

MEASURE A
SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM
AGREEMENT ON OPERATING PROTOCOLS
Amended – August 2024

This amended Agreement on Operating Protocols for the Sacramento Countywide Transportation Mitigation Fee Program (Agreement) is made by and between the Sacramento Transportation Authority (STA) and the Entity's Name (Entity).

RECITALS

- A. Sacramento Transportation Authority Ordinance No. STA-04-01 (Ordinance) imposes a one-half of one percent retail transactions and use tax that is statutorily dedicated for transportation planning, design, construction, operation, and maintenance in Sacramento County.
- B. The Ordinance establishes the 30-year Sacramento Countywide Transportation Mitigation Fee Program ("SCTMFP"), to be implemented by the County and each incorporated city during the period April 1, 2009 through March 31, 2039.
- C. The Ordinance provides that the County and each incorporated city must, as a condition of receiving its allocation of local street and road maintenance formula funds from the retail transactions and use tax revenues, adopt the 30-year SCTMFP Fee (Fee) for the period April 1, 2009 through March 31, 2039 in accordance with guidelines adopted by the Sacramento Transportation (STA) Governing Board.
- D. The SCTMFP Fee schedule shall be uniform throughout the unincorporated and incorporated areas of the County.
- E. The Entity has acknowledged its obligations imposed by the SCTMFP.
- F. The Entity began implementing the SCTMFP Fee on April 1, 2009 and must remit the SCTMFP Fee revenues to the STA within 60 days of the end of each six-month period ending June 30 and December 31 of each year.
- G. The STA shall reallocate the SCTMFP Fee revenues to local jurisdictions to be expended on Measure A capital projects in the impacted areas where the fees were generated in accordance with the SCTMFP and the Measure A Capital Allocation Plan.
- H. STA Resolution STA-2006-006 adopting the Sacramento Transportation Mitigation Fee Program (SCTMFP) Nexus Study and Setting SCTMFP Fee Rates Effective April 1, 2009, provides that protocols related to SCTMFP Fee implementation issues, including but not limited to, required dates of Fee remittances to STA and documentation to be submitted by each participating agency, shall be established by future resolution of the STA and contracts between the STA and the participating agencies.

- I. STA Resolution STA-2024-005 adopted the 2024 Sacramento Transportation Mitigation Fee Program (SCTMFP) Nexus Study and Set Updated SCTMFP Fee Rates Effective January 1, 2025.
- J. This Agreement, as amended, when approved by resolution of the STA and executed by the Entity, shall constitute the current protocols related to SCTMFP Fee implementation.
- K. This amended Agreement is uniform among the County and all incorporated cities.
- L. This Amended Agreement replaces and supersedes the prior version of the Agreement in its entirety.

NOW, THEREFORE, the parties agree as follows:

1.0 DEFINITIONS

- 1.1 “AB 602” means the act to amend Sections 65940.1 and 66019 of, and to add Section 66016.5 to, the State of California Government Code (CGC), and to add Section 50466.5 to the Health and Safety Code, relating to land use, development impact fees, and impact fee nexus studies.
- 1.2 “AB 1600” means the Mitigation Fee Act set forth in the CGC Sections 66001 – 60025.
- 1.3 “Accessory Dwelling Unit” (ADU) means an attached or detached permanent dwelling unit that provides complete independent living facilities (permanent provisions for living, sleeping, eating, cooking, and sanitation) for one or more persons and which is located on a lot with a proposed or existing primary dwelling.
- 1.4 "Affordability requirement" means a requirement imposed as a condition of a development of residential units, that the development includes a certain percentage of the units affordable for rent or sale to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, or an alternative means of compliance with that requirement including, but not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.
- 1.5 “Development Project” or “Project” shall have the same meaning as provided in CGC Section 66000(a), as such section may be amended from time to time.
- 1.6 “Executive Director” means the Executive Director of the Sacramento Transportation Authority.

- 1.7 “Expenditure Plan” means the Sacramento County Measure A Transportation Expenditure Plan 2009-2039 that was adopted as part of the Ordinance.
- 1.8 “Governing Board” means the Governing Board of the Sacramento Transportation Authority.
- 1.9 “Housing Development” means a development project with common ownership and financing consisting of residential use or mixed use where not less than 50 percent of the floorspace is for residential use.
- 1.10 “Independent Taxpayer Oversight Committee” means the committee appointed by the STA Governing Board as required by the Ordinance to supervise Measure A fiscal and performance audits regarding the use of all sales tax funds and to provide independent review to ensure that all Measure A funds are spent in accordance with the provisions of the Ordinance.
- 1.11 “Industrial Use” means any Development Project that involves manufacturing, transportation, logistics, or similar uses.
- 1.12 “Measure A” or “the Ordinance” means Sacramento Transportation Authority Ordinance No. STA-04-01.
- 1.13 “Multi-Family Residential Use” means any Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments, but excluding an Accessory Dwelling Unit.
- 1.14 “Normalized cost per trip” means the medium-sized single family residential fee rate per Section 2.1 divided by the average weekday trip generation rate for a single family residence (9.44) per the Institute of Transportation Engineers (ITE) *Trip Generation Manual (11th Ed.)*. The normalized cost per trip is \$167 and will be adjusted annually per Section 2.2.
- 1.15 “Office Use” means any Development Project that involves business activities, associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal services, or similar uses.
- 1.16 “Participating Agencies” means the County of Sacramento, the City of Citrus Heights, the City of Elk Grove, the City of Folsom, the City of Galt, the City of Isleton, the City of Rancho Cordova, and the City of Sacramento. Each may be referred to individually as “Participating Agency.”

- 1.17 “Retail Use” means any Development Project that involves retailing of merchandise, generally without transformation, retail food services, and rendering services incidental to the sale of merchandise at a fixed point of sale.
- 1.18 “Sacramento Countywide Transportation Mitigation Fee Program” or “SCTMFP” means the 30-year transportation mitigation fee program established by the Ordinance.
- 1.19 “SCTMFP Fee” or “Fee” means the fee imposed pursuant to the SCTMFP.
- 1.20 “Senior Residential Use” means any Development Project that qualifies as housing for older persons pursuant to CGC Section 12955.9.
- 1.21 “Single Family Residential Use” means any Development Project that uses a single parcel for only one residential dwelling unit. “Single Family Residential Use” also includes any Development Project that involves one primary dwelling and one Accessory Dwelling Unit on a single lot.
- 1.22 “Transit station” has the meaning set forth in paragraph (4) of subdivision (b) of CGC Section 65460.1. That definition reads as follows, “transit station” means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station.” “Bus hub” and “bus transfer station” are defined as:
- a) "Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.
 - b) "Bus transfer station" means an arrival, departure, or transfer point for the area's intercity, intraregional, or interregional bus service having permanent investment in multiple bus docking facilities, ticketing services, and passenger shelters.
- "Transit station" includes planned transit stations otherwise meeting this definition whose construction is programmed to be completed prior to the scheduled completion and occupancy of the housing development.
- 1.23 “Weekday trip generation per ITE” means a technically supportable methodology based on the ITE *Trip Generation Manual* to calculate the expected average weekday trip generation based on the type(s) and size of new land use set forth in the development application.”

2.0 UNIFORM FEE

- 2.1 Uniform Fee. Effective January 1st, 2025, the Entity shall collect the applicable uniform SCTMFP Fee, as amended, for each Development Project occurring within the Entity’s jurisdiction. The applicable Fee for each use is as follows:

Single-Family Residential

Very Small (≤ 800 sq.ft.)	\$1,088	per unit
Small (801-1,200 sq.ft.)	\$1,334	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$1,451	per unit
Medium (1,601-2,400 sq.ft.)	\$1,574	per unit
Large ($> 2,400$ sq.ft.)	\$1,730	per unit

Single-Family Residential, Senior

Very Small (≤ 800 sq.ft.)	\$497	per unit
Small (801-1,200 sq.ft.)	\$609	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$663	per unit
Medium (1,601-2,400 sq.ft.)	\$719	per unit
Large ($> 2,400$ sq.ft.)	\$790	per unit

Multi-Family Residential

Very Small (≤ 800 sq.ft.)	\$995	per unit
Small (801-1,200 sq.ft.)	\$1,221	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$1,327	per unit
Medium (1,601-2,400 sq.ft.)	\$1,440	per unit
Large ($> 2,400$ sq.ft.)	\$1,582	per unit

Multi-Family Residential, Senior

Very Small (≤ 800 sq.ft.)	\$440	per unit
Small (801-1,200 sq.ft.)	\$540	per unit
Medium-Small (1,201-1,600 sq.ft.)	\$587	per unit
Medium (1,601-2,400 sq.ft.)	\$637	per unit
Large ($> 2,400$ sq.ft.)	\$700	per unit

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.

Office Use	\$1,807	1,000 square feet
Retail Use	\$2,361	1,000 square feet
Industrial Use	\$827	1,000 square feet
Hotel/Motel	\$854	sleeping room
Extended Stay Hotel/Motel	\$559	sleeping room
Hospital	\$1,796	1,000 square feet
Service Station	\$3,442	Fuel Pump
Supermarket	\$1,078	1,000 square feet
Warehouse/Self-Storage	\$238	1,000 square feet
Assisted Living Facility	\$434	bed
Congregate Care	\$368	unit
Child Day Care	\$682	Student
Private School (K-12)	\$414	Student
Auto Repair/Body Shop	\$2,361	1,000 square feet

Gym/Fitness Center	\$2,361	1,000 square feet
Drive-through Car Wash	\$2,361	1,000 square feet
Normalized Cost per Trip (All Other Uses)	\$167	Per Weekday Trip

Notes:

1. *For developments that do not fall into the land use categories above, the normalized cost per trip rate should be used to determine the fee based on the daily trips generated by the development.*
2. *For mixed-use developments, see Item 2.3 for fee calculation procedures.*
3. *For developments that are anticipated to have reduced trip generation characteristics, such as those in infill areas or those with restricted parking, see Item 2.4 for fee calculation procedures.*
4. *For developments in proximity to transit, see Item 2.5 for fee calculation procedures.*

- 2.2 Annual Adjustment. The STA shall annually adjust the SCTMFP Fee schedule to reflect change in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-City Construction Cost Index. The adjustment will take effect July 1, and STA shall notify the Entity of the required annual adjustment at least 60 days in advance of the effective date.
- 2.3 Calculation of Fee for Mixed Use Projects. For Projects that include two or more different types of uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the relative footprint associated with the various uses.
- 2.4 Reduced Fees for Reduced Trip Generation. Developments in infill areas or with reduced parking availability, as defined by the Entity, may be subject to reduced fees at the discretion of the Entity. The Entity shall provide the rationale for reduced fees based on a supporting Traffic Study stamped by a licensed Traffic Engineer or Civil Engineer.
- 2.5 Fees for Transit Oriented Development. In accordance with the CGC Section 66005.1, the SCTMFP must provide for an adjustment of the fee for developments that meet certain characteristics typically associated with a Transit Orient Development (TOD). To qualify for the reduction, a development must have all of the following characteristics (see CGC Section 66005.1.(a)):
 - a) Be a housing development located within one-half mile of a transit station with direct access between the housing development and the transit station along a barrier-free walkable pathway not exceeding one-half mile in length.
 - b) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.
 - c) The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

Additionally, pursuant to CGC 66005.1(b), if a housing development does not satisfy the characteristics in subdivision (a) per above, the local agency may charge a fee that is proportional to the estimated rate of automobile trip generation associated with the housing development.

Residential units satisfying the requirements for this reduction shall have their fee lowered based on a Traffic Study, stamped by a licensed Traffic or Civil Engineer, which demonstrates the lower rate of automobile trip generation associated with a TOD and other similar types of development compared to developments without these characteristics. STA may provide a standard TOD reduction based on studies related to TODs. The applicant could then either use the standard reduction or provide a project-specific study for STA staff to review.

For example, within Sacramento County, a transit station could include, but is not limited to, the Zinfandel Station, Franklin Station, Consumnes River Light Rail Station, and Sacramento Valley Station which serves Amtrak, Bus, and Light Rail (Sacramento Regional Transit), and the future Valley Rail station in midtown Sacramento.

3.0 ENTITY OBLIGATIONS.

- 3.1 Obligations prior to January 1, 2025. The Entity shall take all necessary steps required by applicable law, including but not limited to CGC 66000 et seq., to enable implementation of the SCTMFP Fee no later than January 1, 2025. This includes advance noticing requirements for and the adoption of such fees by the Entity via a public hearing, as described below:

CGC § 66016.5(a)(7): All studies shall be adopted at a public hearing with at least 30 days' notice, and the Entity shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

CGC § 66016.6(a): Prior to levying a new fee or capacity charge, a local agency shall evaluate the amount of the fee or capacity charge. The evaluation shall include evidence to support that the fee or capacity charge does not exceed the estimated reasonable cost of providing service, in accordance with Section 66013. (b) All information constituting the evaluation shall be made publicly available at least 14 days prior to a meeting held in accordance with subdivision (a) of Section 66016.

Failure to meet such legal requirements shall not exempt the Entity from the requirement that SCTMFP Fees be collected as a prerequisite to the Entity's receipt of Measure A local street and road maintenance formula funds.

- 3.2 Ongoing Obligations. The Entity shall take all necessary steps required by applicable law for posting the fee schedule, annual fee reports, nexus

studies, and total amount of fees collected, to its internet website, pursuant to CGC 65940.1, which states:

- (1) A city, county, or special district that has an internet website shall make all of the following available on its internet website, as applicable:
 - (A)(i) A current schedule of fees, exactions, and affordability requirements imposed by that city, county, or special district, including any dependent special districts, as defined in Section 56032.5, of the city or county applicable to a proposed housing development project.
 - (ii) The city, county, or special district shall present the information described in clause (i) in a manner that clearly identifies the fees, exactions, and affordability requirements that apply to each parcel.
 - (iii) The city, county, or special district shall post a written fee schedule or a link directly to the written fee schedule on its internet website.
 - (B) All zoning ordinances and development standards adopted by the city or county presenting the information, which shall specify the zoning, design, and development standards that apply to each parcel.
 - (C) The list required to be compiled pursuant to Section 65940 by the city or county presenting the information.
 - (D) The current and five previous annual fee reports or the current and five previous annual financial reports, that were required pursuant to subdivision (b) of Section 66006 and subdivision (d) of Section 66013.
 - (E) An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by that city, county, or special district on or after January 1, 2018. For purposes of this subparagraph, "cost of service study" means the data provided to the public pursuant to subdivision (a) of Section 66016.
- (2) A city, county, or special district shall update the information made available under this subdivision within 30 days of any changes.
 - (3) (A) A city or county shall request from a development proponent, upon issuance of a certificate of occupancy or the final inspection, whichever occurs last, the total amount of fees and exactions associated with the project for which the certificate was issued. The

city or county shall post this information on its internet website and update it at least twice per year.

(B) A city or county shall not be responsible for the accuracy for the information received and posted pursuant to subparagraph (A). A city or county may include a disclaimer regarding the accuracy of the information posted on its internet website under this paragraph.

4.0 COLLECTION OF SCTMFP FEES

4.1 Collection of Fees.

- a. The Entity shall collect SCTMFP Fees at the time of issuance of a final building permit for a Development Project, at the same time it collects its own fees, or as otherwise required or permitted pursuant to CGC Section 66007.
- b. The amount of the SCTMFP Fees shall reflect the Fee schedule in effect at the time of assessment.
- c. SCTMFP Fees shall not be waived or deferred except as provided herein.

4.2 Payment by all Development Projects. Except as otherwise expressly provided by this Amended Agreement, the SCTMFP Fee shall be payable by all Development Projects within the jurisdiction of the Entity for which building permits are issued on or after April 1, 2009.

4.3 Fee Reduction Determinations. Determinations by the Entity to reduce the fee pursuant to Sections 2.3, 2.4, 2.5 or 4.5 shall be subject to STA oversight and guidance as described herein. In semi-annual reports to the STA Executive Director, the Entity shall identify each project, if any, that has been granted a fee reduction and the amount of discounted fees. The decisions of the Entity as to fee reductions under this provision shall also be subject to audit by the STA.

The STA Executive Director reserves the right to review the grant of a fee reduction by a local jurisdiction under this provision in circumstances where the above requirements are not clearly met, although the STA Executive Director may not exercise any direct jurisdiction or action in a particular fee protest between Entity and payor pursuant to CGC Section 66020. In the event of a fee protest pursuant to CGC Section 66020, the local jurisdiction shall make the final determination with respect to application of the fee and any potential fee reductions. The Executive Director may subsequently review the fee reduction and, following consultation with Entity, determine, in the Executive Director's reasonable discretion, that a fee reduction was not supported under the SCTMFP protocols or applicable law and that a

corresponding amount of SCTMFP revenue shall be withheld from Entity. The Executive Director's decision shall have no effect on the amount of the fee charged by Entity to the payor.

At the request of the Entity, the STA Executive Director may resolve questions of interpretation regarding this policy. At the time the fee reductions are assessed, the Entity may request guidance from the STA Executive Director.

4.4 Exemptions from the SCTMFP Fees. The following Development Projects shall not be subject to the SCTMFP Fee:

- a. Accessory Dwelling Units less than 750 square feet.
- b. The rehabilitation or reconstruction of any residential or non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
- c. New low-income housing as defined in Health and Safety Code Section 50079.5 and very low-income housing as defined in Health and Safety Code Section 50105.
- d. Projects intended for public use where the applicant is one of the Participating Agencies.
- e. Any development project that is subject of a valid development agreement entered into pursuant to CGC Section 65864 prior to April 1, 2009, that includes a provision exempting it from future fees or fee increases; provided, however, that if the term of such a development agreement is extended after April 1, 2009, the SCTMFP shall be imposed.
- f. Any development project for which an application for a vesting tentative map authorization by CGC Section 66498.1 was deemed complete prior to April 1, 2009.

4.5 Re-purposing/Reuse of existing buildings. Fee applicable only to net increase in ADT's compared to prior established use.

- a. Determination of average daily trips ("ADT's") for the purpose of comparing previous and proposed uses shall be by reference to trip generation rates obtained from the Institute of Traffic Engineers ("ITE").
- b. A building permit applicant may request a reduction in the otherwise applicable SCTMFP fee in accordance with the following policy:

Where a new project changes the prior established use of an existing building, a reduction may be applied to the SCTMFP fee where the new use increases ADT's compared to the prior use.

- c. Where the Entity determines that a project qualifies for a reduction pursuant to this policy, it shall determine the fee reduction by comparing the rates applicable to the prior and new uses as designated in the SCTMFP Fee Schedule and calculating the resulting offset. In the alternative, where a proposed land use is not clearly listed in the Fee Schedule, the fee shall be calculated as follows: (1) calculate the difference between previous ADT's and new ADT's at the property; (2) multiply the result by the normalized cost per trip.
- d. Requests for a fee reduction pursuant to this provision shall be made to the Entity. The Entity shall determine whether a project has made the required showing for a fee reduction. There shall be no right to an appeal. At the time the fee reductions are assessed, the Entity may request guidance from the STA Executive Director.

5.0 REMITTANCE OF FEES

The Entity shall remit SCTMFP Fees collected to the Authority on a semi-annual basis, within 60 days after June 30 and December 31 of each calendar year. Each remittance shall be accompanied by a report specifying the fee-generating activity for the reporting period within the Entity's jurisdiction, including information as to all permits issued by use, square footage, any exemptions or reductions granted, and such other information as may be deemed appropriate by the Executive Director. The Entity collecting the SCTMFP Fees shall hold them in an interest-bearing account and any interest earned shall be remitted to the Authority with the semi-annual SCTMFP Fees. The Executive Director shall separately account for the Entity's SCTMFP Fees as part of the aggregate SCTMFP account and will prepare annual reports for presentation to the Independent Taxpayer Oversight Committee and the STA Governing Board.

6.0 AUDIT OF SCTMFP REVENUES

The Executive Director, in coordination with the Independent Taxpayer Oversight Committee, shall establish a program to audit the Entity's implementation of the SCTMFP and STA's expenditure of the SCTMFP Fees.

7.0 EXPENDITURE OF FEES

STA shall distribute SCTMFP Fees received, and any proceeds of Fee-based financing(s), to the local jurisdictions for expenditure in accordance with the Ordinance, a 5-year capital program annually updated and approved by the STA Governing Board, applicable resolutions of the STA, Measure A allocation and expenditure contracts between the STA and local jurisdictions, and AB 1600.

8.0 ADMINISTRATION COSTS

The STA and Entity each shall absorb their administrative costs associated with the implementation and administration of the SCTMFP Fee and this Agreement. The Entity, at its discretion, may impose an additional fee on affected development to pay for administrative costs of implementing the SCTMFP.

9.0 REPORTS

STA shall prepare annual and five-year reports required by CGC Sections 66000 et seq. and AB 602 relating to the SCTMFP Fees. Entity shall provide any necessary assistance and data.

10.0 MISCELLANEOUS

- 10.1 If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
- 10.2 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

SACRAMENTO TRANSPORTATION AUTHORITY

By

Kevin Bewsey
Executive Director

Dated: August 8, 2024

Entity Name

By: _____

(Authorized Officer)

(Title)

Dated: _____

Approved as to Form:

Attest:
