



## City Council Report

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**File ID:** 2019-00132

February 26, 2019

**Consent Item 13**

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**Title:** Citywide Transportation Development Impact Fee Annual Report for the Year Ending June 30, 2018 [Published 01/22/2019]

**Location:** Citywide

**Recommendation:** Pass a Motion to receive and file the Citywide Transportation Development Impact Fee Annual Report for the Year Ending June 30, 2018.

**Contact:** April Lu, Supervising Financial Analyst, (916) 808-2680; Lucinda Willcox, Program Manager, (916) 808-5052, Department of Public Works.

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Exhibit A (Citywide Transportation Impact Fee Annual Report)

## Description/Analysis

**Issue Detail:** The Mitigation Fee Act (California Government Code Section 66000 et. seq., hereafter the “Act”) and City Code section 18.156.150 mandate an annual report be prepared regarding development impact fees charged by the City and made available to the public. The *Citywide Transportation Development Impact Fee Annual Report* for the Year Ending June 30, 2018 (attached as Exhibit A) fulfills the annual reporting requirement for the Citywide Transportation Development Impact Fee.

The report presents the following information as required by the Act and City Code:

- A brief description of the type of fee in the account or fund
- The amount of the fee
- The beginning and ending balance of the account or fund
- The amount of the fees collected, and interest earned
- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded by the fees
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive the loan
- The amount of any refunds made once it has been determined that sufficient revenues have been collected to fund all projects
- The amount of any automatic annual adjustment, including the basis of the calculation

Pursuant to the Act and City Code, the report included as Exhibit A was made available to the public on January 22, 2019.

**Policy Considerations:** Filing the required annual report will satisfy the requirement of the Act and City Code. The Transportation Development Impact Fee provides funding to address impacts from new development on the city’s transportation network. Areas near transit stations, in fill areas, and in disadvantaged census tracts are given a 40 percent discount on the fees.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** This report contains administrative activities that do not constitute a “project” as defined by the CEQA Guidelines Section 15378(b)(2) (Title 14 Cal Code Reg. §15000et. Seq.).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None

**Rationale for Recommendation:** The Act and City Code Section 18.56.150 require an annual report filed with City Council for all the City’s impact fee funds.

**Financial Considerations:** For the first fiscal year of its implementation, the City collected \$1,306,602 in Transportation Development Impact Fee (TDIF) fees toward the \$172 million identified as eligible (TDIF) contributions resulting from impacts from development for the over \$500 million in transportation projects identified in the General Plan.

While North Natomas and Delta Shores are generally exempt from the citywide fee, the following table identifies where the funding was collected. The largest amount was in the Central City, followed by East Sacramento (attributable almost entirely to development in McKinley Village). A hotel project in South Natomas also contributed a relatively large proportion of the funding.

The City provided approximately \$250,000 in fee reductions to development in incentive areas.

Comm Plan Area	Amount	Percent
ARDEN ARCADE	\$ 1,863.68	0.14%
CENTRAL CITY	\$ 304,878.73	23.33%
EAST SACRAMENTO	\$ 300,551.69	23.00%
FRUITRIDGE/BROADWAY	\$ 110,134.47	8.43%
LAND PARK	\$ 52,859.16	4.05%
NORTH NATOMAS	\$ 11,814.85	0.90%
NORTH SACRAMENTO	\$ 95,590.74	7.32%
POCKET	\$ 65,046.24	4.98%
SOUTH AREA	\$ 112,750.00	8.63%
SOUTH NATOMAS	\$ 251,112.72	19.22%
<b>Grand Total</b>	<b>\$ 1,306,602.28</b>	<b>100.00%</b>

Funding will be allocated to CIPs as part of separate efforts based on several factors, including project readiness, where fees were collected, and other factors. The first project that will be ready for funding is the Downtown Mobility Project (T15195000), where the City will leverage the funds as partial match for a \$5 million grant received for the implementation of parking protected bike lanes throughout midtown and downtown.

**Local Business Enterprise (LBE):** Not applicable.



**Citywide Transportation Development Impact Fee  
Annual Report  
For the Year Ending June 30, 2018**

Made Available to the Public January 22, 2019

Received and Filed by the Sacramento City Council at its  
Meeting February 26, 2019

City of Sacramento  
Citywide Transportation Development Impact Fee Annual Report  
For the Year Ending June 30, 2018

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**EXHIBITS**

- A. FY2017/18 Citywide Transportation Development Impact Fee
- B. Combined Statement of Revenues, Expenditures and Charges in Fund Balance

**1. INTRODUCTION**

The Mitigation Fee Act (California Government Code 66000 et. seq., hereafter the “Act”), more commonly known as Assembly Bill 1600, was enacted by the State of California in 1987. Section 66006(a) of the Act requires local agencies to report, every year and every fifth year, certain financial information regarding their development impact fees. The local agency must make this information available for review by the public and must present it at the next regularly scheduled public meeting within 15 days from when the information is made available to the public.

This Fiscal Year (FY) 2017/18 annual report presents the information required by the Act for certain development fee funds and accounts established by the City of Sacramento. The report is organized as follows:

**Section 2:** A brief description of the type of fee in the account or fund

**Section 3:** The amount of the fee

**Section 4:** The beginning and ending balance of the account or fund

**Section 5:** The amount of the fees collected and interest earned

**Section 6:** An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded by the fees

**Section 7:** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement

**Section 8:** A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan

**Section 9:** The amount of any refunds made once it has been determined that sufficient revenues have been collected to fund all projects.

## 2. **BRIEF DESCRIPTION OF FEES**

Below is a brief description of the Citywide Transportation Development Impact fees in the account/fund included in this report:

**Citywide Transportation Development Impact Fee:**

This fund is used to provide funding for transportation facilities to benefit new development within the city.

### 3. **FEE AMOUNTS**

The following details the amount of each fee for the year ending June 30, 2018, unless otherwise indicated.

*Citywide Transportation Development Impact Fee:*  
See Exhibit A.

### 4. **FUND BALANCES**

The beginning and ending fund balances for the Citywide Transportation Development Impact Fee (Fund 3215) for the year ending June 30, 2018 is provided in Exhibit B to this report.

### 5. **FEES COLLECTED AND INTEREST EARNED**

The fees collected and interest earned for the Citywide Transportation Development Impact Fee (Fund 3215) for the year ending June 30, 2018 is provided in Exhibit B to this report.

### 6. **IDENTIFICATION OF PUBLIC IMPROVEMENTS ON WHICH FEES WERE EXPENDED**

For each fee district, an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement during the year ending June 30, 2018, including the total percentage of the cost of the public improvement that was funded by the fees, should be provided in the exhibits to this report.

In recognition, FY18 is the first year the Citywide Transportation Development Impact Fee is effective, there is no funding provided for transportation facilities.

### 7. **APPROXIMATE DATE OF COMMENCEMENT OF CONSTRUCTION**

An identification of the approximate date by which construction of public improvements will commence if it has been determined that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete is provided in the same exhibits identified in Section 6 above.

### 8. **INTERFUND TRANSFERS OR LOANS**

For the year ending June 30, 2018, no interfund transfers or loans occurred.

### 9. **REFUNDS MADE**

For the year ending June 30, 2018, pending refunds have been identified. The over charged fees were caused by system error.



**Exhibit A**  
**FY2017/18**  
**Citywide Transportation Impact Fees**

**City of Sacramento  
Transportation Development Impact Fee  
Fee Rate Schedule (As of July 1, 2017)**

Land Use	North		Housing Incentive/Transit Center <sup>2</sup> Fee (Including Administration)				Delta Shores <sup>3</sup>	
	Baseline	Natomas <sup>1</sup>	Baseline	North Natomas <sup>1</sup>	River District	Downtown		
	<i>per unit</i>		<i>per unit</i>					
<b>Residential Land Use Categories<sup>4</sup></b>								
Single-family	\$2,152	\$450	\$1,291	\$270	\$550	\$1,219	E	
Multifamily	\$1,236	\$259	\$742	\$155	\$322	\$700	E	
<b>Nonresidential Land Use Categories</b>	<i>per sq. ft.</i>		<i>per sq. ft.</i>					
Retail	First 5000 SF	\$0.32	\$0.07	\$0.19	\$0.04	\$0.08	\$0.18	E
	5001 SF and above	\$3.23	\$0.67	\$1.94	\$0.40	\$0.83	\$1.83	E
Office	First 5000 SF	\$0.32	\$0.07	\$0.19	\$0.04	\$0.08	\$0.18	E
	5001 SF and above	\$3.19	\$0.67	\$1.91	\$0.40	\$0.81	\$1.81	E
Major Medical Facilities	First 5000 SF	\$0.31	\$0.07	\$0.18	\$0.04	\$0.08	\$0.17	E
	5001 SF and above	\$3.07	\$0.65	\$1.84	\$0.39	\$0.78	\$1.74	E
Schools	First 5000 SF	\$0.12	\$0.03	\$0.07	\$0.02	\$0.03	\$0.07	E
	5001 SF and above	\$1.20	\$0.25	\$0.72	\$0.15	\$0.31	\$0.68	E
Church/Assembly	First 5000 SF	\$0.07	\$0.01	\$0.04	\$0.01	\$0.02	\$0.04	E
	5001 SF and above	\$0.67	\$0.13	\$0.40	\$0.08	\$0.17	\$0.38	E
Industrial	First 5000 SF	\$0.22	\$0.05	\$0.13	\$0.03	\$0.06	\$0.12	E
	5001 SF and above	\$2.19	\$0.45	\$1.31	\$0.27	\$0.56	\$1.24	E
Warehouse	First 5000 SF	\$0.10	\$0.02	\$0.06	\$0.01	\$0.03	\$0.06	E
	5001 SF and above	\$1.04	\$0.22	\$0.62	\$0.13	\$0.26	\$0.59	E
Gas Station	<i>per pump</i>		<i>per pump</i>					
	\$2,126	\$668	\$1,276	\$401	\$827	\$1,832	E	
Hotel/Motel	<i>per room</i>		<i>per room</i>					
	\$888	\$185	\$533	\$111	\$227	\$502	E	
Other (calculation to be based on City traffic analysis)	<i>per trip</i>		<i>per trip</i>					
	\$217	\$45	\$130	\$27	\$56	\$123	P	

<sup>1</sup> Only for projects without a Development Agreement (DA) as of 7/1/17; development with DA is exempt

<sup>2</sup> See Exhibit A

<sup>3</sup> E -- Under the terms of the *Cost Sharing Agreement: I-5 Interchange & Cosumnes River Boulevard Extension* (C2012-0059), development is exempt from paying TDIF fees for a period of 10 years after the date the City issued notice to proceed for construction of the Project and thereafter until the aggregate amount of all TDIFs that would apply to the Project exceed M&H's eligible payments as defined in the *Cost Sharing Agreement*

<sup>4</sup> Low income housing and second residential units are exempt

**Exhibit B**

**Combined Statement of Revenues,  
Expenditures, and Charges in Fund Balance  
For the Fiscal Year Ended June 30, 2018**

**City of Sacramento**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Citywide Transportation Development Impact Fee Fund (TDIF Fund 3215)**  
**For the Fiscal Year Ended June 30, 2018**

<b>Fund Description</b>	<b>Fund</b>	<b>Beginning Balance</b>	<b>TDIF Revenue</b>	<b>Interest Income</b>	<b>Transfer In/ Transfer Out</b>	<b>Total Available</b>	<b>Expenditures</b>	<b>Ending Balance</b>
Citywide Transportation Development Impact Fee	3215	\$ -	\$ 1,306,602	\$ 8,267		\$1,314,869	\$(38,656)	\$1,276,213