**File #:** RES 19-004, **Version:** 1

Adopt a Resolution updating the fee schedule for the Regional Development Impact Fee (RDIF) (aka the "TAMC fee"), the fair-share impact fee levied on new development to fund regional transportation improvements.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution updating the fee schedule for the Regional Development Impact Fee (RDIF) (aka the "TAMC fee"), the fair-share impact fee levied on new development to fund regional transportation improvements.

**Proposed CEQA Action**: Consider the Final EIR for the 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) (SCH #2015121080) ("EIR"), previously certified by the Association of Monterey Bay Area Governments

SUMMARY:

Policy C-1.11 of Monterey County's 2010 General Plan requires new development to pay a Regional Traffic Impact Fee, and Chapter 12.90 of Monterey County Codes authorizes collection of said fee. The Transportation Agency of Monterey County (TAMC) is required, under state law, to update the Regional Development Impact Fee (RDIF) every five (5) years. This process includes reviewing land-use and population assumptions in the regional travel demand model, forecasting future demands, updating project lists as necessary to meet those demands, revising project costs, and developing an updated fee schedule. Acting as the RDIF Joint Powers Agency (RDIF Agency), the TAMC Board of Directors approved the updated fee schedule on September 26, 2018. In order for the updated fees to go into effect, the governing entities of all RDIF Agency members, including the County of Monterey, must adopt the updated fee schedule.

DISCUSSION

In June 2008, the Board of Supervisors approved a Joint Powers Agreement (JPA) with other local jurisdictions for the creation of a RDIF program. The RDIF program, as adopted by the TAMC Board of Directors and participating jurisdictions, went into effect in August 2008. The RDIF program levies fair-share fees on new development to fund regional transportation system improvements to address traffic impacts resulting from the new development. As part of enactment of the RDIF Program, the Board adopted Chapter 12.90 of the Monterey County Code, which established and authorized the collection of the Regional Development Impact Fee from new development projects within the unincorporated County according to a fee schedule adopted by resolution. The fee schedule is established and updated from time to time by TAMC and adopted by the participating jurisdictions. Prior to the adoption of the regional fee program, development proposals were evaluated on a case-by-case basis for cumulative impacts to the regional transportation network as part of the California Environmental Quality Act (CEQA) review. This process resulted in, at times, lengthy negotiations with developers, and assessments were not consistently applied throughout the County. The purpose of establishing a countywide Regional Fee program was to streamline the environmental review of new development, and establish a consistent methodology to assess in-lieu fees as a CEQA mitigation for new trips on the regional transportation system.

As part of the JPA that established the program, and state law, the Transportation Agency is required to conduct

a major update to the fee program once every five years. In June 2018, the TAMC Board approved the 2018 Monterey County Regional Transportation Plan (RTP), and adopted Resolution 2018-12, making findings under the California Environmental Quality Act related to the Transportation Plan. This 2018 Regional Fee update is based upon projects identified and environmentally reviewed in the 2018 Monterey County Regional Transportation Plan. TAMC also approved Resolution 2018-15, adopting the 2018 Regional Development Impact Fee Nexus Study and finding that the matters contained in the 2018 Nexus Study are within the scope of, and have already been analyzed in, the Final EIR for the 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) (SCH #2015121080) ("EIR"), certified by the Association of Monterey Bay Area Governments as the Lead Agency under CEQA, which incorporates the RTP.

In acting to adopt the updated fee schedule for the RDIF program, the County is a Responsible Agency under CEQA and concurs with TAMC that the EIR covers matters by the RDIF fee update. As such, County staff recommends that the Board of Supervisors consider the 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) EIR. The draft resolution approving the fee schedule contains a finding that the Board of Supervisors has considered the EIR and finds that there are no substantial changes in the RDIF program, substantial changes in circumstances, or new information that involves new significant environmental effects or a substantial increase in the severity or environmental effects requiring major revisions to the previously certified EIR. The EIR is available for review at <http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/public-works/resources>, and hard copy is available for review at the Clerk of the Board's office, located at 168 West Alisal Street, in Salinas, CA.

The updated fees reflect changes that have occurred in the past five years, such as: updates to population, employment and housing projections; the expected pace of new development; changes in land use plans including general plan updates; the need for new transportation projects based on growth; the completion of some transportation projects; and changes to estimated project costs.

The regional fee schedule divides the County into four distinct zones - North County, Peninsula / South Coast, Greater Salinas, and South County. This update also evaluated how TAMC will incorporate a Fort Ord Reuse Area (FORA) zone into the regional fee program. Currently, development projects located within the FORA boundary only pay the FORA Community Facilities District fee and are exempt by policy from payment of the TAMC regional transportation fee. With the legislatively-mandated dissolution of FORA in June 2020, the Transportation Agency has been coordinating with FORA's staff on the transfer of capital improvement program transportation projects to the TAMC fee program. The 2018 Nexus Study includes a fifth benefit zone comprised of the boundary of the Fort Ord Reuse Authority. Collection of regional fees from new development within that area could become active upon FORA's dissolution.

The concept of a traffic fee is to assure that new development pays for its impact on regional roads. Most new development will generate new trips; for instance, a new single-family home is estimated to result in 10 new trips per day; some of those trips may be linked into a single automobile journey, and some will be walking, biking or transit trips. A new retailer or warehouse is estimated to draw new customers and employees, who will create trips on the regional and local roads, based on its overall square footage. The AMBAG Regional Travel Demand Model incorporates the adopted local general plans, as well as current and projected future population, to predict which roads people will drive on to get to and from these new developments, and existing land uses.

To calculate the traffic impact fee, the Transportation Agency's consultant, Wood Rodgers, used the AMBAG travel forecast model to determine where future traffic congestion (i.e. a network "deficiency") is projected to

occur in 2035 (the forecast year). The fee program then proposes future roadway improvements where this traffic congestion is projected to occur. Only a portion of the future traffic congestion is caused by new trips; the remaining traffic is caused by trips to and from existing development, i.e. employment, housing or shopping centers.

After identifying where regional roadways are anticipated to be congested in the year 2035, the TAMC staff-consultant team proposed twelve transportation improvements to include in the fee program, to accommodate the new trips created by development. TAMC Staff reviewed this draft list of projects with the TAMC Technical Advisory Committee at the February 2018 meeting, and made updates based on members' feedback. The fee per trip was then calculated, by dividing the cost of the proposed transportation improvements by the total number of daily trips on that roadway. This fee per trip is then applied to each new development; in the example above, each new single-family home pays 10 times the regional per trip fee, to account for the ten new trips added on to the transportation system. These per trip fees are calculated separately for each of the fee zones, since some zones have more transportation improvements, as well as more new development, than others. The County assesses and collects these traffic impact fees for all new development within the unincorporated County as part of the building permit process, in accordance with the fee program and Chapter 12.90 of the County Code.

OTHER AGENCY INVOLVEMENT:
County Counsel has reviewed the proposed resolution as to form. The TAMC Board of Directors, acting as the RDIF Agency, approved the updated fees on September 26, 2018.

FINANCING:
Approval of the recommended action will not result in a financial impact to the General Fund or Road Fund. RDIF amounts, set forth in the updated fee schedule, will be assessed and collected pursuant to conditions of approval on land-use entitlements pursuant to Monterey County's RDIF program set forth in Chapter 12.90 of the County Code, and will be deposited directly into an appropriate account specified by TAMC. The RDIF program is projected to generate $109 million for regional transportation improvements through year 2035. These revenues are contingent upon the type, location, and pace of new development.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The establishment of the RDIF program further enhances the Board's Strategic Initiatives by allowing for establishment of a consistent methodology to assess in-lieu fees as a CEQA mitigation for new trips on the regional transportation system resulting from new development.

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

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Attachments:
Attachment A - Resolution

Attachment B - Fee Implementation Worksheet (Exhibit A)
Attachment C - Final 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) EIR (***on file with the Clerk of the Board***)