



Agenda Report

File #: 18-2355

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 12/10/2018

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

Public Hearing for City Council consideration of Ordinance No. 3290, amending Chapter 16.21 to include a process for Western Riverside Council of Governments calculation and collection of fees under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

RECOMMENDED ACTION:

That the City Council introduce by title only and waive full reading for consideration of Ordinance No. 3290, amending Chapter 16.21 to include a process for Western Riverside Council of Governments calculation and collection of fees under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

ANALYSIS:

The City is a Member Agency 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. Recognizing that there is insufficient funding to address the impacts of new development on the regional system of highways and arterials in Western Riverside County ("Regional System"), the WRCOG Member Jurisdictions developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System to account for new development in Western Riverside County could be made up in part by the imposition of a development impact fee, known as the Transportation Uniform Mitigation Fee ("TUMF"), on future residential, commercial, and industrial development. On March 5, 2003, the City Council adopted Ordinance No. 2629 adding Chapter 16.21 to the Corona Municipal Code to authorize the City's participation in the WRCOG TUMF program, and authorizing imposition of a development impact fee to fund the TUMF program. WRCOG, upon recommendation by the WRCOG Executive Committee, recently adopted a revision to the TUMF calculation and collection process to provide agencies an option in which WRCOG calculates and collects TUMF on behalf of member agencies that elect to delegate the fee calculation and collection to WRCOG.

Member agency staff, including the City of Corona, are currently responsible for calculating and collecting TUMF for all new development within its jurisdiction. TUMF funds are remitted to WRCOG monthly and in-depth reviews are conducted on an annual basis. On October 1, 2018, WRCOG approved a policy change to the TUMF calculation process to allow member agencies the option to shift responsibility for TUMF calculations and collections to WRCOG in an effort to improve the cost-effectiveness of the process for WRCOG and its member agencies.

The option to delegate the TUMF calculation and collection to WRCOG provides numerous benefits, including a significant reduction in local agency staff time required to calculate and collect the TUMF, elimination of the need for extensive end of the year reviews, and a shift of the responsibility for errors from the member agency to WRCOG. Under the current process, the City bears the responsibility for any errors related to TUMF calculations and collections. This update to the process will result in savings to the City's Planning and Public Work Department resources, in addition to the City's Finance Division resources.

The general process for TUMF calculations by WRCOG will require City staff to electronically complete TUMF calculation worksheets with project-specific details, and submit to WRCOG. WRCOG staff has committed to a 48-hour response time - wherein most calculations will be completed within 48-hours, or additional information will be requested by WRCOG within 48-hours if there are unique project circumstances to consider. WRCOG staff will maintain a database of all credit agreements and the credit agreement process will not change significantly. WRCOG will host a secure, online web portal to provide the option for electronic fee payment by developers. Developers will also have the option of going to the WRCOG office to make TUMF payments in person. Once a project has paid TUMF, receipt of payment will be forwarded to the developer and applicable member agency staff. Because WRCOG will be responsible for all calculations and collections, City staff time required for TUMF monthly reports and annual reviews would be dramatically reduced.

In the event of a TUMF assessment dispute, developers will retain the option to appeal the assessment by WRCOG and pay the TUMF in protest, so that the project can still move forward. The TUMF dispute resolution process will be streamlined, allowing developers to go directly to WRCOG with disputes. Most notably, responsibility for TUMF miscalculations will shift from the member agency to WRCOG, given that the information provided by the member agency is complete and accurate.

WRCOG calculation and collection of TUMF is permissible under the Mitigation Fee Act. Shifting responsibility to WRCOG is not mandatory at this time; thus, member agencies could also retain TUMF calculation and collection responsibility. WRCOG calculation and collection of TUMF requires approval of the proposed TUMF Ordinance N0. 3290 and could take effect as soon as April 2019.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Proposed Ordinance No. 3290 will result in savings to the Public Works Department and Finance

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Division resources since responsibilities of calculating and collected TUMF will be shifted to WRCOG though no direct cost savings have been identified.

ENVIRONMENTAL ANALYSIS:

This action is exempt under CEQA Guidelines Sections 15061(b)(3), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The recommended action simply updates the Transportation Uniform Mitigation Fee Program ordinance to provide the ability for an agency to calculate and collect fees and there is no possibility that this action will have a significant effect on the environment. Therefore, no further environmental analysis is required.

PREPARED BY: TOM KOPER, P.E., ASSISTANT PUBLIC WORKS DIRECTOR

REVIEWED BY: NELSON D. NELSON, P.E., PUBLIC WORKS DIRECTOR

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Attachment: Ordinance No. 3290