Taking Steps Towards Implementing a Regional Transportation Impact Fee

The STA will be engaging local agency staff, elected officials, and the development and business community through a number of meetings during the development of the nexus study and adoption of an Impact Fee.

Paying for a Less Congested Future

Studying the Feasibility of Charging New Solano County Development Fees for the Regional Traffic Congestion Impacts that they Create

Development of Fee Nexus Study

Before a fee can be collected, the agency must show a reasonable relationship (nexus) between the fee's use (building transportation projects) and the type of development project (homes, offices, retail, industry, etc.) as part of AB1600 fee requirements. This is usually done through complex travel demand modeling of projected new developments.

Adoption of Fee Governance Authority

Who will be in charge of the fee? Solano County, the Solano Transportation Authority, or a new Joint Powers Authority? More discussion is needed and those meetings will be held while the nexus study is being completed.

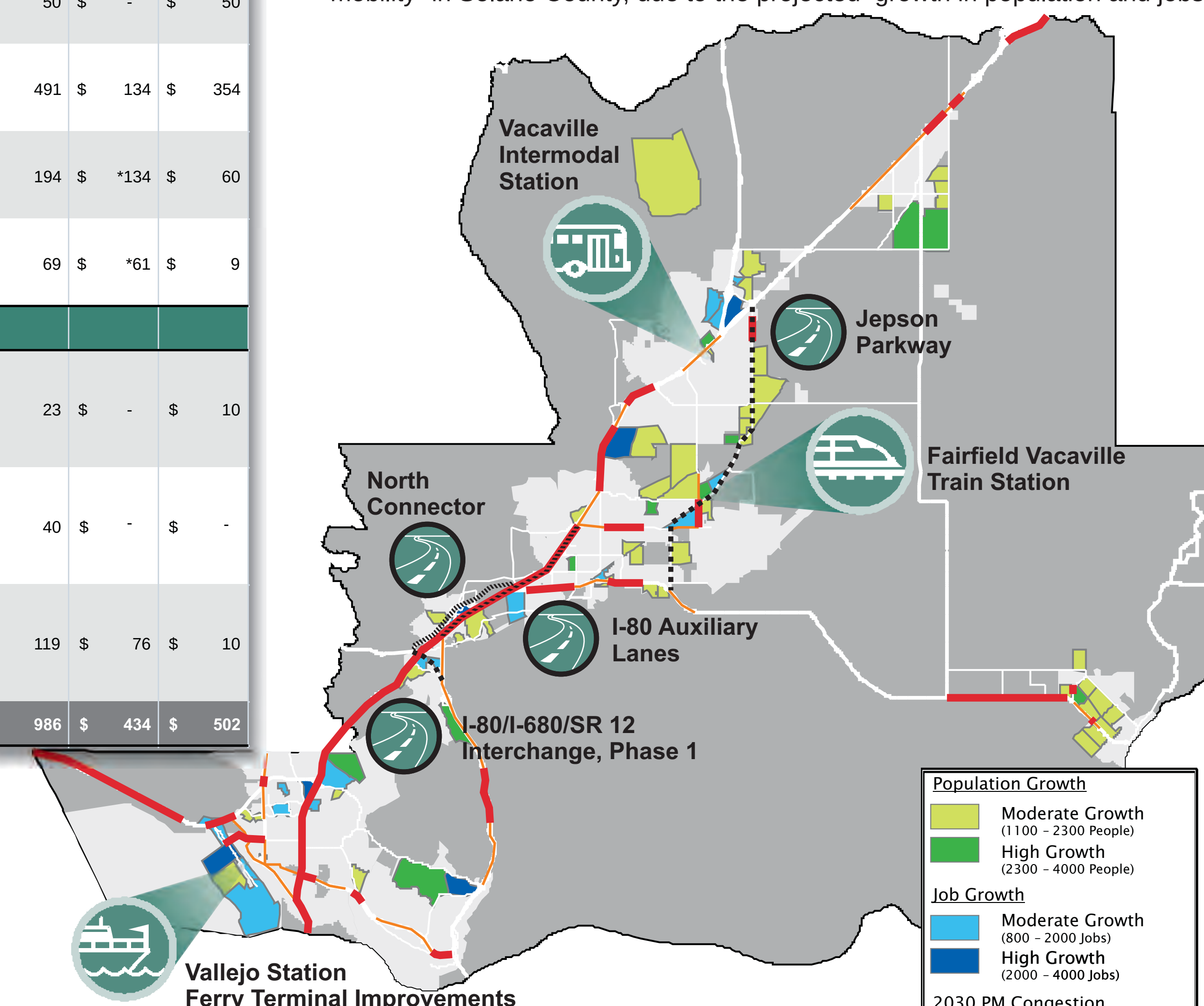
2008	Dec	• STA Board Adopts Scope of work	• Stakeholder meetings to recommend governance structure
2009	Jan	• STA Releases RFP for Nexus Study	• STA advisory committees recommend governance structure to STA Board
	Feb	• STA reviews RFP responses & interviews consultants	• STA Board approves governance structure for circulation to local agencies (city council meetings, planning commissions, County Board of Supervisors)
	Mar	• STA Hires Nexus Study consultants	
	Apr	• Begin Stakeholder meetings (local agency staff, developers, elected officials, etc.) • Model impacts & Define Projects	
	May		• Local agencies adopt Fee Governance Authority ordinance.
	Jun		
	Jul		
	Aug		• New Fee Governance Authority established
	Sept	• Draft Nexus Study Completed	• Fee Governance Authority adopts Nexus Study & Operating Agreement
	Oct	• Nexus Study Reviewed by STA Advisory Committees	• Nexus Study & Operating Agreement circulated for approval by local agencies.
	Nov	• Nexus Study adopted by Fee Governance Authority	
	Dec		• Nexus Study & Operating Agreement executed

Fed & State Funds Available for Only 7 New Projects by 2030

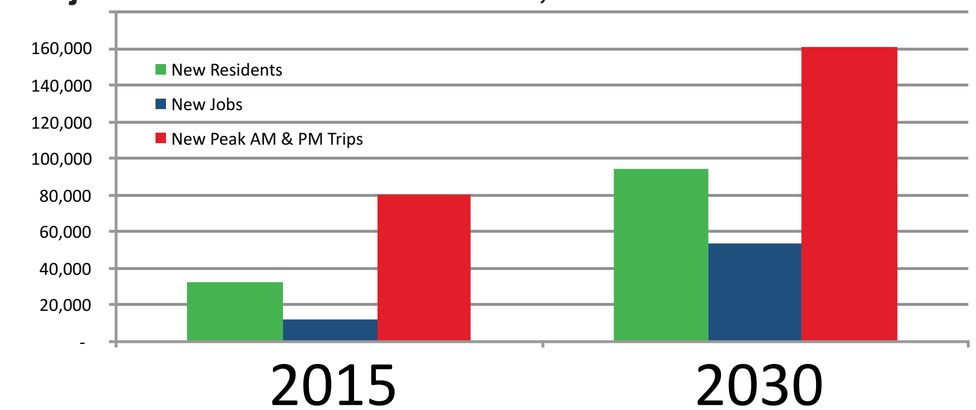
Roadway Projects		Total Cost in millions	Secured Funding	Future Funding
	I-80 Auxiliary Lanes (I-680 to Air Base Parkway)	$ 50	$ -	$ 50
	I-80/I-680/SR 12 Interchange Phase 1	$ 491	$ 134	$ 354
	Jepson Parkway	$ 194	$ *134	$ 60
	North Connector Project	$ 69	$ *61	$ 9
Transit Projects				
	I-80 Express Bus Intermodal Facility	$ 23	$ -	$ 10
	Fairfield/Vacaville Train Station	$ 40	$ -	$ -
	Vallejo Station (Ferry Terminal)	$ 119	$ 76	$ 10
	TOTAL	**$ 986**	**$ 434**	**$ 502**

* Assumes that local agencies will provide 50% of the project costs while the STA provides 50% through other funds. Local 50% share will most likely come from impact fees.

By 2030, the Solano Transportation Authority expects to receive enough funding for only seven new projects to help accommodate the increasing demand for "regional mobility" in Solano County, due to the projected growth in population and jobs.



Projected Increase in New Homes, New Jobs and New Traffic by 2030



Projects identified through other studies or by member agencies cannot compete for limited future funding, despite their local necessity for "regional" mobility.

Solano County will need to be creative to find funding for new projects. A local option is a Regional Transportation Fee that can provide needed infrastructure improvements.

For more information, contact the Solano Transportation Authority at 707-424-6075
Solano Transportation Authority - One Harbor Center #130, Suisun City, CA 94585 - December 17, 2008

Can we charge new development for its regional congestion impacts?

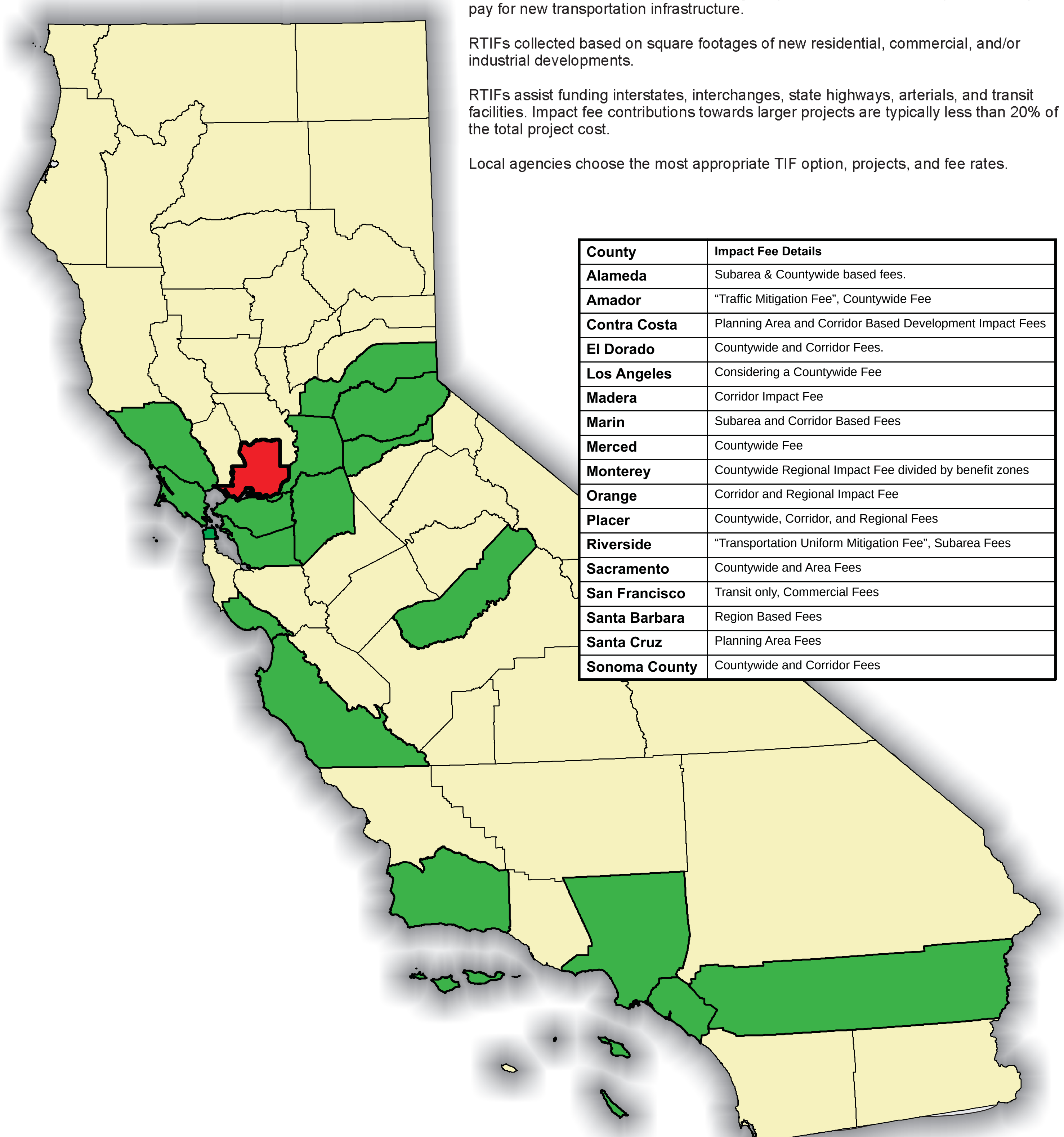
17 Successful Regional Transportation Impact Fee Models in California

17 other counties across California charge impact fees on new development to help pay for new transportation infrastructure.

RTIFs collected based on square footages of new residential, commercial, and/or industrial developments.

RTIFs assist funding interstates, interchanges, state highways, arterials, and transit facilities. Impact fee contributions towards larger projects are typically less than 20% of the total project cost.

Local agencies choose the most appropriate TIF option, projects, and fee rates.



County	Impact Fee Details
Alameda	Subarea & Countywide based fees.
Amador	"Traffic Mitigation Fee", Countywide Fee
Contra Costa	Planning Area and Corridor Based Development Impact Fees
El Dorado	Countywide and Corridor Fees.
Los Angeles	Considering a Countywide Fee
Madera	Corridor Impact Fee
Marin	Subarea and Corridor Based Fees
Merced	Countywide Fee
Monterey	Countywide Regional Impact Fee divided by benefit zones
Orange	Corridor and Regional Impact Fee
Placer	Countywide, Corridor, and Regional Fees
Riverside	"Transportation Uniform Mitigation Fee", Subarea Fees
Sacramento	Countywide and Area Fees
San Francisco	Transit only, Commercial Fees
Santa Barbara	Region Based Fees
Santa Cruz	Planning Area Fees
Sonoma County	Countywide and Corridor Fees

Keeping Home Prices Regionally Competitive & Affordable

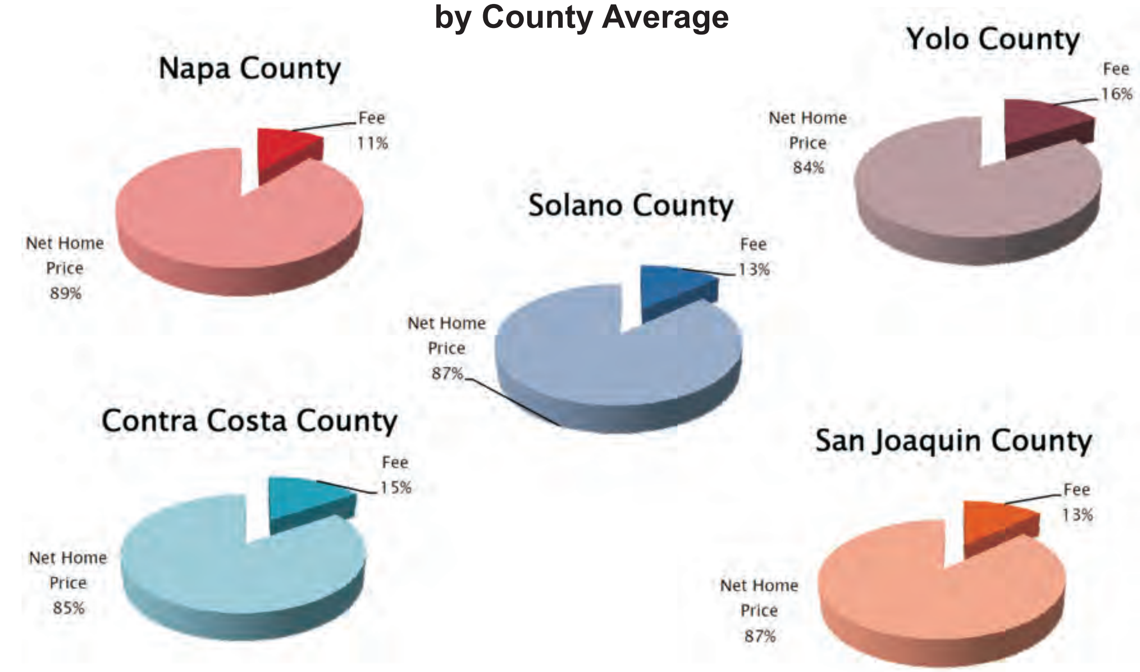
Between 1999 and 2008, Solano County agencies have charged impact fees between 9% and 13% of the total home price, on average.

To remain regionally competitive for attracting new development, impact fees will need to remain lower or on par with neighboring counties.

Impact fees can raise the final price of homes, creating an affordable housing issue. The U.S. Department of Housing and Urban Development (June 2008) recommends reducing the estimated transportation impacts of development near transit and development at higher densities.

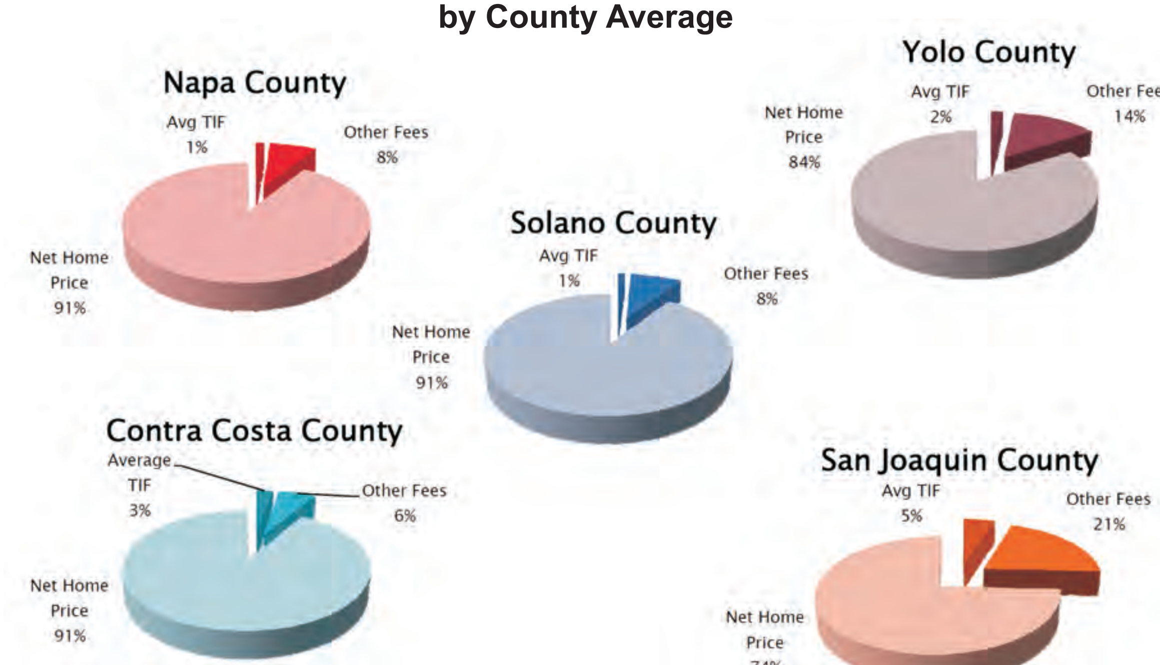
Bowels, L., Nelson, A., (2008). Impact Fees and Housing Affordability: A Guide for Practitioners. Prepared for the U.S. Department of Housing and Urban Development.

1999 Percent of Impact Fees Compared to Remaining Home Price by County Average



Landis, John et al. 2001. Pay to Play: Residential Development Fees in California Cities and Counties. State of California Department of Housing and Community Development

2008 Percent of Impact Fees Compared to Remaining Home Price by County Average



Christians, Dan (2008). Impact Fee Survey of 23 Recent Developments in Contra Costa, Napa, San Joaquin, Solano, and Yolo Counties. Prepared for the Solano Transportation Authority's Regional Transportation Impact Fee Feasibility Study.

Working with Existing Development Impact Fees

Existing AB1600 Fees and Credits

If a local agency is already collecting development impact fees towards improvement projects included in the regional fee program, then development projects in such jurisdictions could be eligible for a discount against the regional fee.

The RTIF may provide fee credits to developers who dedicate land or construct regional facilities that are funded through the regional fee program.

One of the comments expressed by developers is the concern that they be treated equally. In communities without impact fees, developers are often at the mercy of the local agency for off-site improvements to mitigate the impact of development.

An important feature of a system of well-defined impact fee charges is the knowledge that all developers, big and small, will be treated equitably.

Legal Authority

The premise on which impact fees are based is that new development should pay for the cost of providing the facilities necessary to accommodate growth. AB 1600, which became effective on January 1, 1989, regulates the way that impact fees are imposed on development projects. The agency imposing the fee must:

(1) Identify the purpose of the fee;
(2) identify the use to which the fee is to be put, including identifying the public facilities to be financed;
(3) Show a reasonable relationship (nexus) between the fee's use and the type of development project;
(4) Show the reasonable relationship between the public facility to be constructed and the type of development; and
(5) Account for and spend the fees collected only for the purposes and projects specifically used in calculating the fee.