



Regional Transportation Mitigation Fee (RTMF) Update & Nexus Study

→ Rosanna Southern, EIT

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Topics Covered

- Regional Transportation Mitigation Fee Program Background
- AB-602 and SB-13 Requirements
- Nexus Study
- Results and Proposed Change in Fees
- Administrative Manual
- Next Steps

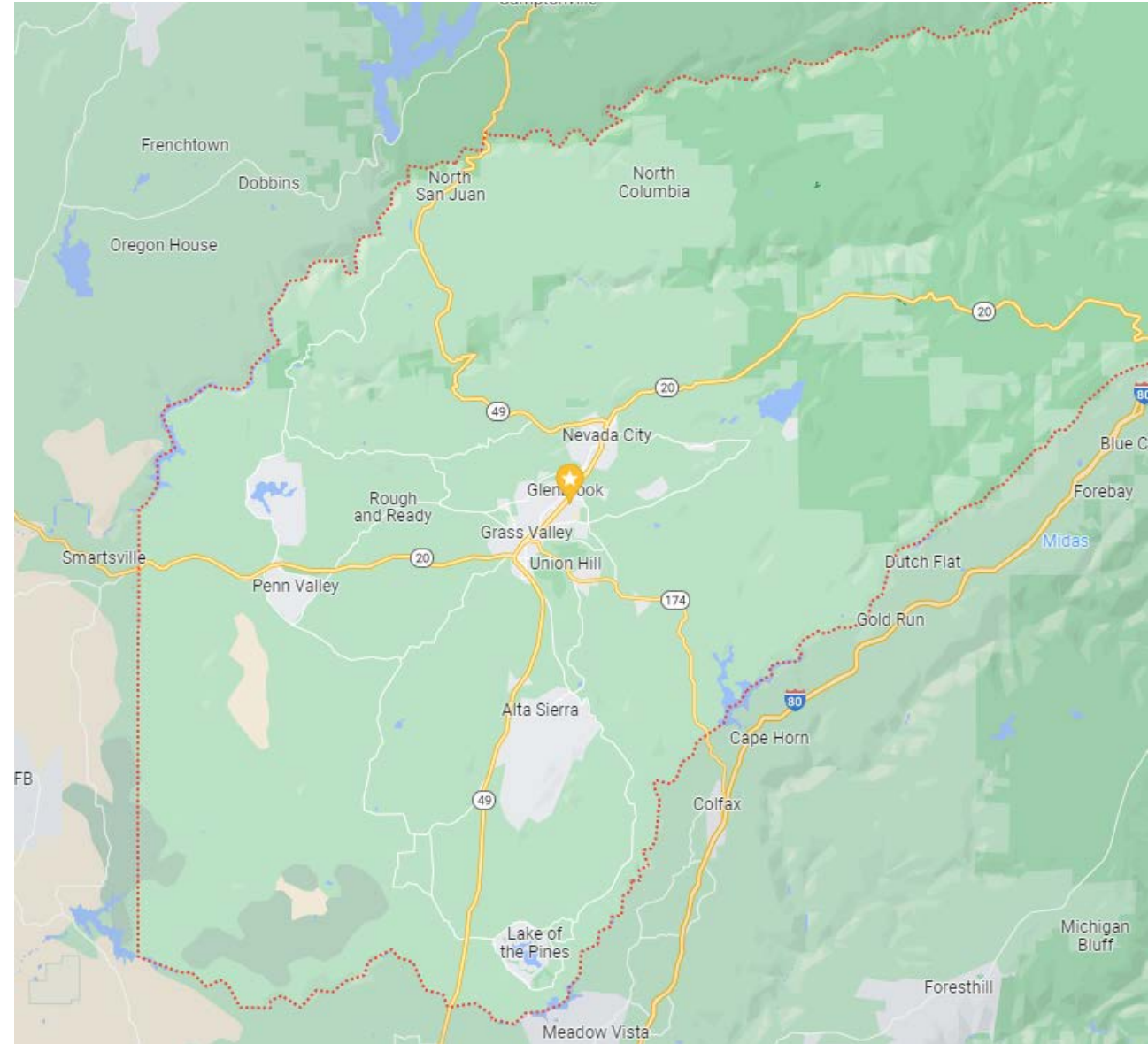
Background

The Fee Program and
Why it is being Updated



RTMF Program

- Established in FY 2000/2001
- Covers western Nevada County (Grass Valley, Nevada City, and parts of unincorporated Nevada County)
- Separate from the local fee programs
- Has successfully brought in \$8.4M to help fund needed infrastructure to accommodate new growth
- Original nexus study done in 2000. Previous updates done in 2008 and 2016.





Why Update the Fees?

State law (Mitigation Fee Act) requires that impact fees be periodically reviewed and adjusted, because:

- **Conditions Change** - Congestion levels change, growth forecasts change, construction costs change, projects are completed and paid off, etc.
- **Policies and Priorities Change** - Programs sometimes play out differently than anticipated
- **Maintain Fairness** - Adjustments are needed to ensure that the fees remain fair for all concerned; that development pays its fair share for needed improvements, but no more than that

AB 602 & SB 13

New Requirements



AB-602

- Intended to clean up, “... *an opaque and informal patchwork of guidelines and common practices*” and to reduce the fees burden on small, affordable units
- Signed by Governor in September 2021, and went into effect in 2022.
- Most of the provisions were best practices that the RTMF program had been following for years, but programs in other parts of the state might not have been
- Biggest change was that fees on residential development must now be based on the floor area of dwelling unit; not a flat fee by dwelling type





New RTMF Framework for Residential Fees

- The new framework has 3 size categories for each dwelling type (single family, apartments, senior, etc.)
 - Small (< 1,500 sq. ft.)
 - Medium (1,501 – 2,500 sq. ft.)
 - Large (>2,500 sq. ft.)
- Larger units will be charged more than smaller units



SB-13 Requirements for Accessory Dwelling Units (ADUs)

SB-13 completely changes the way that fees on ADUs are calculated. From now on:

- ADUs smaller than 750 sq.ft. are exempt from fees
- If 750 sq.ft. or more, then the fee shall be charged proportionately in relation to the square footage of the primary dwelling unit
- For example, an ADU greater than 750 sq.ft. that is half the size of the primary unit will now pay half the fee that the primary unit would pay (if the primary unit was newly constructed)



Nexus Study

Results





The Nexus Study

- A nexus study is used to **analyze the basis** for an impact fee adjustment
- Since NCTC (RTMF), Nevada County (Local Traffic Mitigation Fee), and Grass Valley (Grass Valley Traffic Impact Fee) all needed fee updates, and since much of the analysis covered the same materials, the 3 agencies agreed to have 3 separate, but **closely coordinated studies** by a single consultant.
- The **draft recommendations** were presented for review on May 17th.
- Since then, we considered your comments and evaluated the concept of proceeding with exempting residential units less than 1,500 sq. ft.



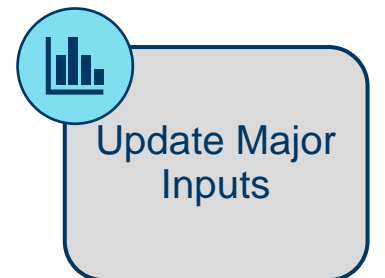
Prior Comments on Nexus Study

- Exempting units <1,500 sq. ft.
 - This is nearly 50% of units anticipated, based on historical housing permits in region
- Cannot spread the fees from units <1,500 sq. ft. across other unit sizes
- **Uncollected fees** would leave a substantial hole in the program that would need to be backfilled by other funding sources by local agency (i.e., General Fund)
- Consistency across other fee programs
- Unintended consequence of exempting <1,500 sq. ft. could disadvantage neighboring jurisdictions by creating more favorable fee environment
- Not recommended, should keep uniformity across region



Changes Since 2016 Nexus Study

- **The economy & housing market** – Recovery from Great Recession, then COVID-19, then 2nd recovery
- **Demographic trends & growth forecasts** – California’s population peaked, development slowing down
- **Project status** – Some RTMF projects have been completed
- **Trip Generation Rates** – Updated based on recent surveys
- **Construction Prices** – Up about 30% since 2016



Calculating the Amounts Potentially Collectable

Project ID (New)	Facility	Location	Updated Cost Estimate	% of Need Attributable to New Development	Costs Attributable to New Development	Funding from Other Sources (STIP, SHOPP, etc.)	RTMF Funds Previously Collected	Amount Potentially Collectable from Mitigation Fees	Funds Needed from Other Sources
			(A)	(B)	(C) = (A)*(B)	(D)	(E)	If (A)-(D)<(C), (A)-(D)-(E) Otherwise (C)-(E)	
1	SR-49 Interchange	Dorsey Drive	\$24,000,000	33%	\$7,991,555	\$19,385,609	\$2,729,732	\$1,884,659	\$0
2	E.Main St	@ Bennett St/Richardson St	\$1,500,000	100%	\$1,500,000	\$0	\$1,500,000	\$0	\$0
3	SR-49 SB	McKnight to La Barr Meadows	\$21,000,000	48%	\$10,040,404	\$18,400,000	\$0	\$2,600,000	\$0
	SR-49 Widening Projects	S/o La Barr Meadows Rd (SB)	\$379,500,000	53%	\$199,250,000	\$0	\$0	\$0	\$0
		S/o La Barr Meadows Rd (NB)				\$0	\$0	\$0	
		South of Alta Sierra Dr (SB)				\$0	\$0	\$0	
		South of Wolf Creek				\$0	\$0	\$0	
4	McKnight Way Interchange	@ S. Auburn St/La Barr Meadows Rd	\$9,663,269	100%	\$9,663,269	\$2,000,000	\$0	\$7,663,269	\$0
5	McCourtney Rd	@ SR 20 EB Ramps	\$2,083,969	63%	\$1,317,068	\$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	\$1,847,696	\$0
7	SR 20/SR 49	@ Uren St	\$1,457,566	39%	\$568,304	\$0	\$0	\$568,304	\$889,263
8	Brunswick Road	@ SR 174/Colfax Highway	\$1,384,179	100%	\$1,384,179	\$0	\$0	\$1,384,179	\$0
9	SR-49	@ Coyote St	\$468,604	43%	\$199,938	\$0	\$0	\$199,938	\$268,666
10	Admin Costs and 5-year reviews (2% of program)			100%				\$349,302	
Total (excluding SR 49 Widening Projects)			\$63,405,283		\$34,512,413	\$39,785,609	\$4,229,732	\$17,814,415	\$1,924,829
As a percent of total costs for needed projects					54%	63%	7%	28%	3%

- SR 49 Projects removed due to cost
- State law would allow NCTC to charge new development up to 54% of project costs
- However, grant funding allows this to be reduced to 28%

\$ Determine Project Costs: collectible by the fee program

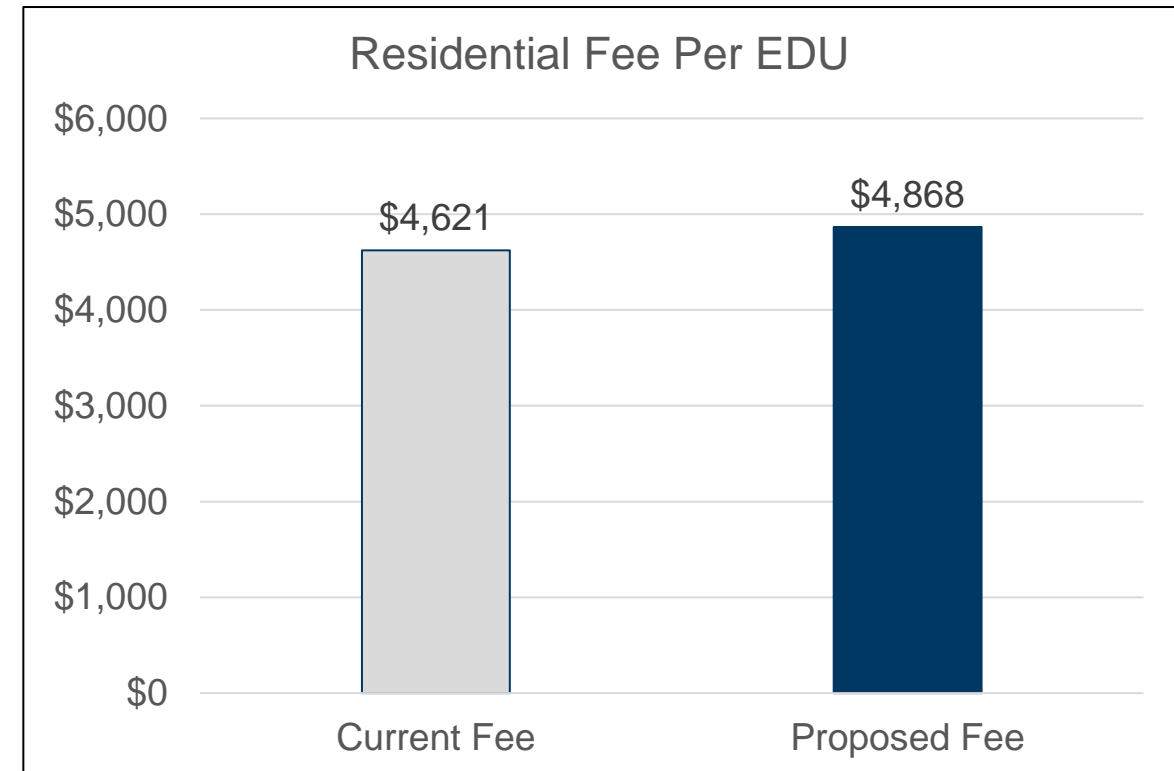
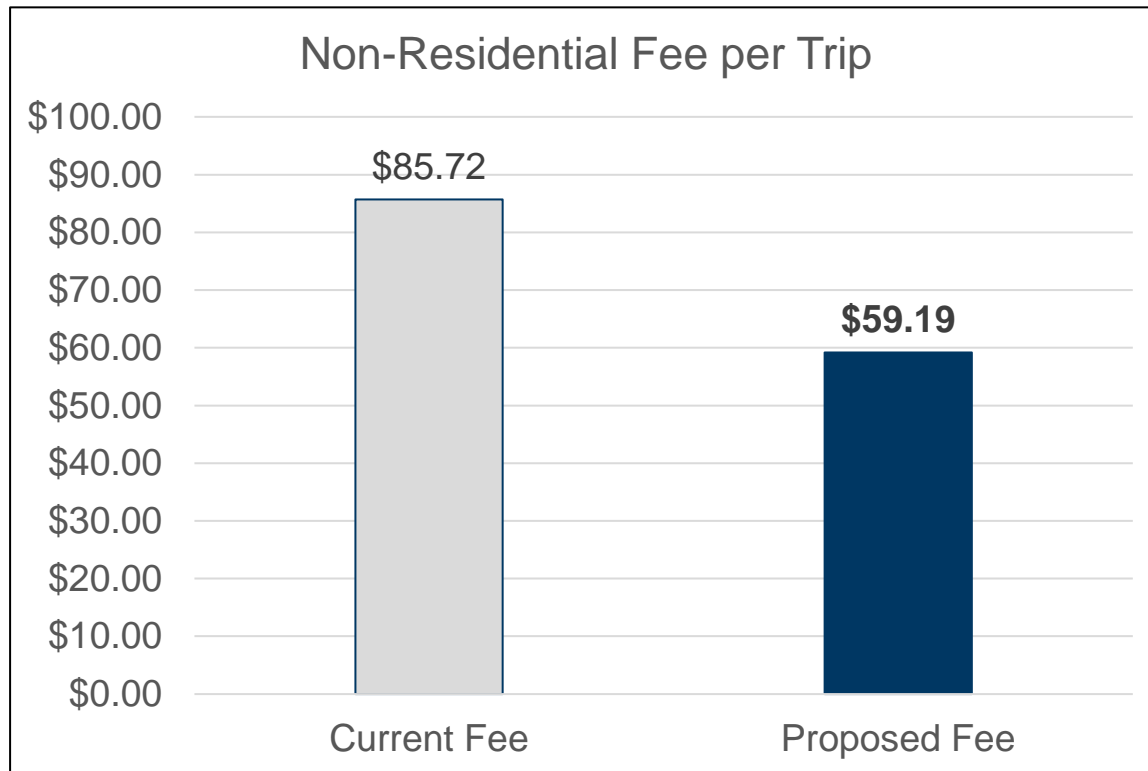


Results and Proposed Changes in Fees



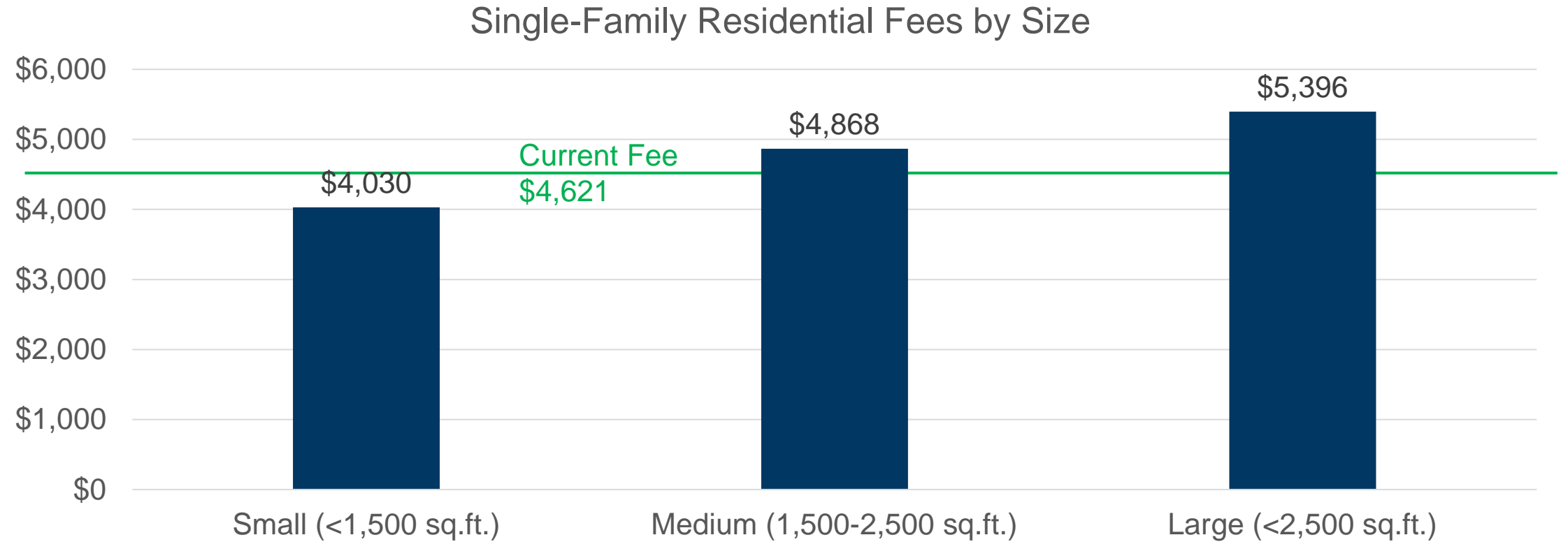
Recommended Fees

Trip Type	Current Fee	Proposed Fee	% Change
Residential Fee Per EDU	\$4,621.01	\$4,867.76	5.3%
Non-Residential Fee per Trips	\$85.72	\$59.19	-30.9%





Comparison of Proposed Residential Fees



Fees for residential units are now based on dwelling size and type.

Proposed fees are lower for smaller units and higher for larger units, compared to the current fees.



Administrative Manual



Administrative Manual

- Purpose: provides guidance to agency staff on the implementation of the fee program
- Includes templates for calculating the fees, annual inflation adjustments, administrative roles, accounting and reporting of fees, program updates, etc.
- Updated to reflect the new Nexus Study and changes in State laws





Next Steps

Today

- Accept the Nexus Study Report & Administrative Manual (July 19, 2023)
- Recommending adoption of the findings by member agencies as required by State Law
 - Purpose of the fee
 - List of projects
 - Approval of fee calculation methodology, showing that the fees are reasonable (3 findings)
 - Approval of using small, medium, and large fee tiers for residential developments (AB-602 requirement)

Next Steps

- Coordinate with jurisdictions to adopt fee
- NCTC to execute RTMF Administration agreements



Questions & Answers

