



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 22-225

December 13, 2022

Introduced: 12/5/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

REF220010 - CASTROVILLE TRAFFIC IMPACT FEE

Adopt a resolution staying the collection of Castroville Traffic Impact Fees until such time that the Board of Supervisors adopts an updated fee or provides further direction.

Proposed CEQA action: Finding that pursuant to section 15273 of the CEQA Guidelines the consideration of modifications to development impact fees would be statutorily exempt.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Find that pursuant to section 15273 of the CEQA Guidelines that the consideration of modifications to development impact fees would be statutorily exempt.
- b. Adopt a resolution staying the collection of Castroville Traffic Impact Fee until such time that the Board of Supervisors adopts an updated fee or provides further direction.

SUMMARY/DISCUSSION:

On April 10, 2007, the Board of Supervisors originally adopted the Castroville Community Plan (Community Plan). Those portions of the Community Plan that fall within the coastal zone are not operational since the Coastal Commission has not certified the plan or the amendment to the North County Land Use Plan integrating the plan into the 1982 General Plan. The Community Plan has not been revised to remove those areas within the coastal zone.

The Community Plan, affecting the inland areas, are a part of the 2010 Monterey County General Plan, and include policy direction related to land use designations, infrastructure improvements, public facilities, and an economic development strategy specific to all areas within the Community Plan Boundary. Moreover, even though the operational portions of the Community Plan only apply to the inland areas, the Community Plan identifies community facilities and infrastructure to support the planned growth throughout the Community Plan area.

The Community Plan provides a financing strategy that, in part, includes impact fees based upon land use type to fund the cost of community facilities and regional transportation improvements, which are the most significant component of these fees. Community Plan Table 6 provides a fee schedule by land use, as indicated below:

<u>Land Use Category</u>	<u>Per Unit</u>	<u>Fee</u>
Single Family	1,500 sq. ft. unit	\$28,707
Multi-Family	800 sq. ft. unit	\$17,434
Commercial	Per 1,000 sq. ft.	\$13,064
Train Station	Per acre	\$78,708
Industrial	Per station	\$598,080

As a result of the Board’s adoption of the Castroville Community Plan, Housing and Community Development Department (HCD), has been collecting these fees upon issuance of building permit. It has recently come to the attention of the HCD that these fees are a barrier on housing development, are derived from projects that are not achievable due to locations in the coastal zone, and some of the projects identified are already being completed by Caltrans. Ultimately, reducing the scope of the Community Plan by removing the coastal areas from the plan would catalyze a reduction in the impact fees, thus supporting removal of a barrier to housing production. Additionally, the most significant offsite improvement that is accommodated for in the nexus study is for the Highway 156 and Castroville Boulevard intersection project, which is being funded through the Transportation Agency for Monterey County and Caltrans.

HCD also collects a Regional Development Impact Fee (aka, the “TAMC” fee), that is levied on new development to fund regional transportation improvements through the Transportation Agency for Monterey County (TACM), which has the potential to result in duplicity in the TAMC fee and Castroville Traffic Impact Fee (i.e., paying two fees to cover the same impact). TAMC has indicated that \$5 million dollars of the TAMC fee has been programmed to the Highway 156 and Castroville Boulevard intersection project.

The Board of Supervisors, in a separate action on December 13, 2022, is asked to allow HCD to enter into a professional service agreement with Kimley-Horn to update the Castroville Community Plan and prepare an associated Impact Fees Nexus Study that would resolve the issues that have evolved over time related to the Community Plan and associated impact fees. In the interim, staff is recommending that by Resolution the Board stay the collection of the Castroville Traffic Impact Fee until such time that the Board of Supervisors adopts an updated fee or provides further direction.

ENVIRONMENTAL REVIEW (CEQA):

Among the types of projects that have been granted a statutory exemption from CEQA review are those projects that are specifically identified as rates, tolls, fares and charges. CEQA Guidelines

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section 15273 provides that environmental review does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by public agencies which the public agency finds are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas. The provisions of CEQA Guidelines section 15273, cover a broad range of funding mechanisms (even though not specifically using the term “fees”) which are directly applicable to the modification (staying of) the Castroville Traffic Impact Fees.

OTHER AGENCY INVOLVEMENT:

The Offices of the County Counsel and Public Works, Facilities and Parks Department have reviewed and support the recommendations provided herein.


FINANCING:

Funding for staff time associated with this report is included in the FY2022-23 Adopted Budget within Community Development General Fund 001, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed action supports the Board of Supervisors’ Strategic Initiatives since the action would supporting economic development by removing a barrier for potential housing developers to invest in housing production in the Castroville area. If housing construction increases, Monterey County residents could experience an improvement in housing choice and availability that would potentially reduce the burdens associated with unhealthy living conditions for those undergoing homelessness and with poorly maintained structures for low-income households.

- X Economic Development
- Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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Approved by: Erik V. Lundquist, AICP, Director 

The following attachments are on file with the Clerk of the Board:

- Attachment 1 - Draft Resolution

Resources:

Castroville Community Plan:

<https://www.co.monterey.ca.us/home/showpublisheddocument/37899/636371078063730000>