2024 Nexus Study Update Report

Sacramento Transportation Authority

May 24, 2024

The Power of Commitment

Executive Summary

The purpose of this report is to present information that the Sacramento Transportation Authority (STA) may find useful in updating the Sacramento County Transportation Mitigation Fee (SCTMF), pursuant to the requirements of the Mitigation Fee Act. The report updates previous work in several ways:

- It incorporates new land use forecasts for Sacramento County, prepared under a different contract.[1]
- The status of individual transportation projects was updated. This resulted in some projects no longer needing future SCTMF funding because the project has either been completed or is no longer planned.
- Project costs were updated, based on construction cost inflation and new estimates prepared by member agencies.
- The trip generation rates were updated to reflect the new data found in the 11th edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual.*
- The percentage of the need for new transportation projects attributable to new development was recalculated using a version of SACOG's latest travel demand model.
- Board policies since the last nexus study, such as those regarding fees for retail developments, are reflected in the calculation of future fees.
- Several new sections were added based on requirements mandated by AB 602, which went into effect in 2022.

These updates enable STA and the local jurisdictions to reaffirm the findings required by the Mitigation Fee Act, which are described in Chapter 5, and implement the fee program.

Most readers of this report will find the calculation of the impact fees to be the part of greatest interest. This is found in Chapter 4. The proposed fee for the average single-family home would adhere to the 2004 voter-approved Measure A Ordinance's express requirement to adopt a fee consistent with State law. In 2021, the Legislature passed AB 602, which requires cities, counties, and special districts, *inter alia*, to "calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development." (Cal. Government Code, § 66016.5(a)(5)(a)). AB 602 also allows for other systems beyond square footage-based proportionality but requires "…an explanation as to why square footage is not an appropriate metric," and "that an alternative basis […] bears a reasonable relationship between the fee charged and the burden posed by new development", and "that other policies in the fee structure support smaller developments…" (Cal. Government Code, § 66016.5(a)(5)(b)).

Accordingly, the percentage increase or decrease in fees for different types of development varies due to changes in their trip generation rates and the new AB 602-mandated adjustment for floor area. For example, while the rate for the average single-family dwelling (SFD, medium size 1,601-2,400 sq.ft.) would not change, the fee for very small SFD (≤ 800 sq.ft.) would decrease by $486 (31%) and the fee for small SFD (801-1,200 sq.ft.) would decrease by $240 (15%). The fee for medium-small SFD (1,201-1,600 sq.ft.) would increase by $123 (8%) and the fee for large SFD (>2,400 sq.ft.) would increase by $156 (10%). Rates for age-restricted senior housing would decrease. Rates for multi-family dwellings would generally increase for all development types except very small units due to revisions to their trip-generation rate. Per the Measure A Ordinance, non-SFD rates are set in proportion to the trip generation rate of a (medium) single-family dwelling unit.

[1] Technical Memorandum: *Sacramento Transportation Authority Development Forecasts,* dated August 18, 2021

Please note that these are all “potential” changes to fees; the STA Board may, at its discretion, choose to set fee rates for any given development type at a level lower than that calculation in this report. It may not, however, set the fee rates higher than those supported by a nexus calculation.

The intent of this study is to validate the fee and allow the local jurisdictions to continue to implement the fee. A local jurisdiction that fails to implement the fee would forfeit local street and road maintenance funds provided by Measure A. All such funds would be made immediately available on a pro rata basis to all other local jurisdictions that have this fee program in place.

Contents

Table index

Figure index

1. Introduction

1.1 Purpose of this report

California's Mitigation Fee Act (Government Code Sections 66000 to 66025) requires agencies that impose impact fees to periodically review the assumptions and calculations used in computing the fee. It further requires them to revise the calculation if necessary to maintain a nexus, i.e. a logical connection between the developments that will be required to pay the fee and the impact being mitigated. The agency is then required to make certain specific findings certifying that the fee is in conformance with the Act. As STA does not impose impact fees, it would instead recommend that local agencies participating in the Measure A Program adopt the nexus study and revised fee schedule, with the local agencies then taking individual actions to formalize adoption.

The purpose of this report is to review the assumptions and methodology used in computing the Sacramento County Transportation Mitigation Fee (SCTMF), update them as needed, and recommend changes to the fee schedule that will enable it to accomplish the Program's goals. The report is also intended to document this work and fulfill the requirements of the Mitigation Fee Act, including new requirements pursuant to the passage of Assembly Bill (AB) 602 in 2021.

1.2 Background on the SCTMF Program

In 1988 the voters of Sacramento County approved a half-cent sales tax for transportation improvements in Sacramento County. The Sacramento Transportation Authority (STA) was created as a countywide transportation agency to fiscally administer the program. Measure A, the 30-year extension of the 1988 sales tax, was approved by voters in 2004 and went into effect in April 2009 when the previous tax expired.

One component of Measure A was the introduction of a countywide transportation mitigation fee. This was enacted by the STA Board in Section VII of STA Ordinance 04-01. The stated goal was "to develop and implement a uniform transportation mitigation fee on all new development in Sacramento County that will assist in funding road and transit system improvements needed to accommodate projected growth and development."

The expected proceeds of the fee were tentatively allocated as follows:

35% Local streets and roads for capital improvements and rehabilitation

20% Public transit for capital improvements and rehabilitation

20% Local interchange upgrades, safety projects, and congestion relief improvements on the local freeway system, including bus and carpool lane projects.

15% Smart Growth Incentive Program

10% Transportation Project Environmental Mitigation, including, but not limited to, habitat conservation, open space preservation, habitat replacement, and recreation, and overall environmental enhancement of transportation facilities to the benefit of local transit users and neighborhoods. Necessary open space preservation and natural habitat preservation programs shall be eligible uses of these funds.

A nexus study for the fee was completed in June 2006 which recommended the fee of $1,000 per single-family dwelling, with other developments to be charged based on their trip-generation rate relative to single-family dwellings. This study is described in detail in a later section of this report.

1.3 Implementation History

SCTMF fees were imposed, and revenues are collected, by local jurisdictions in Sacramento County based on the SCTMF as part of their development approval process. The revenues are then remitted to STA, which then distributes the proceeds to various eligible projects in accordance with direction from the STA Board. Each of the seven-member jurisdictions (the six incorporated cities plus the County) have projects included in the Expenditure Plan, as do three additional agencies. These are Caltrans, Sacramento Regional Transit, and the Capitol Southeast Connector JPA.

Fees started to be collected in 2009 when Measure A went into effect. More than $80.5 million in fees have been collected to date. Table 1 shows the program revenues by fiscal year and jurisdiction. Revenues have followed a general upward trajectory over time, as the development industry in the region has recovered from the Great Recession in (late 2007 to mid-2009).

Table 2 shows the program expenditures by fiscal year and implementing agency. As of June 30, 2023, the program has made more than $68 million available to six different agencies for Measure A projects.

Although the SCTMF Program has successfully brought in tens of millions of dollars for transportation projects needed to accommodate continued growth, the program has not achieved its revenue goals. Figure 1 compares the revenues that were forecast in the 2006 nexus study with the amounts actually received. For the 2008-2023 period, the program brought in only 16% of the expected revenue. This is due in large part to unfortunate timing, with the program kicking off during the Great Recession. Real estate development was among the hardest hit during the recession and among the slowest to recover. With little development activity taking place to generate revenue, impact fee programs across California failed to generate the revenues expected from pre-recession forecasts, when development was booming.

Figure 1: Forecast Versus Actual Revenues

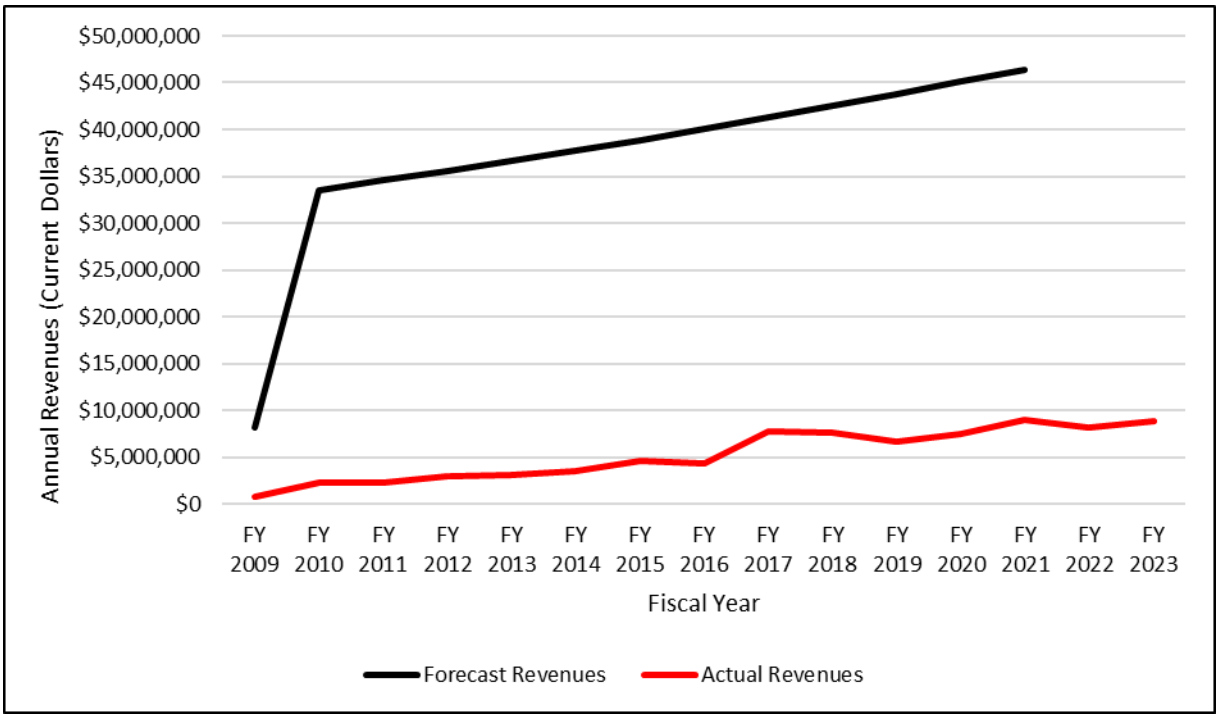


Table 1: Revenues by Year and Jurisdiction

Fiscal Year	City of Sacramento	Sacramento County	Elk Grove	Folsom	Rancho Cordova	Galt	Citrus Heights	Total
FY 2009	$140,644	$75,381	$51,729	$388,909	$92,800	$784	$1,452	**$751,700**
FY 2010	$774,416	$540,256	$539,123	$160,098	$259,378	$32,697	$15,989	**$2,321,958**
FY 2011	$549,987	$476,898	$860,663	$235,420	$204,379	$0	$7,091	**$2,334,437**
FY 2012	$587,824	$864,400	$990,421	$151,321	$302,467	$0	$60,930	**$2,957,362**
FY 2013	$871,942	$925,576	$588,839	$372,038	$378,345	$17,152	$22,491	**$3,176,382**
FY 2014	$601,826	$768,585	$665,916	$504,350	$360,591	$629,402	$9,872	**$3,540,542**
FY 2015	$1,628,337	$901,922	$835,144	$563,908	$352,981	$246,253	$95,594	**$4,624,139**
FY 2016	$1,330,694	$1,053,408	$920,723	$387,388	$428,758	$127,781	$114,898	**$4,363,650**
FY 2017	$4,433,942	$1,709,179	$408,227	$309,544	$708,906	$188,900	$89,477	**$7,848,174**
FY 2018	$3,871,298	$1,009,173	$1,434,011	$833,234	$400,807	$52,510	$20,720	**$7,621,753**
FY 2019	$2,707,448	$1,233,164	$1,338,725	$782,022	$471,078	$80,266	$71,335	**$6,684,037**
FY 2020	$3,198,236	$1,479,587	$964,492	$878,685	$916,239	$96,852	$17,465	**$7,551,556**
FY 2021	$1,712,959	$2,850,723	$1,658,050	$1,165,476	$934,092	$376,875	$258,817	**$8,956,993**
FY 2022	$2,660,711	$1,448,899	$1,014,918	$1,175,200	$179,181	$1,385,171	$373,344	**$8,237,425**
FY 2023	$2,526,006	$1,796,877	$1,223,435	$1,609,388	$152,326	$1,528,205	$20,006	**$8,856,242**
Interest	$256,077	$158,994	$74,692	$130,288	$20,238	$89,506	$10,944	**$740,739**
Total	**$27,852,348**	**$17,293,022**	**$13,569,106**	**$9,647,269**	**$6,162,567**	**$4,852,353**	**$1,190,426**	**$80,567,090**
% of Total	35%	21%	17%	12%	8%	6%	1%	100%

Source: STA

Table 2: Expenditure by Years and Jurisdiction

Fiscal Year	City of Sacramento	Sacramento County	Elk Grove	Folsom	Rancho Cordova	Galt	Citrus Heights	Caltrans	SacRT	Capitol Southeast Connector	Total
FY 2009	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
FY 2010	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
FY 2011	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
FY 2012	$371,690	$382,219	$0	$0	$0	$0	$59,275	$1,400,667	$3,940,833	$1,370,479	**$7,525,163**
FY 2013	$0	$0	$0	$0	$0	$0	$0	$20,078	$0	$0	**$20,078**
FY 2014	$1,471,903	$1,084,917	$0	$0	$0	$0	$0	$0	$0	$0	**$2,556,820**
FY 2015	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
FY 2016	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
FY 2017	$8,578,391	$1,872,358	$0	$0	$666,782	$0	$0	$3,047,319	$106,607	$2,275,776	**$16,547,233**
FY 2018	$1,076,989	$614,425	$0	$0	$434,878	$0	$0	($6,599,873)	($4,047,440)	($2,316,651)	**($10,837,673)**
FY 2019	$716,073	$1,689,048	$0	$0	$1,322,520	$0	$0	$1,193,987	$0	$4,659,492	**$9,581,120**
FY 2020	$193,614	$1,867,750	$0	$0	$1,569,163	$0	$0	$937,911	$0	$7,144,332	**$11,712,770**
FY 2021	$483,507	$6,372,770	$0	$0	$2,756,887	$0	$0	$1,883,549	$0	$4,006,952	**$15,503,666**
FY 2022	$447,031	$4,334,452	$93,561	$0	$0	$0	$600,000	$0	$0	$7,898,740	**$13,373,785**
FY 2023	$469,776	$24,244	$165,212							$1,966,518	**$2,625,749**
Total	**$13,808,974**	**$18,242,182**	**$258,773**	**$0**	**$6,750,230**	**$0**	**$659,275**	**$1,883,639**	**$0**	**$27,005,638**	**$68,608,711**

Notes: Some cell values are negative. This indicates cases where money from the General Fund was used to reimburse earlier expenditures from the SCTMF Program.

Expenditures for Caltrans, SacRT, and Capitol Southeast Connector have occurred within multiple jurisdictions.

2. Review of Previous Nexus Study

Section 66016.5(a)(4) of AB 602, which went into effect on July 1, 2022, states that "*If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee*." This chapter is intended to fulfill this requirement by reviewing the methodology and assumptions used in the original nexus study by David Taussig & Associates, dated June 2006, entitled "Sacramento Transportation Authority Development Impact Fee Study".

2.1 Methodology Used

The methodology used in the 2006 fee calculation is shown in Figure 2. The key steps were:

1) Estimates for the existing residential and non-residential land uses in Sacramento County were provided by SACOG.

   The study purposefully excluded neighborhood and community retail uses from the fee calculation. The rationale was that trips to and from these uses would be made on local streets and thus would not contribute to traffic on the regional roads funded by the fee program.

2) Trip generation rates were taken from the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 6th Edition. For the commercial retail land use category, a blended rate of 7 retail land use codes was used. The rates for retail uses were also adjusted to account for pass-by trips.

3) The number of units for each land use type, dwelling units for residential and square feet for non-residential, were multiplied by the ITE trip generation rates to estimate the daily number of vehicle trips generated in Sacramento County.

4) Forecasts for future growth were provided by SACOG and used to generate an estimate of the number of vehicle trips that would be generated in Sacramento County in the study's horizon year (2039).

5) Future development's fair share of the cost of roadway improvements was then calculated as its share of total trips generated in 2039, which was 31%.

6) A "Needs List" of projects was developed through consultation with Sacramento County, STA member cities, and Caltrans, and included in the Measure A Transportation Expenditure Plan (TEP). No further elaboration of this process was provided in the nexus study. However, the fact that the project list was approved by the voters, who agreed to tax themselves to pay for the projects, is strongly indicative of a consensus that the facilities listed are in fact needed.

7) A cost was assigned to every project on the Needs List. The nexus study did not state where the cost estimates came from, but it is likely that they were provided by whichever agency was tasked with implementing the project.

8) The percentage share of costs attributable to new development from Step 5 was applied to the project costs in Step 7 to find the total project costs attributable to new development.

9) This was divided by the growth in trips to find the allowable fee per new trip ($1,005/single-family dwelling).

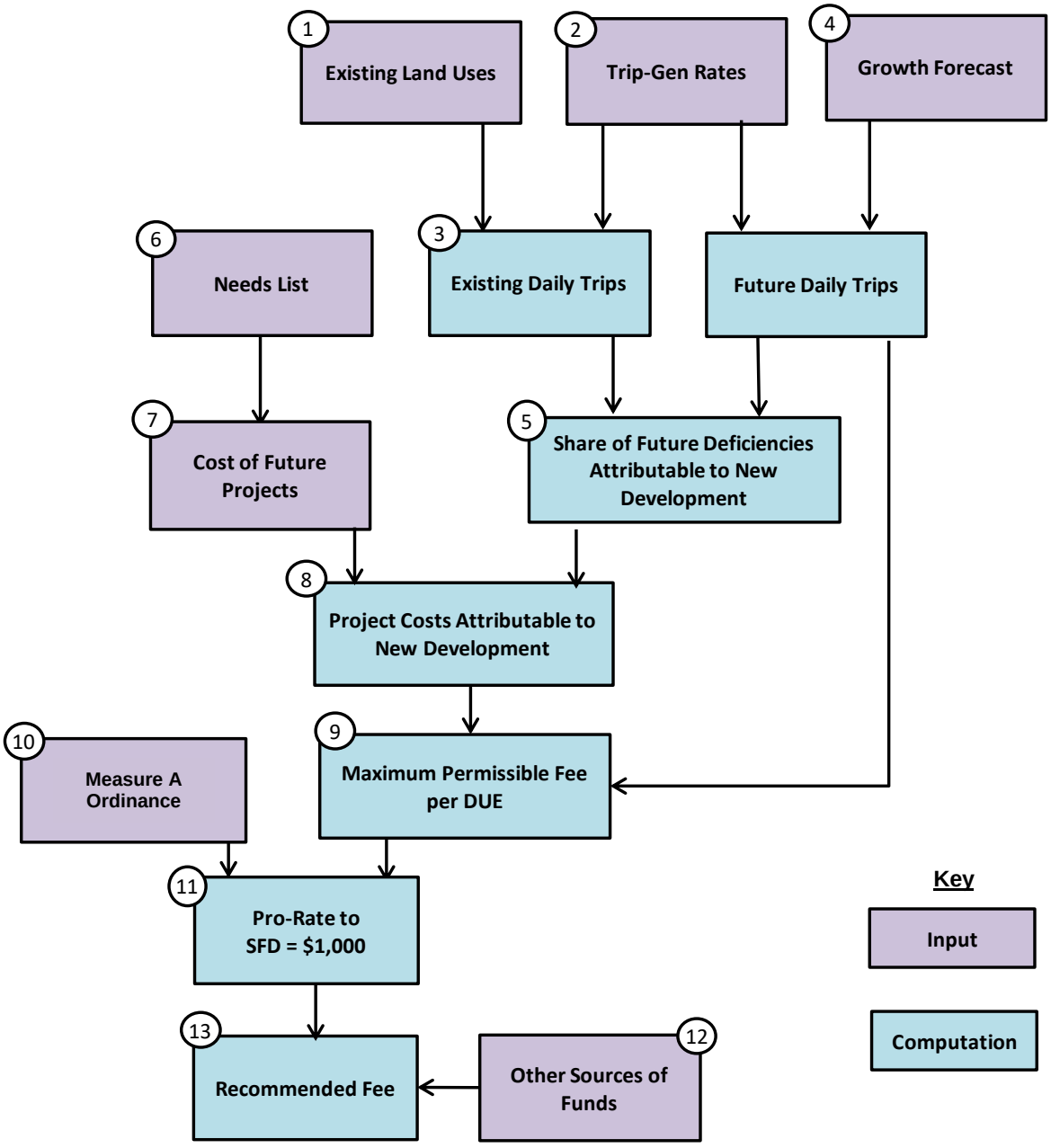
10) The STA Board of Directors made a policy decision to limit the fee on new development to $1,000 per single-family dwelling.

11) The permissible fee rates from Step 9 were duly factored down pro rata so that the fee on single-family dwellings was $1,000.

12) Other sources of funding, including sales tax revenues, local agency fees, and State and federal programs, were identified as sources for the remaining funds required to implement the projects on the Needs List.

13) The final fee schedule was then submitted to the STA Board for approval.

Figure 2: Steps Used in the 2006 Fee Calculation



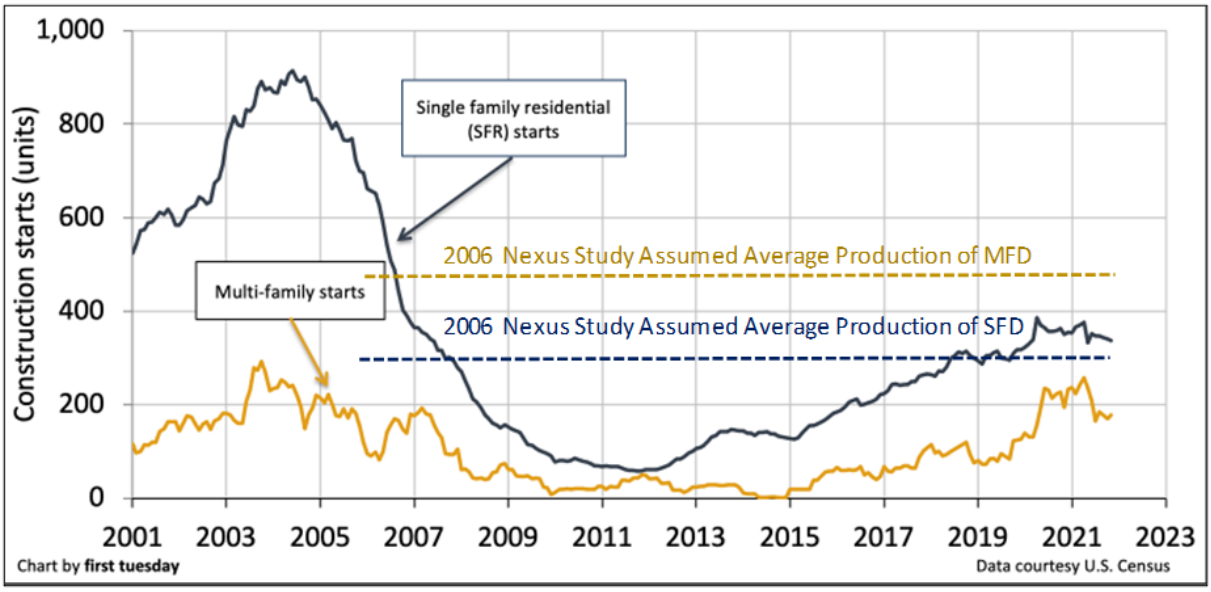
2.2 Key Assumptions

As seen in Figure 2, the key assumptions in the 2006 study pertain to existing and proposed land uses, trip-generation rates, and project costs. These are discussed below.

Land Use Assumptions

The 2006 nexus study reported that its land use assumptions came directly from SACOG's travel demand model; the origins of the data in the model were not discussed. Figure 3 compares the study's assumed production of single-family housing (dark lines) and multi-family housing (amber lines). As shown in Figure 3, the 2006 study assumed that the average long-term monthly production of multi-family would approximately double the previous highest-ever single-month production. Contrary to this forecast, MFD production declined after 2006, resulting in a 4-or-5-fold overestimate of MFDs that would pay the fee. The 2006 study also assumed a reduction in single-family housing production, though the actual reduction was greater than the forecast reduction.

Figure 3: Forecast Versus Actual Housing Starts in Sacramento County



The discrepancy between the forecast and the actual housing production can mostly be attributed to the effects of the Great Recession on the local, state, and national real estate markets. Housing starts fell statewide by 68% between 2007 and 2009 and did not recover to pre-recession levels for 10 years. Furthermore, SACOG's belief at that time that residential development in the Sacramento region would focus on dense, infill development, including high levels of apartment development in Sacramento County, has not been fulfilled to the extent that had been hoped for in 2006.

Trip Generation Rates

The ITE *Trip Generation Manual* has been the standard industry source for vehicle trip data for generations. The *Trip Generation Manual* contains data from field surveys of thousands of sites and is regularly updated to capture the effects of changes in travel behavior. The 2006 study's use of this source was therefore in accordance with standard industry practice. The 2006 study used the 6th edition of the *Trip Generation Manual*; the current edition is the 11th.

Project Cost Estimates

The 2006 study does not state the source of the project cost estimates, beyond saying that the Needs List, "… *is a compilation of projects and costs identified by the local agency planning and engineering departments*." No further details are provided in the report.

3. Updates of Key Inputs

The current nexus study offers an opportunity to update the key assumptions underpinning the nexus between new development and the fee. This process is described below.

3.1 Development Growth Forecasts

Land use forecasts are made for a variety of reasons, including preparation of a jurisdiction's General Plan, air quality conformity forecasts, and planning for transportation and other infrastructure projects, to name just a few. STA therefore commissioned Economic & Planning Systems, Inc. (EPS) to develop growth forecasts specifically for use in the SCTMF nexus update study. The results were documented in a technical memorandum to STA.[2]

EPS's development forecasts project short-term and longer-term land use changes for the total STA geography and by individual jurisdiction. The short-term projections focus on a 3-year period – fiscal years 2022, 2023, and 2024 – while the longer-term development projections identify anticipated development through the remainder of the program (i.e. through 2039).

EPS used several sources when developing their forecasts, including historical building permit data by land use; the development pipeline, including planned and proposed development projects, residential units, non-residential square footage, etc.; and population, household, and employment projections. This data was provided by the seven-member jurisdictions, SACOG, the California Department of Finance, the Construction Industry Research Board, the North State Building Industry Association, and several media outlets.

EPS grouped potential development into three categories:

1. Active Entitled Development. This category includes the remaining residential units and nonresidential square footage for projects that are delivering homes or building infrastructure, including only those residential units and nonresidential square footage where building permits have not yet been issued. Development projects in this category are either developing – with absorption anticipated to continue in the near term – or anticipated to start vertical construction within the next 3 to 5 years.
2. Planned Development. Planned development includes projects that have been approved and have tentative maps, but infrastructure has not yet been initiated. Development in this category is considered likely to develop within the next 5 to 20 years.
3. Conceptual Development. Development classified as conceptual for this analysis includes projects for which planning applications may have been submitted but not yet approved. This category also includes development concepts that may have been reported by the local jurisdiction, developers, or via third-party sources such as the Sacramento Business Journal or other news entities. Development in this category may not occur within the next 20 years.

Growth forecasts at the county and city levels were used as control totals to limit the growth in the three categories described above to amounts reasonably foreseeable within the life of the SCTMF Program, considering past development performance.

Figure 4 charts the development of single-family dwellings since 2011 and the forecast going forward to the end of the SCTMF Program in 2039. Note the spike in construction in the City of Sacramento after a

[2] Technical Memorandum: *Sacramento Transportation Authority Development Forecasts,* dated August 18, 2021

moratorium on development in Natomas[3] was lifted, allowing many projects already in the development pipeline to proceed.

Figure 5 shows data for the same period for the development of multi-family housing. There was a surge in units between 2015 and 2020, especially in the Natomas, Downtown, and Midtown areas. This is forecast to drop as the stock of relatively easily developed lots becomes exhausted.

Figure 6 shows the corresponding graphs for non-residential development. In 2016 there was a spike in construction, again due to lifting the moratorium on development in Natomas, but also encompassing major developments in other locations, like Delta Shores.

In each case, the period between 2015 and 2020 appears to represent one-off occurrences of the release of pent-up demand. The forecasts going forward represent a return to long-term average conditions.

3.2 Traffic and Ridership Growth Forecasts

The development forecasts from the previous section must be converted into forecasts for the growth in traffic associated with new development in Sacramento County. The conversion from dwelling units (for residential development) and thousands of square feet (for non-residential developments) to trips was done using the trip generation rates found in the eleventh edition of the ITE *Trip Generation Manual*.

The *Trip Generation Manual* has dozens of land use categories that do not directly correspond to the land use categories used in the land use forecast. For example, the *Trip Generation Manual* has trip generation rates for 76 types of retail and service establishments aggregated into a single “Commercial, Retail” category in the land use forecasts. This reflects the reality that a commercial building may host a variety of tenants over its service life, so attempting to forecast individual uses, for example, “hair salons,” would be speculative at best. Instead, some representative use sub-categories were combined to generate averages to represent large categories of development. Table 3, Table 4, Table 5, and Table 7 show the derivation of the average trip generation rates for the commercial/retail, industrial, warehouse/self-storage, and lodging categories, respectively. Table 7 shows the resulting rates used to forecast the growth in traffic attributable to future development in Sacramento County.

The growth estimates for each category were then multiplied by their respective trip-generation rates to determine the growth in daily vehicle trips generated by new development (see Table 8). A similar calculation was done for the trips generated by existing land uses, with the existing land uses taken from SACOG’s SACSIM travel demand model. Table 8 shows that 5.6% of the trips generated in Sacramento County in 2039, when Measure A expires, would be attributable to new development.

Besides generating new vehicle trips, new development also generates new users for the transit system. This was computed as the percentage of dwelling units in the horizon year that would be built between 2022 and 2039. As seen in Table 8, 8.7% of transit riders in 2039 could be attributed to new development.

[3] In the wake of the flooding of parts of New Orleans due to Hurricane Katrina, the Federal government imposed a moratorium on development in the Natomas basin until the levees protecting it could be inspected and strengthened. The moratorium lasted 7 years. It was lifted in 2015.

Figure 4: Forecast for Development of Single-Family Dwellings

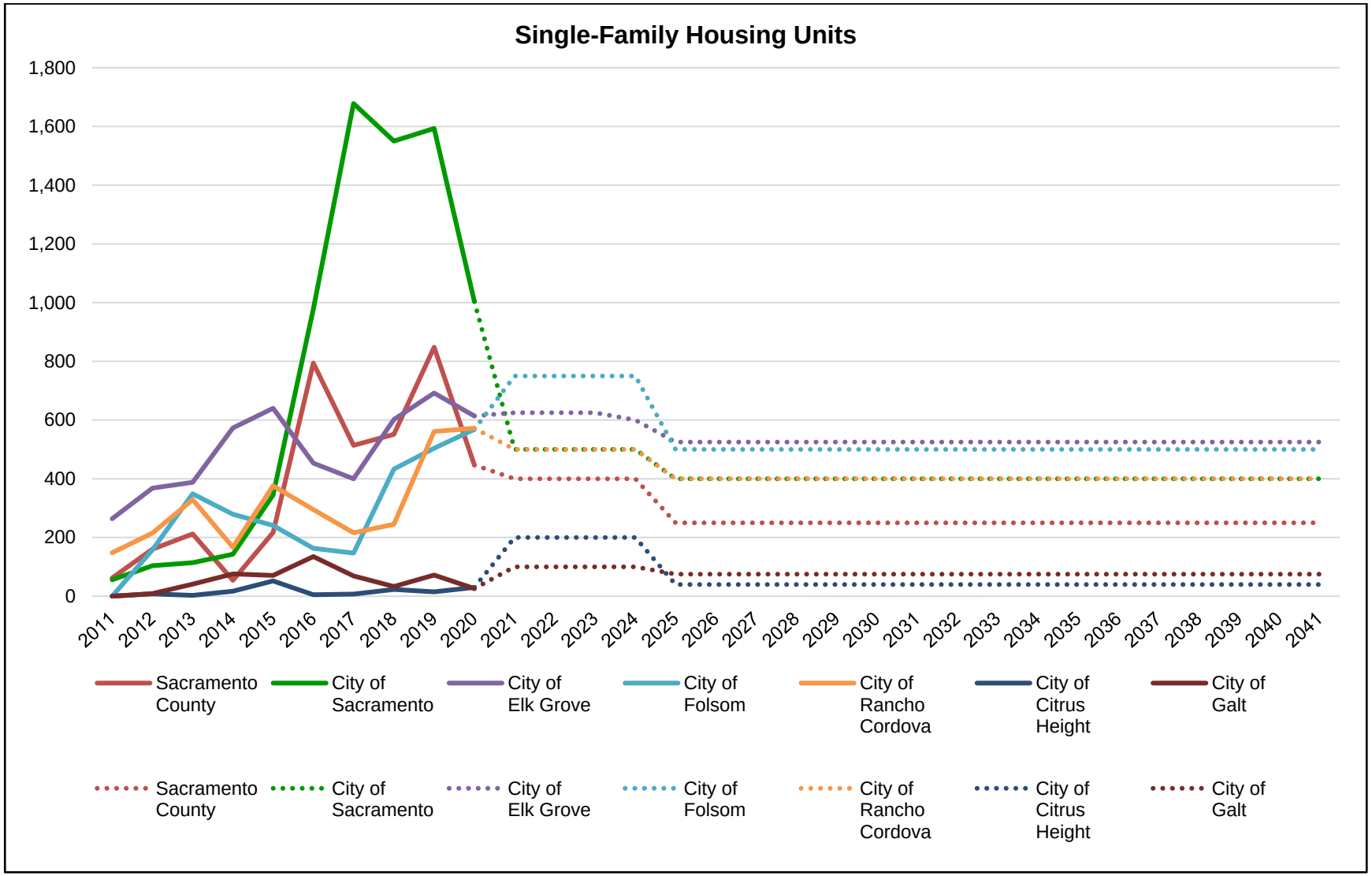


Figure 5: Forecast for Development of Multi-Family Dwellings

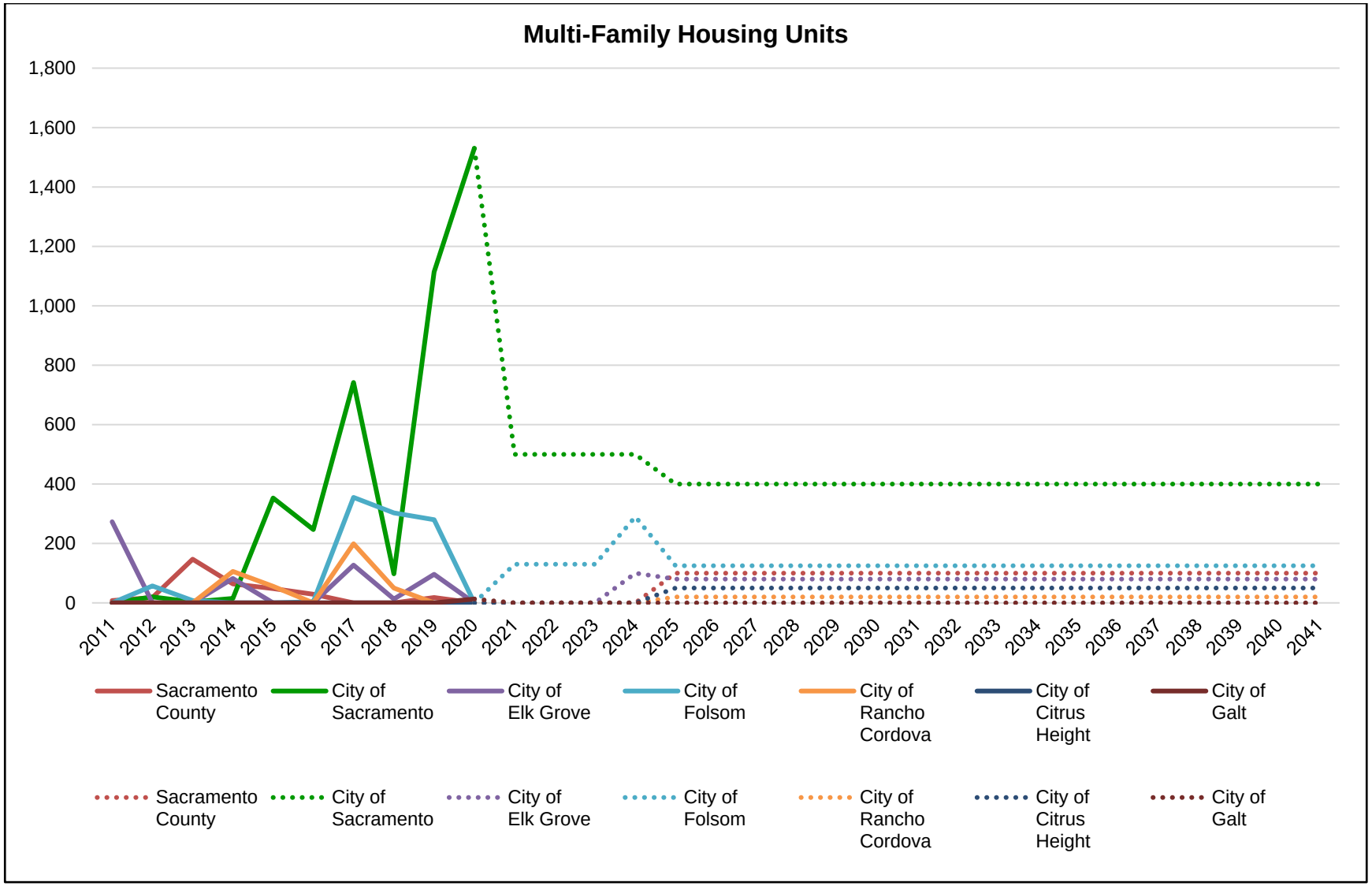


Figure 6: Forecast for Non-Residential Development

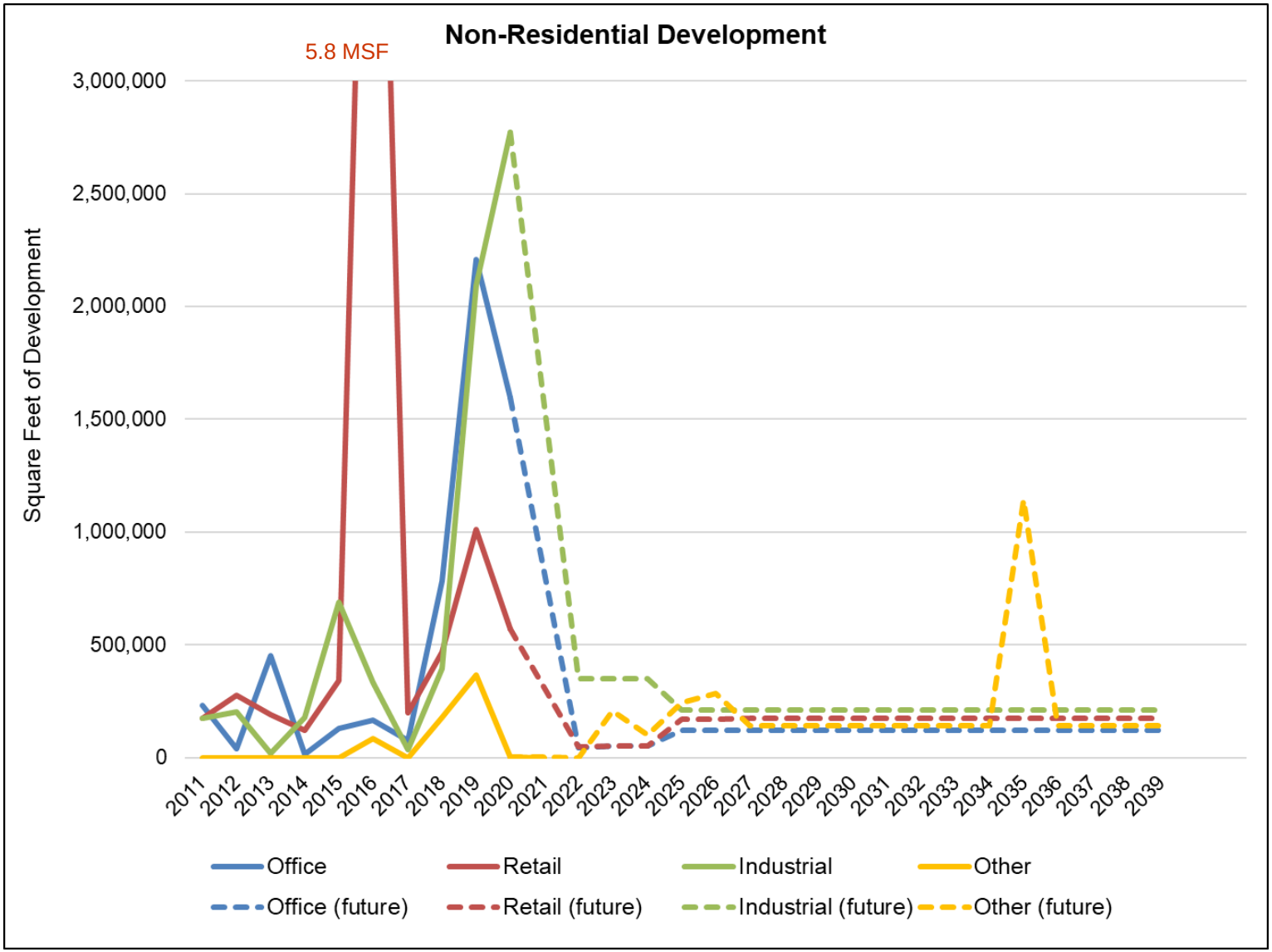


Table 3: Computation of Average Rate for Commercial/Retail Uses

ITE Description	ITE Code	Unit	Daily Trip-Gen Rate	Pass-by Credit	Net Daily Trip-Gen Rate	Estimated % Square Footage	Weighted Average ADT's
			(A)	(B)	(C)=(A)*(1-B)	(D)	(E)=(C)*(D)
Shopping Center (>150k)	820	KSF	37.01	40%	22.21	40%	8.88
Convenience Store*	851	KSF	762.28	56%	335.40	11%	36.89
Fine Dining Restaurant	931	KSF	83.84	44%	46.95	15%	7.04
Fast-Food Restaurant	933	KSF	450.49	55%	202.72	5%	10.14
Automobile Sales (new vehicles)	840	KSF	27.84	0%	27.84	6%	1.67
Home Improvement Superstore	862	KSF	30.74	42%	17.83	15%	2.67
Drive-In Bank	912	KSF	100.35	35%	65.23	8%	5.22
Combined Rate						100.00%	72.52

* Pass-by rate taken from land use 945, Convenience Store/Gas Station

The Estimated % Square Footage is from the 2006 Nexus Study, Appendix E.

Table 4: Computation of Average Rate for Industrial Uses

Industrial Land Uses	ITE Code	Unit	Daily Trip-Gen Rate
General Light Industrial	110	KSF	4.96
Industrial Park	130	KSF	3.37
Manufacturing	140	KSF	3.93
Average Rate			4.09

Table 5: Computation of Average Rate for Warehouse/Self Storage Uses

Warehouse Uses	ITE Code	Unit	Daily Trip-Gen Rate
High-Cube Warehouse	154	KSF	1.40
Self Storage	151	KSF	1.45
Average Rate			1.43

Table 6: Computation of Average Rate for Lodging Uses

Lodging Land Uses	ITE Code	Unit	Daily Trip-Gen Rate
Hotel	310	Room	7.99
Business Hotel	312	Room	4.02
Motel	320	Room	3.35
Average Rate			5.12

Table 7: Trip-Generation Rates Used for Forecast of Traffic Growth

SCTMFP Land Use Code	ITE Code	Unit	Daily Trip-Gen Rate
Residential, Single Family	210	DU	9.44
Residential, Multi-Family	220	DU	6.74
Commercial, Retail	Mixed	KSF	72.52
Commercial, Office	710	KSF	10.84
Industrial	Mixed	KSF	4.09
Hospital/Medical	610	KSF	10.77
Warehouse/Self Storage	Mixed	KSF	1.43

Table 8: Growth in Trips Generated in Sacramento County

Development Type	Daily Trip-Gen Rate per Unit	Existing in 2022		Future Growth (2022-2039)	
		Number of Units	Daily Trips	Number of Units	Daily Trips
Residential, Single Family	9.44	362,022	3,417,491	42,050	396,952
Residential, Multi-Family	6.74	221,885	1,495,503	13,775	92,844
Commercial, Retail	72.52	94,445	6,849,004	2,764	200,441
Commercial, Office	10.84	57,936	628,026	1,964	21,290
Industrial	4.09	100,527	410,822	4,186	17,107
Hospital/Medical	10.77	8,538	91,954	2,793	30,081
Warehouse/Self Storage	1.43	23,319	33,229	971	1,384
Total Trips			12,800,845		760,097
Percent of Trips in 2039			94.4%		5.6%
Percent of DUs in 2039		91.3%		8.7%	

3.3 Volume-to-Capacity Ratios

For an impact fee to be collected, there must be a need for capacity improvements that are triggered by new development. Capacity deficiencies are identified using level of service (LOS) thresholds that are established in a jurisdiction's general plan. The LOS policies of the 7 jurisdictions in Sacramento County are shown in Table 9.

Table 9: LOS Policies of Jurisdictions in Sacramento County

Jurisdiction	LOS Policy
Sacramento County	"D" on rural roadways, "E" on urban roadways
City of Sacramento*	See note below
Elk Grove	Not explicitly stated, but target delay at signalized intersections corresponds to LOS "D"
Folsom	LOS "D", with some exceptions allowed
Rancho Cordova	LOS "D", with some exceptions allowed
Citrus Heights	LOS "E", with some exceptions allowed
Galt	LOS "C", except "D" within ¼ mile of SR-99 interchanges

*The City of Sacramento has adopted Traffic Impact Study Guidelines, which identify roadway volume service thresholds that approximate an equivalent LOS C/D threshold for roadway sizing.

As can be seen in Table 9, the predominant approach among Sacramento County jurisdictions is to maintain LOS "D" in most situations. This balances a reasonable degree of mobility with the need to keep the cost of infrastructure at an affordable level.

Table 10 shows the volume-to-capacity (V/C) ratio for the Measure A roadway projects that have not yet been constructed. The volumes assume that the forecast new growth occurs and the capacity assumes that no improvements are made to the roadway network. For context, a V/C ratio between 0.9 and 1.0 indicates LOS "E" and a V/C ratio greater than 1.0 indicates LOS "F." For every project on the list, new growth worsens the V/C ratio. And in every case but one, the V/C ratio would be worse than the acceptable threshold of 0.90, which is the upper limit of LOS "D". Based on these results, we determined that new development causes or contributes to the deficiencies triggering every project listed in Table 10 except for A25SC.

Table 10: Volume-to-Capacity Ratios for Measure A Road Projects

Project Name	STA Project #	Jurisdiction	Volume/Capacity Ratio	
			Existing	Existing + Growth
A. LOCAL ARTERIAL PROGRAM				
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	1.31	1.32
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	1.15	1.22
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	1.39	1.50
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	1.40	1.53
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	1.11	1.30
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	1.01	1.04
I-5/SR 99/SR 50 Connector	A16JP1	CSCA JPA	1.09	1.26
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	1.01	1.03
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	1.12	1.16
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	1.23	1.25
Madison Avenue: Phase 2 (Hazel Ave – Greenback Lane)	A25SC	Sac County	**0.67**	**0.71**
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	1.44	1.48
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine	A28SC	Sac County	1.43	1.66
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	0.98	1.17
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	0.85	0.99
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	1.17	1.22
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	1.19	1.24
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM				
I-5 Bus/Carpool Lanes: Phase 1 from Elk Grove to US 50	A45CT1	Caltrans	1.05	1.17
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	1.26	1.35
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	1.06	1.10
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	1.05	1.11
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	0.95	1.02
E. SMART GROWTH INCENTIVE PROGRAM				
I-5/SR 99/SR 50 Connector, $5 million for the Cosumnes River Permanent Open Space Preserve	A16JP3	CSCA JPA	1.16	1.33
F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM				
I-5/SR 99/SR 50 Connector, $5 million for the Cosumnes River Permanent Open Space Preserve	A16JP4	CSCA JPA	1.16	1.33

3.4 Project Cost Estimates

As can be seen in the Measure A project list in Table 11, since its passage, 19 Measure A projects have been completed and will need no further funding from the SCTMF Program. Additionally, 7 projects have been dropped from the list for one reason or another, and will also not need SCTMF Program funding.

Member agencies were asked to provide their most recent cost estimates for the remaining projects. These estimates, shown in Column A of Table 11, were developed in different years and were adjusted to reflect current construction prices. Per STA policy, this adjustment used the Engineering News Record Construction Cost Index (ENR CCI) overall annual average. Table 12 shows how the construction cost inflator was developed from the price indices for all 20 cities reported in ENR's survey of construction prices nationwide.

Table 11: Updated Project Costs

Project Name	STA Project #	Jurisdiction	Most Recent Cost Estimate	Year of Most Recent Cost Estimate	Cost Inflation Factor	Updated Project Cost
			(A)		(B)	(C) = (A)*(B)
A. LOCAL ARTERIAL PROGRAM						
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	$5,349,275	2019	1.18	$6,333,993
Antelope Road: Roseville Rd - I-80	A02CH	Citrus Heights	Completed			
Antelope Road: I-80 - Auburn Blvd	A03CH	Citrus Heights	$26,000,000	2022	1.03	$26,702,045
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	$4,944,101	2009	1.56	$7,706,291
Arden Way: ITS improvements Del Paso-Ethan Way	A04CS	City of Sac	Not Planned			
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	$27,765,597	2022	1.03	$28,515,317
Bradshaw Road: Calvine-Florin	A07SC	Sac County	Completed			
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	$197,396,000	2009	1.56	$307,677,965
Bruceville Road: Sheldon-Cosumnes River Blvd	A09CS	City of Sac	Not Planned			
Cosumnes River Blvd: I-5-Franklin Blvd	A10CS	City of Sac	Completed			
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	$6,348,910	2022	1.03	$6,520,342
Folsom Blvd: 65th-Watt	A12CS	City of Sac	Not Planned			
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	$40,698,159	2019	1.18	$48,190,055
Folsom Blvd Streetscape: Phase 1 (Bradshaw to Sunrise)	A14RC1	Rancho Cordova	Completed			
Folsom Blvd Streetscape: Phase 2 (Bradshaw to Sunrise)	A14RC2	Rancho Cordova	Completed			
Folsom Bridge Crossing	A15FS	Folsom	Completed			
I-5/SR 99/SR 50 Connector	A16JP1	CSCA JPA	$504,000,000	2022	1.03	$517,608,881
I-5/SR 99/SR 50 Connector, $5 million for the Cosumnes River Perm	A16JP2	CSCA JPA	Completed			
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	$41,716,000	2022	1.03	$42,842,405
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	$68,500,035	2019	1.18	$81,109,823
Greenback Lane: I-80-Manzanita Ave	A20SC	Sac County	$15,000,000	2009	1.56	$23,380,258
Greenback Lane: (West City Limit to Fair Oaks Blvd)	A18CH	Citrus Heights	Completed			
Hazel Avenue: Phase 1 (US 50 – Madison Ave)	A21SC	Sac County	Completed			
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	$83,121,000	2019	1.18	$98,422,280
Hazel Avenue: (US Highway 50 – Folsom Blvd)	A23SC	Sac County	$105,000,000	2022	1.03	$107,835,183
Madison Avenue: Phase 1 (Sunrise Blvd – Hazel Ave)	A24SC	Sac County	$30,381,000	2022	1.03	$31,201,340
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	$90,411,746	2009	1.56	$140,923,332
S Watt/Elk Grove-Florin Road: Phase 1 (Folsom Blvd – Calvine Rd)	A27SC	Sac County	$53,000,000	2022	1.03	$54,431,093
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine Rd)	A28SC	Sac County	$180,111,556	2009	1.56	$280,736,981
Elk Grove - Florin Rd (Calvine Rd - Elk Grove Blvd)	A29EG1	Elk Grove	Not Planned			
Elk Grove - Florin Rd (Calvine Rd - Sheldon Rd)	A29EG2	Elk Grove	$2,495,550	2022	1.03	$1,617,116
Elk Grove - Florin Rd (Calvine Road – Old Placerville Road)	A29EG3	Elk Grove	Not Planned			
Sheldon Road: Bruceville-Elk Grove-Florin	A30EG1	Elk Grove	Not Planned			
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	8,551,924	2022	1.03	$8,782,841
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	$33,883,638	2019	1.18	$40,121,087
Sunrise Blvd: (Gold Country Road-Jackson Rd)**	A32RC	Rancho Cordova	Completed			
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	$43,518,800	2019	1.18	$51,529,932
Sunrise Blvd: Phase 2 (Greenback Lane – Oak Ave)	A35CH	Citrus Heights	$8,300,000	2022	1.03	$8,524,115
Sunrise Blvd: Phase 1 (Oak Ave - Antelope Rd)	A34CH	Citrus Heights	Completed			
Sunrise Blvd: Phase 3 (Antelope Rd – City Limit)	A36CH	Citrus Heights	$6,400,000	2022	1.03	$6,572,811
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	$82,909,270	2019	1.18	$98,171,573

Table 11: Updated Project Costs (continued)

Project Name	STA Project #	Jurisdiction	Most Recent Cost Estimate	Year of Most Recent Cost Estimate	Cost Inflation Factor	Updated Project Cost
			(A)		(B)	(C) = (A)*(B)
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM						
Downtown Intermodal Station	A38CS	City of Sac	$400,000,000	2023	1.00	$400,000,000
LRT extension (Meadowview Rd. to Cosumnes Riv Blvd)	A39RT	SacRT	Completed			
Regional Rail Commuter Service	A40RT	SacRT	Not Planned			
LRT extension to Airport (planning/enviro/design only)	A41RT	SacRT	$7,195,809	2022	1.03	$7,390,108
LRT improvements in I-80 Corridor	A42RT	SacRT	Completed			
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM						
Bus/carpool ramp connection (SR-50E to SR-99S)	A43CT	Caltrans	$300,000,000	2022	1.03	$308,100,524
I-80 Bus/carpool lanes (I-5 to Capital City Fwy)	A44CT	Caltrans	Completed			
I-5 Bus/Carpool Lanes: Phase 1 from Elk Grove to US 50	A45CT1	Caltrans	Completed			
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	$90,000,000	2022	1.03	$92,430,157
Ramp widenings for connectors between SR 50 and I-5	A46CT	Caltrans	$300,000,000	2022	1.03	$308,100,524
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 1	A47CT	Caltrans	Completed			
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	$128,000,000	2022	1.03	$131,456,224
Central Galt/SR 99 interchange upgrade	A48GT	Galt	Completed			
Consumnes River Blvd./I-5 interchange upgrade	A49CS	City of Sac	Completed			
GrantLine Road/SR 99 interchange upgrades	A50EG	Elk Grove	Completed			
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	$177,000,000	2022	1.03	$181,779,309
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	$115,000,000	2022	1.03	$118,105,201
Sheldon Road/SR99 Interchange Upgrade	A53EG	Elk Grove	Completed			
Watt Ave/SR50 interchange upgrade	A54SC	Caltrans	Completed			
E. SMART GROWTH INCENTIVE PROGRAM						
Promotion of transit oriented development						
I-5/SR 99/SR 50 Connector, $5 million for the Cosumnes River Permanent Open Space Preserve	A16JP3	CSCA JPA	$5,000,000			$5,000,000
F. TRANSPORTATION PROJECT ENVIRONMENTAL MITIGATION PROGRAM						
Environmental mitigation for Measure A transportation projects						
Open Space Acquisition						
Natural habitat preservation						
I-5/SR 99/SR 50 Connector, $5 million for the Cosumnes River Permanent Open Space Preserve	A16JP4	CSCA JPA	$5,000,000			$5,000,000
Total for All Projects >						**$3,582,819,108**

Table 12: Construction Cost Inflator

Year	ENR Construction Cost Index 20-City Annual Average	Cost Inflator
2009	8,570	1.56
2010	8,799	1.52
2011	9,070	1.47
2012	9,308	1.44
2013	9,547	1.40
2014	9,807	1.36
2015	10,035	1.33
2016	10,338	1.29
2017	10,737	1.24
2018	11,062	1.21
2019	11,281	1.18
2020	11,466	1.17
2021	12,133	1.10
2022	13,007	1.03
2023	13,358	1.00

4. Updated Fee Calculation

4.1 Consideration of Residential Floor Area

The State of California has instituted a new policy[4] pertaining to fees on residential developments. California Government Code Section 66016.5(a)(5), which is new with the enactment of AB 602, states that,

> *"(A) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.*
>
> *(B) A nexus study is not required to comply with subparagraph (A) if the local agency makes a finding that includes all of the following:*
>
> *(i) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on housing development project.*
>
> *(ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.*
>
> *(iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.*
>
> *(C) This paragraph does not prohibit an agency from establishing different fees for different types of developments."*

AB 602 applies to impact fee programs generally and was not tailored to fit circumstances specific to transportation impact fees. Web research revealed that there are currently no well-established sources for trip generation rates based on residential unit size. However, data on the number of persons per household can be obtained from the U.S. Census Bureau's American Housing Survey, and data on the number of trips by household size is available from NCHRP Report 716, *Travel Demand Forecast: Parameters and Techniques*. This data was combined, as shown in Table 13, to estimate trip generation rates by residential unit size. The residential unit size categories were determined in coordination with the working group including the local agencies that have adopted the SCTMF Program. The data is based on single-family homes; the average size for a single-family home in Sacramento County is 2,255 sq. ft.

As can be seen in Table 13, although the trip generation rate is related to the size of the residence, it is not directly proportionate to the floor area, as is assumed in Section 66016.5(a)(5)(A). We recommend that STA therefore find, pursuant to Section 66016.5(a)(5)(B)(i), that it would not be appropriate to use square footage directly as the metric of traffic impacts for the purposes of the SCTMF Program. It should instead find, pursuant to Section 66016.5(a)(5)(B)(ii), that the data supports fees based on the relationships shown in the bottom row of Table 13 for new very small, small, medium-small, medium, and large-sized homes. It should further find, pursuant to Section 66016.5(a)(5)(B)(iii), that these relationships would ensure that smaller units would not be charged disproportionate fees compared to larger units.

[4] Assembly Bill 602, signed into law in September 2021.

CGC Section 66016.5(a)(5)(C) allows agencies to establish different fees for different types of developments. As a matter of policy, STA determined that fees on multi-family housing should be set lower than those of single-family dwellings, in recognition of their low trip generation rates. The rates for multi-family and senior age-restricted housing were therefore calculated based on their respective daily trip-generation rates found in the ITE *Trip Generation Manual*. The average size for multifamily units in Sacramento County is less than 1,200 sq. ft., so the ITE rate for them, which represents the average unit, was used to compute the "Small" values for these dwelling types. The ratios between the trip-generation rates for the size categories are found in the bottom row of Table 13.

Table 13: Computation of Average Trip Generation by Dwelling Size Category

Persons per Household	Trips per Household	Total	Very Small			Small			Medium-Small			Medium			Large		
			≤ 800 sq.ft			801 to 1,200 sq.ft			1,201 to 1,600 sq.ft			1,601 to 2,400 sq.ft			> 2,400 sq.ft		
			Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips	Number of Units	Percent of Units	Trips
	(A)		(B)	(C)=(B)*Σ(B)	(D)=(A)*(C)	(E)	(F)=(E)*Σ(E)	(G)=(A)*(F)	(H)	(I)=(H)*Σ(H)	(J)=(A)*(I)	(K)	(L)=(K)*Σ(K)	(M)=(A)*(L)	(N)	(O)=(N)*Σ(N)	(P)=(A)*(O)
1	4.1	32,110	7,889	55%	2.26	8,648	36%	1.46	6,421	28%	1.15	6,264	20%	0.81	2,888	12%	0.50
2	8.2	40,531	3,737	26%	2.14	8,092	33%	2.74	8,027	35%	2.87	11,767	37%	3.04	8,908	38%	3.10
3	11.2	17,618	1,307	9%	1.02	3,449	14%	1.59	3,618	16%	1.77	5,546	17%	1.96	3,699	16%	1.76
4	16.1	15,389	834	6%	0.94	2,370	10%	1.57	2,837	12%	1.99	4,745	15%	2.41	4,602	20%	3.15
5	18.6	7,046	334	2%	0.43	1,078	4%	0.83	1,267	6%	1.03	2,205	7%	1.29	2,162	9%	1.71
6	18.6	2,625	106	1%	0.14	408	2%	0.31	485	2%	0.39	792	2%	0.46	834	4%	0.66
7+	18.6	1,476	97	1%	0.13	214	1%	0.16	277	1%	0.22	443	1%	0.26	445	2%	0.35
Total		116,795	14,305	100%	7.06	24,258	100%	8.67	22,933	100%	9.42	31,760	100%	10.22	23,539	100%	11.23
Average Persons per Household		2.07	1.64			1.94			2.06			2.19			2.30		
Trip-Gen Rate as a % of SFD Average			69%			85%			92%			100%			110%		

Sources: Column (A) - NCHRP Report 716, Columns (B), (E), and (H) - American Housing Survey, 2021 National Household Demographics
Notes: 1,601-2,400 sq.ft. is assumed to be the SFD Average unit size range, based on average size of single family homes in the United States from various sources including statisa.com

Table 13 was then used to compute the dwelling unit equivalents (DUEs) for different sizes of single-family, multi-family, and senior age-restricted housing. As with single-family dwellings, the use of size categories accords with the intent of Section 66016.5(a)(5)(B)(iii) that smaller units are not charged disproportionate fees compared to larger units.

Table 14: Computation of DUEs by Size and Dwelling Type

Dwelling Type	ITE 11th Edition Trip-Gen Rate (Daily)	Average Unit as % of Average SFD Trip-Gen Rate	Dwelling Unit Equivalents				
			Very Small (≤ 800 sq.ft.)	Small (801-1200 sq.ft.)	Medium-Small (1,201-1,600 sq.ft.)	Medium (1,601-2,400 sq.ft.)	Large (>2,400 sq.ft.)
Single-Family Residential	9.44	100%	0.69	0.85	0.92	1.00	1.10
Single-Family Residential, Senior	4.31	46%	0.32	0.39	0.42	0.46	0.50
Multi-Family Residential	7.32	78%	0.63	0.78	0.84	0.91	1.01
Multi-Family Residential, Senior	3.24	34%	0.28	0.34	0.37	0.40	0.44

4.1.1 Accessory Dwelling Units (ADUs)

In addition to the considerations discussed above pursuant to AB 602, a separate piece of legislation, SB 13, passed in 2019, establishes a new system for assessing fees on accessory dwelling units (ADUs). It amended CGC Section 65852.2(3)(A)(f)(3) to read,

> "*A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit."*

Based on this subsection, if an ADU is smaller than 750 square feet it is exempt from the SCTMF. Fees on ADUs larger than 750 square feet require a two-part calculation. First, the SCTMF that would be charged to the primary dwelling unit is calculated, then the fee on the ADU is computed based on the ratio of its floor area to the primary dwelling unit. For example, if the primary dwelling unit were 2,000 sq. ft. and would be charged a fee of $800, then an ADU 1,000 sq. ft. in size on that property would be charged a fee of $400 (50% of the size, so 50% of the fee).

4.2 Computing the Maximum Allowable Fee

The methodology used to update the fee schedule repeated the first nine steps in the previous nexus study as shown in Figure 2, except that all inputs were updated as described in Chapter 3 of this report.

Table 15 shows how the updated project costs from Table 11 were combined with the updated forecast for new growth from Table 8 to compute the maximum allowable project cost attributable to each vehicle trip generated by new development in Sacramento County. Additionally, Table 15 computes the maximum allowable cost per DUE, based on the Fee per New Vehicle Trip and the trip generation rate of a single-family home from Table 7. Table 15 also reflects that the SCTMF has already spent some funds for projects that are in development but are not yet complete. This reduces the amount of funding needed from future development.

Table 15: Calculation of Fee per New Vehicle Trip (for Roads) and Per New Dwelling Unit Equivalent (for Roads and Transit)

Project Class	Maximum Permissible SCTMF Funding	SCTMF Funding Already Spent	Maximum Permissible Future SCTMF Funding
	(A)	(B)	(C) = (A) - (B)
Total for Local Arterial Program	$107,274,039	$34,738,980	$72,535,059
Total for Connectors and Carpool Lanes	$57,224,537	$870,874	$56,353,663
Total for Local Freeway Interchange Projects	$12,652,662	$696,441	$11,956,221
Total for All Roadway Projects >	$177,151,238	$36,306,295	$140,844,943
Total Number of Vehicle Trips from Future Growth >			760,097
Fee per New Vehicle Trip >			**$185**
Fee per New Dwelling Unit Equivalent (DUE) >			**$1,749**
Total for All Transit Projects >	$35,550,125	$12,095,221	$23,454,904
Forecast Number of New Dwelling Units >			55,825
Fee per New Dwelling Unit Equivalent (DUE) >			**$420**

4.3 Recommended Fee by Land Use Category

The next step is to compute the maximum allowable fee for each unit of new development. For residential uses, this is done by multiplying the DUE rates for each dwelling size shown in Table 14 by the fee per new DUE shown in Table 15.

Table 16 shows both the maximum allowable and proposed fee schedule for residential developments after the size adjustments shown in Table 14 were applied. Per the Measure A Ordinance, fees for uses that are not the average single-family unit (medium size) “shall be proportionate to the trip generation rate of the affected land use relative to the trip generation rate of a single family *[sic]* unit.” The DUEs presented in Table 14 take into account the trip generation rates proportionate to the average single-family unit. Therefore, the proposed road cost per DUE and proposed fee per unit shown in Table 16 is calculated based on the current fee for the medium size single-family unit (equal to 1.00 DUE).

One notable feature of the table that is worth explaining is that the fees for multi-family dwellings (MFDs) increased more than the rates for single-family dwellings (SFDs). The reason is that trip generation rates for SFDs have decreased since 2006 as the average household size and the average number of working adults have declined for this housing type. On the other hand, the trip generation rate for MFDs has risen over the same period as fewer growing families have been able to move into SFDs due to affordability issues. The result is that MFDs have a relatively greater impact on roadway congestion than in the past.

The fees for non-residential developments are shown in Table 17. The cost per new trip generated from Table 15 was multiplied by the trip generation rates from Table 7 to produce the maximum allowable fee for each land use type. As stated previously, one of the purposes of this nexus study is to ensure that proposed fees are defensible. In other words, that the proposed fees are less than the maximum allowable fees.

The proposed fees, to comply with Measure A, are based on the escalated cost of $1,000 per SFD originally established in 2006. Accordingly, the proposed SFD fee in 2023 dollars is $1,574 per average SFD, which falls in the medium SFD size category in the revised fee schedule. Using the proposed fee per SFD ($1,574 per unit) we can calculate the proposed cost per trip to be $167 based on the daily trip generation rate for a single-family home (9.44). The proposed fee per unit is then calculated by multiplying the proposed cost per trip by the trip generation rate (column A). One noticeable aspect of Table 17 is that the percentage change in fee differs substantially for different development types. This arises from the fact that the trip generation rates for different land use categories have changed over time as travel behaviors and markets evolve.

Table 16: Fees for Residential Developments

Development Type	ITE Code	Dwelling Unit Equivalent (DUE)	Maximum Allowable Road Fee per DUE*	Maximum Allowable Transit Fee per DUE*	Total Maximum Allowable Fee per DUE*	Maximum Allowable Fee per Unit	Proposed Cost per DUE**	Proposed Fee per Unit	FY 24/25 Fee per Unit	Change in Fee	% Change in Fee
		(A)	(B)	(C)	(D)=(B)+(C)	(E)=(A)*(D)	(F)	(G)=(A)*(F)	(H)	(I)=(G)-(H)	(J)=(I)/(H)
Single-Family Residential	210										
Very Small (≤ 800 sq.ft.)		0.69	$1,749	$420	$2,169	$1,499	$1,574	$1,088	$1,574	($486)	-31%
Small (801-1200 sq.ft.)		0.85	$1,749	$420	$2,169	$1,839	$1,574	$1,334	$1,574	($240)	-15%
Medium-Small (1,201-1,600 sq.ft.)		0.92	$1,749	$420	$2,169	$2,000	$1,574	$1,451	$1,574	($123)	-8%
Medium (1,601-2,400 sq.ft.)		1.00	$1,749	$420	$2,169	$2,169	$1,574	$1,574	$1,574	$0	0%
Large (>2,400 sq.ft.)		1.10	$1,749	$420	$2,169	$2,384	$1,574	$1,730	$1,574	$156	10%
Single-Family Residential, Senio	251										
Very Small (≤ 800 sq.ft.)		0.32	$1,749	$420	$2,169	$685	$1,574	$497	$1,260	($763)	-61%
Small (801-1200 sq.ft.)		0.39	$1,749	$420	$2,169	$840	$1,574	$609	$1,260	($651)	-52%
Medium-Small (1,201-1,600 sq.ft.)		0.42	$1,749	$420	$2,169	$913	$1,574	$663	$1,260	($597)	-47%
Medium (1,601-2,400 sq.ft.)		0.46	$1,749	$420	$2,169	$990	$1,574	$719	$1,260	($541)	-43%
Large (>2,400 sq.ft.)		0.50	$1,749	$420	$2,169	$1,089	$1,574	$790	$1,260	($470)	-37%
Multi-Family Residential	220										
Very Small (≤ 800 sq.ft.)		0.63	$1,749	$420	$2,169	$1,371	$1,574	$995	$1,101	($106)	-10%
Small (801-1200 sq.ft.)		0.78	$1,749	$420	$2,169	$1,682	$1,574	$1,221	$1,101	$120	11%
Medium-Small (1,201-1,600 sq.ft.)		0.84	$1,749	$420	$2,169	$1,829	$1,574	$1,327	$1,101	$226	21%
Medium (1,601-2,400 sq.ft.)		0.91	$1,749	$420	$2,169	$1,984	$1,574	$1,440	$1,101	$339	31%
Large (>2,400 sq.ft.)***		1.01	$1,749	$420	$2,169	$2,181	$1,574	$1,582	$1,101	$481	44%
Multi-Family Residential, Senior	252										
Very Small (≤ 800 sq.ft.)		0.28	$1,749	$420	$2,169	$607	$1,574	$440	$943	($503)	-53%
Small (801-1200 sq.ft.)		0.34	$1,749	$420	$2,169	$745	$1,574	$540	$943	($403)	-43%
Medium-Small (1,201-1,600 sq.ft.)		0.37	$1,749	$420	$2,169	$810	$1,574	$587	$943	($356)	-38%
Medium (1,601-2,400 sq.ft.)		0.40	$1,749	$420	$2,169	$878	$1,574	$637	$943	($306)	-32%
Large (>2,400 sq.ft.)***		0.44	$1,749	$420	$2,169	$965	$1,574	$700	$943	($243)	-26%
Accessory Dwelling Units											
Very Small (<750 sq.ft.)	Exempt from fee										
Otherwise (>750 sq.ft.)	Fee is based on the ratio of the floor area of the ADU compared to the primary unit, times the fee that would be charged on the primary unit, if the primary unit was being newly built.										

* Maximum Allowable Cost and Fee Calcaluated for Nexus Study

** Proposed Road Cost per DUE is equal to the medium-sized single family dwelling unit fee for FY 24/25 to comply with Measure A.

*** No multi-family units of this size have been built in Sacramento County in the last 5 years

Note: For residential uses that are anticipated to have unique trip generation characteristics, such as those near transit or those with restricted parking, see Operating Protocols for fee calculation procedures.

Table 17: Updated Fees by Non-Residential Development Type

Development Type	ITE Code	Unit	Trip Generation Rate	Maximum Allowed Cost per Trip	Maximum Allowed Fee per Unit	Proposed Cost per Trip	Proposed Fee per Unit	FY 24/25 Fee per Unit	Change in Fee	% Change in Fee
			(A)	(B)	(C)=(A)*(B)	(D)	(E)	(F)	(G)=(E)-(F)	(H)=(G)/(F)
Office Use	710	KSF	10.84	$185	$2,009	$167	$1,807	$1,890	($83)	-4%
Retail Use*		KSF	NA		$2,624		$2,361	$2,362	($1)	0%
Industrial Use	110	KSF	4.96	$185	$919	$167	$827	$1,260	($433)	-34%
Hotel/Motel	Mixed	sleeping room	5.12	$185	$949	$167	$854	$912	($58)	-6%
Extended Stay Hotel/Motel	320	sleeping room	3.35	$185	$621	$167	$559	$810	($251)	-31%
Hospital	610	KSF	10.77	$185	$1,996	$167	$1,796	$2,639	($843)	-32%
Service Station**	944	Fuel Pump	20.64	$185	$3,825	$167	$3,442	$2,047	$1,395	68%
Supermarket*		KSF	NA		$2,624		$1,078.0	$2,362	($1,284)	-54%
Warehouse/Self-Storage	Mixed	KSF	1.43	$185	$264	$167	$238	$394	($156)	-40%
Assisted Living Facility	254	bed	2.60	$185	$482	$167	$434	$454	($20)	-5%
Congregate Care	253	unit	2.21	$185	$410	$167	$368	$333	$35	11%
Child Day Care	565	Student	4.09	$185	$758	$167	$682	$725	($43)	-6%
Private School (K-12)	532	Student	2.48	$185	$460	$167	$414	$410	$4	1%
Auto Repair/Body Shop*		KSF	NA		$2,624		$2,361	$2,362	($1)	0%
Gym/Fitness Center*		KSF	NA		$2,624		$2,361	$2,362	($1)	0%
Drive-through Car Wash*		KSF	NA		$2,624		$2,361	$2,362	($1)	0%
All Other		Trip		$185		$167		$167	($0)	0%

* Fee set by Board policy at 1.5 times the rate for Single-Family Dwellings for 1 KSF of retail

** Trip generation rate includes a reduction for pass-by trips, per ITE

4.4 Funding from Other Sources

As was discussed in the earlier sections, the SCTMF will provide only a portion of the funding required to implement the Measure A project list. The remainder must come from some other source. As is always the case with decades-long programs like the SCTMF, funding opportunities come and go with the passage of individual infrastructure funding acts, so there is always a degree of uncertainty regarding future funding. That said, the amount of grant funding provided to the Measure A projects that have been completed provides a general idea of grant funding that may be available in the future.

Table 18 shows the amount of grant funding used for individual projects that have now been completed. These have been grouped into four programs because the amount of grant funding often differs depending on the type of project. For example, Table 18 shows that local arterial projects have on average received 60% grant funding while transit capital improvements have received 80% grant funding.

Table 19 compares the amount of grant funding needed with the grant funding that has been historically available. In most cases, the amount needed and the amount received are roughly consistent. The sole exception is the Local Freeway Interchange Congestion Relief Upgrades program, where STA may need to seek additional funding from local jurisdictions if sufficient grant funding does not materialize.

4.4.1 Funding from Local Jurisdictions

Local funding (jurisdiction funding) is all funding identified for a project that is not grant funding or SCTMF funding. However, this may include Measure A sales tax funding.

Table 18: Grant Funding for Completed Measure A Projects

Primary Project	Sub Project	Total Project Cost	Third Party Grant Expenditures
A. LOCAL ARTERIAL PROGRAM			
Antelope Road Watt Ave to Auburn Blvd.	Roseville Rd. to I-80 Phase 1	12,397,000	6,200,000
Bradshaw Rd. Grantline Rd. to Folsom Blvd.	Calvine Rd. to Florin Rd. Phase 1	19,547,000	-
Folsom Blvd: 65th St. to Sunrise Blvd.	Bradshaw Rd. to Sunrise Blvd. Phase 1	4,759,152	3,659,000
	Bradshaw Rd. to Sunrise Blvd. Phase 2	14,667,761	10,805,860
	Bradshaw Rd. to Sunrise Blvd. Phase 3	6,836,770	2,724,000
	Bradshaw Rd. to Sunrise Blvd. Phase 4	5,062,000	4,838,000
	Bradshaw Rd. to Sunrise Blvd. Phase 5	6,100,000	5,500,000
Folsom Bridge Crossing	Folsom Bridge Crossing	145,851,098	100,152,288
Consumnes River Permanent Open Space Preserve	Consumnes River Permanent Open Space Preserve	5,000,000	-
Greenback Ln. I/80 to Auburn/Folsom Rd.	West City Limit to Fair Oaks Blvd.	19,176,000	16,188,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Folsom Blvd to White Rock Rd	7,735,000	-
Sunrise Blvd. Placer Co. to Grant Line Rd.	Oak Ave. to Antelope Rd. Phase 1	5,178,000	650,000
Sunrise Blvd. Placer Co. to Grant Line Rd.	Greenback Ln. to Oak Ave Phase 2	2,250,000	840,800
	Local Arterial Program Total	**254,559,781**	**151,557,948**
	Percent of Grant Funding		**60%**
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM			
South Sac LRT Extension	South Sac LRT Extension	270,000,000	240,312,246
DNA LRT Extension	DNA LRT Extension	49,000,000	14,711,845
LRT I-80 Corridor Improvements	LRT I-80 Corridor Improvements	247,200	-
	Rail Transit Improvements Total	**319,247,200**	**255,024,091**
	Percent of Grant Funding		**80%**
C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM			
I-80 I-5 to Capital City Freeway	I-80 I-5 to Capital City Freeway	63,259,688	62,537,000
Hwy 50 Bus/Carpool Lanes Surise Blvd. to Downtown	Sunrise Blvd. to Downtown Phase 1	100,406,202	67,612,969
	Regional Bus/Carpool Lane Connectors/Extensions Total	**163,665,890**	**130,149,969**
	Percent of Grant Funding		**80%**
LOCAL FREEWAY INTERCHANGE CONGESTION RELIEF UPGRADES			
Cosumnes Blvd. I-5 Interchange	Cosumnes Blvd. I-5 Interchange	85,315,164	31,009,376
Central Galt Interchange	Central Galt Interchange	50,641,711	13,962,875
Grantline Rd. Hwy 99 Interchange Upgrade	Grantline Rd. Hwy 99 Interchange Upgrade	77,400,000	-
Sheldon Rd. Hwy 99 Interchange Upgrade	Sheldon Rd. Hwy 99 Interchange Upgrade	73,470,838	20,801,000
Watt Ave. Hwy 50 Interchange	Watt Ave. Hwy 50 Interchange	38,318,000	26,962,680
	Local Freeway Interchange Congestion Relief Upgrades Total	**325,145,713**	**92,735,931**
	Percent of Grant Funding		**29%**

Table 19: Expected Grant Funding Needs for SCTMF-Funded Projects

Project Name	STA Project #	Jurisdiction	Updated Project Cost	% Attributable to Regional Growth	Maximum Permissible Fee Cost Based on % Attributable	Funding from Local Jurisdiction	Funding Needed from Other Sources
			(A)	(B)	(C)=(A)*(B)	(D)	(E)=(A)-(C)-(D)
A. LOCAL ARTERIAL PROGRAM							
Antelope Road: Watt - Roseville Rd	A01SC	Sac County	$6,333,993	5.6%	$354,704	$2,066,509	$3,912,780
Antelope Road: I-80 - Auburn Blvd	A03CH	Citrus Heights	$26,702,045	5.6%	$1,495,315	$0	$25,206,731
Arden Way: ITS improvements Ethan Way-Fair Oaks Blvd	A05SC	Sac County	$7,706,291	5.6%	$431,552	$2,000,000	$5,274,738
Bradshaw Road: Grant Line-Folsom Blvd	A06EG	Elk Grove	$28,515,317	5.6%	$1,596,858	$11,933,654	$14,984,805
Bradshaw Road: Calvine-Old Placerville Rd	A08SC	Sac County	$307,677,965	5.6%	$17,229,966	$131,578,000	$158,869,999
Elk Grove Blvd: Big Horn-Waterman	A11EG	Elk Grove	$6,520,342	5.6%	$365,139	$4,886,659	$1,268,544
Folsom Blvd: Watt Ave. - Bradshaw Rd	A13SC	Sac County	$48,190,055	5.6%	$2,698,643	$13,673,000	$31,818,412
I-5/SR 99/SR 50 Connector*	A16JP1	CSCA JPA	$517,608,881	5.6%	$28,986,097	$25,000,000	$463,622,783
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 1	A17SC	Sac County	$42,842,405	5.6%	$2,399,175	$16,716,000	$23,727,230
Greenback Lane: (Fair Oaks Blvd – Main Ave) – Phase 2	A19SC	Sac County	$81,109,823	5.6%	$4,542,150	$45,750,000	$30,817,673
Greenback Lane: I-80-Manzanita Ave	A20SC	Sac County	$23,380,258	5.6%	$1,309,294	$5,000,000	$17,070,964
Hazel Avenue: Phase 2 (Madison Ave - Placer Co. Line)	A22SC	Sac County	$98,422,280	5.6%	$5,511,648	$58,121,000	$34,789,632
Madison Avenue: Phase 1 (Sunrise Blvd – Hazel Ave)	A24SC	Sac County	$31,201,340	5.6%	$1,747,275	$19,021,000	$10,433,065
Madison Avenue: Phase 3 (Watt Ave – Sunrise Blvd)	A26SC	Sac County	$140,923,332	5.6%	$7,891,707	$60,277,511	$72,754,114
S Watt/Elk Grove-Florin Road: Phase 1 (Folsom Blvd – Calvine Rd)	A27SC	Sac County	$54,431,093	5.6%	$3,048,141	$29,723,000	$21,659,951
S Watt/Elk Grove-Florin Road: Phase 2 (Folsom Blvd – Calvine Rd)	A28SC	Sac County	$280,736,981	5.6%	$15,721,271	$144,000,000	$121,015,710
Sheldon Road: Elk Grove-Florin - Bradshaw	A30EG2	Elk Grove	$8,782,841	5.6%	$491,839	$5,541,646	$2,749,356
Sunrise Blvd: Jackson Rd - Grant Line Rd	A31SC	Sac County	$40,121,087	5.6%	$2,246,781	$22,589,092	$15,285,214
Sunrise Blvd: Madison Ave. - Gold Country Rd	A33SC	Sac County	$51,529,932	5.6%	$2,885,676	$29,027,039	$19,617,217
Sunrise Blvd: Phase 2 (Greenback Lane – Oak Ave)	A35CH	Citrus Heights	$8,300,000	5.6%	$464,800	$0	$7,835,200
Sunrise Blvd: Phase 3 (Antelope Rd – City Limit)	A36CH	Citrus Heights	$6,400,000	5.6%	$358,400	$0	$6,041,600
Watt Ave: Antelope-Capital City Freeway	A37SC	Sac County	$98,171,573	5.6%	$5,497,608	$55,550,000	$37,123,965
Total for Local Arterial Program			**$1,915,607,834**		**$107,274,039**	**$682,454,109**	**$1,125,879,686**
					Percent of Grant Funding Needed >		59%
					Historical Level of Grant Funding >		60%

C. FREEWAY SAFETY AND CONGESTION RELIEF PROGRAM							
Bus/carpool ramp connection (SR-50E to SR-99S)	A43CT	Caltrans	$308,100,524	5.6%	$17,253,629		$290,846,895
I-5 Bus/Carpool Lanes: Phase 2 from US 50 to I-80	A45CT2	Caltrans	$92,430,157	5.6%	$5,176,089	$8,500,000	$78,754,068
Ramp widenings for connectors between SR 50 and I-5	A46CT	Caltrans	$308,100,524	5.6%	$17,253,629		$290,846,895
SR 50 Bus/carpool lanes (Sunrise to Downtown): Phase 2	A47CT	Caltrans	$131,456,224	5.6%	$7,361,549		$124,094,675
I-5/I-80 IC upgrade & carpool lane connector w/ carpool lanes	A51CT	Caltrans	$181,779,309	5.6%	$10,179,641	$0	$171,599,668
Total for Connectors and Carpool Lanes			**$1,021,866,739**		**$57,224,537**	**$8,500,000**	**$956,142,201**
					Percent of Grant Funding Needed >		94%
					Historical Level of Grant Funding >		80%

Table 19: Expected Grant Funding Needs for SCTMF-Funded Projects (continued)

Project Name	STA Project #	Jurisdiction	Updated Project Cost	% Attributable to Regional Growth	Maximum Permissible Fee Cost Based on % Attributable	Funding from Local Jurisdiction	Funding Needed from Other Sources
			(A)	(B)	(C)=(A)*(B)	(D)	(E)=(A)-(C)-(D)
Local Freeway Interchange Congestion Relief Upgrades							
Richards Blvd./I-5 interchange upgrade	A52CS	City of Sac	$118,105,201	5.6%	$6,613,891	$25,000,000	$86,491,310
Hazel Avenue: (US Highway 50 – Folsom Blvd)	A23SC	Sac County	$107,835,183	5.6%	$6,038,770	$71,456,000	$30,340,413
Total for Local Freeway Projects			**$225,940,384**		**$12,652,662**	**$96,456,000**	**$116,831,723**
					Percent of Grant Funding Needed >		52%
					Historical Level of Grant Funding >		29%
B. TRANSIT CAPITAL IMPROVEMENT PROGRAM							**80%**
Downtown Intermodal Station	A38CS	City of Sac	$400,000,000	8.7%	$34,905,242	$12,000,000	$353,094,758
LRT extension to Airport (planning/enviro/design only)	A41RT	SacRT	$7,390,108	8.7%	$644,884	$0	$6,745,225
Total for All Transit Projects >			**$407,390,108**		**$35,550,125**	**$12,000,000**	**$359,839,983**
					Percent of Grant Funding Needed >		88%
					Historical Level of Grant Funding >		80%

* The project cost for this project includes projects A16JP3 and A16JP4, which are mitigation components for project A16JP1.

5. Mitigation Fee Act Findings

The Mitigation Fee Act, as set forth in the California Government Code Sections 66000 through 66008, establishes the framework for mitigation fees in the State of California. The Act requires agencies to make five findings with respect to a proposed fee. These are described in the sections below.

5.1 Purpose of the Fee

Identify the purpose of the fee

The Sacramento County Transportation Mitigation Fee is imposed on new development to ensure that it pays its fair share of roadway improvements, the need for which is triggered in whole or in part by new development.

5.2 Use of Fee Revenues

Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified

The projects to be funded through the SCTMF were approved by the voters of Sacramento County through Measure A. The projects expected to receive SCTMF revenues in the future are listed in Table 19.

5.3 Use/Type-of-Development Relationship

Determine the reasonable relationship between the fee's use and the type of development project on which the fees are imposed

To determine the "use" relationship, the development being assessed an impact fee must be reasonably shown to derive some use or benefit from the facility being built using the fee. In the case of the SCTMF, the projects to be funded were selected because they performed a regional function and the need for the project was at least partially attributable to new development. The growth in vehicle trips and the increases in congestion at project sites (see Table 10) are evidence that new development contributes to the need for roadway improvements.

The fact that the projects that will be funded by the SCTMF are high-priority roads and transit means that all of the county's new residents and businesses will benefit in important ways from the maintenance of a reasonable level of service. Most drivers in the new developments can be expected to use these roads regularly, and those that do not will nevertheless benefit because good traffic conditions on the SCTMF-funded roads will keep drivers from diverting to other roads and causing congestion in other parts of the county. Even residents or workers in the new developments who do not drive at all will benefit from access to goods and services made possible in part by the serviceability of the county road network.

5.4 Need/Type-of-Development Relationship

Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed

To determine the "need" relationship, the facilities to be financed must be shown to be needed at least in part because of the new development. This was determined by analyzing the forecast traffic demand with the expected degree of new development and comparing that with the demand without

new development. As is shown in Table 10, all of the projects that will receive SCTMF money are designed to address capacity deficiencies due at least in part to new development.

5.5 Proportionality Relationship

Determine how there is a reasonable relationship between the fee's amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed

The "proportionality" relationship requires rough proportionality between the fee charged to each type of development and the cost of the facility being financed. In the case of the SCTMF, the differences in the traffic generated by different types of development were factored into the fee to be charged for each type, as described in Table 17. Within each land use category, the size of the project, i.e. the number of dwelling units constructed or size of the building, is accounted for in assessing the fee. This ensures that projects that generate a lot of traffic and therefore have a greater traffic impact will pay more than other projects that have less impact.

5.6 Residential Floor Area

CGC§ 66016.5(a)(5)(B): A nexus study is not required to comply with subparagraph (A) if the local agency makes a finding that includes all of the following:

(i) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.

(ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.

(iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

CGC§ 66016.5(a)(5) subparagraph (A), which is new as part of AB 602, requires fees on housing development to be proportionate to the square footage of proposed units of the development unless the agency chooses to make the three findings described above. During the course of this study, we found that while the traffic impacts from residential developments are related to the floor area of the unit, the relationship is not one of direct proportionality. We therefore recommend that STA make the following findings with respect to the SCTMF Program:

- That square footage, applied as a direct proportion, is not an appropriate metric for calculating traffic impact fees for residential developments, based on substantial evidence showing that the number of vehicle trips generated by residential units is not directly proportional to the floor area (see Table 13).
- That an alternative basis of calculating traffic impact fees, based on the expected number of trips generated by very small, small, medium-small, medium, and large units, but not directly proportional to floor area, would bear a reasonable relationship between the fee charged and the burden posed by the development. This alternative method is supported by substantial evidence from the American Housing Survey and the National Cooperative Highway Research Program (NCHRP).
- That the differences in trip generation characteristics between single-family residences, multi-family residences, mobile homes in mobile home parks, and age-restricted senior residences, as determined through surveys collected by the Institute of Transportation Engineers, justify using separate fee levels for these different types of units.
- That differentiating between very small, small, medium-small, medium, and large units within each category of housing would ensure that smaller developments are not charged fees disproportionate to their traffic impacts.