



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From Grant Yates, City Manager

Prepared by: Jason Simpson, Assistant City Manager

Date: May 12, 2020

**Subject: Participation in the Transportation Uniform Mitigation Fee (TUMF) Program;
and adopting a TUMF Schedule**

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE SCHEDULE

Background

The City is a Member Jurisdiction of the Western Riverside Council of Governments (WRCOG), a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. Acting in concert, in 2002-2003 the WRCOG member jurisdictions developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County could be made up in part by a TUMF on future residential, commercial and industrial development. As a member jurisdiction of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a specific "Western Riverside County Transportation Uniform Fee Nexus Study," (2002 Nexus Study) later adopted by the WRCOG Executive Committee. Based on the 2002 Nexus Study, the City adopted and implemented an ordinance authorizing the City's participation in a TUMF Program.

Pursuant to the Mitigation Fee Act (Gov. Code §§ 66000 et seq.), WRCOG prepared a new Nexus Study ("2016 Nexus Study") to update the fees. On July 10, 2017, the WRCOG Executive Committee reviewed the 2016 Nexus Study and recommended TUMF participating jurisdictions update their fees by amending their applicable TUMF Ordinances to reflect changes in the TUMF Network and the cost of construction. All of the WRCOG jurisdictions updated their ordinances which then implemented the fees approved by WRCOG's Executive Committee.

WRCOG is required on an annual basis, per the TUMF Administrative Plan, to evaluate project costs and calculate a construction cost index (CCI). A CCI reflect increased project costs based on regional and statewide data. At the November 4, 2019, Executive Committee meeting, staff

presented a TUMF CCI adjustment for consideration. The Executive Committee approved the item, which is then implemented through the adoption of a new TUMF fee schedule.

Discussion

The previously adopted Ordinance provides the legal basis for a revised TUMF schedule. The actual TUMF schedule is established through the Resolution. The action requested of the City is the adoption of an updated resolution, which implements the updated TUMF fee schedule with the implementation of the CCI.

In accordance with the Mitigation Fee Act, the previously adopted Ordinance and 2016 Nexus Study: (i) identify the purpose of the revised fees; (ii) identify the use to which the revised fees is to be put, including identification of any facilities to be financed; (iii) determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; (iv) determine how there is a reasonable relationship between the need for the public facilities and the type of development project upon which the fees are imposed; and (v) determine how there is a reasonable relationship between the amount of the fees and the cost of the public facilities or portion of the public facility attributable to the development on which the fees are imposed.

The Resolution will establish the Fee Schedule for TUMF as follows:

A. There is hereby adopted the following TUMF schedule:

- (1) \$9,146.00 per single family residential unit
- (2) \$6,134.00 per multi-family residential unit
- (3) \$1.77 per square foot of an industrial project
- (4) \$7.50 per square foot of a retail commercial project
- (5) \$4.56 per square foot of a service commercial project
- (6) \$2.19 per square foot of a service Class A and B Office

B. For single-family residential, multi-family residential and retail non-residential projects, the fees set shall be phased in as follows:

From July 1, 2020 to December 31st, 2020, the fee schedule shall be as follows:

- (1) \$9,478.00 per single family residential unit
- (2) \$6,389.00 per multi-family residential unit
- (3) \$1.81 per square foot of an industrial project
- (4) \$7.50 per square foot of a retail commercial project
- (5) \$4.75 per square foot of a service commercial project
- (6) \$2.38 per square foot of a service Class A and B Office

From January 1, 2021 the fee schedule shall be as follows:

- (1) \$9,810.00 per single family residential unit
- (2) \$6,389.00 per multi-family residential unit
- (3) \$1.81 per square foot of an industrial project
- (4) \$7.50 per square foot of a retail commercial project
- (5) \$4.75 per square foot of a service commercial project
- (6) \$2.38 per square foot of a service Class A and B Office

Fiscal Impact

The Proposed Resolution will update the TUMF Schedule for all new development based on the 2016 Nexus Study for the TUMF Ordinance in effect.

Exhibits

A – Resolution Adopting a TUMF Schedule