



Technical Memorandum

July 31, 2024

To	Dustin Purinton Sacramento Transportation Authority	Email	dustin@sacta.org
From	Don Hubbard, GHD	Project No.	12578763
Project Name	Sacramento Countywide Transportation Mitigation Fee Program Nexus Study		
Subject	Fee Reduction for Transit Oriented Developments		

1. Introduction

In 2008, Assembly Bill No. 3005 was signed into law allowing for reduction in fees under the Mitigation Fee Act for Housing Developments adjacent a Transit Station referred to as a Transit Village but more commonly called Transit Oriented Development (TOD).

The California Government Code Section 66005.1(a) states:

"When a local agency imposes a fee on a housing development pursuant to Section 66001 for the purpose of mitigating vehicular traffic impacts, if that housing development satisfies all of the following characteristics, the fee, or the portion thereof relating to vehicular traffic impacts, shall be set at a rate that reflects a lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics, unless the local agency adopts findings after a public hearing establishing that the housing development, even with these characteristics, would not generate fewer automobile trips than a housing development without those characteristics:

- (1) 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.*
- (2) Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.*
- (3) 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."*

"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.

This Technical Memorandum is provided as an interim output under our agreement with Sacramento Transportation Authority. It is provided to foster discussion in relation to technical matters associated with the project and does not represent a final approved position on any matter.

"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.

Examples of transit stations within Sacramento County include light rail trail stations along Sacramento Regional Transit's Blue Line, Green Line and Gold Line such as the Watt/I-80 Station, Township 9 Station, and Consumnes River College Station. The Sacramento Valley Station which serves Amtrak, Bus, and Light Rail (Sacramento Regional Transit), and the future Valley Rail station in midtown Sacramento are also considered transit stations.

The section does not specify the exact amount of reduction that should be applied. It just says that the fee rate must reflect the lower rate of automobile trip generation associated with such housing developments in comparison with housing developments without these characteristics.

The Agreement On Operating Protocols for the Sacramento Countywide Transportation Mitigation Fee (SCTMF) program between STA and the Cities and County under Section 2.5 states that 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.

In addition, 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.

The purpose of this memo is to recommend an appropriate standard TOD fee reduction for use in the SCTMF program.

2. Recommendation

Sub-paragraphs 1, 2, and 3 in Section 66005.1(a) describe what is commonly referred to as transit-oriented developments (TODs). Many studies have been done of the trip generation characteristics of TODs, and virtually all conclude that they generate fewer auto trips per household, though the estimated extent of the reduction varies from study to study. For the purposes of bringing SCTMF into compliance with CGC Section 66005.1, we recommend that STA adopt the findings of *Affordable Housing in Transit-Oriented Developments: Impacts on Driving and Policy Approaches*¹, a 2017 study sponsored by Caltrans and conducted by the National Center for Sustainable Transportation. That study found that households in TODs generated 24.4 VMT/HH/day compared to 40.4 VMT/HH/day for households living outside of TOD areas². The computes to a 40% reduction in VMT.

Based on this information, we recommend that STA adopt a standard TOD fee reduction of 40% for residential developments that meet the criteria set forth in CGC Section 66005.1 sub-paragraphs 1, 2, and 3.

If the standard TOD fee reduction is not used, then the applicant may propose a project specific fee reduction that meets the requirements set forth in the Agreement On Operating Protocols.

¹ <https://dot.ca.gov/-/media/dot-media/programs/research-innovation-system-information/documents/f0016779-ca17-2983-finalreport.pdf>

² See Table 1 of the report. Note that although the title of the report includes the term "affordable housing", the data in the table is an average across all income groups.