Regional Transportation Mitigation Fee 2023 Nexus Study Update

Final Report

Nevada County Transportation Commission

12 July 2023

The Power of Commitment

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Printed date	7/12/2023 6:24:00 PM
Last saved date	July 12, 2023
File name	https://ghdnet-my.sharepoint.com/personal/rosanna_southern_ghd_com/Documents/Desktop/11230706-RPT001-FinalRTMF.docx
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Client name	Nevada County Transportation Commission
Project name	WESTERN NEVADA CO RTMF
Document title	Regional Transportation Mitigation Fee 2023 Nexus Study Update | Final Report
Revision version	Rev 8
Project number	11230706

Executive summary

The Mitigation Fee Act requires that mitigation fees be periodically updated. This is to ensure that the assumptions regarding future growth, the need for projects, their costs, etc. continue to provide a reasonable nexus between the impacts of new development and the fees charged. This report describes the methodology used in updating the nexus, the resulting recommended fee structure, and the revised forecast for Regional Transportation Mitigation Fee (RTMF) program revenues based on the new growth assumptions and recommended fees.

Since the previous RTMF nexus study was prepared in 2016, the effects of the global COVID-19 pandemic caused an economic slump which not only effected most industries but also affected travel patterns nationwide due to stay-at-home orders, school closures, and a prolonged increase in employees being able to work from home. New forecasts for future development incorporate a slight increase in the existing base of households and employment, and a change in anticipated growth allocation, with lower future growth rates. These factors have resulted in lower reduced forecasts for future traffic congestion and a reduced need for roadway operational improvements. However, it also means that the cost of projects will be spread over fewer new units. Additionally, trip generation rates have been updated to reflect the most recent data presented in the Institute of Transportation Engineer's Trip Generation Manual, which results in some differences in the percentage change in the proposed fees.

Assembly Bill (AB) 602, signed into law January 1, 2022, imposed new requirements for fees on residential development (effective July 1, 2022). The law requires that the fee reflect a reasonable relationship to the size of the dwelling unit. This is explained further is Section 3.6.

Table ES.1.1 and Table ES.1.2 present the recommended revised fee structure for residential and non-residential developments, respectively, which take into account the factors described above.

Table ES.1.1 Current and Recommended RTMF Fees – Residential Land Uses

Typical Use	Unit	Current Fee per Unit	Proposed Fee per Unit	% Change in Fee
Single Family				
Small (<1,500 sq.ft.)	Dwelling Unit	$4,621	$4,030	-13%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$4,621	$4,868	5%
Large (<2,500 sq.ft.)	Dwelling Unit	$4,621	$5,396	17%
Multi-Family				
Small (<1,500 sq.ft.)	Dwelling Unit	$3,199	$1,128	-65%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$3,199	$1,363	-57%
Large (<2,500 sq.ft.)	Dwelling Unit	$3,199	$1,511	-53%
Mobile Home				
Small (<1,500 sq.ft.)	Dwelling Unit	$2,422	$2,775	15%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$2,422	$3,352	38%
Large (<2,500 sq.ft.)	Dwelling Unit	$2,422	$3,716	53%
Senior Housing				
Small (<1,500 sq.ft.)	Dwelling Unit	$1,728	$780	-55%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$1,728	$942	-45%
Large (<2,500 sq.ft.)	Dwelling Unit	$1,728	$1,045	-40%
Accessory Dwelling Unit (ADU) - Calculated based on ratio of size to primary unit. See below for more information.				

Table ES.1.2 Current and Recommended RTMF Fees – Non-Residential Land Uses

Typical Use	Unit	Current Fee	Proposed Fee	% Change
Office	Thousand Sq. ft.	$1,033	$755	-27%
Industrial	Thousand Sq. ft.	$457	$281	-38%
Warehouse	Thousand Sq. ft.	$305	$211	-31%
Retail/Service - Low	Thousand Sq. ft.	$2,047	$1,280	-37%
Retail/Service - Medium	Thousand Sq. ft.	$4,373	$2,990	-32%
Retail/Service - High	Thousand Sq. ft.	$7,754	$5,443	-30%
Lodging	Room	$553	$249	-55%
Public & Quasi-Public	Thousand Sq. ft.	Exempt	Exempt	N/A
School K-8th Grade	Student	Exempt	Exempt	N/A
School 9-12th Grade	Student	Exempt	Exempt	N/A
Public College	Student	Exempt	Exempt	N/A

Senate Bill (SB) 13, passed in 2019, establishes a new system for assessing fees on accessory dwelling units (ADUs). The law states that ADUs less than 750 square feet are exempt from impact fees, and that ADUs larger than 750 square feet are charged the impact fee based on the ratio of its floor area in relation to the primary unit, multiplied by the fee that the primary unit would pay, if it was being built today (i.e., ADU sq.ft. / primary unit sq.ft. x RTMF for primary unit). This is explained further in Section 3.6.1.

The recommendation includes a slight increase in the residential fees (comparing single-family medium-sized unit as that is equal to one dwelling unit equivalent), and a larger decrease in non-residential fees. This is largely due to the removal of expensive projects to widen several sections of SR 49, which greatly lowered the costs that new development will be expected to bear. Although those projects are justifiable on technical grounds, the fee program would provide only a relatively small portion of the funds needed to complete the project, and there is no guarantee of obtaining State or Federal competitive grant funds to cover the remaining costs. Since State law precludes NCTC from collecting funds for projects that do not have a reasonable expectation of being implemented, these projects were removed from the RTMF project list.

The other factor in the recommended fee reduction was a reduction in the percentage of project costs attributable to new development. This applied especially to non-residential development. Analysis using NCTC's traffic model showed that, given the county's current jobs/housing imbalance, development of places for Nevada County residents to work and shop locally will reduce the need for some long trips out of the county. As a result, this type of localized development will have fewer traffic impacts than was previously forecast, which also leads to a lower impact fee.

The recommended fee schedule will continue to have residential fees in the lower range of foothill counties while non-residential fees will be lower than peer counties. If the forecasts for future residential and non-residential development prove correct, then total revenues from the RTMF over the next twenty years will be approximately $17.6M, which will provide approximately 28% of the total cost of the projects on the updated Capital Improvements Program (CIP). The remaining 72% of project costs are attributable to existing deficiencies and by law must be covered by some source other than impact fees. The other sources of project funding are identified in Section 3.10 of this report.

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1. Introduction

The western Nevada County Regional Transportation Mitigation Free (RTMF) program was established in 2001 through a partnership of Nevada County, Nevada City, Grass Valley, and the Nevada County Transportation Commission (NCTC). The program provides a mechanism for new development to pay its fair share towards the cost of construction of the regional system of roads, streets, and highways needed to accommodate growth in western Nevada County.

1.1 Background

The RTMF program operates pursuant to the Mitigation Fee Act, also known as California Assembly Bill 1600 (AB 1600) or California Government Code Sections 66000 et seq., which governs impact fees in California. The Mitigation Fee Act requires that all local agencies in California, including cities, counties, and special districts follow some basic principles when instituting impact fees as a condition of new development. Agencies must:

1. Identify the purpose of the fee. (Government Code Section 66001(a)(1))
2. Identify the use to which the fee is to be put. (Government Code Section 66001(a)(2))
3. Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3))
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4))
5. Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is to be imposed. (Government Code Section 66001(b))

These principles closely emulate two landmark U.S. Supreme Court rulings that each provide guidance on the application of impact fees. The first case*, Nollan v. California Coastal Commission* (1987) 107 S.Ct. 3141, established that local governments are not prohibited from imposing impact fees or dedications as conditions of project approval provided the local government establishes the existence of a "nexus" or link between the exaction and the state interest being advanced by that exaction. The *Nollan* ruling clarifies that once the adverse impacts of development have been quantified, the local government must then document the relationship between the project and the need for the conditions that mitigate those impacts. The ruling further clarifies that an exaction may be imposed on a development even if the development project itself will not benefit, provided the exaction is necessitated by the project's impacts on identifiable public resources.

The second case, *Dolan v. City of Tigard* (1994) 114 S.Ct. 2309, held that in addition to the *Nollan* standard of an essential nexus, there must be a "rough proportionality" between proposed exactions and the project impacts that the exactions are intended to allay. As part of the Dolan ruling, the U.S. Supreme Court advised that "*a term such as 'rough proportionality' best encapsulates what we hold to be the requirements of the Fifth Amendment. No precise mathematical calculation is required, but the city (or other local government) must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development.*"

The combined effect of both rulings is the requirement that public exactions must be carefully documented and supported. This requirement is reiterated by the provisions of the Mitigation Fee Act and subsequent rulings in the California Supreme Court (*Ehrlich v. City of Culver City* (1996) 12 C4th 854) and the California Court of Appeals (*Loyola Marymount University v. Los Angeles Unified School District 45* (1996) Cal.App.4th 1256).

This Nexus Study report is intended to satisfy the requirements of the State of California Mitigation Fee Act. Specifically, this Nexus Study report will outline the purpose and use of the RTMF, the relationship between new development and impacts on the transportation system, the estimated cost to complete necessary improvements to

the regional street system within western Nevada County, and the 'rough proportionality' or 'fair share' fee for differing development types.

In 2021, AB-602 was signed into law, which amended the Mitigation Fee Act to include new requirements regarding the contents (§66016.5(a)(4)) and timing (§66016.5(a)(8)) of nexus studies adopted after July 2022, and how fees for residential development are to be computed (§66016.5(a)(5)). Chapters 2 and 3 of this report fulfill the new requirement to describe changes in input assumptions that led to the changes in fees. Section 3.6 fulfills the new requirements regarding how fees for residential development is to be computed.

1.2 Program Experience to Date

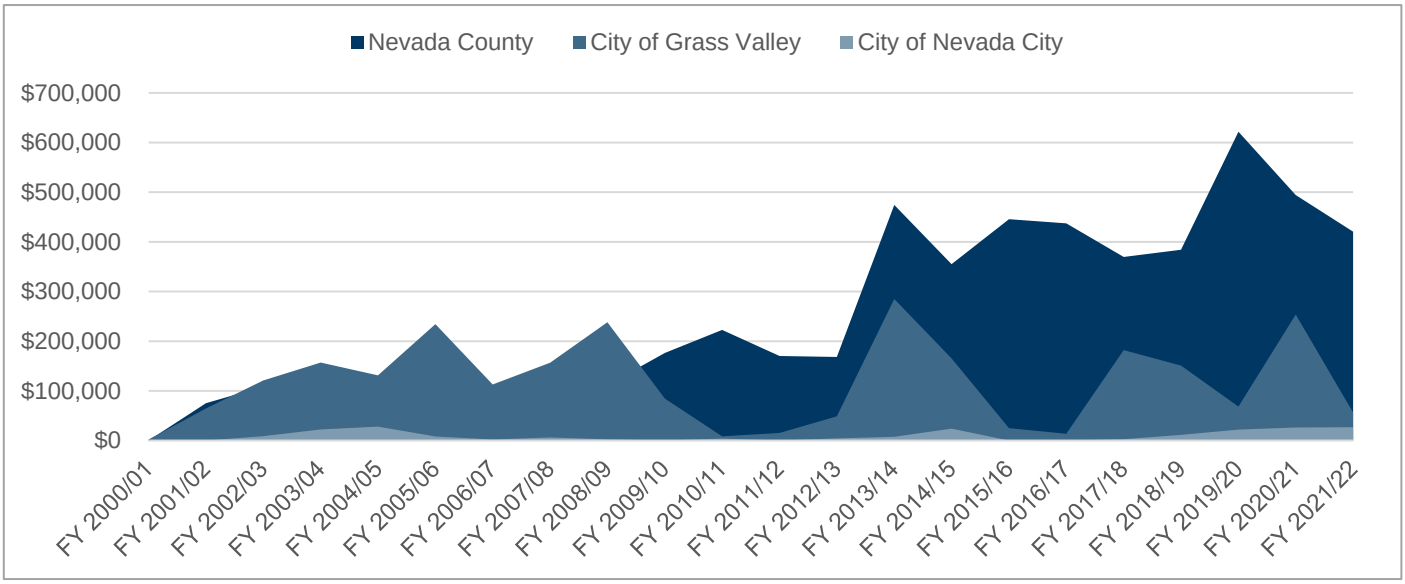
From its inception in fiscal year 2000/2001 until the end of the second quarter of fiscal year 2022/23 a total of $8.4M was collected in RTMF fees. Of this, 67% came from developments in unincorporated Nevada County, 31% from developments in Grass Valley, and 2% from developments in Nevada City (see Table 1.1 and Figure 1.1).

Table 1.1 RTMF Revenues, 2000 – 2021

Fiscal Year	Nevada County	City of Grass Valley	City of Nevada City	Total
FY 2000/01	$0	$1,897	$0	$1,897
FY 2001/02	$75,183	$64,383	$0	$139,565
FY 2002/03	$108,576	$120,764	$8,664	$238,004
FY 2003/04	$94,530	$156,887	$22,468	$273,885
FY 2004/05	$72,575	$131,114	$28,028	$231,717
FY 2005/06	$138,480	$234,399	$7,987	$380,866
FY 2006/07	$63,253	$112,896	$1,890	$178,039
FY 2007/08	$44,445	$156,834	$6,308	$207,587
FY 2008/09	$111,937	$238,031	$2,499	$352,466
FY 2009/10	$176,458	$84,370	$0	$260,828
FY 2010/11	$222,750	$8,459	$3,928	$235,138
FY 2011/12	$170,155	$15,178	$0	$185,333
FY 2012/13	$168,255	$48,771	$4,201	$221,228
FY 2013/14	$474,393	$284,987	$7,482	$766,863
FY 2014/15	$355,081	$165,255	$23,842	$544,178
FY 2015/16	$445,599	$24,798	$-	$470,397
FY 2016/17	$437,147	$13,622	$-	$450,770

Fiscal Year	Nevada County	City of Grass Valley	City of Nevada City	Total
FY 2017/18	$369,707	$182,227	$2,563	$554,497
FY 2018/19	$384,019	$150,821	$11,378	$546,218
FY 2019/20	$621,779	$68,476	$21,961	$712,217
FY 2020/21	$494,265	$253,690	$26,094	$774,049
FY 2021/22	$420,561	$56,527	$26,862	$503,950
FY 22/23 Q1, Q2	$355,081	$165,255	$23,842	$544,178
Total	**$5,623,024**	**$2,574,387**	**$206,154**	**$8,403,565**
Percentage Split	67%	31%	2%	100%

Figure 1.1 RTMF Revenues by Year & Jurisdiction



Since the previous nexus study (in 2016), revenues have averaged $569,000 per year, which is a significant increase from the period prior to the 2014 study, when the average was approximately $337,000 per year. Despite the higher revenue collection, this was only 34% of the amount anticipated in the previous nexus study ($1.7M/year). This was due to the suppressive effect of the Great Recession on real estate development and the 2009 housing market crash. On the other hand, NCTC had great success in securing other funds for projects on the Capital Improvement Program (CIP) including a $19M grant for the Dorsey Drive Interchange which more than made up for the less-than-expected RTMF revenues.

The RTMF has used the revenues it has collected to fund a variety of improvement projects. These are listed in Table 1.2 below. Table 1.2 shows that the RTMF program is important not just for the funding it provides but also because the RTMF dollars are used as local matching funds to leverage funding from other sources.

Table 1.2 Projects that have Received RTMF Funds (2011-2022)

Project	RTMF Funding	Funding from Other Sources	Total Funding
East Main/Idaho-Maryland Roundabout	$1,823,000	$777,000	$2,600,000
Dorsey Drive Interchange	$214,020	$19,333,980	$19,548,000
Brunswick/Loma Rica	$488,790	$536,865	$1,025,655
E Main/Bennett St	$1,500,000	$0	$1,500,000
NCTC Admin Annual Administration Charges	$37,158	$0	$37,158
RTMF Update Charges	$221,244	$0	$221,244
Total Paid	**$4,284,212**	**$20,647,845**	**$24,932,057**
	17%	**83%**	**100%**

2. Updates to Key Inputs

2.1 Trip Generation Rates

ITE's Trip Generation Manual has been updated with new survey material since the edition that was used in the previous nexus study. The trip generation rates have accordingly been updated to those of the latest (11th) edition.

Table 2.1 shows a detailed correspondence list between general land use categories , the ITE land use codes, and the derivation of the trip generation rate used for broad categories from the individual rates of the sub-categories.

Table 2.1 Trip-Generation Rates by Land Use

Land Use Category	Unit	ITE Code	Weekday Trips per Unit
RESIDENTIAL			
Single Family Detached House	Dwelling Unit	210	9.43
Multi-Family			
Apartment	Dwelling Unit	220	6.74
Low Rise Apartment	Dwelling Unit	221	4.54
Residential Condominium/Townhouse	Dwelling Unit	230	3.44
Median for Multi-Family			*4.54*
Mobile Home in Park	Dwelling Unit	240	7.12
Senior Residential			
Senior Adult Housing - Detached	Dwelling Unit	251	4.31
Senior Adult Housing - Attached	Dwelling Unit	252	3.24
Median for Senior Residential			*3.78*
NON-RESIDENTIAL			
Office			
General Office	KSF	710	10.84
Single Tenant Office	KSF	715	13.07
Office Park	KSF	750	11.07
Business Park	KSF	770	12.44
Clinic	KSF	630	37.60
Medical-Dentist Office	KSF	720	36.00
Median for Office			*12.76*
Industrial			
General Light Industry	KSF	110	4.87
General Heavy Industry	KSF	120	1.50
Industrial Park	KSF	130	3.37
Manufacturing	KSF	140	4.75
Median for Industrial			*4.06*
Warehousing	KSF	150	3.56
Retail/Service - Low			
Building Materials and Lumber	KSF	812	17.05
Hardware/Paint Store	KSF	816	8.07
Furniture Store	KSF	890	6.30
Discount Home Furnishing Superstore	KSF	869	20.00
Tire Superstore	KSF	849	20.37
Department Store	KSF	875	22.88

Land Use Category	Unit	ITE Code	Weekday Trips per Unit
Tire Store	KSF	848	27.69
Factory Outlet Center	KSF	823	26.59
Home Improvement Superstore	KSF	862	30.74
New Car Sales	KSF	841	27.06
Median for Retail - Low			*21.63*
Retail/Service - Medium			
Discount Club	KSF	857	42.46
Shopping Center	KSF	820	37.01
Electronics Superstore	KSF	863	41.05
Discount Superstore	KSF	813	50.52
Arts and Crafts Store	KSF	879	56.55
Discount Store	KSF	815	53.87
Auto Parts Store	KSF	843	54.57
Specialty Retail Center	KSF	814	63.66
Median for Retail - Medium			*50.52*
Retail/Service - High			
Nursery (Garden Center)	KSF	817	68.10
Supermarket	KSF	850	93.84
Apparel Store	KSF	876	66.40
Pharmacy/Drugstore w/o Drive Through Window	KSF	880	90.08
Pharmacy/Drugstore with Drive Through Window	KSF	881	108.40
Drive-in Bank	KSF	912	100.35
Quality Restaurant	KSF	931	83.84
High Turnover (Sit-Down) Restaurant	KSF	932	107.20
Median for Retail - High			*91.96*
Lodging			
Hotel	Room	310	7.99
All Suites Hotel	Room	311	4.40
Business Hotel	Room	312	4.02
Motel	Room	320	3.35
Median for Lodging			*4.21*
Public & Quasi-Public			
Military Base	KSF	501	0.39
Library	KSF	590	72.05
Government Office Building	KSF	730	22.59
State Motor Vehicles Department	KSF	731	11.21
United States Post Office	KSF	*732*	103.94
Government Office Complex	KSF	*733*	27.92
Median for Public Sector			25.26
School K-8th Grade	Student	520 & 522	2.25
School 9th-12 Grade	Student	522 & 530	1.98
Junior/Community College	Student	540	1.15
Other Non-Residential			
All Port and Terminal Uses		000-099	The trip generation for any project in these categories shall be computed using the ITE daily trip-generation rate for their land use type or, at the
All Recreational Uses		300-399	
All Private Institutional Uses (Public Institutions are Exempt)		500-599	
Convenience Market		851	
Convenience Market with Gasoline Pumps		853	
Fast Food Restaurant with Drive Through		934	
Coffee/Donut Shop with Drive Through		937	
Coffee/Donut Shop Drive Through No Seating		938	

Land Use Category	Unit	ITE Code	Weekday Trips per Unit
Gasoline/Service Station		944	discretion of agency staff, through a separate traffic study
Gasoline/Service Station with Convenience Market		945	
Gasoline/Service Station with Convenience Market and Car Wash		946	
Self-Service Car Wash		947	
Based on ITE Trip Generation Manual, 11th Ed. *KSF = 1,000 square feet*			

2.2 Growth Forecasts

Assumptions regarding future growth are critical inputs for a traffic mitigation fee since they help determine both whether roadway deficiencies will develop and how many new homes or square feet of new commercial development will contribute towards the costs of mitigations. Since the RTMF is a long-term program, we must look at long-term trends to arrive forecast growth over the study horizon. Figure 2.1 shows the number of housing starts for California for the period 1954 to 2020.

Figure 2.1 Housing Starts in California by Year[2]

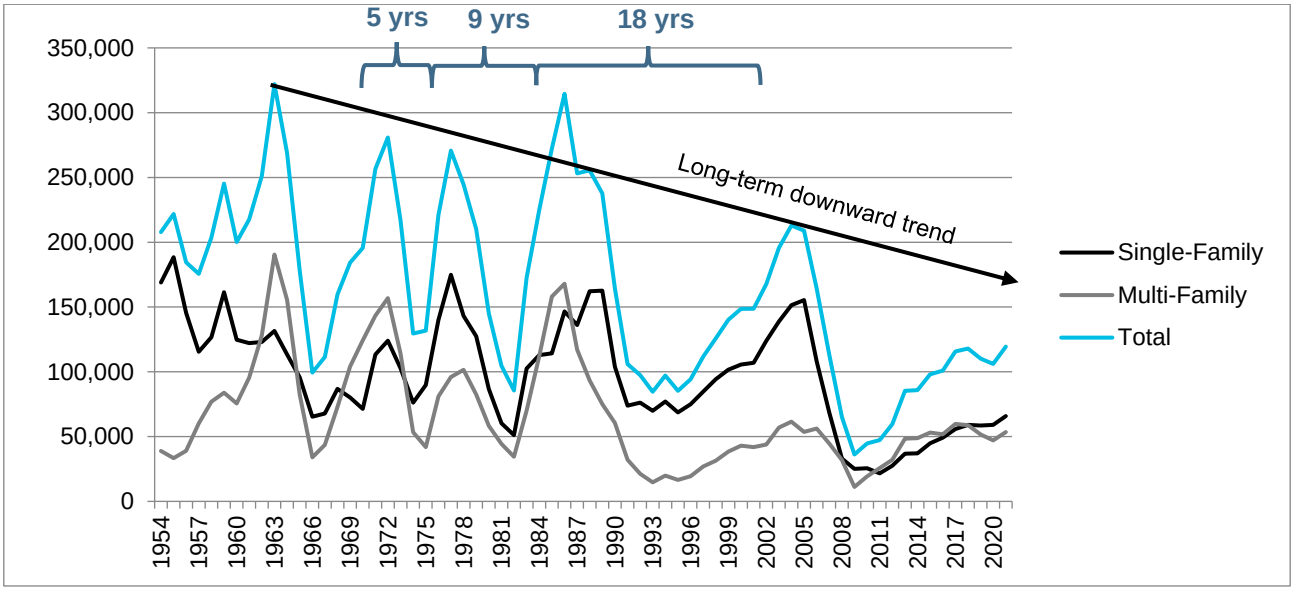


Figure 2.1 shows the unstable nature of the housing market in California, with five major “housing booms” and five “housing busts” occurring during this period. Several patterns are discernible, namely:

– The housing booms are occurring further and further apart. Five years elapsed between the peaks of the 1972 and 1977 booms, 9 years between the peaks of the 1977 and 1986 booms, and 18 years between the 1986 and 2004 booms. If this pattern continues it may be decades before the next peak occurs.

– The size of the booms is trending downwards. The 2004 boom was the smallest of the five, being only about 2/3rds the size of the previous boom.

– From the 1960’s through the 1980’s single-family and multi-family housing was being built in similar quantities in California. Multi-family housing production exceeded single-family housing in 3 of the 4 housing booms in this period. The period from 1990 to 2005, when single-family housing was produced at more than 2½ times the pace of multi-family, appears in retrospect to have been an aberration from the historical pattern. Since 2005, multi-family housing has returned to being about half of all new housing being built.

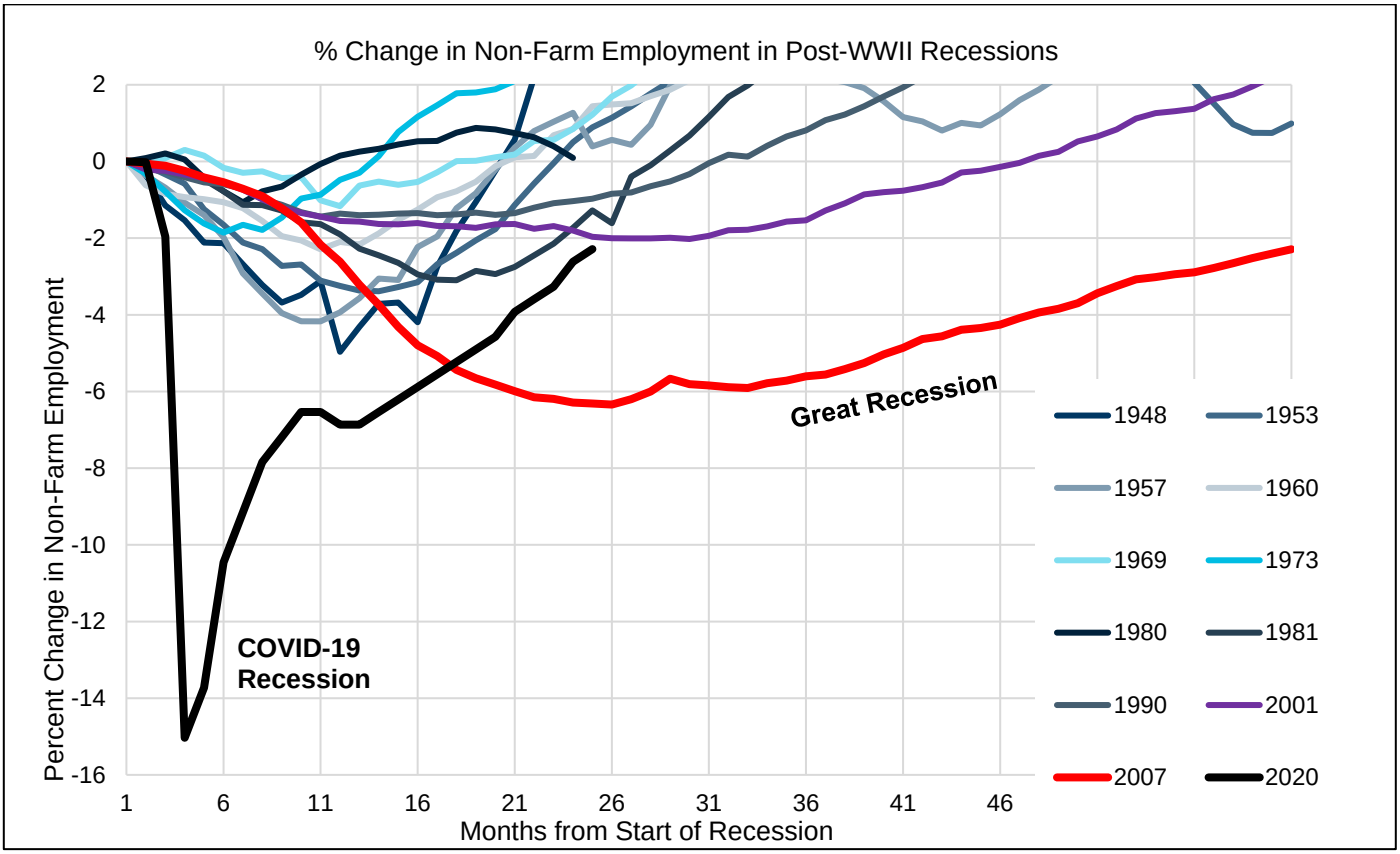
[2] Source: California Building Industry Association

– The housing market crash in 2008 also affected housing production significantly, where housing production was the lowest it's been since before the 1950's. As shown, the market is on a gradual recovery from that.

The Great Recession was deeper and much longer than any previous recession since WWII (see Figure 2.2) and the collapse of the real estate market was at the heart of the recession. This was, hopefully, a one-off event unlikely to recur within the time horizon of the current study (to 2045). More recently the real estate market has been affected by inflation and construction costs due to supply limitations from COVID. Employment losses with the statewide shut-down were significantly deeper than even the Great Recession. However, employment has bounced back relatively swiftly almost to post-2001 recession levels. There have been long-term travel and housing changes resulting from COVID-19 due to employers implementing flexible schedules and more people working from home. Housing prices were affected, short-term, and there was an increased demand for senior housing due to people going into early retirement from the shut-down and layoffs.

Nevertheless, it seems unlikely that things will "go to back to normal" (i.e., to the conditions prevailing in the 1990-to-2005 period) in terms of real estate development; structural and demographic changes have occurred resulting in a new normal. Any assumptions regarding real estate development that were made based on pre-recession or pre-COVID data therefore need to be re-examined to determine if they remain valid.

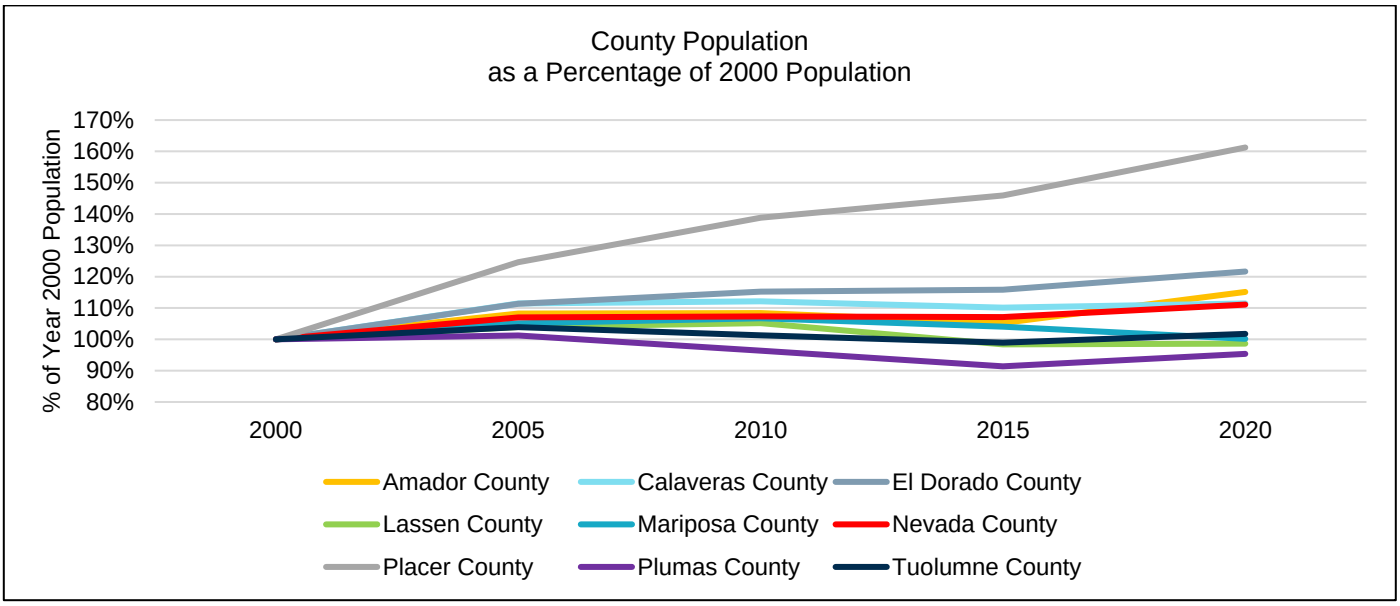
Figure 2.2 US Employment by Year[3]



Scaling down from the state-wide level to the local level, data from the U.S. Census Bureau shows that in recent years the foothills counties have been growing slowly, if at all, apart from Placer County (see Figure 2.3).

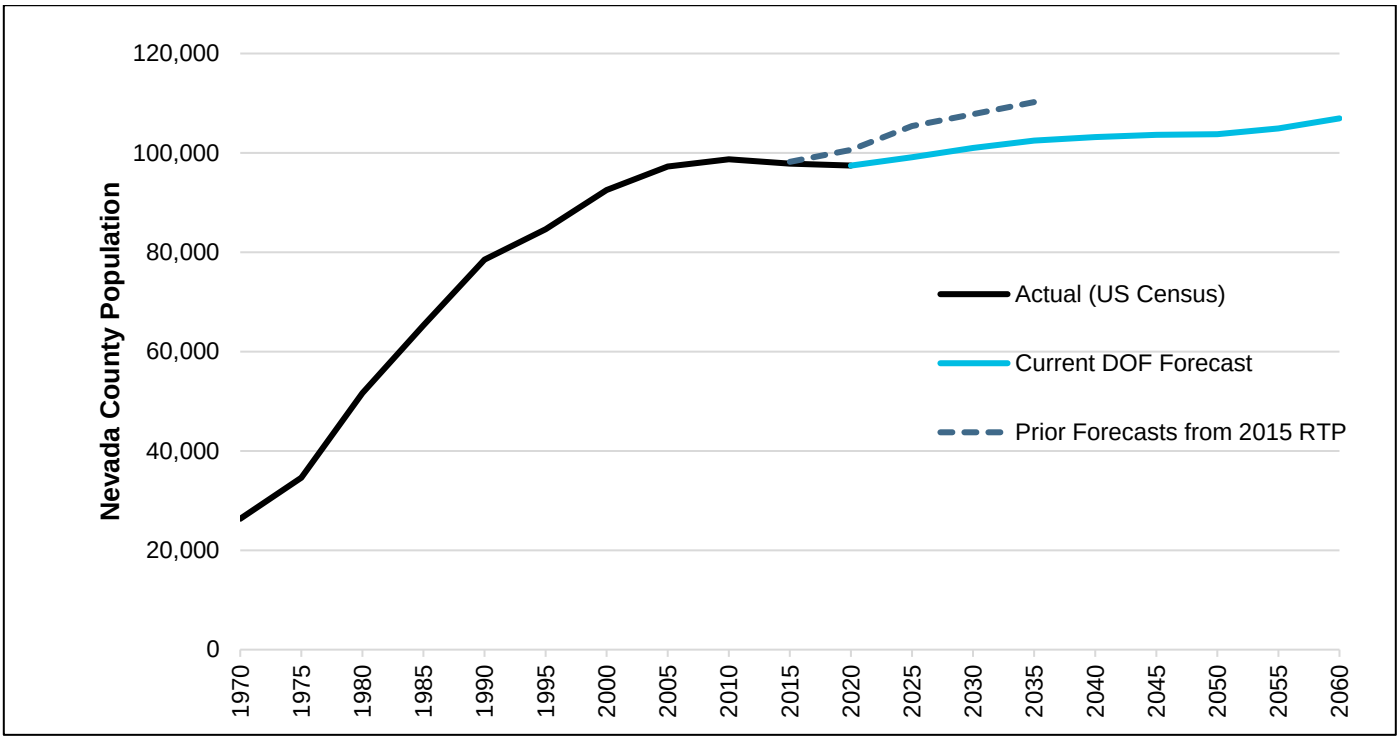
[3] Source: Federal Reserve Bank of Minneapolis

Figure 2.3 Foothill Counties Population by Year



Population forecasts by Caltrans[4] suggests that only modest growth can be expected for the foreseeable future (see Figure 2.4). The DOF's most recent forecast is for slower growth than had been anticipated in the 2015 forecasts used for the NCTC Regional Transportation Plan (RTP).

Figure 2.4 Nevada County Population by Year - Actual & Forecasted



The growth forecasts used in the previous nexus study, which began in 2012, were based on data collected in the construction boom leading up to the Great Recession. The forecasts used in the current study are based on an

[4] *California Department of Finance. Demographic Research Unit. Report P-2A: Total Population Projections, California Counties, 2010-2060 (Baseline 2019 Population Projections; Vintage 2020 Release). Sacramento, California. July 2021.*

assumed lower growth rate and therefore the 2040 population in the current forecast is lower than the prior 2035 forecast used in the previous study.

The lower forecast for future population has several effects on the RTMF, most notably:

– Fewer new households mean less traffic impacts and therefore less need for roadway improvements as mitigation. Some projects may no longer be needed, and a smaller portion of the need will be attributable to new development.
– However, for those projects that are stilled needed, fewer new dwelling units means that each will have to pay a higher share of the cost.

These trends work in opposite directions; the first would tend to lower fees while the second would tend to raise them. The interaction of these opposing trends is discussed further in a later section of this report.

Based on the growth projections supplied by the local jurisdictions and using the land use categories described in, the growth forecast by land use type is shown in Table 2.2.

Table 2.2 Land Use Growth Forecast

Land Use Category		Entire RTMF Area			*% Growth*
Description	Unit	Year 2018	Year 2040	Growth	
Residential					
Single-Family Dwelling	DU	31,768	34,353	2,585	8%
Multi-Family Dwelling	DU	2,422	4,003	1,581	65%
Mobile Home	DU	1,540	1,791	251	16%
Senior Housing	DU	1,101	1,561	460	42%
	Total	36,831	41,708	4,877	13%
Non-Residential					
Retail/Service - Low	KSF	1,670	1,925	255	15%
Retail/Service - Medium	KSF	1,336	1,540	204	15%
Retail/Service - High	KSF	334	385	51	15%
Office	KSF	1,256	1,772	516	41%
Office-Medical	KSF	284	337	53	19%
Industrial	KSF	1,924	4,086	2,162	112%
Lodging	Rooms	573	670	97	17%

2.3 Funding from Other Sources

When computing the amount of an impact fee, the amount of funding available from other sources must be deducted from the project cost estimates to ensure that new development is not paying more than the actual cost of the project to the agency. State and federal funds for transportation improvements are channeled through the State Transportation Improvement Program (STIP), which is administered by the California Transportation Commission (CTC). For the purposes of this study there are two key features of the STIP; namely: 1) that the CTC allocates a share of statewide funding to Nevada County which NCTC then allocates among individual projects, subject to later review by the CTC, and 2) that STIP funding is difficult to predict and varies widely from year to year depending on the budget situation on the state level. Under these circumstances the best way to estimate future funding from the STIP is to look at the long-term average of funding from this source. This is done in Table 2.3. Based on the historical

average of $7.9M/year in STIP funding we estimate that $158M will be available from this source over the next 20 years.

Table 2.3 Funding Available from Other Sources

Year	Project	STIP Funding
2002	SR 267 Truckee Bypass	$33,500,000
2012	SR 49/La Barr Meadows Road Intersection Improvements	$40,500,000
2014	Dorsey Drive Interchange	$17,000,000
2015	SR 89 Mousehole - Pedestrian/Bike Path	$6,400,000
2015	SR 49 La Barr Project North to McKnight Widening	$3,000,000
Total Over 14-Year Period		**$110,800,000**
Annual Average of 14-Year Period		**$7,914,000**
Amount Available Over 20 Years, Based on 14-Year Annual Average		**$158,280,000**

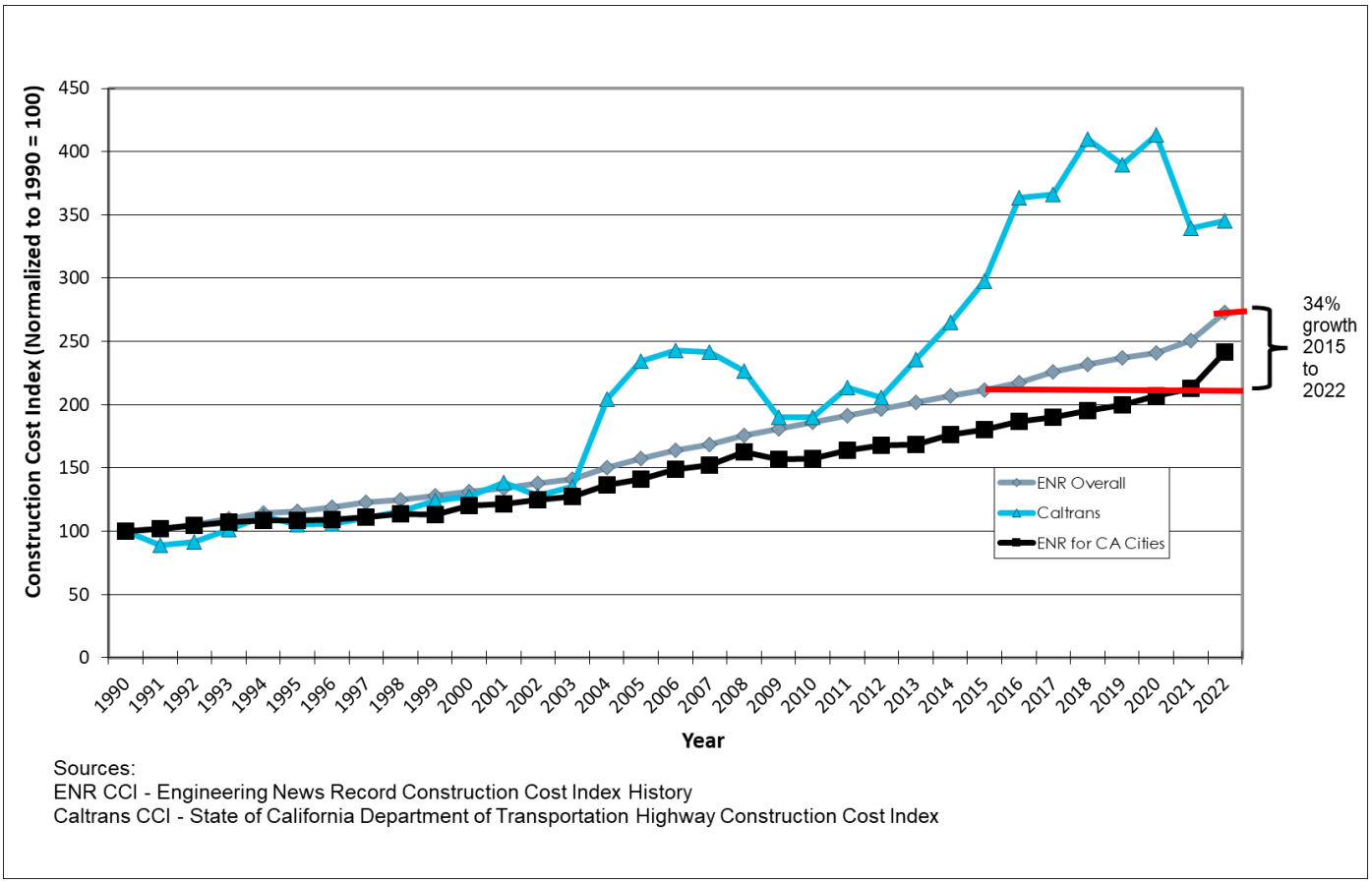
2.4 Updated Project Costs

The cost of road construction has varied significantly over the course of the last decade, so it is important that this be factored into the fee structure for the RTMF.

Figure 2.5 shows Caltrans' construction price index for highway projects for the period from 1900 to 2022. As shown, there was a slow and stable rise in prices throughout the 1990's and early years of the 2000's. However, in 2004 a combination of a construction boom, rising land and fuel costs, and the effect of a weakening U.S. dollar on the cost of imported construction materials, caused construction prices to rise more in a single year then they had in the previous 15 years combined; it is still the highest single-year increase since Caltrans started the index. This was followed in 2005 by the third-highest single-year increase. The rapid increase was followed by a rapid decrease with the collapse of the housing market, which used many of the same construction inputs as Caltrans.

The Caltrans cost index is based on actual bid prices for projects done in the previous year. There is a second cost index, prepared by the Engineering News Record (ENR) that is computed based on the market prices for various major inputs to road projects (concrete, steel, aggregate, etc.). This index is less volatile than the Caltrans index because it does not include the effect of contractors' changing profit expectations in response to strong or weak market conditions. The two indices are compared in Figure 2.5. The Caltrans index over the past seven years (since 2015) has experienced an overall 16% increase, and a 39% increase between 2015 and 2020, while the ENR index for California cities has experienced a 34% increase, and the ENR overall index have only experienced a 29% increase. The impacts of the COVID-19 pandemic increased and then subsequently lowered the index.

Figure 2.5 Caltrans' Construction Price Index, 1990-2022



NCTC policy specifies that the ENR index for California Cities is to be used as the basis for cost adjustments for the RTMF. This decision was based in part on the relative stability of the ENR index, which makes the fee program more predictable for developers compared to the highly volatile Caltrans index. Therefore, since the ENR (CA) index has risen 34% since the last nexus study, for projects where no recent cost estimates are available, the project cost estimates were increased 34% from the estimates used in the previous nexus study.

3. Updates to the Fee Calculation

An overview of the methodology used to compute the RTMF is provided in the section below, followed by sections providing more in-depth discussion of the key components. These are followed by sections describing the resulting fees and the revenues that would be raised by the RTMF under the different sets of policy options.

3.1 Computation Methodology

The methodology used in the fee computation is outlined in Figure 3.1 below. The major steps include:

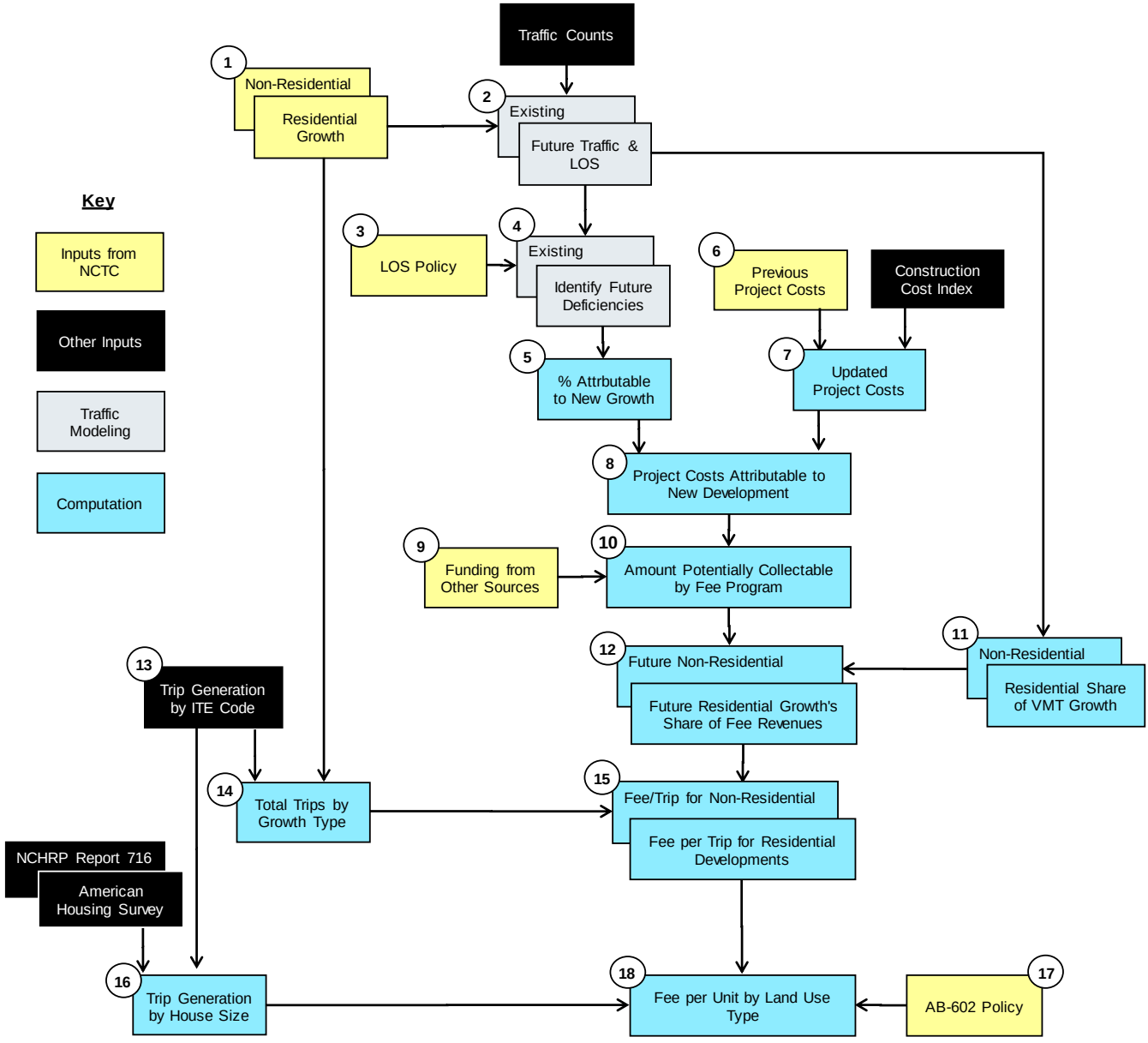
1. The starting point was a set of forecasts for residential and non-residential growth from NCTC, the City of Grass Valley, Nevada City, and Nevada County. The forecasts were described in Section 2.2.
2. The growth forecasts were used as inputs into the NCTC traffic model, which was then used to forecast traffic volumes for 2040. Recent traffic counts were used to find current traffic volumes. The volumes were then used to determine the level of service (LOS) for each potential project site under 2022 and 2040 conditions.
3. Each jurisdiction sets its LOS standards through resolutions, usually as part of its General Plan.
4. The existing and future LOS were compared to the LOS standard to determine where deficiencies currently exist and where they may develop in the future. Potential projects were identified that would correct the deficiencies.
5. The outputs of Step 4 were used to determine the percentage of the need for each potential project that is attributable to new development.
6. The estimated cost for different projects come from a variety of sources, including engineering studies and planning-level estimates.
7. The project cost estimates were updated, if necessary, using the Engineering New Record construction cost index to reflect current prices. This was described in Section 2.4.
8. The outputs from steps 5 and 7 were used to determine the dollar cost for each project that is attributable to new development.
9. Next, any funding that may be available from other sources for the listed projects was identified. This was discussed in Section 2.3.
10. The amount of funding available from other sources was compared to the project costs to determine if it exceeded the amount attributable to existing deficiencies (i.e., not attributable to new development). If so, the surplus of other funds was used to reduce the amount needed from new development. The result was the maximum amount of funding allowable by law that could potentially be collected using the RTMF.
11. The NCTC traffic model was used to determine the percentage share of growth in vehicle-miles traveled (VMT) that will be associated with residential and non-residential development.
12. The results of Steps 10 and 11 were then combined to determine the portion of project costs that could be attributed to new residential and non-residential development.
13. Next, the trip generation rate was determined for each land use type. For residential land uses the unit of measurement was daily trips/dwelling unit, while for non-residential uses trip-generation was measured in terms of daily trips/thousand square feet of space, except for schools, where the unit was daily trips/student and lodging, where daily trips/room were used.
14. The number of new units for each development type was then multiplied by the trip generation rate to produce the total number of new trips associated with each type of land use development.
15. The project funding attributable to residential and non-residential developments (from Step 12) was then divided by the expected number of new residential and non-residential trips (from Step 14) to produce the potential impact fee per trip for each type of unit.
16. AB 602 introduced a requirement that unit size be taken into account when assessing impact fees on new residential development. Data from the American Housing Survey and the National Cooperative Highway

Research Program (NCHRP) were used to estimate trip generation rates for different sized residential units. This is described in Section 3.7.

17. AB 602 offers agencies several options for incorporating dwelling size into a fee program. The NCTC Technical Advisory Committee selected an option that divided new dwellings into small, medium, and large size categories and applies different rates for different types of dwellings. This is described in Section 3.7.
18. The policies from Step 17 were applied to take the fees per trip from Step 15 and combine them with the trip generation rates from Step 13 (for non-residential units) and Step 16 (for residential units) to compute the fee per unit.

The next sections describe several key steps in the process in more detail.

Figure 3.1 Fee Computation Methodology Flowchart



3.2 Existing & Future Deficiencies

Existing and future deficiencies were identified by comparing the existing and future LOS to the LOS standards adopted by the local jurisdictions. For unincorporated Nevada County the LOS standard is D in all locations. For Grass Valley, the General Plan calls for LOS D at most locations. However, in some locations LOS E is allowed in order to maintain the walkable character of the historic downtown area[5]. For Nevada City, the LOS standard is at LOS D.

Table 3.1 shows the existing and future LOS at the project locations listed in the previous nexus study. Existing and forecasted traffic volumes and the LOS worksheets are included in the Appendix. Several additional sites were identified as potentially requiring improvement; these were added to the bottom of the table.

The previous nexus study (2016) identified 11 projects for the fee program. Of these:

– 2 have been completed but not yet paid for. This includes the Dorsey Drive Interchange, which was financed through bonds that will be repaid through the RTMF program, and improvements at the East Main/Bennett/Richardson intersection, which the City of Grass Valley paid for and will be seeking reimbursement from NCTC.
– 1 is now deemed unnecessary, due to the new, lower growth expectations.
– 8 are recommended to be retained in the fee program.

In addition, two new locations were considered: SR-49 south of McKnight Way (PM 13.1 to PM 11.0), and SR 174/Colfax Highway at Brunswick Road. These two locations were identified as having a future deficiency and being eligible for inclusion in the RTMF program.

The proposed improvements identified for the fee program are listed below:

1. SR 49 Interchange at Dorsey Drive – new interchange (already constructed, retain for reimbursement)
2. E. Main Street at Bennett Street/Richardson Street – install a traffic signal (constructed, retain for reimbursement)
3. SR 49 Southbound – PM 13.1 to PM 11.0 – widen to 2 lanes
4. SR 49 at McKnight Way – Interchange improvement project
5. McCourtney Road at SR 20 Eastbound Ramps – intersection improvements
6. SR 20/49 Northbound Ramps at Idaho-Maryland Road – install traffic signal
7. SR 20/49 at Uren Street – intersection improvements or traffic signal
8. Brunswick Road at SR 174/Colfax highway - intersection improvements or traffic signal
9. SR 29 at Coyote Street – intersection improvements

[5] See City of Grass Valley Resolution 2013-33

Table 3.1 Existing & Future LOS at Proposed Project Locations

Project ID (Prior 2015 Study)	Project ID (New)	Intersection	Traffic Control	LOS Standard	Previous Nexus Study (Existing) Delay (sec/veh) or ADT	LOS	Previous Nexus Study (2035) Delay (sec/veh) or ADT	LOS	Current Nexus Study (Existing) Delay (sec/veh) or ADT	LOS	Current Nexus Study (2040) Delay (sec/veh) or ADT	LOS	Notes
1	1	SR 20/49 SB Ramps/Dorsey Dr	Signal	D	10.8	B	40.4	D	N/A		N/A		Improvements identified in the previous study have already been built - keep for reimbursement.
		SR 20/49 NB Ramps/Dorsey Dr	Signal	D	13.2	B	13.0	B	N/A		N/A		
	2	E. Main St/Bennett/Richardson	Signal	D					N/A		N/A		The improvements identified in the original RTMF study have already been built. Keep for reimbursement.
		SR-49: South of McKnight Way to PM 13.1	4-lane Freeway	D	*26,085*	C	*27,800*	C	*27,500*	C	*37,440*	C	Constructed. Split into 2 segments for 4-lane section where freeway/highway transitions.
	3	SR-49: PM 13.1 to PM 11.0	2-lane Highway	D					*27,500*	**F**	*37,440*	**F**	Deficient for 2-lane highway section.
2		SR-49: South of La Barr Meadows Rd (SB)	1 lane	D	*11,604*	**F**	*12,050*	**F**	*12,400*	**F**	*16,470*	**F**	Has 2 lanes NB and 1 lane SB, so LOS is different for the two directions of travel. Deficiency remains, however funding not identified and too costly to keep in program.
		SR-49: South of La Barr Meadows Rd (NB)	2 lanes	D	*11,604*	C	*12,050*	C	*12,400*	C	*17,190*	**E**	
3		SR-49: South of Alta Sierra Dr (SB)	1 lane	D	*11,498*	**F**	*11,650*	**F**	*12,800*	**F**	*15,500*	**F**	Has 2 lanes NB and 1 lane SB, so LOS is different for the two directions of travel. Deficiency remains,however funding not identified and too costly to keep in program.
		SR-49: South of Alta Sierra Dr (NB)	2 lanes	D	*11,498*	C	*11,650*	C	*12,800*	C	*16,550*	D	
4		SR-49: South of Wolf Creek		D	*27,852*	**F**	*28,300*	**F**	*23,300*	**F**	*31,490*	**F**	Deficiency remains, however funding not identified and too costly to keep in program.
		SR-20/49: Bennett St to Idaho-Maryland Rd		D			*54,400*	C	39,500	D	*46,840*	D	Reviewed at NCTC's request. No deficiency found.
5	4	McKnight Way/Taylorville Rd	SSSC	D	13.3	B	14.5	B	12.1	B	13.6	B	Deficient in both previous and current nexus study. An in-depth Intersection Control Evaluation (ICE) was performed in 2018/19, which determined that the complex turning movements in these 4 closely-spaced intersections would always result in at least one intersection failing. The recommended solution was several roundabouts. The attribution to future development is based on the change in entering volumes.
		McKnight Way/SR 49 NB Ramps	Signal	D		**F**	14.8	B	16.8	B	21.1	C	
		McKnight Way/SR 49 SB Ramps	Signal	D		**F**	41.5	D	13.1	B	16.8	B	
		McKnight Way/S.Auburn St/La Barr Meadows Rd	SSSC	D	13.3	B	14.5	B	20.4	C	106.3	**F**	
6	5	McCourtney Rd/SR 20 EB Ramps	SSSC	D	155.8	**F**	155.4	**F**	43.5	**E**	127.3	**F**	Deficiency remains.
7	6	SR 20/49 NB Ramps/Idaho Maryland Rd	AWSC	D	20.6	C	50.8	**F**	22.1	C	62.9	**F**	Deficiency remains.
8		SR 20/49 NB Ramps/Ridge Rd/Gold Flat Rd	AWSC	D	19.3	C	21.5	C	17.6	C	19.9	C	Reviewed again. Not deficient under prior or revised assumptions.
		SR 20/49 SB Ramps/Ridge Rd/Gold Flat Rd	AWSC	D	39.7	**E**	55.2	**F**	26.6	D	31.7	D	Deficient in previous nexus study but not deficient under revised assumptions (lower counts and higher peak hour factor).
9	7	SR 20/SR 49/Uren St	SSSC	D	OVR	**F**	OVR	**F**	OVR	**F**	OVR	**F**	Deficiency remains.
		Brunswick Rd/E Bennett St/Greenhorn Rd	AWSC	D	21.3	C	41.4	**E**	19.0	C	27.5	D	Deficient in previous nexus study but not deficient under revised assumptions; slighlty lower forecasts. LOS D/E cusp.
	8	Brunswick Rd/SR 174/Colfax Highway	SSSC	D	17.1	C	20.4	C	33.3	D	59.5	**F**	Deficient in 2008 study but not in 2016 forecast. Revised base and forecast models shows deficiency in future.
		SR-49/Cement Hill Rd	SSSC	D	23.7	C	34.0	D	16.5	C	20.5	C	NCTC requested to review again. No deficiency.
11	9	SR-49/Coyote St	SSSC	D	66.5	**F**	116.9	**F**	44.3	**E**	54.3	**F**	Deficiency remains.
		State Highway Projects											Listed individually - REMOVED
		Admin Costs and 5-year reviews											Computed as a percentage of total project costs.

Notes:

For signalized intersections average delay and LOS for all approaches are reported.

"AWSC" means "all way stop-controlled." For AWSC intersections, average intersection delay and LOS are reported.

"SSSC" means "side-street stop controlled." For SSSC intersections, delay and LOS for the worst performing approach are reported.

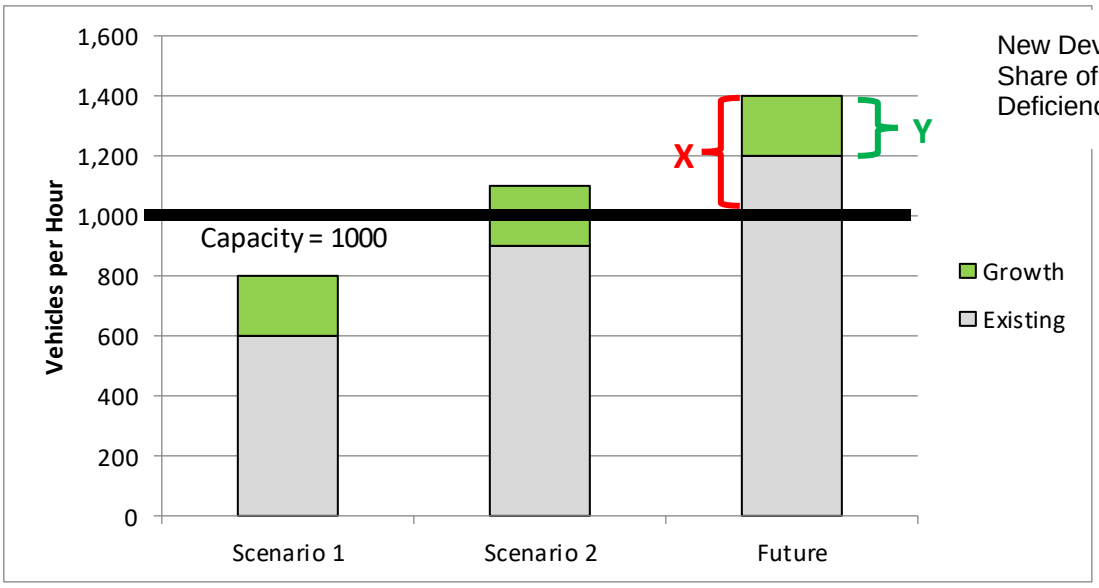
"OVR" means >300 seconds of delay per vehicle.

LOS results beyond the LOS standards are shown in gray cells with bold text.

3.3 Portion of Project Need Attributable to New Development

The procedure for determining the percentage of the need to improve a roadway facility that is attributable to new development is illustrated in Figure 3.2.

Figure 3.2 Percent Attributable Cases



The capacity is the maximum volume that can be accommodated at the adopted LOS. Figure 3.2 shows a hypothetical roadway with a capacity of 1,000 vehicles/hour. There are three possible cases, namely:

- In Case 1, the roadway facility is operating at below its capacity under existing conditions and is forecast to continue to do so under future (2040 conditions. In such cases there is no deficiency and so no impact fees can be collected for the project[6].
- In Case 2 the facility operates below its maximum capacity under existing conditions, but the capacity is insufficient to accommodate the expected future growth in traffic. In such cases the need to provide additional capacity is entirely attributable to new development.
- In Case 3 the traffic using the facility already exceeds its rated capacity and the expected growth in traffic will exacerbate the situation. In such cases the percentage attributable to new development is the portion of the volume beyond the rated capacity that comes from new development (Y/X) .

Table 3.2 shows how this methodology was applied to the projects identified in Table 3.1 as having existing and/or future deficiencies.

[6] This is not to say that the project is not justified; only that the justification is unrelated to the need to provide additional capacity to accommodate future development. The seismic retrofit of a bridge would be an example of a project where the need is not based on insufficient capacity.

Table 3.2 Percent of Project Need Attributable to New Development (Project LOS)

					Existing				Future (2040) Without Improvements				
Project ID (from Previous Study)	Project ID (New)	Facility	Location	LOS Standard	Peak-Hour Entering Volume *or ADT*	Capacity*	V/C Ratio	LOS	Peak-Hour Entering Volume *or ADT*	Capacity*	V/C Ratio	LOS	% of Deficiency Attributable to New Development
					(A)	(B)	(C)=(A)/(B)	(D)	(E)	(F)	(G)=(E)/(F)	(H)	(I)=(G-D)/(D-1)
1	1	Dorsey Drive Interchange		D					(keep for reimbursement)				33%
	2	E. Main St	@Bennett/Richardson	D					(keep for reimbursement)				100%
	3	SR-49	PM 13.1 to PM 11.0	D	*27,500*	16,650	**1.65**	**F**	*37,440*	16,650	**2.25**	**F**	48%
5,10	4	McKnight Way	@ S. Auburn St/La Barr Meadows Rd	D				C				**F**	100%
6	5	McCourtney Rd	@ SR 20 Eastbound Ramps	D	1,072	980	**1.09**	**E**	1,230	980	**1.26**	**F**	63%
7	6	SR 20/49 NB Ramps	@ Idaho-Maryland Road	D				C				**F**	100%
9	7	SR 20/49	@ Uren Street	D	1,492	1,190	**1.25**	**F**	1,685	1,190	**1.42**	**F**	39%
	8	Brunswick Road	@ SR 174/Colfax Highway	D				D				**F**	100%
11	9	SR 49	@ Coyote Street	D	1,132	960	**1.18**	**E**	1,260	960	**1.31**	**F**	43%

* For roadway segments, capacity is as defined in the General Plan. For intersections, capacity is defined as the maximum sum of the approach volumes that does not exceed the LOS standard

** Calculated using model runs that showed the percentage of future traffic was attributable to existing demand and how much was attributable to new demand

*** Not in previous nexus study

V/C Ratio = Volume to Capacity ratio

As can be seen from Table 3.2, of the 11 sites where deficiencies were identified, there were only 2 locations where the need for the project is wholly attributable to new development (i.e., Case 2 in Figure 3.2). In the 9 other locations a deficiency already exists to some degree and new development is responsible for only a portion of the need for improvement (i.e., Case 3 in Figure 3.2).

3.4 Determination of Amount Collectible through the RTMF

The amount potentially collectable through the RTMF program was calculated using the updated project costs, the percentage of project need attributable to new development shown in Table 3.2, and the funding available from other sources shown in Table 2.3. This calculation is shown in Table 3.3.

Column F in Table 3.3 shows funding available that is in excess of the funding needed to correct existing deficiencies (Column D). The funds shown in Column J show how future development in Nevada County has benefitted from state and federal grant funding, since if funds had not come from those other sources, then these amounts would have been collectable from new development through impact fees.

Additionally, a policy decision was made to remove several widening projects along SR 49 in this update. This is due to the high cost associated with those improvements (approximately >$200M) and the fact that funds from other sources for the portion not funded through the fee program are not realistically attainable. However, NCTC will continue to pursue funding sources for the SR 49 widening improvements and these projects may return in the next update of the nexus study. Please note that SR 49 southbound from post mile 13.1 to 11.0 continues to be in the program because funding for that section has been identified.

Table 3.3 Amount Potentially Collectable Through RTMF between 2023 to 2040 (Project Costs)

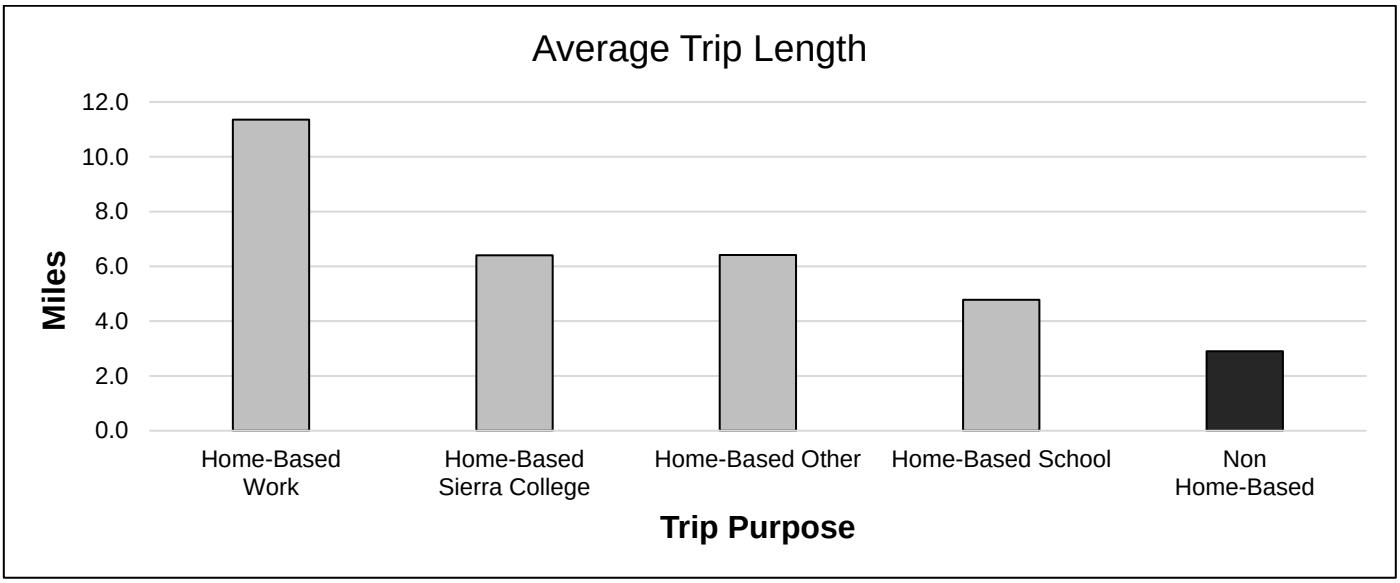
Project ID (New)	Facility	Location	Updated Cost Estimate	% of Need Attributable to New Development	Costs Attributable to New Development	Costs Attributable to Existing Deficiencies (not New Development)	Funding from Other Sources (STIP, SHOPP, etc.)	Funds from other sources beyond what is needed for existing deficiencies	Amount Potentially Collectable from Mitigation Fees	RTMF Funds Currently Available	RTMF Funds Collected in Prior Years	RTMF Funds Previously Collected	Amount Potentially Collectable from Mitigation Fees	Funds Needed from Other Sources
			(A)	(B)	(C) = (A)*(B)	(D) = (A) - (B)	(E)	If (E)>(D), (F)=(E)-(D) Otherwise (F) = 0	(G)=(C)-(F)	(H)	(I)		(J)=(G)-(H)-(I)	(K)=(A)-(E)-(J)
1	SR-49 Interchange	Dorsey Drive	$24,000,000	33%	$7,991,555	$16,008,445	$19,385,609	$3,377,164	$4,614,391	$1,016,041	$1,713,691	$2,729,732	$1,884,659	$0
2	E.Main St	@ Bennett St/Richardson	$1,500,000	100%	$1,500,000	$0	$0	$0	$1,500,000	$0	$1,500,000	$1,500,000	$0	$0
3	SR-49 SB	PM 13.1 to PM 11.0 (SB)	$21,000,000	48%	$10,040,404	$10,959,596	$18,400,000	$7,440,404	$2,600,000	$0	$0	$0	$2,600,000	$0
4	McKnight Way Interchange	@ S. Auburn St/La Barr Meadows Rd	$9,663,269	100%	$9,663,269	$0	$2,000,000	$2,000,000	$7,663,269	$0	$0	$0	$7,663,269	$0
5	McCourtney Rd	@ SR 20 EB Ramps	$2,083,969	63%	$1,317,068	$766,901	$0	$0	$1,317,068	$0	$0	$0	$1,317,068	$766,901
6	SR 20/49 NB Ramps	@ Idaho Maryland Rd	$1,847,696	100%	$1,847,696	$0	$0	$0	$1,847,696	$0	$0	$0	$1,847,696	$0
7	SR 20/SR 49	@ Uren St	$1,457,566	39%	$568,304	$889,263	$0	$0	$568,304	$0	$0	$0	$568,304	$889,263
8	Brunswick Road	@ SR 174/Colfax	$1,384,179	100%	$1,384,179	$0	$0	$0	$1,384,179	$0	$0	$0	$1,384,179	$0
9	SR-49	@ Coyote St	$468,604	43%	$199,938	$268,666	$0	$0	$199,938	$0	$0	$0	$199,938	$268,666
10	program)			100%									$349,302	
	Total		$63,405,283		$34,512,413	$28,892,870	$39,785,609	$12,817,568	$21,694,845	$1,016,041	$3,213,691	$4,229,732	**$17,814,415**	$1,924,829
	As a percent of total costs for needed projects				54%	46%	63%	20%	34%	2%	5%	7%	**28%**	3%

3.5 Residential & Non-Residential Shares of Traffic Impacts

Vehicle-miles travelled (VMT) is the main indicator of traffic impacts. VMT takes into account the fact that traffic impacts are proportional both to the number of new trips associated with the development and the average length of those trips. Outputs from the NCTC Travel Demand Model were used to forecast the growth in VMT for the five different types of trips that are represented in the model. The growth in VMT from new development was attributed to residential and non-residential developments based on trip type. Standard practice for how to do this can be found in NCHRP Report 187[7], a primary reference for travel estimation techniques used in travel demand modeling, which states that "HBW (Home Based Work) and HBNW (Home Based Non-Work) trips are generated at the households, whereas the NHB (Non-Home Based) trips are generated elsewhere." NCTC policy follows this practice by attributing all trips beginning or ending at the traveler's home (roughly 2/3rds of all trips) to the residential land use while all trips not involving a residential location (roughly 1/3rd of all trips) are attributed to non-residential land uses. The Non-Home-Based trips include things like trip chaining between locations other than the traveler's home.

Figure 3.3 shows the average trip length by trip purpose in the NCTC traffic model. The four home-based trip purposes, shown in grey, have longer average lengths than non-home-based trips. VMT-based fees tend to shift the incidence of the fees away from non-residential development and more towards residential development, compared to trip-based fees.

Figure 3.3 Average Trip Length by Trip Purpose



The forecast growth in VMT from residential and non-residential land uses is shown Table 3.4.

Table 3.4 Percentage of VMT Growth Attributable to Residential & Non-Residential Development

Trip Purpose	Growth in VMT	% of Total VMT Growth
Attributable to Residential Development		
Home-Base Other Trips	122,759	36%
Home-Base Work Trips	169,544	49%

[7] *Quick Response Urban Travel Estimation Techniques and Transferable Parameters User's Guide*, Transportation Research Board, 1978

Trip Purpose	Growth in VMT	% of Total VMT Growth
Home-Based School Trips	2,068	1%
Home-Based Sierra College Trips	1,427	0%
Attributable to Non-Residential Development		
Non-Home-Based Trips	47,670	14%
Total	**343,467**	100%

Based on this calculation, 86% of VMT growth was attributed to residential development and 14% was attributed to non-residential development.

3.6 Consideration of Residential Floor Area

Since the 2016 nexus study, the State of California has instituted a new policy[8] pertaining to fees on residential developments. California Government Code (CGC) 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 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 specifically designed to suit transportation impact fees regarding trip generation and unit size. 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 the National Cooperative Highway Research Program (NCHRP) Report 716, *Travel Demand Forecast: Parameters and Techniques*. This data was combined as shown in Table 3.5.

[8] Assembly Bill 602, signed into law in September 2021.

Table 3.5 Computation of Average Trip Generation by Dwelling Size Category

Persons per House-hold	Trips per House-hold	Less than 1,500 sq.ft			1,501 to 2,500 sq.ft			Greater than 2,500 sq.ft		
		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)
1	4.1	21,895	39%	1.58	7,828	20%	0.81	2,387	12%	0.48
2	8.2	18,076	32%	2.61	14,701	37%	3.04	7,754	38%	3.11
3	11.2	7,592	13%	1.50	6,928	17%	1.96	3,098	15%	1.70
4	16.1	5,355	9%	1.52	5,928	15%	2.41	4,106	20%	3.24
5	18.6	2,368	4%	0.78	2,754	7%	1.29	1,924	9%	1.75
6	18.6	907	2%	0.30	989	2%	0.46	755	4%	0.69
7+	18.6	525	1%	0.17	553	1%	0.26	398	2%	0.36
Total		**56,718**	**100%**	**8.46**	**39,681**	**100%**	**10.22**	**20,422**	**100%**	**11.33**
Average Persons Per Household		2.17			2.66			2.97		
Trip-Gen Rate as a % of SFD Average		**83%**			**100%**			**111%**		
Sources:	Columns (A),(C) - NCHRP Report 716, Columns (B), (E), and (H) - American Housing Survey									

As can be seen in Table 3.5, although the trip generation rate is somewhat related to the size of the residence, it is not directly proportional to the floor area, as is assumed in Section 66016.5(a)(5)(A). We 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 this fee program. We instead find, pursuant to Section 66016.5(a)(5)(B)(ii), that the data supports basing the fees on new small, medium, and large-sized homes on the relationships shown in the bottom row of Table 3.5. We 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.

CGC Section 66016.5(a)(5)(C) allows agencies to establish different fees for different types of developments. In alignment with AB 602, NCTC believes that fees on multi-family and senior housing should be set lower than those of single-family dwellings, in recognition of their lower trip generation rates. Unfortunately, a calculation like that shown in Table 3.5 could not be done for these other classes of residential development because the American Housing Survey only has data on the number of persons per household for single-family dwellings (Table 3.5 uses SFD data). DUEs for multi-family, mobile homes, and senior age-restricted housing were therefore calculated based on their respective PM peak-hour trip-generation rates found in ITE's *Trip Generation Manual*. The average size for these housing types in the RTMF fee area falls within the "Small" category, so the ITE average rate for them was used to compute the "Small" value. The ratio of the values shown in the bottom row of Table 3.5 were then used to compute the DUEs for "Medium" and "Large" multi-family, mobile homes, and senior age-restricted housing. The results as shown in Table 3.6.

Table 3.6 Computation of Dwelling 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 (DUE)		
			Small (< 1,500 sq.ft)	Medium (1,501 to 2,500 sq.ft)	Large (> 2,500 sq.ft)
Single-Family Dwelling	9.43	100%	0.83	1.00	1.11
Multi-Family Dwelling	4.54	48%	0.48	0.58	0.64
Senior Age-Restricted	3.78	40%	0.40	0.48	0.54
Mobile Home	7.12	76%	0.76	0.91	1.01

Since fees are based on DUEs, as can be seen in Table 3.6, the highest fees would be paid by large single-family dwellings, which would pay 111% of the base rate for SFD. The lowest fees would be paid by small senior dwellings, which would pay 40% of the base rate.

3.6.1 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 sub-section, if an ADU is smaller than 750 square feet then it is exempt from RTMF fees. Fees on ADU's larger than 750 square feet require a two-part calculation. First the RTMF fee that would be charged to the primary unit (if it were new) is calculated, then the fee on the ADU is computed based on the ratio of its floor area in relation to the primary unit. For example, if the primary dwelling was 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.

3.7 Determination of Total Trips and Fee per Trip

As described earlier, the next step in the process is to determine the total number of trips for residential and non-residential development. For residential units, the total number of new dwelling units from Table 2.2 is split amongst small, medium, and large unit sizes, and then multiplied by the trip generation rate for each category (see Table 2.1) and also by the DUE for each dwelling size from Table 3.6. For non-residential units, the total trips were calculated by multiplying the trip generation rate for each land use category (see Table 2.1) by number of new units of each land use type (Table 2.2). The results are shown in Table 3.7.

Table 3.7 Total Trips by Land Use - Residential and Non-Residential Trips

Land Use	Unit	Trip-Gen Rate	Estimated Split of Residential Units by Dwelling Type	# of New Units	Dwelling Unit Equivalent (DUE)	Daily Trips
		(A)	(B)	(C)=(C_{Total})*(B)	(D)	(E)=(A)*(C)*(D)
Residential						
Single-Family Dwelling Totals	**DU**			**2,585**		**23,844**
Small (<1,500 sq.ft.)	DU	9.43	29%	750	83%	5,870

Land Use	Unit	Trip-Gen Rate	Estimated Split of Residential Units by Dwelling Type	# of New Units	Dwelling Unit Equivalent (DUE)	Daily Trips
		(A)	(B)	(C)=(C_{Total})*(B)	(D)	(E)=(A)*(C)*(D)
Medium (1,500-2,500 sq.ft.)	DU	9.43	46%	1,189	100%	11,212
Large (<2,500 sq.ft.)	DU	9.43	25%	646	111%	6,762
Multi-Family Dwelling Totals	**DU**			**1,581**		**3,445**
Small (<1,500 sq.ft.)	DU	4.54	100%	1581	48%	3,445
Medium (1,500-2,500 sq.ft.)	DU	4.54	0%	0	58%	0
Large (<2,500 sq.ft.)	DU	4.54	0%	0	64%	0
Mobile Home in Park	**DU**			**251**		**1,460**
Small (<1,500 sq.ft.)	DU	7.12	63%	158	76%	855
Medium (1,500-2,500 sq.ft.)	DU	7.12	36%	90	91%	583
Large (<2,500 sq.ft.)	DU	7.12	1%	3	101%	22
Senior Housing	**DU**			**460**		**819**
Small (<1,500 sq.ft.)	DU	3.78	29%	133	40%	201
Medium (1,500-2,500 sq.ft.)	DU	3.78	46%	212	48%	384
Large (<2,500 sq.ft.)	DU	3.78	25%	115	54%	234
Total Residential						**29,568**
Non-Residential						
Retail - Low	KSF	24.74		255		5,514
Retail - Medium	KSF	47.62		204		10,306
Retail - High	KSF	91.96		51		4,690
Office	KSF	12.76		569		7,258
Light Industry	KSF	4.75		2,162		10,270
Warehouse	KSF	3.56		73		260
Lodging	Rooms	4.21		97		408
Public & Quasi-Public*	KSF	22.59		28		633
School K-8th Grade*	Students	2.25		499		1,122
School 9-12th Grade*	Students	1.98		298		590
Community College*	Students	1.15		439		505
Total Non-Residential						**41,555**

* Public Sector

Note: Column (B), Estimated Split of Residential Units by Dwelling Type, is based on last 5 years of housing permits from Nevada County and Grass Valley.

The portion of project costs attributable to new development (see Table 3.3) was multiplied by the percent attributable to residential and non-residential development (see Table 3.4) to find the fee-eligible costs for residential and non-residential development. This was then divided by the number of total trips shown in Table 3.7 to determine the fee per trip for residential and non-residential developments (see Table 3.8). Lastly, the fee per trip end for residential

units was multiplied by the daily trip generation rate of 9.43 to determine the fee per DUE (dwelling unit equivalent) for residential uses.

Table 3.8 Fee per Trip and DUE

Item	Formula	Total RTMF-Eligible Project Costs	Attributable to Residential Development	Attributable to Non-Residential Development
Total Project Costs	(A)	$17,814,415		
RTMF Fund Balance (Amount Collected)*	(B)	$91,702		
Remaining Cost for Fee Collection	(C)	$17,722,712		
% Attributable by Category	(D)		86%	14%
Amount Attributable by Category	(E)=(C)*(D)		$15,262,990	$2,459,722
Trip Ends	(F)		29,568	41,555
RTMF per Trip End	**(G)=(E)/(F)**		**$516.20**	**$59.19**
Fee per DUE	**(H)=(G_{RES})*9.43**		**$4,867.76**	

* RTMF Fund Balance excludes balance set aside for Dorsey Drive
Note: 9.43 is the trip rate equivalent to a single family detached housing unit

3.8 Recommended Fee by Land Use Category

The final step is to compute the fee to be charged for each unit of new development. For residential uses, this is done by multiplying the DUE rates for each dwelling size shown in Table 3.6 by the fee per DUE shown in Table 3.8. For non-residential uses, the fee for each unit type is calculated by multiplying the trip generation rates from Table 2.1 by the fee per trip from Table 3.8. The residential fee results are shown in Table 3.9, and the non-residential fee results are shown in

Typical Use	ITE Code & Unit	Current Fee per Trip	Current Trip-Gen Rate	Current Fee per Unit	Dwelling Unit Equivalents (DUE)	Proposed Cost per DUE	Proposed Fee per Unit	% Change in Fee
		(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)=(D)*(E)	(G)=(F)/(C)-1
Residential (Dwelling Unit)								
Single Family	210							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	0.83	$4,868	$4,030	-13%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.00	$4,868	$4,868	5%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.11	$4,868	$5,396	17%
Multi-Family	251							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.48	$2,344	$1,128	-65%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.58	$2,344	$1,363	-57%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.64	$2,344	$1,511	-53%
Mobile Home	220							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.76	$3,675	$2,775	15%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.91	$3,675	$3,352	38%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	1.01	$3,675	$3,716	53%
Senior Housing	252							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.40	$1,949	$780	-55%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.48	$1,949	$942	-45%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.54	$1,949	$1,045	-40%
Accessory Dwelling Unit (ADU)								
< 750 sq.ft.	Exempt							
> 750 sq.ft.	Fee is based on the ratio of its floor area in relation to the primary unit, multiplied by the fee that the primary unit would pay, if it was being built today. (RTMF (F) for primary unit) x (ADU sq.ft. divided by primary unit sq.ft.)							

Table 3.10. These tables also compare the new fees with the current fees. The key points from this comparison are:

- A small increase is recommended for the fees for medium and large single-family homes.

- Due to the change in the fee calculation methodology to consider unit size by types for residential uses, the resulting fee is reduced for smaller-sized single-family units, and for all multi-family, mobile home, and senior housing unit types.
- A larger reduction in fees is recommended for every category of non-residential land use. The decrease is primarily a function of the change in traffic growth of non-residential uses, with less non-residential development expected, and more trips attributable to residential uses.

Policymakers are sometimes concerned about the effects that a fee program might have in terms of making their county less competitive than peer counties in attracting development. There are two aspects to this, namely:

- People and businesses moving to foothills counties expect to find little or no traffic congestion. To the extent that the RTMF provides funding for needed capacity improvements it improves the competitiveness of Nevada County.

Impact fees, like any other cost, inhibit development to some extent. However, this does not mean that they necessarily reduce competitiveness. As can be seen in Figure 3.4, the recommended RTMF fees would be in the low end among peer counties and so are unlikely to deter development. The recommended RTMF fees for non-residential development would be quite low compared to peer counties (see Figure 3.5).

Table 3.9 Revised Fee Levels – Residential Uses

Typical Use	ITE Code & Unit	Current Fee per Trip	Current Trip-Gen Rate	Current Fee per Unit	Dwelling Unit Equivalents (DUE)	Proposed Cost per DUE	Proposed Fee per Unit	% Change in Fee
		(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)=(D)*(E)	(G)=(F)/(C)-1
Residential (Dwelling Unit)								
Single Family	210							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	0.83	$4,868	$4,030	-13%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.00	$4,868	$4,868	5%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.11	$4,868	$5,396	17%
Multi-Family	251							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.48	$2,344	$1,128	-65%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.58	$2,344	$1,363	-57%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.64	$2,344	$1,511	-53%
Mobile Home	220							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.76	$3,675	$2,775	15%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.91	$3,675	$3,352	38%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	1.01	$3,675	$3,716	53%
Senior Housing	252							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.40	$1,949	$780	-55%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.48	$1,949	$942	-45%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.54	$1,949	$1,045	-40%
Accessory Dwelling Unit (ADU)								
< 750 sq.ft.	Exempt							
> 750 sq.ft.	Fee is based on the ratio of its floor area in relation to the primary unit, multiplied by the fee that the primary unit would pay, if it was being built today. (RTMF (F) for primary unit) x (ADU sq.ft. divided by primary unit sq.ft.)							

Table 3.10 Revised Fee Levels – Non-Residential Uses

Typical Use		Unit	Current Fee per Trip	Current Trip-Gen Rate	Current Fee	Proposed Fee per Trip	Updated Trip-Gen Rate	Proposed Fee	% Change
			(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)=(D)*(E)	(G)=(F)/(C)-1
Non-Residential									
	Office	KSF	$86	12.05	$1,033	$59	12.76	$755	-27%
	Industrial	KSF	$86	5.33	$457	$59	4.75	$281	-38%
	Warehouse	KSF	$86	3.56	$305	$59	3.56	$211	-31%
	Retail/Service - Low	KSF	$86	23.88	$2,047	$59	21.63	$1,280	-37%
	Retail/Service - Medium	KSF	$86	51.02	$4,373	$59	50.52	$2,990	-32%
	Retail/Service - High	KSF	$86	90.46	$7,754	$59	91.96	$5,443	-30%
*	Lodging	Room	$86	6.45	$553	$59	4.21	$249	-55%
**	Public & Quasi-Public	KSF			Exempt			Exempt	N/A
**	School K-8th Grade	Student			Exempt			Exempt	N/A
**	School 9-12th Grade	Student			Exempt			Exempt	N/A
**	Public College	Student			Exempt			Exempt	N/A

* The unit of analysis for this category is "rooms". Trip-gen rate shown is the average for the hotel and motel categories

* * Public-sector land uses are generally exempt from local fees

Figure 3.4 Residential Impact Fee Comparison - Foothills Counties

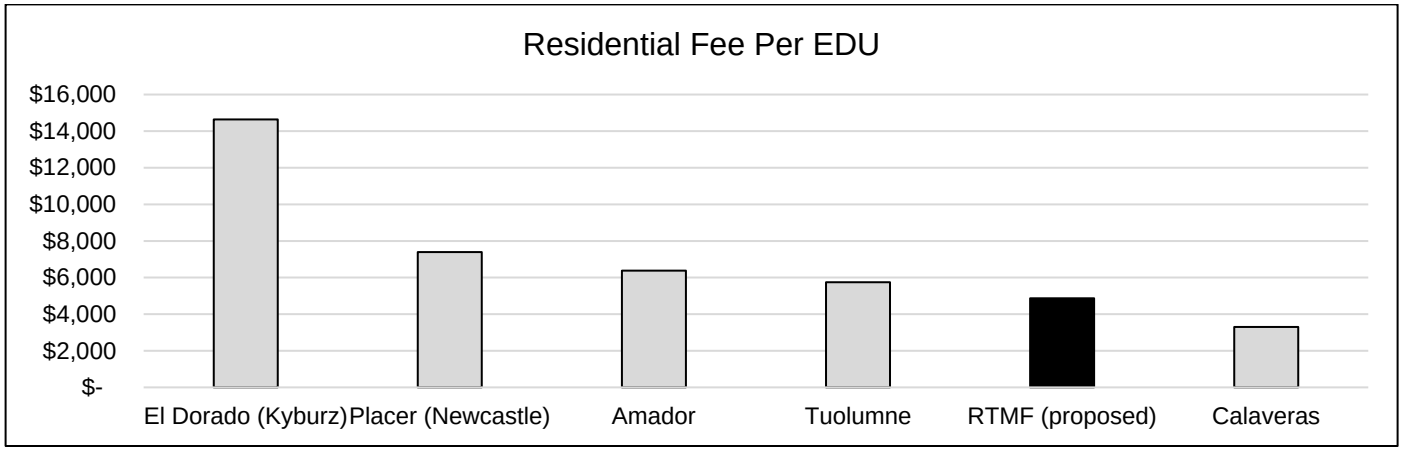
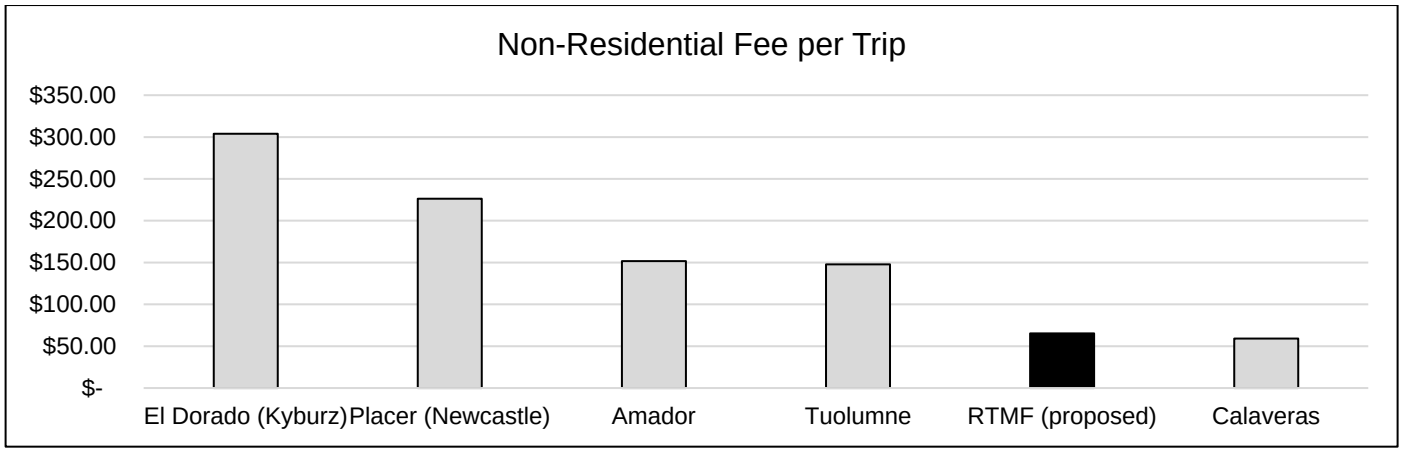


Figure 3.5 Non-Residential Impact Fee Comparison - Foothills Counties



3.9 Revenues Raised by the RTMF Program

Based on the number of new units of development shown in Table 2.2 and the recommended fee schedule shown in Table 3.9 and

Typical Use	ITE Code & Unit	Current Fee per Trip	Current Trip-Gen Rate	Current Fee per Unit	Dwelling Unit Equivalents (DUE)	Proposed Cost per DUE	Proposed Fee per Unit	% Change in Fee
		(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)=(D)*(E)	(G)=(F)/(C)-1
Residential (Dwelling Unit)								
Single Family	210							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	0.83	$4,868	$4,030	-13%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.00	$4,868	$4,868	5%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	9.52	$4,621	1.11	$4,868	$5,396	17%
Multi-Family	251							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.48	$2,344	$1,128	-65%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.58	$2,344	$1,363	-57%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	6.59	$3,199	0.64	$2,344	$1,511	-53%
Mobile Home	220							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.76	$3,675	$2,775	15%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	0.91	$3,675	$3,352	38%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	4.99	$2,422	1.01	$3,675	$3,716	53%
Senior Housing	252							
Small (<1,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.40	$1,949	$780	-55%
Medium (1,500-2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.48	$1,949	$942	-45%
Large (<2,500 sq.ft.)	Dwelling Unit	$485	3.56	$1,728	0.54	$1,949	$1,045	-40%
Accessory Dwelling Unit (ADU)								
< 750 sq.ft.	Exempt							
> 750 sq.ft.	Fee is based on the ratio of its floor area in relation to the primary unit, multiplied by the fee that the primary unit would pay, if it was being built today. (RTMF (F) for primary unit) x (ADU sq.ft. divided by primary unit sq.ft.)							

Table 3.10, the total fee revenue expected to be generated by the RTMF in the next 20 years is $17.6 million, as shown in Table 3.11. Note that this is slightly (1%) less than the $17.7 million in project costs attributable to new development shown in Row C of Table 3.8. This is because public-sector developments are exempt from the RTMF, and their share of the costs cannot legally be transferred to other development since the latter are responsible only for mitigating their own impacts.

Table 3.11 Forecast of RTMF Revenues

Land Use Category	Unit	Proposed RTMF/ Trip End	Trip-Gen Rate	RTMF/ Unit	Expected # of New Units	Expected Revenues	Percent of Revenues
Residential							
Single Family	DU	$516.20	9.43	$4,868	2,585		
Small (<1,500 sq.ft.)	DU		83%	$4,030	29%	$3,020,908	17.2%
Medium (1,500-2,500 sq.ft.)	DU		100%	$4,868	46%	$5,788,256	33.0%
Large (<2,500 sq.ft.)	DU		111%	$5,396	25%	$3,487,458	19.9%
Multi-Family	DU	$516.20	4.54	$2,344	1,581		
Small (<1,500 sq.ft.)	DU		48%	$1,128	100%	$1,783,814	10.2%
Medium (1,500-2,500 sq.ft.)	DU		58%	$1,363	0%	$0	0.0%
Large (<2,500 sq.ft.)	DU		64%	$1,511	0%	$0	0.0%
Mobile Home	DU	$516.20	7.12	$3,675	251		
Small (<1,500 sq.ft.)	DU		76%	$2,775	63%	$438,814	2.5%
Medium (1,500-2,500 sq.ft.)	DU		91%	$3,352	36%	$302,895	1.7%
Large (<2,500 sq.ft.)	DU		101%	$3,716	1%	$9,328	0.1%
Senior Housing	DU	$516.20	3.78	$1,949	460		
Small (<1,500 sq.ft.)	DU		40%	$780	29%	$104,063	0.6%
Medium (1,500-2,500 sq.ft.)	DU		48%	$942	46%	$199,391	1.1%
Large (<2,500 sq.ft.)	DU		54%	$1,045	25%	$120,134	0.7%
					Residential Total >	**$15,255,061**	**86.9%**
Non-Residential							
Office	KSF	$59.19	12.76	$755	569	$429,588	2.4%
Light Industry	KSF	$59.19	4.75	$281	2,162	$607,868	3.5%
Warehouse	KSF	$59.19	3.56	$211	73	$15,383	0.1%
Retail/Service - Low	KSF	$59.19	21.63	$1,280	255	$326,404	1.9%
Retail/Service - Medium	KSF	$59.19	50.52	$2,990	204	$610,033	3.5%
Retail/Service - High	KSF	$59.19	91.96	$5,443	51	$277,606	1.6%
Lodging	Rooms	$59.19	4.21	$249	97	$24,172	0.1%
Public & Quasi-Public	KSF	Exempt	22.59	$0	28	$0	0.0%
School K-8th Grade	Students	Exempt	2.25	$0	499	$0	0.0%
School 9-12th Grade	Students	Exempt	1.98	$0	298	$0	0.0%
Public College	Students	Exempt	1.15	$0	439	$0	0.0%
					Non-Residential Total >	**$2,291,054**	**13.1%**
					Combined Total >	**$17,546,114**	
					As a Percentage of Project Costs Attributable to New Development >	**99%**	

Approximately 82% of the forecast revenue will come from single and multi-family housing. It is therefore crucial to the viability of the program that fees on those two categories of development is not further reduced.

3.10 Results in Terms of Project Funding

The revenue forecast computed in the previous section can be compared to the project costs shown in Table 3.3. Pro-rating the $17.6M in RTMF revenue over the $21.7M in eligible project costs results in the allocations by project shown in Table 3.12.

Table 3.12 shows that $2.6M in additional funding will be needed over the course of the next 20 years to fully fund the project list. Section 2.4 of this report showed that if future state funding is similar to previous funding, then approximately $158M will become available over the 20-year period (see Table 2.3). We therefore believe that there is a reasonable expectation that the projects identified for RTMF funding can be fully funded within the planning time horizon.

Table 3.12 Proposed Allocation of RTMF Revenues to Projects

Project ID (from Previous Study)	Project ID (New)	Facility	Segment	Updated Cost Estimate	RTMF Funds		Funds from Other Sources	
					Already Collected	Fees on Future Development	Already Secured	Future Funding
1	1	SR-49 Interchange	Dorsey Drive	$24,000,000	$2,729,732	$1,884,659	$19,385,609	$0
9	2	E.Main St	@ Bennett St/Richardson St	$1,500,000	$1,500,000	$0	$0	$0
*	3	SR-49 SB	PM 13.1 to PM 11.0 (SB)	$21,000,000	$0	$2,574,092	$0	$18,425,908
4	4	SR-49 NB & SB Ramps	@ McKnight Way	$9,663,269	$0	$7,586,908	$0	$2,076,361
5	5	SR 20 EB Ramps	@ McCourtney Rd	$2,083,969	$0	$1,303,945	$0	$780,025
6	6	SR 20/49 NB Ramps	@ Idaho Maryland Rd	$1,847,696	$0	$1,829,285	$0	$18,411
8	7	SR 20/SR 49	@ Uren St	$1,457,566	$0	$0	$0	$1,457,566
*	8	Brunswick Road	@ SR 174/Colfax Highway	$1,384,179	$0	$1,370,386	$0	$13,793
11	9	SR-49	@ Coyote St	$468,604	$0	$197,945	$0	$270,659
	10	Admin Costs and 5-year reviews		$349,302	$0	$345,822	$0	$3,481
		Total		$63,754,585	$4,229,732	$17,093,042	$19,385,609	$23,046,202
		As a percent of total costs for needed projects			6.6%	26.8%	30.4%	36.1%

* indicates a new project not in the previous project list but identified in the current study as a deficiency that is at least partially attributable to new development

4. 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 certain findings with respect to a proposed fee. These are described in the sections below.

4.1 Purpose of the Fee

Identify the purpose of the fee

The purpose of the RTMF is to establish a uniform, cooperative program to mitigate the cumulative indirect regional impacts of future developments on traffic conditions on regional roadways in Nevada County. The fees will help fund improvements needed to maintain the target level of service in the face of the higher traffic volumes brought on by new developments.

4.2 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 list of projects to receive RTMF funding is shown in Table 3.12. Based on input from the member agencies and the public, we recommend that the regional fee should be used only for roads of regional significance. This is consistent with the fact that cumulative indirect impacts tend to be on regional facilities and so should be addressed with a regional fee program; Grass Valley and the County have complementary programs to mitigate more local impacts, and direct impacts are covered through exactions. Only projects involving state facilities were considered "regional" under this policy and can receive RTMF funding.

4.3 Use/Type of Development Relationship

Determine the reasonable relationship between the fees' 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 RTMF the projects to be funded were selected based on the fact that they performed a regional (as opposed to local) function and that the need for the project was at least partially attributable to new development. The growth in regional VMT and the increases in congestion at project sites (see Table 3.2) are evidence that new developments contribute towards the need for roadway improvements.

The fact that the projects that will be funded by the RTMF are high-priority regional roads 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 RTMF-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 regional road network.

4.4 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. Projects were analyzed individually and the degree to which the need for the project was attributable to new development varied from project to project. This analysis is described in an earlier chapter of this report.

4.5 Proportionality Relationship

Determine how there is a reasonable relationship between the fee 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 that there be rough proportionality between the fee charged to each type of development and the cost of the facility being financed. In the case of the RTMF the differences in the traffic generated by different types of development were factored into the fee to be charged for each type, as is described earlier in this report. 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 impacts.

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