

DEVELOPMENT IMPACT FEES & TRAFFIC IMPACT FEE ANALYSIS

DECEMBER 5, 2023



OVERVIEW

- **Development Impact Fees Annual Report**
- **Traffic Impact Fee Analysis**





DEVELOPMENT IMPACT FEES ANNUAL REPORT



State Requirements

- California Government Code 66006 specifies that local agencies must prepare annual reports of Development Impact Fees (DIF) within 180 days of the close of the fiscal year.
- The report must describe the fee, the amount of fees collected, interest earned if any, and identifications of any expenditures from those funds.
- California Government Code 66006 also specifies that the report must be reviewed the by agency's legislative body at a regularly scheduled meeting not less than 15 days following release to the public. The DIF was noticed to the public on November 19, 2023.

Types of Development Impact Fees

- Park Development Impact Fees – developer fees that provide funding for additional or improved park and/or recreational improvements.
- Drainage Impact Fees – developer fees that provide funding for the additional construction and maintenance of the City drainage system.
- Traffic Impact Fees – developer fees that provide funding for additional or improved traffic signal, operation, and infrastructure improvements.
- Fire System Development Fees – developer fees that provide funding for additional fire protection facilities, equipment and paramedic support.
- Cannabis Traffic Impact Fees – developer fees that provide funding for additional or improved traffic signal, operation, and infrastructure improvements.

Statement of Revenues, Expenditures and Changes in Fund Balance as of June 30, 2023*



Description	Park Development Fees	Drainage Fees	Traffic Impact Fees	Fire System Development Fees	Cannabis Traffic Impact Fees
Beginning Fund Balance	3,615,436	2,242,221	5,657,766	635,685	-
Revenue Total	191,520	206,555	668,873	6,567	435,436
Expense Total	(934,235)	(273,825)	(485,738)	-	-
Ending Fund Balance	2,872,722	2,174,951	5,840,901	642,253	435,436

* Preliminary unaudited FY 2022-23 financial results



TRAFFIC IMPACT FEE ANNUAL REVIEW



TIF AD HOC COMMITTEE REVIEW

- Ad Hoc Committee met on November 2, 2023
- TIF Analysis included:
 - TIF range between \$176 and \$476 per ADT
 - Recently Completed Projects
 - Consideration of Active Transportation Projects
 - Traffic Signal Synchronization Projects
 - TIF Fund Balance
- Revised calculation of \$231 per ADT based on revised list of CIP projects and inclusion of Active Transportation projects.

TRAFFIC IMPACT FEE FUND BALANCE

as of June 30, 2023*

•Beginning fund balance July 1, 2022 -	\$5,657,766
•Revenues -	\$ 668,873
•Expenditures -	<u>\$ (485,738)</u>
•Fund Balance as of June 30, 2023 -	\$5,840,901

•Capital Projects Current and five-year CIP - \$4,723,308

•*Preliminary unaudited FY 2022-23 financial results

TIF AD HOC COMMITTEE RECOMMENDATION

- Adopt proposed resolution which includes:
 - Continue traffic impact fee of \$235 per ADT with the inclusion of Active Transportation projects;
 - Continue allocation of up to 10% of traffic impact fees towards traffic signal synchronization projects;
 - Continue 5% reduction in automobile trips as result of ATP implementation and additional 5% reduction in automobile trips for developments proposing to implement active transportation improvements beyond typical development requirements.

Questions ?

Outdoor Dining Code Amendment

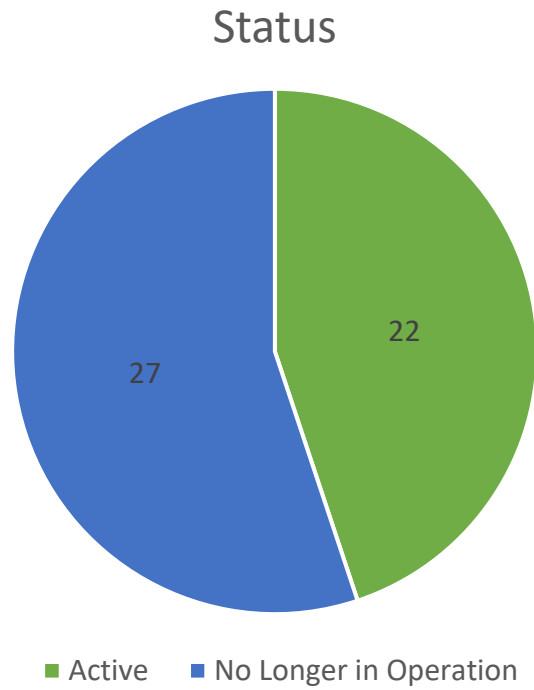
December 5, 2023
City Council



Ordinance Background

- In response to the COVID-19 pandemic, the City Council approved Urgency Ordinance 2020-15 on June 2, 2020.
 - Streamlined approval of outdoor dining areas.
 - Suspended development standards and parking requirements.
- Outdoor dining was permitted in courtyards, walkways, parking lots and in certain areas of the public right of way.
- Staff issued 49 permits under this program.

Current TUP Statistics



Planning Commission Modifications

- The Planning Commission reviewed a draft ordinance on November 13th, 2023.
- The Planning Commission recommended City Council adopt staff's draft ordinance with the following modifications:
 - Increase threshold of removed parking spaces which required an MCUP from "two spaces or 10%" to "five spaces or 25%", whichever is less;
 - Modify barrier requirements by prohibiting temporary materials, limiting barrier height to five feet and permitting only the first 3.5 feet to be solid; and
 - Add an operational standard that addresses potential parking related issues for all establishments with an outdoor dining area.



Example Outdoor Dining Area: Setback

Existing



New



Example Outdoor Dining Area: Courtyard

Existing



New



Example Outdoor Dining Area: Parking Lot

Existing



New



Proposed Development Standards

- Outdoor dining areas will be exempt from required parking.
- Outdoor dining areas cannot encroach into drive aisles or required site circulation.
- Barriers or improvements must match the design aesthetics of existing or proposed buildings.
- Landscaping is required around outdoor dining areas.

Specific Development Standards

Within Setback Areas

- Must maintain a 3-foot landscape barrier.
- Barriers cannot visually enclose the dining area.



Specific Development Standards

Within Private Parking Lots

- Must comply with all parking design standards (dimensions, turn radius, etc.).
- Barriers cannot visually enclose the dining area.
- New proposed outdoor dining areas can receive a credit of up to five parking spaces or 25% of required parking spaces (whichever is less).



Proposed Streamlined Approval Process

Staff Level Approval/Plancheck:

- In Courtyards/Wide Walkways.
- In Setbacks – up to 50% existing restaurant increase in public area.
- In Parking Areas – up to 50% existing restaurant increase in public area and does not remove more than five parking spaces or 25% of existing, required parking, whichever is less.

Minor Conditional Use Permit (MCUP):

- In Setbacks – more than 50% increase in public area.
- In Parking Areas – more than 50% existing restaurant increase in public area; removal of more than five parking spaces, or removal of more than 25% of existing required parking, whichever is less.

Permitting of Existing TUPs

- Existing restaurants with previously approved TUPs can continue to operate as originally approved subject to compliance with building, fire, and minimum access and circulation requirements, and aesthetic design standards.
- Staff will proactively contact and assist these restaurants by forming an “Interdepartmental Customer Service Team” that consists of a planner, building staff and the fire marshal.



Ordinance Modifications to Clarify Requirements for Existing Outdoor Dining Areas in Drive Aisles

Staff recommended clarifications to Table 13-47(b)

¹ Temporary Use Permits for outdoor dining areas, including parklets within the public right-of-way, approved through Urgency Ordinance 2020-15 may continue to operate with staff approval; however, shall comply with applicable Building and Fire Code requirements, ~~circulation and parking lot standards~~ may not interfere with minimum required site access or circulation, and shall comply with aesthetic development standards outlined in Section 13-48 within six months from the time of ordinance adoption, with an allowed six-month extension of time. Outdoor dining areas approved under a temporary use permit shall also be subject to applicable fees. Any modifications to these outdoor dining areas shall be approved pursuant to this Article.

Recommendation

Staff recommends the City Council:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), and
2. Give first reading to an Ordinance approving a code amendment, amending Title 13 of the Costa Mesa Municipal Code (Zoning Code) regarding outdoor dining provisions, with staff recommended modifications.

Outdoor Dining Code Amendment

December 5, 2023
City Council

