

ORDINANCE NO. 2024-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADDING ARTICLE XXX TO CHAPTER 18 OF THE CITRUS HEIGHTS CODE RELATING TO THE COLLECTION OF DEVELOPMENT IMPACT FEES FOR MEASURE A TRANSPORTATION IMPROVEMENTS

The City Council of the City of Citrus Heights does ordain as follows:

SECTION 1. Purpose and Declarations

WHEREAS, on June 7, 2006, by Resolution No. 06-0006, the Sacramento Transportation Authority (STA) adopted the Measure A Nexus Study, which identified the additional public facilities required by new development and determined the amount of revenue needed from development impact fees to be imposed on a countywide basis, so that all new development pays its fair share of the costs of new public facilities needed to serve such development. The Measure A development impact fee became effective on April 1, 2009, and extends through March 31, 2039, in order to fund new development's fair share of the costs of the transportation improvements included in the Measure A expenditure plan needed to serve such development in the future;

WHEREAS, Implementation of the Measure A Mitigation Fee Program by each jurisdiction within the County of Sacramento was a condition of STA's approval of the new Measure A sales tax and expenditure plan, which was approved by the voters in Sacramento County in November of 2004. STA's Ordinance No. 04-01 provides that no revenues from the new Measure A sales tax shall be provided to a local jurisdiction unless it implements the Measure A Mitigation Fee Program;

WHEREAS, on June 13, 2024, the STA Governing Board adopted the 2024 Sacramento Countywide Transportation Mitigation Fee Program Nexus Study ("2024 SCTMFP Nexus Study"), with an updated project list, includes a Smart Growth Arterials and Corridors program, and updated fee amounts and new residential fee structures to align with AB 602 requirements for fees to be proportional to square footage categories with the new updated rates to be effective January 1, 2025;

WHEREAS, on August 8, 2024, the STA Governing Board approved a resolution amending the Operating Protocols Agreement to utilize the updated SCTMFP fee rates and the 2024 SCTMFP Nexus Study which now includes additional exemptions for ADUs less than 750 square feet, excludes development projects intended for public uses by the County or a City, and has fee reductions for developments in infill areas or with reduced parking availability and transit oriented development;

WHEREAS, certain amendments to the Chapter 18 (Buildings and Building Regulations), Article XXX Development Impact Fees to for Measure A Transportation Improvements are necessary to reflect updates to the 2024 Nexus Study and Amended Operating Protocols Agreement;

WHEREAS, on October 23, 2024, the City Council held a properly noticed public hearing for this Ordinance and subsequently elected to continue the public hearing to November 13, 2024 to allow extend the period of review and to further consider all oral and written testimony.

SECTION 2. Findings. The City Council hereby finds:

CEQA Compliance. Public Resources Code (PRC) Section 21080(b)(8) and CEQA Statutory Exemption Section 15273(a)(4) allow for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas. The ordinance amendments are to reflect changes in the newly adopted 2024 SCTMFP Nexus Study to include new land use categories and definitions and additional exemptions to the Measure A Fee. This action clearly meets the requirements of PRC Section 21080(b)(8) and CEQA Statutory Exemption Section 15273(a)(4) because it will fund capital improvement projects within the existing service area of the Citrus Heights City Limits and would not result in the expansion of the transportation system or any other uses or activities. Therefore, the proposed action is not subject to the provisions of CEQA.

SECTION 3. Amendments to Chapter 18 (Buildings and Building Regulations)

The City Council hereby adopts the amendments to Article XXX Chapter 18 Development Impact Fees to for Measure A Transportation Improvements, as shown and incorporated in Exhibit A to this ordinance.

SECTION 4. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 5. Effective Date and Notice. This ordinance shall take effect sixty (60) days after its adoption, in accordance with Government Code 66017, provided it is published in full or in summary within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this _____ day of _____ 2024 by the following vote:

AYES: **Council Members:**
NOES: **Council Members:**
ABSENT: **Council Members:**
ABSTAIN: **Council Members:**

Dr. Jayna Karpinski-Costa, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit

A. Article XXX. – Development Impact Fees for Measure A Transportation Improvements

**ARTICLE XXX. – DEVELOPMENT IMPACT FEES FOR MEASURE A
TRANSPORTATION IMPROVEMENTS**

Section 18-800 Purpose shall be added as follows:

Sec. 18-800. – Purpose.

This chapter is adopted pursuant to the authority granted to cities by Article XI, Section 7 of the California Constitution for the purpose of authorizing certain development impact fees, as described in public facility financing plans, expenditure plans and the nexus studies as referenced herein, to be assessed upon the owners of certain residential and nonresidential property as described in this chapter and which is located within the city. The fees herein adopted shall be assessed upon landowners developing property for any residential or non-residential use in order to provide all or a portion of the funds which will be necessary to design, construct, install or acquire public facilities required to meet the needs of, and address the transportation impacts caused by, such development activity. It is the intent and purpose of the city to protect and promote the public health, safety and welfare by constructing, installing and acquiring public facilities necessitated by development in the city. Furthermore, it is the intent and purpose of the city to allow the development within its jurisdiction boundaries on the condition that landowners pay the applicable costs of such public facilities and that such costs shall not be or become a responsibility of any other city fund, including, without limitation, the city's general fund.

Section 18-801 Definitions shall be added as follows:

Sec. 18-801. – Definitions

Unless the contrary is stated or clearly appears from the context in which a term is used, the following definitions shall govern construction of the words and phrases used in this chapter:

- A. "Automatic annual adjustment" means the automatic annual adjustment of development impact fees based on the inflation factors described in section 18-811.
- B. "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.
- C. "City code" means the City of Citrus Heights Municipal Code.
- D. "Citywide benefit district area" means the real property located within the jurisdictional boundaries of the city, and as said boundaries may be adjusted from time to time.
- E. "Development" means the uses to which property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.
- F. "Development project" shall have the same meaning as defined by subsection (a) of Government Code Section 66000, as such section may be amended from time to time.
- G. "Dwelling unit" means any building or portion of a building used or designed for use as a residence by an individual or any group of individuals living together or as a family,

excepting therefrom any unit rented or leased for temporary residency, such as a motel and hotel room.

- H. “Fee” and “impact fee” and “development impact fee” mean the monetary exaction as defined by subsection (b) of Government Code Section 66000, as such section may be amended from time to time, and shall include, but not be limited to, the fees established pursuant to this chapter.
- I. “Fee resolution” means Resolution No. 2009-009, or any subsequent resolution adopted by the city council which implements the provisions of this chapter, including, without limitation, the setting of the amounts of the various fees established hereby and the adoption of provisions for credits, reimbursements and deferral relating to such fees.
- J. “Government Code” means the Government Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of this chapter, or as it may thereafter be amended or renumbered from time to time.
- K. “Health and Safety Code” means the Health and Safety Code of the state of California and any provision thereof cited in this chapter, as such provision exists as of the date of the enactment of this chapter, or as it may thereafter be amended or renumbered from time to time.
- L. “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.
- M. “Industrial Use” any Development Project that involves manufacturing, transportation, logistics or similar uses.
- N. “Low income” and “very low income” housing is defined in Sections 50079.5 and 50105, respectively, of the Health and Safety Code.
- O. “Measure A” means Ordinance No. 04-01 adopted by the Sacramento Transportation Authority on July 29, 2004, which established the Sacramento Countywide Transportation Mitigation Fee Program to be implemented by the County of Sacramento and each city within the county by April 1, 2009.
- P. “Measure A administration fee” means the fee imposed by the city for the cost of collection, deposit, investment, accounting, remittance and reporting of the Measure A development impact fee.
- Q. “Measure A development impact fee” means a development impact fee established to provide funding for public facilities to benefit new development within the city.
- R. “Measure A expenditure plan” means the Sacramento County Transportation Expenditure Plan 2009-2039 dated June 10, 2004, as adopted by the Sacramento Transportation Authority under Ordinance No. 04-01, which specifies the allocation of Measure A sales taxes and Measure A development impact fees for specified public facilities.
- S. “Measure A nexus study” means the Development Impact Fee Study dated June 2, 2006, as originally adopted by the Sacramento Transportation Authority by Resolution No. 06-0006 and updated by the 2024 Nexus Study Update Report dated May 24, 2024 adopted by the Sacramento Transportation Authority by Resolution No.24-0005.
- T. “Multi-Family Residential Use” means any Development Project that uses a single parcel for two (2) or more dwelling units within one (1) or more building(s) including,

without limitation, duplexes, townhouses, condominiums and apartments, but excluding an Accessory Dwelling Unit.

- U. “Normalized cost per trip” means the medium-sized single family residential fee rate listed in Section 2.1 of the Protocols Agreement 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 18-811.
- V. “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.
- W. “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.”
- X. “Protocols Agreement” means the New Measure A Sacramento Countywide Transportation Mitigation Fee Program Agreement on Operating Protocols, dated August 2024, with the Sacramento Transportation Authority, as approved by the Authority on August 8, 2024, by Resolution No 24-006 or as may be subsequently amended.
- Y. “Public facilities” means the public improvements, public services and community amenities as defined by subsection (d) of Government Code Section 66000, as such section may be amended from time to time. The term “public facilities” only includes transportation improvements and infrastructure to be designed, constructed, installed and acquired to serve the specified benefit district area, as well as the transportation-related public service and community amenities to serve the specified benefit district area, which improvements and infrastructure are described in the applicable financing plan, expenditure plan, and/or nexus study (collectively “plan” or “study”). The costs of the design, construction, installation and acquisition of the specified public facilities, which are to be financed partially by the development impact fee program, is set forth within the plan or study. Where applicable under the plan or study, the term “public facilities” includes the acquisition of land relating to such improvements, infrastructure, public services and community amenities. The term “public facilities” also means a specific public improvement or infrastructure where the context requires a singular meaning.
- Z. “Retail Use” means any Development Project that involves retailing of merchandise, generally without transformation, retail food services, and rendering of services incidental to the sale of merchandise at a fixed point of sale.
- AA. “Reduced Parking Availability” means a development project where State law requires the City to approve the project with reduced parking, including without limitation, projects pursuant to Government Code Sections 65913.4 and 65915.
- BB. “Senior Residential Use” means any Development Project that qualifies as housing for older persons pursuant to CGC Section 12955.9.
- CC. “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.

- DD. “STA” means the Sacramento Transportation Authority.
- EE. “Transit Oriented Development” means a housing development that satisfies all the following characteristics: (a) the housing development is located within one-half mile of a transit station and there is 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, and located within one-half mile of the housing development; and (c) the housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than the onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.
- FF. “Transit station” has the meaning set forth in Section 66005.1(d) of the Government Code.

Section 18-802 Adoption of new or amended reports shall be added as follows:

Sec. 18-802. – Adoption of new or amended reports.

To implement the development impact fees established pursuant to the provisions of this chapter, the city council may, by resolution, adopt new or amended versions of any of the studies, reports, plans, or projections on which the development impact fees are based, except in such cases where amendments to such studies, reports, plans, or projections must be made by ordinance.

Section 18-803 Establishment of development impact fees shall be added as follows:

Sec. 18-803. – Establishment of development impact fees.

A. The following development impact fees are established pursuant to the provisions of this chapter to finance the cost of the following categories of public facilities required by development within the following specified benefit district areas:

1. Measure A Benefit District.

a. Measure A Development Impact Fee. A development impact fee is established to provide funding for public facilities to serve the city, which facilities are described in the Measure A expenditure plan and the Measure A nexus study. The Measure A benefit district is the jurisdictional boundaries of the city, and as said boundaries may be adjusted from time to time.

b. Measure A Administration Fee. An administrative fee is established to fund the city’s cost to administer the Measure A development impact fee.

B. The city council, by resolution, shall establish the specific initial and subsequent amounts of the foregoing fees pursuant to section 18-805 and make the additional findings required under section 18-804 in establishing said amounts of each fee. In addition, the city council, by

resolution, may adopt additional provisions, procedures and policies to implement the fees established by this chapter. The amounts of fees, provisions, procedures, and policies adopted by resolution pursuant to this subsection shall be consistent with the applicable financing plan, expenditure plan and/or nexus study as referenced in subsection (A) of this section.

C. The city council, by resolution, may establish new or additional components of the fees identified in subsection (A) of this section as are necessary to accommodate phasing and stages of the development of the specified benefit district areas, or as may be contemplated by future amendments to the financing plan, expenditure plan and/or nexus study as referenced in subsection (A) of this section.

Section 18-804 Additional findings to be made when establishing the amount of development impact fees shall be added as follows:

Sec. 18-804. – Additional findings to be made when establishing the amount of development impact fees.

At the time it considers the amount of the fees established pursuant to section 18-803 or at the time of amending such fees, other than in making an automatic annual adjustment to the fees as provided in section 18-811, the city council shall adopt the amount of such fees if it makes the following findings in support of such fees:

A. A finding that such fees have been determined and calculated in the manner consistent with the financing plan, expenditure plan and/or nexus study as referenced in section 18-803(A); and

B. The following additional findings required by Section 66001 of the Government Code, which demonstrate that there is a nexus between the public facilities for which such fees are imposed and the need for such public facilities created by the development of residential and nonresidential property within the specified benefit district areas upon which the fees are imposed:

1. Findings which identify the purpose of the fees;
2. Findings which identify the use to which the fees are to be put;
3. Findings which demonstrate that there is a reasonable relationship between the use of the fees and the type of development project on which the fees are imposed;
4. Findings which demonstrate that there is a reasonable relationship between the need for the public facilities to be financed by the fees and the type of development project on which the fee is to be imposed; and
5. Findings which demonstrate how there is a reasonable relationship between the amount of the fees and the cost of the public facilities, or portion of such public facilities, attributable to the development project on which the fees are imposed.

C. In making the findings pursuant to this section and any other findings, the city council may consider all matters, whether offered orally or in writing, presented at the hearing or hearings conducted for the purpose of establishing or amending the fee, and any and all oral and written material presented to the city council and planning commission in connection with the adoption, approval or amendment of the financing plan, expenditure plan and/or nexus study as referenced in section 18-803(A).

Section 18-805 Proceedings to establish the amount of development impact fees shall be added as follows:

Sec. 18-805. – Proceedings to establish the amount of development impact fees.

A. At the time of setting the amount of the fees established pursuant to this chapter or at the time of amending such fees, other than in making an automatic annual adjustment to the fees as provided in section 18-811, the city council shall hold a public hearing on the proposed fees or proposed amendment of fees in the manner required by Section 66018 of the Government Code.

B. The effective date of any resolution adopted by the city council which establishes or amends, as the case may be, the amount of the fees established pursuant to section 18-803, shall be no sooner than 60 days following the final action on the adoption or amendment of the fee.

Section 18-806 Imposition of development impact fees shall be added as follows:

Sec. 18-806. – Imposition of development impact fees.

A. The development impact fees established under this chapter shall be imposed on the following types of uses or development of real property located within the benefit district areas as referenced in section 18-803(A):

1. For nonresidential uses or development:

a. The construction on the property of a new building or structure;

b. The construction on the property of additions to an existing building or structure which results in the expansion in the size or use of such existing building or structure; or

c. The change in use of an existing building or structure on the property from a previous residential use to a nonresidential use, or from a previous nonresidential use to another nonresidential use; provided, that the landowner shall be entitled to a credit against fees paid pursuant to this chapter in the amount of fees which were actually paid for such previous residential or nonresidential use, which prior fees shall be adjusted for inflation consistent with section 18-811.

2. For residential uses or development:

a. The construction on the property of a new building or structure containing one or more dwelling units;

b. The construction on the property of alterations or additions to an existing building or structure which add one or more dwelling units to such existing building; or

c. The change in use of an existing building or structure on the property from a previous nonresidential use to a residential use; provided, that the landowner shall be entitled to a credit against fees paid pursuant to this chapter in the amount of fees which were actually paid for such previous nonresidential use, which prior fees shall be adjusted for inflation consistent with section 18-811.

3. For nonresidential and residential uses or development within the same building or structure, the computation of fees as set out in section 18-808 shall apply.

B. Except as may be expressly provided in this chapter, no building permits or extension of permits relating to the activities described in subsections (A)(1) and (A)(2) of this section shall be granted unless and until the appropriate development impact fee or fees have been paid to the city in accordance with the provisions of this chapter, except that for residential developments under a fee payment contract as specified in Section 66007 of the Government Code, building permits may be issued but no final inspection or certificate of occupancy shall be granted unless and until the appropriate development impact fee or fees have been paid to the city. As provided in subsection (a) of Section 66007 of the Government Code, for a residential development that contains more than one dwelling unit, the fees may be paid on a pro rata basis for each dwelling unit when it receives its final inspection or certificate of occupancy, whichever occurs first.

C. Notwithstanding anything to the contrary set forth in subsection (A) of this section or in any other provision in this chapter, the development impact fees established pursuant to this chapter shall apply to any development project that has heretofore either received a tentative map approval or other approval or permit, whether discretionary or nondiscretionary, or is subject to a development agreement or other agreement between the landowner and city that provides for payment of one or more fees established under this chapter.

Section 18-807 Exemptions shall be added as follows:

Sec. 18-807. – Exemptions.

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 Government Code 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.

Section 18-808 Computation of fees shall be added as follows:

Sec. 18-808. – Computation of fees.

The methodologies set forth in the financing plan, expenditure plan and/or nexus study referenced under section 18-803(A) shall be used as the basis to set the amount of fees pursuant to any resolution referenced under section 18-803(B). The amount of fees due from any landowner shall be calculated from the actual uses of land proposed by the landowner unless otherwise provided in any resolution referenced under section 18-803(B). Applicants for building or other development permits shall include plans and calculations prepared by the applicant or applicant's agent, specifying data necessary to calculate development impact fees, including, without limitation, each proposed land use, the square footage of each use, and other relevant data as may be required by the city general services director, or his or her authorized designee. All fees due under this chapter shall be determined and calculated by the city public works director, or his or her authorized designee.

Section 18-809 Time of payment of fees shall be added as follows:

Sec. 18-809. – Time of payment of fees.

Except as otherwise provided in any resolution adopted by the city council as provided under section 18-806(B) and 18-810 relating to deferral of payment of fees, the fees established by this chapter shall be paid for the property on which a development project is proposed at the time of the issuance of any required building permit relating to such development. With respect to development projects completed or commenced prior to the effective date of this chapter and the effective date of any amendment, the city general services director, or his or her authorized designee, may enter into agreements with landowners regarding the amount, time, and manner of payment of fees under this chapter with respect to such development projects.

Section 18-810 Deferral of fees shall be added as follows:

Sec. 18-810. – Deferral of fees.

The city council, by resolution, may establish and modify policies, guidelines and procedures regarding the deferral or other adjustment of the time of payment of the fees established under this chapter.

Section 18-811 Automatic annual adjustment shall be added as follows:

Sec. 18-811. – Automatic annual adjustment.

The fees established by this chapter shall be adjusted automatically to take into consideration construction cost inflation on July 1st of each fiscal year. The first fiscal year for which an adjustment shall occur shall be the fiscal year that includes July 1, 2025. The adjustment shall be made by a factor equal to the percentage increase, if any, of the index which the city council adopts by resolution at the time of establishment or amendment of the fees as provided under this chapter, which may include the following: The Construction Cost Index as published by Engineer News Record/McGraw-Hill Construction Weekly for either (i) the San Francisco area (based on 1913 U.S. average = 100) during the 12 months ending on the preceding March 1st, or (ii) the 20-City Construction Cost Index during the 12 months ending on the preceding March 1st. This automatic annual adjustment shall not apply to those fees which are based on variable factors which themselves result in an automatic inflation adjustment, those which specifically indicate otherwise, or those which are governed by provisions of an agreement with the city expressly exempting such fees from the adjustment set forth under this section.

Section 18-812 Adjustment of fees by resolution shall be added as follows:

Sec. 18-812. – Adjustment of fees by resolution.

In addition to any automatic annual adjustment, the amount of the fees established by this chapter may be revised periodically, including, without limitation, upon the report and review provided for in section 18-817, by resolution of the city council. Any action by the city council to increase fees shall comply with the provisions of this chapter and Government Code Section 66018.

Section 18-813 Adjustment of fees shall be added as follows:

Sec. 18-813. – Adjustment of fees.

A. Calculation of Fee for ADUs.

ADUs greater than 750 square feet shall be subject to a fee hereunder that is equal to the ratio of the floor area of the ADU compared to the primary unit, multiplied by the fee that would be charged on the primary unit, if the primary unit was being newly built.

B. 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, as determined by the General Services Director.

C. Reduced Fees for Areas with Reduced Parking Availability.

Developments in areas with Reduced Parking Availability may be subject to reduced fees, at the sole discretion of the General Services Director, if the development project results in reduced trip generation. Any such fee reduction must be supported by a Traffic Study submitted by the Applicant and prepared and stamped by a licensed Traffic or Civil Engineer and which has been accepted by the City Engineer.

D. Fees for Housing Developments.

1. Generally. The fee imposed pursuant to this Chapter for a Transit Oriented Development shall be set at a rate that reflects a lower rate of automobile trip generation associated with that Transit Oriented Development in comparison with non-Transit Oriented Development, unless the City adopts findings after a public hearing establishing that the Transit Oriented Development would not generate fewer automobile trips than a non-Transit Oriented Development. If a housing development does not satisfy the characteristics of a Transit Oriented Development, the City will charge a fee pursuant to this Chapter that is proportional to the estimated rate of automobile trip generation associated with the housing development.

2. Traffic Study.

2.1. Project-Specific Traffic Study. Housing developments seeking a fee adjustment pursuant to this section shall submit a traffic study, stamped by a licensed Traffic or Civil Engineer (and which has been accepted by the City Engineer), which demonstrates the lower rate of automobile trip generation associated with the applicable housing development compared to the Nexus Study.

2.2. Alternative Traffic Study. A Transit Oriented Development may submit to City a traffic study, stamped by a licensed Traffic or Civil Engineer (and which has been accepted by the City Engineer), which demonstrates the lower rate of automobile trip generation associated with Transit Oriented Developments and other similar types of development compared to non-Transit Oriented Developments. In the event a Transit Oriented Development submits the Alternative Study pursuant to this section, the Finance Director, in consultation with STA, may apply a standard Transit Oriented Development fee reduction based on studies related to Transit Oriented Developments unless the applicable Transit Oriented Development elects to provide City with a Project-Specific Traffic Study, as described in section 18-813(D)(2.1), for the General Services Director to use in calculating the appropriate fee hereunder.

E. Re-purposing/Reuse of Existing Buildings.

A. The fee imposed pursuant to this Chapter for any re-purposing or change in use of existing buildings shall only apply to the net increase in average daily trips attributable to the new purpose or use, as compared to the prior established use.

B. Fees shall be calculated hereunder by comparing the rates applicable to the prior and new uses as designated in the City's 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 average daily trips and new average daily trips at the property. The determination of average daily trips for the purpose of comparing previous and proposed uses shall be by reference to trip generation rates obtained from the Institute of Traffic Engineers.

2. Multiply the result by the normalized cost per trip.

C. Requests for a fee adjustment pursuant to this provision shall be made to the City in writing. The Finance Director shall determine whether a development project has made the required showing for a fee adjustment.

Section 18-814 Use of funds shall be added as follows:

Sec. 18-814. – Use of funds.

A. Funds collected from the fees established by this chapter and deposited in their respective special funds shall be used by the city or by the Sacramento Transportation Authority or other entity, if funds have been transferred to that entity, for the following purposes:

1. Payment of the actual costs of designing and constructing public facilities for which the fees may be expended, as described in the resolution or resolutions adopted pursuant to section 18-803(B);

2. Providing refunds as described in section 18-815;

3. Funding the city's administration of the fee program implemented by the provisions of this chapter; and

4. Using the same as may be permitted under Section 66006 of the Government Code.

B. Unless used or refunded as otherwise permitted under this section, moneys, including any accrued interest, not assigned in any fiscal year shall be retained in the same fund or account until the next fiscal year.

C. The city council, by resolution, may authorize the city manager to transfer funds, including any accrued interest, to (1) another public entity with the authority to manage the fund pursuant to Section 66006 of the Government Code, or (2) another public entity with the authority to undertake construction of the public facility funded by the fee.

Section 18-815 Disposition of unexpended or unappropriated fee revenues shall be added as follows:

Sec. 18-815. – Disposition of unexpended or unappropriated fee revenues.

A. Commencing with the fifth fiscal year following the first fiscal year of receipt of any revenues from the fees established, assessed and levied pursuant to the provisions of this chapter, and in each fiscal year thereafter, the city treasurer, or his or her designee, shall provide the city council

with a report which sets forth the total amount of all such fee revenues that were received and deposited in the appropriate special funds and accounts in each fiscal year prior to the date of such report, but which remain unexpended or unappropriated by the city or another public entity as referenced in section 18-814 as of the date of the report; provided, however, that no report shall be required in any year in which there were no unspent or unappropriated fee revenues in such fund which were received and deposited in the fund more than five years prior to the date of the report.

B. Upon review of each report described in subsection (A) of this section, the city council shall take one of the following actions required by Section 66001 of the Government Code with respect to any unexpended or unappropriated fee revenue in the appropriate special fund which was received and deposited in such fund five or more years prior to the date of such report:

1. Appropriate all or any part of such unexpended or unappropriated fee revenue for the construction, installation, acquisition or provision of the public facilities for which the fee was imposed;

2. Make findings with respect to all or any part of such unexpended or unappropriated fee revenue which identify the purposes to which the revenue is to be put and which demonstrate a reasonable relationship between such fee revenue and the purpose for which it was imposed; and/or

3. Provide for the refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in subsection (e) of Section 66001 of the Government Code, to the current record owner of any property for which a fee was paid; provided, that if the administrative costs of refunding such fee revenue exceed the amount to be refunded, the city council, after considering the matter at a public hearing, notice of which is given in the manner provided for in subsection (f) of Section 66001 of the Government Code, may appropriate such revenue for any other public facility in the benefit district area for which development fees are charged or otherwise imposed pursuant to this chapter and which the city council determines will benefit the properties for which such development impact fee was charged or otherwise imposed; and further provided, that the portion of any fee revenue received by the city as reimbursement of its costs in administering the provisions of this chapter shall not be refunded, but shall be applied to reduce the amount of the fee charged for administrative purposes.

4. The provisions of subsections (d), (e), and (f) of Government Code Section 66001 shall apply fully to any refund of fees remaining unexpended or uncommitted in the appropriate special fund for five or more years after deposit, and the provisions of this section shall be subordinate to the said state statute and shall be applied consistently therewith.

Section 18-816 Other fee and dedication requirements shall be added as follows:

Sec. 18-816. – Other fee and dedication requirements.

The provisions of this chapter shall not release any owner of residential or nonresidential property located within the benefit district area from the following obligations:

A. Paying other applicable fees relating to development of property, including, without limitation, the application fees, processing fees, mitigation fees, and other development fees within the control of the city.

B. Complying with any public facility requirements which are imposed pursuant to applicable law, including, without limitation, the provisions of the city code.

C. Complying with any requirement to dedicate property for public use pursuant to applicable law, including without limitation, the provisions of the city code and the Government Code, at the time of approval of a tentative subdivision map, tentative master parcel map, certificate of compliance, building permit or other land use entitlement.

D. Complying with any obligation to pay fees or exactions, or to comply with mitigation requirements for identified project-related environmental effects.

Section 18-817 Annual reports and review fee shall be added as follows:

Sec. 18-817. – Annual reports and review fee.

A. No later than 180 days following the end of each fiscal year, the city manager or his or her designee shall prepare a report for the city council identifying the following:

1. The beginning and ending balances of the public facilities fee funds, and related accounts, for the fiscal year;
2. The fee, interest, and other income collected in said funds during the fiscal year;
3. The amount of expenditures from said funds categorized by the public facilities to which such expenditures relate;
4. An accounting of all refunds and reimbursements which the city is obligated to make or has made pursuant to this chapter;
5. The reallocation, if any, of unexpended or unappropriated fee revenue made pursuant to section 18-815(B)(3) and subsection (f) of Government Code Section 66001;
6. The public facilities constructed and to be constructed utilizing the revenues collected from the fee established by this chapter, the continued need for such public facilities, and the reasonable relationship between such need and the impacts of development for which the fee is charged;
7. The estimated costs of the public facilities described in the report;

8. The amount of any automatic annual adjustment made pursuant to section 18-811, including the basis of the calculation therefor; and

9. Any additional information required by the Sacramento Transportation Authority for the fees imposed pursuant to section 18-803(A)(1)(a). The city manager may submit the report prepared by the Sacramento Transportation Authority for the fees imposed pursuant to section 18-803(A)(1)(a) if said report includes all of the foregoing information set out in this subsection (A).

B. In addition to the report matters set forth in subsection (A) of this section, at least once each fiscal year the city manager shall present to the city council a proposed capital improvement program prepared by the city general services director for the various public facilities referenced in the resolution or resolutions adopted pursuant to section 18-803(B), assigning moneys (including any accrued interest) from the appropriate special fund to specific improvement projects, acquisitions, and related expenses. The adoption of such capital improvement program shall comply with the provisions of Government Code Section 66002.

C. In preparing the report pursuant to this section, the city manager shall adjust the estimated costs of the public facilities in accordance with the index specified in the resolution adopted pursuant to section 18-803(B) and 18-811, or other reasonable standard, for the elapsed time period from the first day of the previous July or the date that the cost estimate was developed.

D. The report prepared pursuant to subsection (A) of this section shall be made available to the general public pursuant to the provisions of subsection (b) of Government Code Section 66006. The city council shall review the information contained in said report at its next regularly scheduled public meeting, but not sooner than 15 days after the report is made available to the public. The scheduling of the hearing and notice thereof shall comply with the provisions of subsection (b) of Government Code Section 66006.

E. The city council, by resolution, may revise the fees established by this chapter to reflect the findings made from its consideration of the annual report and to include additional public facility projects previously not foreseen as being needed; provided, that all such revisions shall be consistent with the applicable financing plan, expenditure plan and/or nexus study referenced in section 18-803(A).

F. The report prepared by the city manager and its review by the city council, as well as any findings thereon, shall be subject to the provisions of subsection (d) of Government Code Section 66001, to the extent applicable.

Section 18-818 California state law shall be added as follows:

Sec. 18-818. – California state law.

The provisions of this chapter, and any resolution adopted pursuant hereto, shall at all times be subject and subordinate to the provisions of Title 5 (commencing with Section 66000), Division 1, of Title 7 of the Government Code, as the same presently exists or may hereafter be amended

or renumbered from time to time, to the extent the same are applicable. In the event of any applicable conflict between the provisions of this chapter and the state law, the latter shall control.