

Transportation Impact Fee Program

Town Council Meeting
January 16, 2024

PROJECT BACKGROUND

- 2014 – Town’s most recent Nexus Study and Traffic Impact Fee are adopted (Resolutions 2014-017 and 2014-059) in accordance with Assembly Bill 1600 (the Mitigation Fee Act).
- 2022, January – Assembly Bill 602 takes effect, requiring new nexus studies for impact fees and certain other changes to fee calculation methodology.
- 2022 – DKS Associates is contracted to develop new Nexus Study and Update Traffic Impact Fee Program.

PROJECT BACKGROUND (Cont'd)

- May 2023 – Staff provides report on technical work completed and preliminary fee calculations.
- October 2023 – Town Council holds a study session to address questions raised in the May 2023 meeting and provides feedback to staff.
- November 2023 – Town Council received the draft Nexus Study, including the Capital Project List in Appendix 1, and set a hearing date for January 16, 2024.

ADOPT THE NEXUS STUDY WITH CAPITAL IMPROVEMENT PLAN

- Informed by General Plan and previously adopted transportation related planning documents.
- Considers historic investment in transportation infrastructure.
- Documents desired transportation investments based on adopted planning documents and needed projects. This is the Capital Improvement Plan as presented in Appendix Section 1 of the Nexus Study.
- Calculated the maximum justifiable fee to \$57,907 per dwelling unit equivalent based on the historic level of investment the Town of has made in transportation related projects.

UPDATE THE TRANSPORTATION IMPACT FEE

Land Use Classification	Proposed Fee
Single Family Residential (per square foot) ¹	\$6.10
Multi-Family Residential (per square foot) ²	\$6.96
Retail (per 1,000 square feet)	\$22,391.00
Office (per 1,000 square feet)	\$19,731.00
Industrial (per 1,000 square feet)	\$9,255.00

1. Single family fee is \$16,051 per dwelling unit; converted to a square foot basis using an average single family residential unit size of 2,632 square feet.
2. Multi-family fee is \$11,472 per dwelling unit converted to a square foot basis using an average multi- family residential unit size of 1,649 square feet.

MODIFY TOWN CODE SECTION 15, ARTICLE VII

- Update title and name of the fee to Transportation Impact Fees to reflect the inclusion of bicycle and pedestrian projects in the Project List.
- Update method of calculating the Transportation Impact Fee to reflect the Nexus Study and AB 602 requirements.
- Add credits of 50% for deed restricted low- and very-low-income housing units and for existing traffic from current uses of a property.

MODIFY COUNCIL POLICY 1-08 TRANSPORTATION IMPACT POLICY

- Update the name of the fee
- Charge impact fees on Accessory Dwelling Units of 750 square feet or larger
- Clarify per square foot basis fee calculation for residential units
- Update information about credits to be consistent with proposed changes to Town Code Chapter 15
- Replace the project list in Attachment 2 with the Capital Improvement Plan in Appendix 1 of the Nexus Study.

PROPOSED ACTIONS

- a. Adopt a Resolution to Adopt the Transportation Impact Nexus Study dated November 2023 (including the Project List – Appendix 1 which serves as the Town’s Transportation Capital Improvement Plan)
- b. Adopt a Resolution to Update a Transportation Impact Fee to Replace the Town’s Existing Traffic Impact Mitigation Fee
- c. Introduce an ordinance titled “An Ordinance of the Town of Council of the Town of Los Gatos Amending Town Code Section 15, Article VII ‘Traffic Impact Mitigation Fees’”
- d. Adopt a resolution to modify Town Council Policy 1-08: “Transportation Impact Policy”