



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: FEBRUARY 25, 2025**

**FROM: PUBLIC WORKS DEPARTMENT      WARDS: ALL**

**SUBJECT: INTRODUCE AN ORDINANCE AMENDING CHAPTER 16.68 OF THE RIVERSIDE MUNICIPAL CODE REGARDING THE PARTICIPATION IN THE TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM; RESOLUTION AMENDING THE APPLICABLE TRANSPORTATION UNIFORM MITIGATION FEE SCHEDULE APPLICABLE TO ALL DEVELOPMENT IN THE CITY OF RIVERSIDE – RESOLUTION**

## **ISSUE:**

Introduce and subsequently adopt the proposed Ordinance amending the Riverside Municipal Code Chapter 16.68 - Transportation Uniform Mitigation Fee and Resolution amending the applicable Transportation Uniform Mitigation Fees applicable to all development in the City of Riverside.

## **RECOMMENDATIONS:**

That the City Council:

1. Introduce and subsequently adopt an Ordinance, amending and updating Chapter 16.68 – Transportation Uniform Mitigation Fee of the Riverside Municipal Code;
2. Adopt a Resolution amending the applicable Transportation Uniform Mitigation Fees applicable to all development in the City of Riverside; and
3. Direct staff to amend the City of Riverside Schedule of Fees and Charges prior to the requested April 1, 2025 effective date.

## **BACKGROUND:**

The City of Riverside is a Member Jurisdiction of the Western Riverside Council of Governments (WRCOG), a joint powers agency comprised of the County of Riverside and eighteen (18) cities located in Western Riverside County. Acting in concert, in 2002-2003 the WRCOG Member Jurisdictions developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County could be made up in part by a Transportation Uniform Mitigation Fee (TUMF) on future residential, commercial, and industrial development. As a Member Jurisdiction of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain “Western Riverside County Transportation Uniform Fee Nexus Study,” (2002 Nexus Study) later adopted

by the WRCOG Executive Committee. Based on the 2002 Nexus Study, the City adopted and implemented an ordinance authorizing the City's participation in a TUMF Program.

Pursuant to the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*), WRCOG has prepared a new nexus study (2024 Nexus Study) to update the fees. On September 29, 2024, the WRCOG Executive Committee reviewed and approved the 2024 Nexus Study and recommended TUMF Participating Jurisdictions update their fees by amending their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction.

### **DISCUSSION:**

The proposed Ordinance provides the legal basis for a revised TUMF schedule. The actual TUMF schedule will be established through the Resolution.

In accordance with the Mitigation Fee Act, the proposed Ordinance and 2024 Nexus Study: (i) identifies the purpose of the revised fees; (ii) identifies the use to which the revised fees is to be put, including identification of any facilities to be financed; (iii) determines how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; (iv) determines how there is a reasonable relationship between the need for the public facilities and the type of development project upon which the fees are imposed; and (v) determines how there is a reasonable relationship between the amount of the fees and the cost of the public facilities or portion of the public facility attributable to the development on which the fees are imposed.

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

- (1) \$12,380 per single family residential unit 1,800 square feet or less
- (2) \$13,927 per single family residential unit between 1,801 and 2,300 square feet
- (3) \$15,476 per single family residential unit between 2,301 and 2,700 square feet
- (4) \$19,344 per single family residential unit greater than 2,700 square feet
- (5) \$7,816 per multi-family residential unit
- (6) \$2.33 per square foot of an industrial project
- (7) \$7.72 per square foot of a retail commercial project
- (8) \$4.89 per square foot of a service commercial project
- (9) \$2.45 per square foot of a service Class A and B Office

The City team is currently processing revisions to the Riverside Schedule of Fees and Charges which are anticipated to come before the City Council in March 2025. To expedite the adoption of the necessary ordinance and resolution associated with the updates to WRCOG's TUMF fees, staff have brought today's item separately before Council and recommend updating the Schedule of Fees and Charges alongside the larger forthcoming amendments. These updates will occur prior to WRCOG's requested effective fee date of April 1, 2025.

### **STRATEGIC PLAN ALIGNMENT:**

The City's participation in the TUMF program aligns with **Strategic Priority 6 — Infrastructure, Mobility, and Connectivity** by improving safety, circulation, and providing critical infrastructure for our community to thrive and is in accordance with **Goal 6.2 — Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.**

Furthermore, this item aligns with the five Cross-Cutting Threads as outlined below:

1. **Community Trust** – The TUMF nexus study and any interim Construction Cost Index adjustments undergo a rigorous and transparent development process with participation from all member agencies in technical advisory committees.
2. **Equity** – The City participates in the development of the TUMF program and fee schedule and advocates for geographic equity and helps to assess the appropriateness of identified fees.
3. **Fiscal Responsibility** – The City's administration of local TUMF fees allows private development to help pay its share towards regional transportation impacts, saving the City funds in the execution of key transportation infrastructure projects. By adopting the adjusted TUMF fees, the TUMF program can continue to execute on its envisioned project list while accounting for changes in construction costs.
4. **Innovation** – The TUMF program has applied an innovative approach to leveraging regional development fees to make improvements in Western Riverside County.
5. **Sustainability & Resiliency** – The TUMF program has helped to construct key improvements such as grade separations in the WRCOG region, which reduce vehicle emissions and idling times.

### **FISCAL IMPACT:**

Adoption of the ordinance and resolution is necessary to remain compliant with the TUMF program and to be recognized by WRCOG as a TUMF Participating Jurisdiction. Failure to do so could result in loss of TUMF return funding and could contribute towards substantial traffic congestion in the City and Western Riverside County. The TUMF Fees that are being increased are itemized in Table 1 below.

Table 1 – Transportation Uniform Mitigation Fees

Fee Category	FY 2024/25 Current Fee	FY 2024/25 Proposed Fee	% Change
Industrial (per square foot)	\$1.86	\$2.33	25%
Multi-Family Residential (per unit)	\$6,580.00	\$7,816.00	19%
Single Family Residential (per unit 1,800 square feet or less)	\$10,104.00	\$12,380.00	23%
Single Family Residential (per unit between 1,801 and 2,300 square feet)	\$10,104.00	\$13,927.00	38%
Single Family Residential (per unit between 2,301 and 2,700 square feet)	\$10,104.00	\$15,476.00	53%
Single Family Residential (per unit greater than 2,700 square feet)	\$10,104.00	\$19,344.00	91%

The City benefits from its contributions to the TUMF program, as many critical regional projects are located in Riverside. A total of 19 TUMF-funded projects have been completed in the City of Riverside for a total of \$81.2M in TUMF funding. The City is currently administering \$20M in TUMF funds. The updated fees will allow WRCOG and the City to continue to execute projects envisioned in the TUMF nexus study by accounting for rising construction costs.

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Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. Ordinance
2. Exhibit A to Ordinance
3. Resolution
4. 2024 TUMF Nexus Study
5. Map of Regional TUMF System