Nevada County Transportation Commission meeting – July 19, 2023

Regional Transportation Mitigation Fee Program Update
Presentation by Don Hubbard and Rosanna Southern of GHD, Inc

Aaron Hoyt:

This is a continuation from our main meeting where we presented an overview of the draft Regional Transportation Mitigation Fees and provided the reasons for the update, which are many, some of which include new legislation that is required to be incorporated into fee programs such as Assembly Bill 602 and Senate Bill 13. We also needed to capture current construction costs in today's dollar and take a look at land use assumptions for the future within the Western portion of Nevada County. We also took a look at our capital improvement project list and actually removed two projects that were previously in the prior program that amounted to well over a hundred million dollars. So, we removed that and then we also presented the draft fees that resulted from all that.

We really had a robust discussion about the fees and how some of those costs are assigned to different residential sizes and types of residential uses. And so today, we're going to have just an overview of the two documents that are in your packet, both the Regional Transportation Mitigation Fee Nexus Study, as well as the Administrative Plan. They are going to highlight the much shorter version of what's in your packet since a lot of material we discussed back in May. We are ultimately seeking approval of Resolution 23-21 that would endorse the adoption of the Nexus Study as well as the Administrative Plan. The next steps following that would be working with each of the jurisdictions to present those items to their governing boards for adoption and then entering into agreements with each of the jurisdictions to implement the fee program. So, with that, I'd like to introduce Rosanna Southern and Don Hubbard to provide an overview of what's in your packet.

Rosanna Southern:

Thank you, Aaron. Good morning, Commissioners. My name is Rosanna Southern with GHD. I'll be going through much of the same materials that we presented to you back in May as a refresher. I'll start off by going over the background to the RTMF. Then I'll briefly go through recent legislation that introduced some new requirements on the fee program statewide. After that, I'll discuss the Nexus Study that we just completed to fulfill the legal requirements and the results, including the recommended changes to the fees. I'll then discuss the Administrative Manual and what's included in that. And then the next steps, including actions we recommend you take today. We'll then close by answering any questions.

Let's start by discussing the program and why it's being updated. The RTMF program was established in 2000, more than 20 years ago. It covers the western part of the county, including the cities of Grass Valley and Nevada City. The eastern part of the county has its own program, as do the two cities there. They fund a different set of roadway improvements in the RTMF. The RTMF program has brought in more than $8 million, which has helped fund improvements that you've seen over the years. Like any fee program, this one requires a Nexus Study, which I'll describe in a few minutes. The original study was done in 2000, with updates done in 2008 and 2016. So, why do we update the fees? Well, the simple answer is that state law requires it. The reason also is that conditions change over time, including traffic levels, expectations about development, construction costs and so on. Some projects get built and you don't need to collect money for them anymore, while other projects may be added to the list. The goal is to maintain fairness to everyone. Development is asked to pay its fair share of needed improvements, but no more than that.

The purpose of a Nexus Study is to analyze nexus between new development and the need for roadway improvements. The state legislature has recently had its eye on fee programs because of concerns that impact fees are affecting housing affordability, so in the last couple years, they passed some new laws that affect the RTMF and other fee programs across the state. The first one I'll discuss is AB 602, which went into effect last year and was intended to clean up the opaque, informal way that many programs operated and to reduce the fee burden on small, affordable units.

Most of the provisions were to enforce best practices that not everybody was following. The RTMF was already doing those things, so they don't have much effect on your program. However, there was one big change that does affect the RTMF, which is fees on residential development must now be based on the floor area of a dwelling unit, just like fees for office buildings and retail are based on the floor area. This is how the state is trying to reduce the burden on smaller units, by shifting more of the burden on the larger houses that tend to generate more traffic.

Instead of charging a flat fee for single family houses and a different flat fee for apartments and senior housing, we're now separating each category into small, medium, and large sizes. These three size categories were determined in coordination with the Advisory Committee. And again, the point of the legislation is to ensure that larger units pay more than smaller units. The legislature's other focus has been on accessory dwelling units, which are separate additional dwellings built on a lot that already has a house, known as ADUs. These used to be charged impact fees just like any other new house, but SB 13 has created a completely new system for assessing fees on them.

To start with, ADUs smaller than 750 square feet are exempt from fees. If the new unit is larger than 750 square feet, then the fee is based on the size of the ADU compared to the size of the primary unit. So, an ADU larger than 750 square feet that is half the size of a primary unit will now pay half the fee that the primary unit would pay, if the primary unit was newly constructed. And again, the hope is that this will aid in the creation of small, affordable housing. That's the background on the Nexus Study. My colleague, Don Hubbard, will tell you about the study.

Don Hubbard:

Thanks, Rosanna. As Rosanna said earlier, the purpose of the Nexus Study is to analyze the nexus between new development and the need for road improvements. Its calculations form the basis for an impact fee adjustment. In this case, since NCTC, Nevada County and Grass Valley all needed fee updates, and since these studies would use a lot of the same materials, like the same traffic model and land use assumptions, the three agencies agreed to have three separate, but closely coordinated, studies done by a single consultant. This would save time and money, and ensure consistency between the studies.

We did those studies and we presented the draft recommendations for the RTMF for your review on May 17th. And on that day, we received some feedback and comments on them. We were specifically asked to look into the possibility of exempting residential units less than 1500 square feet, and we're ready to report back on that item today. Based on the comments that we received at the main meeting, we looked into what would happen if we gave a fee exemption to all new residential units smaller than 1500 square feet. And what we found is that doing so would exempt nearly half of all residential developments, and that's based on the history of building permits in the last five years in this region.

If you don't collect those fees, so you exempt half of the development, then you'd be giving up a large portion of revenue that would then need to be backfilled by the local agency from some other source. If you've got a mechanism for doing that, then it gives you room to make those sorts of choices. But in any case, you can't just leave a gap. You have to show that if you're collecting fees for a certain list of projects, you have a reasonable expectation that you'll be able to fully fund those projects and that they'll be able to be built. So, you might think for yourself, "Well, we'll just raise the fees on the larger houses to make up the gap," but you can't legally do that.

The larger houses only have to pay their fair share based on their own impacts, which are slightly more than for smaller units, but they don't have to pay to mitigate someone else's impacts in addition to their own. Moreover, this may cause consistency issues with other fee programs such as the member agency's own local traffic impact fees and their police, fire, drainage, and parks fees, all of which are also subject to AB 602. They would either have to exempt the same units for these other programs and then face their funding problems, or explain why some projects were exempt and others were not.

Furthermore, if some jurisdictions offered exemptions and others didn't, then it would have an unintended consequence of disadvantaging neighboring jurisdictions. So, after looking into this, we recommend against exempting units under 1500 square feet. We believe it would create too many problems in terms of funding and consistency with other agency programs. Now, Rosanna will provide a broad overview of what went into the update.

Rosanna Southern:

Thank you, Don. Updating the Nexus Study for the RTMF included updating the major inputs, such as the growth forecast, project status, trip generation rates, and project cost. Then, after updating the inputs, we reviewed the project list for deficiencies and completed projects, and made a calculation to determine the maximum portion of the cost eligible for the fee program, and you can see the calculation here in column C. As you can also see in this table, the State Route 49 widening projects that are shaded in gray are very expensive, and the RTMF fees could cover at most 53%. That leaves a gap of at least 180 million that would have to come from somewhere else.

So, as Don had mentioned previously, there needs to be a reasonable expectation that you'll be able to fund those projects for the remaining costs beyond what the fee program covers. So, NCTC staff decided it would not be appropriate to leave those projects in because of the lack of anticipated funding. The one project that was kept in is the State Route 49 Corridor Improvement Project between McKnight Way and La Barr Meadows Road. Without the State Route 49 widening projects, state law would allow NCTC to charge new development up to 54% of the total project costs, which is circled in purple. However, grant funding anticipated allows the fee program amount to be reduced to 28% of the total project costs, which is highlighted, circled in green. Therefore, the $17.8 million is then used to calculate the fees for new development.

Now I'll discuss the resulting proposed fees. The fees are calculated by taking the project costs attributable to new development, splitting it between residential and non-residential development, and dividing those based on the number of trips anticipated between residential and non-residential. Compared to the current fees, residential fees per equivalent dwelling unit or EDU increased by about 5%, and the non-residential decreased by about 31%. As you can see, we're recommending a reduction in the fees for the non-residential units. The reason is that many residents of Western Nevada County commute to work and shop, putting a strain on the main regional roads. Non-residential development that lets people work and shop locally is relatively easy on the roadway system.

For residential uses, one more step in the calculation is to adjust the fee based on the size of the unit. Per AB 602, fees for residential units are now based on the size and type in the three categories shown here. This comparison shown here is just of the proposed fees for single family units for each size category. All the fees for residential categories are presented in the Nexus Study, in the executive summary and in table 3.9 on page 27, or you can refer to the agenda packet, page 331. As shown, smaller units are charged a lower fee and larger units are charged a higher fee. The smaller units would be charged less than even the current fee.

Now I'll present an overview of the Administrative Manual. The Administrative Manual is a separate document that provides guidance to agency staff on how to implement the free program. The manual includes instructions on doing the calculations, administrative roles, annual reports, credits, reimbursements, and program updates, et cetera. This Administrative Manual has been updated to reflect the changes from the Nexus Study and state laws. Thank you. I will now pass this back to Aaron to go over next steps.

Aaron Hoyt:

Before we get into any questions that you may have and our responses, just want to go through the next steps. Today, we are asking you to accept Resolution 23-21 that would accept the Nexus Study and the Administrative Plan, and part of that resolution states that we met the letter of the law and the intent with the purpose of the fee, a list of the projects that are contained in the Nexus Study, the approval of the fee calculation methodology that is spelled out and how those fees are calculated and the assumptions that go into it, and approving also the small, medium, and large cost structures for residential units as required by AB 602.

As I mentioned earlier in the presentation, our next steps, should this be approved today, would be to work with each of the jurisdictions to get it on their governing board councils and the Board Of Supervisors agendas, to get approval from there, and then enter into agreements between NCTC and those agencies for implementation and collection of this fee. So, with that, I thank you, and we'll be glad to answer any questions you may have.

Tom Ivy:

Sure. In our packet, in section 1.2, it's in the Nexus Study update, there's a list of the fees collected per year, and some of those sums are quite high. For example, the city of Grass Valley collected $165,000 in quarters one and two, Fiscal Year 2022/23. But we didn't bill $165,000 divided by roughly 5,000 amount of homes. And Roxanne, in your slide, when you were talking about housing fees, you said roughly half of the homes are supposed to be under 1500 square feet, but it looks like we have less residential development and more other fee collection by looking at some of these big numbers.

And maybe I don't know how many homes we built in this community, but I'm just asking for you to maybe take a look at some of those sums and give me a guess. I don't know if that's Aaron. Let's start with Fiscal Year 2022/23 in this chart. If the city of Grass Valley collected and the county collected $350,000 in RTMF fees, can you hypothesize how many homes you think that is, or versus commercial, or...

Aaron Hoyt:

I don't think we have information on the top of our head in terms of the number and type of units that were approved by building permits within the city. And the reason I say that, is that was data that was provided to us by the jurisdictions that then provided foundational basis. Don, I don't know whether you happen to have a slide that shows some of that historical data. I know that we've seen that in the past, and so I'm going to look to Don to see if he has anything.

Don Hubbard:

And I would just add, keep in mind that the fees are paid at time of pulling the building permit. So, there typically is a lag before you actually see those developments occurring.

Tom Ivy:

They're not paid in completion?

Don Hubbard:

I think it's the time of pulling an issuing permit.

Tom Ivy:

It seems like that's like 75% commercial or something, because that's just too big of a number.

Don Hubbard:

That's likely. These things tend to be very lumpy. Somebody will do a strip mall and there'll be a bunch of fees and then nothing will happen for the next three years, and then another big project will go through. Same thing on the residential side, so you can see how spiky those graphs are. Also, there was a diversity of practice as to when people were paying, whether it was when the certificate of occupancy was issued or when their plan was approved or some other date, depending on what the local agency wanted or depending on what the developer wanted. If he thought the fees were going to go up next year, he might want to pay them early in order to take advantage of a lower fee. So, the individual years are less indicative of what the overall trend is.

Tom Ivy:

Well, I'll just finish by saying that I'm going to vote to approve. With fees in general, economically, the vehicle in place to replace these fees is property tax. Would you rather have $2 today or $1 every day for the rest of the time? So, I'd rather that we take this idea a little more seriously in the future, that we set aside funding to make housing more affordable. The vehicle's in place. I think data makes it a commonsense idea. And I don't think we're going to change that today, but it's one reason why we spend a whole lot of time and money on the homeless issue, and so I would push back. It's a great presentation, I appreciate the work, but I would push back on the idea that the most effective thing to do is not to think about it differently. Thank you.

Sue Hoek:

Yeah, this is a thing that is different from sitting in an NCTC position, as looking at it from a county and a people position, so you have to look at this differently. What we're doing and what you need to have done, it fits. I mean, I always hate seeing it. Because you can buy a more expensive house, you get a huge jump compared to... It should be equal across the board, but we know that's not how things work. So, it's really interesting, this study. I went through this a couple times and just trying to figure out how that all plays out.

And I know the roads. I deal with things from the county point of view too. Well, in ours, you have to pay ahead of time. It's not at the end of the project. These are all things you have to pay up ahead of time, because otherwise, at the end, you might not get it. Anyway, good presentation and very interesting. A lot of work goes into these things. Way above my head most of the time.

Daniela Fernandez:

Yeah, I want to thank Tom for your comments, and I totally back absolutely everything you're saying. I think we do need to start thinking outside of the box and codifying some of this stuff to look at more permanent solutions. Rosanna and Don, I want to thank you for looking at the possibility of not charging for units under 1500 square feet. Everything you came up with absolutely makes sense. I appreciate you looking into that. I also was surprised and maybe delighted to hear that that's about half of the development in the county, although with Nevada City's little 2% contribution to development, I don't know that it's necessarily happening in the city. Yeah, thanks so much. I will be supporting also.

Jay Strauss:

I have a legal question. The issue with 1500 square feet is the need to backfill, and where does that money come from? What specifically, what statute specifically deals with the backfill issue? How does that come about? Is there an imposition for this city or this county that is somehow written in stone, and you have to have enough fees to fill that, or is it really locally determined? "Well, we need this much money, so these mitigation fees are necessary." I just don't really understand where the imposition of the gross amount comes from, and specifically legally, where the backfill issue is posed.

Aaron Hoyt:

I'll start off maybe with just a question to make sure I understand your comment there, in terms of the gross need for the project cost. You're referring to all the projects in the program that would be funded through this, correct?

Jay Strauss:

Yeah.

Aaron Hoyt:

Okay. And so that then sets the stage for how much money should be generated from fees to deliver these projects, if that is the intent, correct? And then the question to follow up on that is, if we do exempt certain development sizes, say under 1500 square feet, it creates a hole. The legal part of it, I'll let Don add to and supplement, but the legal part of it is that we can't defer those fees from units smaller than 1500 square feet to another type of use or to another size of that development. So, you can't attribute the burden to something else. And that 1500 square feet and the categories that you presented, 1500 and less than that, 1501 to, forgetting the number, 2499 and then above 2500, I believe it was, those all came from the American... Don, can you correct me? American Housing Survey, that looked at what are the categories and typical development sizes. We use that as a basis, as data to then point to something that actually had quantitative data on, how do we break down those sizes? Rather than arbitrarily looking at those. Now, from the legal point, Don, do you have anything else to add?

Don Hubbard:

Sure. What's going on is this: there isn't a law that says you have to backfill. It's the combination of circumstances that say that. We've got a list of projects that we looked at, and these projects are related to new development, and new development is responsible for a certain percentage of them. Most of these are related to some sort of an existing deficiency, so new development is only responsible for their share. It's usually less than 100. There's a table on that in your packet. We've got a list of project costs that need to be covered. And then you've got a state law that says when you impose a fee, there's a maximum you can charge, and that is based on what the development's own impacts are.

So, if a project costs $100 million dollars and it turns out that new development is responsible for 40% of that, you can get $40 million out of them, spread among the units a certain way, but you still have to get the other $60 million from something else. And that's what's left unsaid is the state law says, "You can collect this much. This is the maximum allowable from a fee program," left unstated is where the rest comes in. From what Rosanna has shown you, Nevada County has done well on the grants, and you've got grants that are bringing in quite a bit of money. If you could get to that slide, that shows that you're getting, what, $78 million or something from the grants? Rosanna, can you go to that slide? So, what you can see here is that you've got funding from other sources. You've got $39 million that you're able to get from state and federal funding, so that's $39 million out of a total of $60-some million. You've got $17 million that is potentially collectible from mitigation fees. And what that does is, if you don't collect that money but the project cost stays the same, you have to find something else to fund the project. So, the fact that the state law has a limitation on what you can collect is what's causing the gap.

You get money. It's coming from different sources. There's a maximum you can get. You don't have to collect any mitigation fee, but if you don't, then how are you going to fund these projects? And you have to have a reasonable expectation that you will be able to fully fund them and the project will get built, because you can't ask somebody to contribute to something that's never going to happen. And so that's the question. If you give these guys a break, and so you've said, "Okay, we're going to forego $10 million by giving this exemption," the question is where that $10 million is going to come from to substitute so that the project can be built.

Jay Strauss:

So, the City of Grass Valley, for example, could decide, "We're going to accept everything under 1500 square feet and we're not going to backfill. What we're going to do is reorder our priorities. We're going to say housing is more important than anything else." Just saying that they could say that. "Housing is more important than any of these other projects that we have, and by doing that, we're simply not going to fund the backfill. We're going to change our priorities." They would not be breaking state law by doing so. Is that correct?

Don Hubbard:

Well, they would be if you said, "Well, we're not going to collect this money." The breach of state law would be, well, you now have a project that isn't fully funded. Because you're foregoing those revenues, you no longer have the funding for that project. So, either you have to remove that project from the project list, because collecting 70 cents on the dollar is not good enough to fund the project. You have to be able to say, "We have a reasonable expectation of getting all the money we need to fund the project." So, if you're giving up some, you either have to remove that project from the project list or you have to come up with some other source to replace the funding.

Aaron Hoyt:

And that's probably the best legal reason. I'm sorry to interrupt, but I think there's going to be just such a set of ripples set up, baked into our system that I think you can't start this conversation without five city counselors or above approving, setting aside funds in a different manner. And so that's what I was trying to sum up by saying the vehicle being property tax, and that's why it's such a huge conversation.

Jay Strauss:

I guess my point is that there's actually policy embedded in this consideration of 1500 square feet. It's not necessarily state law that's driving it. It is policy. And yes, politics is the allocation of scarce resources. If you're going to have a project, it's got to be funded somehow. But the City of Grass Valley could determine that workforce housing is so overwhelmingly important that they're going to eliminate fees on 1500 square feet and less, and something else will not have to take place. That's legal. I just want to make that clear, and I think that's what it sounds like and that's where you were going with it.

Don Hubbard:

And I have seen that happen on other multi-jurisdictional fee programs in Fresno County and Riverside County and other things. If there's a member agency that, for whatever reason, decides to give a break to some developments and not collect from them, then that local jurisdiction would be responsible for finding funds and basically paying on behalf of the developer, so that development in their jurisdiction is not treated unequally to all the other members of the program.

You wouldn't want one jurisdiction to be giving a break to developers that isn't offered to all the others, and so there is a mechanism in some multi-jurisdictional things. If you did property taxes or whatever, you have a general fund, whatever other source, that the local agency pays their fair share on behalf of the developer. But it's seldom done, because almost every agency has a whole bunch of priorities and they don't like to give up funding if it's available.

Ed Scofield:

Good. Any comments, big or small?

Jay Strauss:

No, thank you. It's a very interesting discussion.

Ed Scofield:

Okay. My concept of mitigation fee also is the fact that you're the new person coming on board. You are making up for what the citizens have already been paying. And I know that mitigation fees go far beyond transportation too. I don't know if that's where these fees are going, also? Or are these strictly road projects?

Aaron Hoyt:

Strictly road projects. There's the slide in front of you right now that identifies the nine projects that, well, eight projects would be funded through the Regional Traffic Transportation Mitigation Fee, which is primarily focused on the interchanges along State Route 49, and some other major key roadways.

Ed Scofield:

Yeah, so our mitigation fees are then collected also at the agency levels.

Aaron Hoyt:

And the Regional Mitigation Fee, as I understand it, came about to fill in those gaps, if you will, between each of the city's fee programs that they had specifically focused on roads. So, you have the road's mitigation fees in each of those jurisdictions, but may not have always touched, say the state highway system or those regionally significant roadways. And so, this kind of fills in that gap where all the users in Western Nevada County are then paying a little bit towards those major improvements.

Sue Hoek:

This is on top of what we pay locally?

Ed Scofield:

This is on top of what the county's collecting and what the cities are collecting? Which go to so many different areas, including the fire departments, right?

Aaron Hoyt:

Correct.

Jay Strauss:

Just one follow up question, which is do we have any data that shows the impact of these mitigation fees on development? Other than the fact that you have to pay for it, obviously. But any kind of broad-based study that shows how much housing we're not getting because of the various mitigation fees that are imposed on new development.

Aaron Hoyt:

I'm not aware of such a thing for Nevada County. I'll either let Mike or Don fill in any gaps there. But I do know in May we did present a slide that compared this fee program specifically to neighboring jurisdictions, and the fee being collected in Nevada County for this is substantially lower than it is in neighboring jurisdictions.

Mike Woodman:

And I believe it's part of SB 13, maybe it's AB 602, but it does have a new requirement that developers need to report back to the jurisdictions all of the fees that have been collected and that information needs to be posted on the jurisdiction websites. So that's the first attempt to document that burden of fees that have been collected that was put in place by the legislature. But there hasn't been an actual study of that effect for our region that has been done.

Tom Ivy:

A few years ago, we approached the Nevada County Realtors Association with that exact question, several years ago actually, and the best they could tell, they said that most people realized you can pay me now or you can pay me later. And they didn't believe that it actually did hurt either sales and or development of new bills that people expect that to be part of the process of building something new. And the threat was if you take those projects off that list in exchange for mitigating, reducing, or eliminating some of the fees to the smaller homes, five years from now that project's going to come back around and bite you and you still got to do it. That street's still going to have to be fixed, that pipe's going to have to be replaced and that $2.1 million project three years later is $3.8 million, and it actually will cost you more in fees than it would have in the first place.

So, we looked at this pretty carefully several years ago and came up with a consensus that it was still better to do our best to balance now like we've done. We've asked them to look at what they could do to keep it the same or minimize it instead of raising it kind of blindly every couple of years. And at the time they didn't think that it actually would hurt development or sales. And most homeowners have the common sense to realize that fees are part of building and/or buying, and they'd rather pay it now at a lower fee than have to come back around and nail us five years down the line because of inflation. It was so bad to see project costs double in a matter of two years or triple in a matter of two years, which is ludicrous, but that's how it goes.

Dan Landon:

Just to offer a little bit of a historical perspective, I was the project manager when the original mitigation fee program was adopted and at that point in time at the East Main/Idaho-Maryland intersection, the City of Grass Valley was seriously considering not allowing any further development that would impact that intersection because they had no way to improve it. The Dorsey Drive interchange was looming on the horizon as a very important need and there was no way to fund it.

And so, we developed that original program and a list of regional projects so that each of the local agencies would have the ability and the opportunity to pay into that and see that the regional development didn't get stymied for lack of funding. That being said, the Nevada County Transportation

Commission is not the adopter of the fee. The fees are adopted by ordinance of each city and the county and they then designate the Transportation Commission to administer the program on their behalf.

And so, it is the ordinances of the local agencies that actually mandate this fee, if you will, and mandate is probably not a good word, but adopt the fee. And because of the fee, we now have the Dorsey Drive Interchange, we now have a roundabout at the East Main/Idaho-Maryland intersection, and traffic flows and development has been able to continue. I am still very proud of the fact that we as a community work together to put this in place and it has, in my opinion, benefited the community far more than the cost of the fees that have been implemented.

The other thing is that because of this cooperative attitude on the basis of each of the agencies, the region as a whole has prospered, and NCTC staff have been very effective, as Don pointed out, in finding additional funding to either reduce or eliminate the need for fees on some projects. The project list that is before you now is much smaller, albeit the total cost of the projects may be at least as much or may be a little more than the original program. But because of individual project costs increasing so much over the span of 20 plus years, we've had to reduce the list of projects and keep it at a bare minimum to those that will have a major regional impact.

So, my favorite football coach was Vince Lombardi, and every year at the start of the season he used to tell the players, "This is a football." So, this is a mitigation fee. That's why it was adopted. And I believe in my heart of hearts that it has been a very big benefit to this community. So, I hope that you will study this carefully and take it back to your agencies. The Nevada County Contractors Association was one of the key stakeholders when we first did this and supported it heartily. And I think there was some comments just made a few minutes ago in that same vein because it has been a benefit to the overall development of our community. And thank you for the opportunity to share that.

Ed Scofield:

Thank you Dan. Thank you for the historical information and I take that as part of our public comment too. Thank you, Dan.

Tom Ivy:

Just to clear things up, I'm never suggesting that this isn't great work to be proud of, this isn't something our community needs, it is just that attaching the funding source to the start of the housing, as opposed to the life of the housing, dis-incentivizes the building of housing, we have a problem. There's a lot of great points here. I appreciate the past work. We want to continue to fund the future work. We want to figure out a better way. It's not going to happen now, tomorrow, but anyways, thank you.

Ed Scofield:

Thank you, Tom. And just to finalize this, oftentimes Tricia sits in on these meetings or Heba, our Public Works Director, and this might be a subject that would be... Because Tom, I agree with you, any change we do at this level has that ripple effect. It would be really kind of interesting to have some of the public directors of our agencies join us, really to talk a bit about what that ripple would be and maybe in a little more detail than we have on this presentation.

But I appreciate the work and the comments that have gone into this from the commission. Is there any public comment on this? And Dan, I'm glad to know you are out there and I thank you for that. And seeing no other public comment, I'm going to close that portion of it and I'm going to entertain a motion to approve the Regional Transportation Mitigation Fee, including the Nexus Study and the Administrative Plan.