



REPORT TO DEVELOPMENT OVERSIGHT COMMISSION City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
August 4, 2008

Honorable Members of the Development Oversight Commission:

Subject: Measure A Impact Fee

Location/Council District: Citywide

Recommendation: Information only, no action necessary

Contact: Azadeh Doherty, Principal Planner, (916) 808-3137

Presenters: Azadeh Doherty, Principal Planner

Department: Transportation

Division: Planning and Policy

Organization Number: 15001041

Description/ Analysis:

Issue: The New Measure A approved by the County voters in 2004, called for a transportation mitigation development impact fee program ("development impact fee") to be adopted and implemented by each participating jurisdiction and remitted to the Sacramento Transportation Authority (STA) for reallocation to specific county-wide transportation projects. The City of Sacramento along with the County and other incorporated cities in Sacramento are required to implement this mitigation fee program as a condition of receiving New Measure A sales tax revenues. Additionally, the STA Board, administrator of the fee program, adopted a resolution setting the fee rates effective April 1, 2009. In order to implement the Sacramento County Transportation Mitigation Fee Program (SCTMFP) the City must enact a development impact fee ordinance in accordance with AB 1600 by no later than April 1, 2009. Staff anticipates requesting City Council action on this ordinance by December 2008.

Policy Considerations: Implementing the Measure A development impact fee program supports the City's goals and policies of sustainability, accessibility, and walkable communities by providing a transportation system that is effectively: planned, managed, operated and maintained.

Environmental Consideration: The current proposal involves a government fiscal activity that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Therefore, the proposal is not a 'project' in accordance with Section 15378(b)(4) of the California Environmental Quality Act Guidelines. As determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Financial Considerations: The following development fees are to be implemented on specific land uses: Single Family (one dwelling unit and one accessory dwelling unit per lot) - \$1000.00; Multi-family (two or more dwelling units per lot) - \$700; Commercial, Retail – \$3.705 per square feet; Commercial, Office – \$1.20 per square feet; Industrial - \$.80 per square feet. Based on analysis, in 2008 dollars, it is projected that the City of Sacramento will collect approximately **\$150,000,000** over the next 25 years from the Measure A development Impact fee program. The City anticipates that its fare share of the Measure A Impact fee is approximately \$80 million. However, in addition to its direct share, the City will expect to benefit from approximately a total of \$370 million in RT and Caltrans projects that are within the City of Sacramento's jurisdictional boundaries. Therefore, the total transportation improvement benefit to the City of Sacramento's transportation system from this Impact Fee Program is estimated to be **\$450,000,000**.

The Measure A Impact Fee will pay for approximately 26% of the total cost of program improvements. The remainder of the cost will be covered through federal & state grants, Measure A sales tax and other local sources.

Analysis of the Measure A impact fee demonstrates that: (1) the fee bears a reasonable relationship to the impact of the projected development, and (2) the amount of the fee is proportional to the cost of the facilities (\$4.5 billion County-wide) needed to serve anticipated county-wide development.

Respectfully submitted by: 
Francesca Lee Halbakken
Operations Manager

Recommendation Approved:

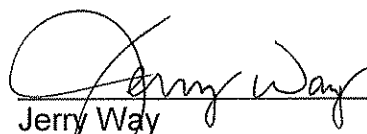

Jerry Way
Director of Transportation

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Background

The Sacramento Transportation Authority (STA) was created in 1988 when Sacramento County's electorate approved Measure A. In passing the Measure A, voters imposed a countywide one-half percent sales tax to be levied over a 20-year period (1989-2009). The proceeds of the tax are used to fund a comprehensive program of roadway and transit improvements.

The Sacramento Transportation Authority placed a measure on the November 2004 ballot to renew Measure A for 30 more years (2009-2039) after the original measure expires. Voters overwhelmingly approved the new Measure A, to be used for transportation planning, design, construction, operations and maintenance in Sacramento County. The New Measure A introduced the Sacramento Countywide Transportation Mitigation Development Impact Fee Program.

In 2006, the STA Board approved Resolution (STA-06-006) adopting the Sacramento County Transportation Mitigation Fee Program (SCTMFP) Fee Study and set the fee rates effective April 1, 2009.

In September 2006, the City Council adopted Resolution 2006-706 acknowledging the City's obligation to implement a mitigation fee program in order to receive its allocation of the Measure A sales tax (capital and maintenance) funds.