\$30,817,673
Greenback Lane: I-80-Manzanita Ave	A20SC	Sac County	\$23,380,258	5.6%	\$1,309,294	\$5,000,000	\$17,070,964
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	\$98,422,280	5.6%	\$5,511,648	\$58,121,000	\$34,789,632
Madison Avenue: Phase 1 (Sunrise Blvd – Hazel Ave)	A24SC	Sac County	\$31,201,340	5.6%	\$1,747,275	\$19,021,000	\$10,433,065
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	\$140,923,332	5.6%	\$7,891,707	\$60,277,511	\$72,754,114
S Watt/Elk Grove-Florin Road: Phase 1 (Folsom Blvd – Calvine Rd)	A27SC	Sac County	\$54,431,093	5.6%	\$3,048,141	\$29,723,000	\$21,659,951
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine Rd)	A28SC	Sac County	\$280,736,981	5.6%	\$15,721,271	\$144,000,000	\$121,015,710
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	\$8,782,841	5.6%	\$491,839	\$5,541,646	\$2,749,356
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	\$40,121,087	5.6%	\$2,246,781	\$22,589,092	\$15,285,214
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	\$51,529,932	5.6%	\$2,885,676	\$29,027,039	\$19,617,217
Sunrise Blvd: Phase 2 (Greenback Lane – Oak Ave)	A35CH	Citrus Heights	\$8,300,000	5.6%	\$464,800	\$0	\$7,835,200
Sunrise Blvd: Phase 3 (Antelope Rd – City Limit)	A36CH	Citrus Heights	\$6,400,000	5.6%	\$358,400	\$0	\$6,041,600
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	\$98,171,573	5.6%	\$5,497,608	\$55,550,000	\$37,123,965
Total for Local Arterial Program			\$1,915,607,834		\$107,274,039	\$682,454,109	\$1,125,879,686
						Percent of Grant Funding Needed >	59%
						Historical Level of Grant Funding >	60%
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM							
Bus/carpool ramp connection (SR-50E to SR-99S)	A43CT	Caltrans	\$308,100,524	5.6%	\$17,253,629		\$290,846,895
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	\$92,430,157	5.6%	\$5,176,089	\$8,500,000	\$78,754,068
Ramp widenings for connectors between SR 50 and I-5	A46CT	Caltrans	\$308,100,524	5.6%	\$17,253,629		\$290,846,895
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	\$131,456,224	5.6%	\$7,361,549		\$124,094,675
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	\$181,779,309	5.6%	\$10,179,641	\$0	\$171,599,668
Total for Connectors and Carpool Lanes			\$1,021,866,739		\$57,224,537	\$8,500,000	\$956,142,201
						Percent of Grant Funding Needed >	94%
						Historical Level of Grant Funding >	80%

Table 19: Expected Grant Funding Needs for SCTMF-Funded Projects (continued)

Project Name	STA Project #	Jurisdiction	Updated Project Cost	% Attributable to Regional Growth	Maximum Permissible Fee Cost Based on % Attributable	Funding from Local Jurisdiction	Funding Needed from Other Sources
			(A)	(B)	(C)=(A)*(B)	(D)	(E)=(A)-(C)-(D)
Local Freeway Interchange Congestion Relief Upgrades							
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	\$118,105,201	5.6%	\$6,613,891	\$25,000,000	\$86,491,310
Hazel Avenue: (US Highway 50 – Folsom Blvd)	A23SC	Sac County	\$107,835,183	5.6%	\$6,038,770	\$71,456,000	\$30,340,413
Total for Local Freeway Projects			\$225,940,384		\$12,652,662	\$96,456,000	\$116,831,723
				Percent of Grant Funding Needed >		52%	
				Historical Level of Grant Funding >		29%	
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM							80%
Downtown Intermodal Station	A38CS	City of Sac	\$400,000,000	8.7%	\$34,905,242	\$12,000,000	\$353,094,758
LRT extension to Airport (planning/enviro/design only)	A41RT	SacRT	\$7,390,108	8.7%	\$644,884	\$0	\$6,745,225
Total for All Transit Projects >			\$407,390,108		\$35,550,125	\$12,000,000	\$359,839,983

* The project cost for this project includes projects A16JP3 and A16JP4, which are mitigation components for project A16JP1.

Percent of Grant Funding Needed > 88%
Historical Level of Grant Funding > 80%

5. Mitigation Fee Act Findings

The Mitigation Fee Act, as set forth in the California Government Code Sections 66000 through 66008, establishes the framework for mitigation fees in the State of California. The Act requires agencies to make five findings with respect to a proposed fee. These are described in the sections below.

5.1 Purpose of the Fee

Identify the purpose of the fee

The Sacramento County Transportation Mitigation Fee is imposed on new development to ensure that it pays its fair share of roadway improvements, the need for which is triggered in whole or in part by new development.

5.2 Use of Fee Revenues

Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified

The projects to be funded through the SCTMF were approved by the voters of Sacramento County through Measure A. The projects expected to receive SCTMF revenues in the future are listed in Table 19.

5.3 Use/Type-of-Development Relationship

Determine the reasonable relationship between the fee's use and the type of development project on which the fees are imposed

To determine the “use” relationship, the development being assessed an impact fee must be reasonably shown to derive some use or benefit from the facility being built using the fee. In the case of the SCTMF, the projects to be funded were selected because they performed a regional function and the need for the project was at least partially attributable to new development. The growth in vehicle trips and the increases in congestion at project sites (see Table 10) are evidence that new development contributes to the need for roadway improvements.

The fact that the projects that will be funded by the SCTMF are high-priority roads and transit means that all of the county's new residents and businesses will benefit in important ways from the maintenance of a reasonable level of service. Most drivers in the new developments can be expected to use these roads regularly, and those that do not will nevertheless benefit because good traffic conditions on the SCTMF-funded roads will keep drivers from diverting to other roads and causing congestion in other parts of the county. Even residents or workers in the new developments who do not drive at all will benefit from access to goods and services made possible in part by the serviceability of the county road network.

5.4 Need/Type-of-Development Relationship

Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed

To determine the “need” relationship, the facilities to be financed must be shown to be needed at least in part because of the new development. This was determined by analyzing the forecast traffic demand with the expected degree of new development and comparing that with the demand without

new development. As is shown in Table 10, all of the projects that will receive SCTMF money are designed to address capacity deficiencies due at least in part to new development.

5.5 Proportionality Relationship

Determine how there is a reasonable relationship between the fee's amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed

The "proportionality" relationship requires rough proportionality between the fee charged to each type of development and the cost of the facility being financed. In the case of the SCTMF, the differences in the traffic generated by different types of development were factored into the fee to be charged for each type, as described in Table 17. Within each land use category, the size of the project, i.e. the number of dwelling units constructed or size of the building, is accounted for in assessing the fee. This ensures that projects that generate a lot of traffic and therefore have a greater traffic impact will pay more than other projects that have less impact.

5.6 Residential Floor Area

CGC§ 66016.5(a)(5)(B): A nexus study is not required to comply with subparagraph (A) if the local agency makes a finding that includes all of the following:

- (i) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.*
- (ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.*
- (iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.*

CGC§ 66016.5(a)(5) subparagraph (A), which is new as part of AB 602, requires fees on housing development to be proportionate to the square footage of proposed units of the development unless the agency chooses to make the three findings described above. During the course of this study, we found that while the traffic impacts from residential developments are related to the floor area of the unit, the relationship is not one of direct proportionality. We therefore recommend that STA make the following findings with respect to the SCTMF Program:

- That square footage, applied as a direct proportion, is not an appropriate metric for calculating traffic impact fees for residential developments, based on substantial evidence showing that the number of vehicle trips generated by residential units is not directly proportional to the floor area (see Table 13).
- That an alternative basis of calculating traffic impact fees, based on the expected number of trips generated by very small, small, medium-small, medium, and large units, but not directly proportional to floor area, would bear a reasonable relationship between the fee charged and the burden posed by the development. This alternative method is supported by substantial evidence from the American Housing Survey and the National Cooperative Highway Research Program (NCHRP).
- That the differences in trip generation characteristics between single-family residences, multi-family residences, mobile homes in mobile home parks, and age-restricted senior residences, as determined through surveys collected by the Institute of Transportation Engineers, justify using separate fee levels for these different types of units.
- That differentiating between very small, small, medium-small, medium, and large units within each category of housing would ensure that smaller developments are not charged fees disproportionate to their traffic impacts.



ghd.com

→ The Power of Commitment

Attachment 4

Agreement on Operating Protocols

MEASURE A
SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM
AGREEMENT ON OPERATING PROTOCOLS
Amended – August 2024

This amended Agreement on Operating Protocols for the Sacramento Countywide Transportation Mitigation Fee Program (Agreement) is made by and between the Sacramento Transportation Authority (STA) and the Entity's Name (Entity).

RECITALS

- A. Sacramento Transportation Authority Ordinance No. STA-04-01 (Ordinance) imposes a one-half of one percent retail transactions and use tax that is statutorily dedicated for transportation planning, design, construction, operation, and maintenance in Sacramento County.
- B. The Ordinance establishes the 30-year Sacramento Countywide Transportation Mitigation Fee Program ("SCTMFP"), to be implemented by the County and each incorporated city during the period April 1, 2009 through March 31, 2039.
- C. The Ordinance provides that the County and each incorporated city must, as a condition of receiving its allocation of local street and road maintenance formula funds from the retail transactions and use tax revenues, adopt the 30-year SCTMFP Fee (Fee) for the period April 1, 2009 through March 31, 2039 in accordance with guidelines adopted by the Sacramento Transportation (STA) Governing Board.
- D. The SCTMFP Fee schedule shall be uniform throughout the unincorporated and incorporated areas of the County.
- E. The Entity has acknowledged its obligations imposed by the SCTMFP.
- F. The Entity began implementing the SCTMFP Fee on April 1, 2009 and must remit the SCTMFP Fee revenues to the STA within 60 days of the end of each six-month period ending June 30 and December 31 of each year.
- G. The STA shall reallocate the SCTMFP Fee revenues to local jurisdictions to be expended on Measure A capital projects in the impacted areas where the fees were generated in accordance with the SCTMFP and the Measure A Capital Allocation Plan.
- H. STA Resolution STA-2006-006 adopting the Sacramento Transportation Mitigation Fee Program (SCTMFP) Nexus Study and Setting SCTMFP Fee Rates Effective April 1, 2009, provides that protocols related to SCTMFP Fee implementation issues, including but not limited to, required dates of Fee remittances to STA and documentation to be submitted by each participating agency, shall be established by future resolution of the STA and contracts between the STA and the participating agencies.

- I. STA Resolution STA-2024-005 adopted the 2024 Sacramento Transportation Mitigation Fee Program (SCTMFP) Nexus Study and Set Updated SCTMFP Fee Rates Effective January 1, 2025.
- J. This Agreement, as amended, when approved by resolution of the STA and executed by the Entity, shall constitute the current protocols related to SCTMFP Fee implementation.
- K. This amended Agreement is uniform among the County and all incorporated cities.
- L. This Amended Agreement replaces and supersedes the prior version of the Agreement in its entirety.

NOW, THEREFORE, the parties agree as follows:

1.0 DEFINITIONS

- 1.1 "AB 602" means the act to amend Sections 65940.1 and 66019 of, and to add Section 66016.5 to, the State of California Government Code (CGC), and to add Section 50466.5 to the Health and Safety Code, relating to land use, development impact fees, and impact fee nexus studies.
- 1.2 "AB 1600" means the Mitigation Fee Act set forth in the CGC Sections 66001 – 66025.
- 1.3 "Accessory Dwelling Unit" (ADU) means an attached or detached permanent dwelling unit that provides complete independent living facilities (permanent provisions for living, sleeping, eating, cooking, and sanitation) for one or more persons and which is located on a lot with a proposed or existing primary dwelling.
- 1.4 "Affordability requirement" means a requirement imposed as a condition of a development of residential units, that the development includes a certain percentage of the units affordable for rent or sale to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, or an alternative means of compliance with that requirement including, but not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.
- 1.5 "Development Project" or "Project" shall have the same meaning as provided in CGC Section 66000(a), as such section may be amended from time to time.

- 1.6 "Executive Director" means the Executive Director of the Sacramento Transportation Authority.
- 1.7 "Expenditure Plan" means the Sacramento County Measure A Transportation Expenditure Plan 2009-2039 that was adopted as part of the Ordinance.
- 1.8 "Governing Board" means the Governing Board of the Sacramento Transportation Authority.
- 1.9 "Housing Development" means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.
- 1.10 "Independent Taxpayer Oversight Committee" means the committee appointed by the STA Governing Board as required by the Ordinance to supervise Measure A fiscal and performance audits regarding the use of all sales tax funds and to provide independent review to ensure that all Measure A funds are spent in accordance with the provisions of the Ordinance.
- 1.11 "Industrial Use" means any Development Project that involves manufacturing, transportation, logistics, or similar uses.
- 1.12 "Measure A" or "the Ordinance" means Sacramento Transportation Authority Ordinance No. STA-04-01.
- 1.13 "Multi-Family Residential Use" means any Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments, but excluding an Accessory Dwelling Unit.
- 1.14 "Normalized cost per trip" means the medium-sized single family residential fee rate per Section 2.1 divided by the average weekday trip generation rate for a single family residence (9.44) per the Institute of Transportation Engineers (ITE) *Trip Generation Manual (11th Ed.)*. The normalized cost per trip is \$167 and will be adjusted annually per Section 2.2.
- 1.15 "Office Use" means any Development Project that involves business activities, associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal services, or similar uses.
- 1.16 "Participating Agencies" means the County of Sacramento, the City of Citrus Heights, the City of Elk Grove, the City of Folsom, the City of Galt, the City

of Isleton, the City of Rancho Cordova, and the City of Sacramento. Each may be referred to individually as "Participating Agency."

- 1.17 "Retail Use" means any Development Project that involves retailing of merchandise, generally without transformation, retail food services, and rendering services incidental to the sale of merchandise at a fixed point of sale.
- 1.18 "Sacramento Countywide Transportation Mitigation Fee Program" or "SCTMFP" means the 30-year transportation mitigation fee program established by the Ordinance.
- 1.19 "SCTMFP Fee" or "Fee" means the fee imposed pursuant to the SCTMFP.
- 1.20 "Senior Residential Use" means any Development Project that qualifies as housing for older persons pursuant to CGC Section 12955.9.
- 1.21 "Single Family Residential Use" means any Development Project that uses a single parcel for only one residential dwelling unit. "Single Family Residential Use" also includes any Development Project that involves one primary dwelling and one Accessory Dwelling Unit on a single lot.
- 1.22 "Transit station" has the meaning set forth in paragraph (4) of subdivision (b) of CGC Section 65460.1. That definition reads as follows, "transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station." "Bus hub" and "bus transfer station" are defined as:
- a) "Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.
 - b) "Bus transfer station" means an arrival, departure, or transfer point for the area's intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.
- "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.
- 1.23 "Weekday trip generation per ITE" means a technically supportable methodology based on the ITE *Trip Generation Manual* to calculate the expected average weekday trip generation based on the type(s) and size of new land use set forth in the development application."

2.0 UNIFORM FEE

- 2.1 Uniform Fee. Effective January 1st, 2025, the Entity shall collect the applicable uniform SCTMFP Fee, as amended, for each Development Project occurring within the Entity's jurisdiction. The applicable Fee for each use is as follows:

Single-Family Residential

Very Small (≤800 sq.ft.)	\$1,088	per unit
Small (801-1,200 sq.ft.)	\$1,334	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$1,451	per unit
Medium (1,601-2,400 sq.ft.)	\$1,574	per unit
Large (>2,400 sq.ft.)	\$1,730	per unit

Single-Family Residential, Senior

Very Small (≤800 sq.ft.)	\$497	per unit
Small (801-1,200 sq.ft.)	\$609	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$663	per unit
Medium (1,601-2,400 sq.ft.)	\$719	per unit
Large (>2,400 sq.ft.)	\$790	per unit

Multi-Family Residential

Very Small (≤800 sq.ft.)	\$995	per unit
Small (801-1,200 sq.ft.)	\$1,221	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$1,327	per unit
Medium (1,601-2,400 sq.ft.)	\$1,440	per unit
Large (>2,400 sq.ft.)	\$1,582	per unit

Multi-Family Residential, Senior

Very Small (≤800 sq.ft.)	\$440	per unit
Small (801-1,200 sq.ft.)	\$540	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$587	per unit
Medium (1,601-2,400 sq.ft.)	\$637	per unit
Large (>2,400 sq.ft.)	\$700	per unit

Accessory Dwelling Units

Very Small (<750 sq.ft.)	Exempt from fee
Otherwise (>750 sq.ft.)	Fee is based on the ratio of the floor area of the ADU compared to the primary unit, times the fee that would be charged on the primary unit, if the primary unit was being newly built.

Office Use	\$1,807	1,000 square feet
Retail Use	\$2,361	1,000 square feet
Industrial Use	\$827	1,000 square feet
Hotel/Motel	\$854	sleeping room
Extended Stay Hotel/Motel	\$559	sleeping room
Hospital	\$1,796	1,000 square feet
Service Station	\$3,442	Fuel Pump
Supermarket	\$1,078	1,000 square feet

Warehouse/Self-Storage	\$238	1,000 square feet
Assisted Living Facility	\$434	bed
Congregate Care	\$368	unit
Child Day Care	\$682	Student
Private School (K-12)	\$414	Student
Auto Repair/Body Shop	\$2,361	1,000 square feet
Gym/Fitness Center	\$2,361	1,000 square feet
Drive-through Car Wash	\$2,361	1,000 square feet
Normalized Cost per Trip (All Other Uses)	\$167	Per Weekday Trip

Notes:

1. *For developments that do not fall into the land use categories above, the normalized cost per trip rate should be used to determine the fee based on the daily trips generated by the development.*
2. *For mixed-use developments, see Item 2.3 for fee calculation procedures.*
3. *For developments that are anticipated to have reduced trip generation characteristics, such as those in infill areas or those with restricted parking, see Item 2.4 for fee calculation procedures.*
4. *For developments in proximity to transit, see Item 2.5 for fee calculation procedures.*

- 2.2 Annual Adjustment. The STA shall annually adjust the SCTMFP Fee schedule to reflect change in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-City Construction Cost Index. The adjustment will take effect July 1, and STA shall notify the Entity of the required annual adjustment at least 60 days in advance of the effective date.
- 2.3 Calculation of Fee for Mixed Use Projects. For Projects that include two or more different types of uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the relative footprint associated with the various uses.
- 2.4 Reduced Fees for Reduced Trip Generation. Developments in infill areas or with reduced parking availability, as defined by the Entity, may be subject to reduced fees at the discretion of the Entity. The Entity shall provide the rationale for reduced fees based on a supporting Traffic Study stamped by a licensed Traffic Engineer or Civil Engineer.
- 2.5 Fees for Transit Oriented Development. In accordance with the CGC Section 66005.1, the SCTMFP must provide for an adjustment of the fee for developments that meet certain characteristics typically associated with a Transit Orient Development (TOD). To qualify for the reduction, a development must have all of the following characteristics (see CGC Section 66005.1.(a)):
 - a) Be a housing development located within one-half mile of a transit station with direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.

- b) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
- c) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

Additionally, pursuant to CGC 66005.1(b), if a housing development does not satisfy the characteristics in subdivision (a) per above, the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

Residential units satisfying the requirements for this reduction shall have their fee lowered based on a Traffic Study, stamped by a licensed Traffic or Civil Engineer, which demonstrates the lower rate of automobile trip generation associated with a TOD and other similar types of development compared to developments without these characteristics. STA may provide a standard TOD reduction based on studies related to TODs. The applicant could then either use the standard reduction or provide a project-specific study for STA staff to review.

For example, within Sacramento County, a transit station could include, but is not limited to, the Zinfandel Station, Franklin Station, Consumnes River Light Rail Station, and Sacramento Valley Station which serves Amtrak, Bus, and Light Rail (Sacramento Regional Transit), and the future Valley Rail station in midtown Sacramento.

3.0 ENTITY OBLIGATIONS.

- 3.1 Obligations prior to January 1, 2025. The Entity shall take all necessary steps required by applicable law, including but not limited to CGC 66000 et seq., to enable implementation of the SCTMFP Fee no later than January 1, 2025. This includes advance noticing requirements for and the adoption of such fees by the Entity via a public hearing, as described below:

CGC § 66016.5(a)(7): All studies shall be adopted at a public hearing with at least 30 days' notice, and the Entity shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

CGC § 66016.6(a): Prior to levying a new fee or capacity charge, a local agency shall evaluate the amount of the fee or capacity charge. The evaluation shall include evidence to support that the fee or capacity charge does not exceed the estimated reasonable cost of providing service, in accordance with Section 66013. (b) All information constituting the evaluation shall be made publicly available at least 14

days prior to a meeting held in accordance with subdivision (a) of Section 66016.

Failure to meet such legal requirements shall not exempt the Entity from the requirement that SCTMFP Fees be collected as a prerequisite to the Entity's receipt of Measure A local street and road maintenance formula funds.

- 3.2 Ongoing Obligations. The Entity shall take all necessary steps required by applicable law for posting the fee schedule, annual fee reports, nexus studies, and total amount of fees collected, to its internet website, pursuant to CGC 65940.1, which states:

(1) A city, county, or special district that has an internet website shall make all of the following available on its internet website, as applicable:

(A)(i) A current schedule of fees, exactions, and affordability requirements imposed by that city, county, or special district, including any dependent special districts, as defined in Section 56032.5, of the city or county applicable to a proposed housing development project.

(ii) The city, county, or special district shall present the information described in clause (i) in a manner that clearly identifies the fees, exactions, and affordability requirements that apply to each parcel.

(iii) The city, county, or special district shall post a written fee schedule or a link directly to the written fee schedule on its internet website.

(B) All zoning ordinances and development standards adopted by the city or county presenting the information, which shall specify the zoning, design, and development standards that apply to each parcel.

(C) The list required to be compiled pursuant to Section 65940 by the city or county presenting the information.

(D) The current and five previous annual fee reports or the current and five previous annual financial reports, that were required pursuant to subdivision (b) of Section 66006 and subdivision (d) of Section 66013.

(E) An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by that city, county, or special district on or after January 1, 2018. For purposes of this subparagraph, "cost

of service study" means the data provided to the public pursuant to subdivision (a) of Section 66016.

- (2) A city, county, or special district shall update the information made available under this subdivision within 30 days of any changes.
- (3) (A) A city or county shall request from a development proponent, upon issuance of a certificate of occupancy or the final inspection, whichever occurs last, the total amount of fees and exactions associated with the project for which the certificate was issued. The city or county shall post this information on its internet website and update it at least twice per year.

(B) A city or county shall not be responsible for the accuracy for the information received and posted pursuant to subparagraph (A). A city or county may include a disclaimer regarding the accuracy of the information posted on its internet website under this paragraph.

4.0 COLLECTION OF SCTMFP FEES

4.1 Collection of Fees.

- a. The Entity shall collect SCTMFP Fees at the time of issuance of a final building permit for a Development Project, at the same time it collects its own fees, or as otherwise required or permitted pursuant to CGC Section 66007.
- b. The amount of the SCTMFP Fees shall reflect the Fee schedule in effect at the time of assessment.
- c. SCTMFP Fees shall not be waived or deferred except as provided herein.

4.2 Payment by all Development Projects. Except as otherwise expressly provided by this Amended Agreement, the SCTMFP Fee shall be payable by all Development Projects within the jurisdiction of the Entity for which building permits are issued on or after April 1, 2009.

4.3 Fee Reduction Determinations. Determinations by the Entity to reduce the fee pursuant to Sections 2.3, 2.4, 2.5 or 4.5 shall be subject to STA oversight and guidance as described herein. In semi-annual reports to the STA Executive Director, the Entity shall identify each project, if any, that has been granted a fee reduction and the amount of discounted fees. The decisions of the Entity as to fee reductions under this provision shall also be subject to audit by the STA.

The STA Executive Director reserves the right to review the grant of a fee reduction by a local jurisdiction under this provision in circumstances where the above requirements are not clearly met, although the STA Executive Director may not exercise any direct jurisdiction or action in a particular fee protest between Entity and payor pursuant to CGC Section 66020. In the event of a fee protest pursuant to CGC Section 66020, the local jurisdiction shall make the final determination with respect to application of the fee and any potential fee reductions. The Executive Director may subsequently review the fee reduction and, following consultation with Entity, determine, in the Executive Director's reasonable discretion, that a fee reduction was not supported under the SCTMFP protocols or applicable law and that a corresponding amount of SCTMFP revenue shall be withheld from Entity. The Executive Director's decision shall have no effect on the amount of the fee charged by Entity to the payor.

At the request of the Entity, the STA Executive Director may resolve questions of interpretation regarding this policy. At the time the fee reductions are assessed, the Entity may request guidance from the STA Executive Director.

- 4.4 Exemptions from the SCTMFP Fees. The following Development Projects shall not be subject to the SCTMFP Fee:
- a. Accessory Dwelling Units less than 750 square feet.
 - b. The rehabilitation or reconstruction of any residential or non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
 - c. New low-income housing as defined in Health and Safety Code Section 50079.5 and very low-income housing as defined in Health and Safety Code Section 50105.
 - d. Projects intended for public use where the applicant is one of the Participating Agencies.
 - e. Any development project that is subject of a valid development agreement entered into pursuant to CGC Section 65864 prior to April 1, 2009, that includes a provision exempting it from future fees or fee increases; provided, however, that if the term of such a development agreement is extended after April 1, 2009, the SCTMFP shall be imposed.

- f. Any development project for which an application for a vesting tentative map authorization by CGC Section 66498.1 was deemed complete prior to April 1, 2009.
- 4.5 Re-purposing/Reuse of existing buildings. Fee applicable only to net increase in ADT's compared to prior established use.
 - a. Determination of average daily trips ("ADT's") for the purpose of comparing previous and proposed uses shall be by reference to trip generation rates obtained from the Institute of Traffic Engineers ("ITE").
 - b. A building permit applicant may request a reduction in the otherwise applicable SCTMFP fee in accordance with the following policy: Where a new project changes the prior established use of an existing building, a reduction may be applied to the SCTMFP fee where the new use increases ADT's compared to the prior use.
 - c. Where the Entity determines that a project qualifies for a reduction pursuant to this policy, it shall determine the fee reduction by comparing the rates applicable to the prior and new uses as designated in the SCTMFP Fee Schedule and calculating the resulting offset. In the alternative, where a proposed land use is not clearly listed in the Fee Schedule, the fee shall be calculated as follows: (1) calculate the difference between previous ADT's and new ADT's at the property; (2) multiply the result by the normalized cost per trip.
 - d. Requests for a fee reduction pursuant to this provision shall be made to the Entity. The Entity shall determine whether a project has made the required showing for a fee reduction. There shall be no right to an appeal. At the time the fee reductions are assessed, the Entity may request guidance from the STA Executive Director.

5.0 REMITTANCE OF FEES

The Entity shall remit SCTMFP Fees collected to the Authority on a semi-annual basis, within 60 days after June 30 and December 31 of each calendar year. Each remittance shall be accompanied by a report specifying the fee-generating activity for the reporting period within the Entity's jurisdiction, including information as to all permits issued by use, square footage, any exemptions or reductions granted, and such other information as may be deemed appropriate by the Executive Director. The Entity collecting the SCTMFP Fees shall hold them in an interest-bearing account and any interest earned shall be remitted to the Authority with the semi-annual SCTMFP Fees. The Executive Director shall separately account for the Entity's SCTMFP Fees as part of the aggregate SCTMFP account and will

prepare annual reports for presentation to the Independent Taxpayer Oversight Committee and the STA Governing Board.

6.0 AUDIT OF SCTMFP REVENUES

The Executive Director, in coordination with the Independent Taxpayer Oversight Committee, shall establish a program to audit the Entity's implementation of the SCTMFP and STA's expenditure of the SCTMFP Fees.

7.0 EXPENDITURE OF FEES

STA shall distribute SCTMFP Fees received, and any proceeds of Fee-based financing(s), to the local jurisdictions for expenditure in accordance with the Ordinance, a 5-year capital program annually updated and approved by the STA Governing Board, applicable resolutions of the STA, Measure A allocation and expenditure contracts between the STA and local jurisdictions, and AB 1600.

8.0 ADMINISTRATION COSTS

The STA and Entity each shall absorb their administrative costs associated with the implementation and administration of the SCTMFP Fee and this Agreement. The Entity, at its discretion, may impose an additional fee on affected development to pay for administrative costs of implementing the SCTMFP.

9.0 REPORTS

STA shall prepare annual and five-year reports required by CGC Sections 66000 et seq. and AB 602 relating to the SCTMFP Fees. Entity shall provide any necessary assistance and data.

10.0 MISCELLANEOUS

- 10.1 If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
- 10.2 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

SACRAMENTO TRANSPORTATION AUTHORITY

By

Kevin Bewsey
Executive Director

Dated: August 8, 2024

Entity Name

By: _____

(Authorized Officer)

(Title)

Dated: _____

Approved as to Form:

Attest:

*This page is intentionally left blank
to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE