



**TOWN OF LOS GATOS
REGULAR MEETING OF THE
COMPLETE STREETS & TRANSPORTATION COMMISSION
THURSDAY, MAY 11, 2023
41 MILES AVENUE
RJ BRYANT SERVICE CENTER
LOS GATOS, CA
7:30 A.M.**

*Bill Ehlers, Chair
Alice Miano, Vice Chair
Jeff Thompson, Commissioner
Gillian Verga, Commissioner
Cindy Walker, Commissioner
Taj Chunawala, Youth Commissioner*

This meeting will be held in-person at the RJ Bryant Service Center at 41 Miles Avenue. Members of the public may only provide public comments for an agenda item in-person.

PARTICIPATION IN THE PUBLIC PROCESS

The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you are interested in providing oral comments during the meeting, you must attend in-person and complete a “speaker’s card”. If you wish to speak to an item on the agenda, please list the item number. The time allocated to speakers may change to better facilitate the Commission meeting. You are welcome to submit written comments via email to ppwcomment@losgatosca.gov.

Public Comment During the Meeting:

- When called to speak, please limit your comments to three (3) minutes, or such other time as the Chair may decide, consistent with the time limit for speakers at a Town meeting.
- Speakers at public meetings will be asked to provide their full name and to state whether they are a resident of the Town of Los Gatos. This information is optional and not required.

Deadlines for Public Comment and Presentations are as follows:

- If you are unable to participate in person, you may email ppwcomment@losgatosca.gov with the subject line “Public Comment Item #_” (insert the item number relevant to your comment). Persons wishing to submit written comments to be included in the materials provided to Commission must provide the comments as follows:
 - For inclusion in the regular packet: by 11:00 a.m. the Friday before the Commission meeting
 - For inclusion in an Addendum: by 11:00 a.m. the Tuesday before the Commission meeting
 - For inclusion in a Desk Item: by 11:00 a.m. the day before the Commission Meeting
- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email to ppwcomment@losgatosca.gov, by 3:00 p.m. the day before the meeting.

RULES OF DECORUM AND CIVILITY

The purpose of the meeting is to conduct the business of the Town in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town's meeting guidelines while attending Town meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code.

The Town does not tolerate disruptive conduct, which includes but is not limited to:

- addressing the Commission without first being recognized;
- interrupting speakers, Commission or Town staff;
- continuing to speak after the allotted time has expired;
- failing to relinquish the microphone when directed to do so;
- repetitiously addressing the same subject.

Town Policy does not allow speakers to cede their commenting time to another speaker.

Disruption of the meeting may result in a violation of Penal Code Section 403.

MEETING CALLED TO ORDER

ROLL CALL

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve Complete Streets & Transportation Commission Regular Minutes of April 13, 2023. (Attachment)

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Commission on any matter that is not listed on the agenda. To ensure all agenda items are heard and unless additional time is authorized by the Chair, this portion of the agenda is limited to 30 minutes and no more than three (3) minutes per speaker. In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment.)*

OTHER BUSINESS *(Up to three minutes may be allotted to each speaker on any of the following items.)*

2. Youth Commissioner Report – Taj Chunawala
3. 2023 Priorities (Verbal Reports)
 - A. Review Town Council Discussion of May 2, 2023 – Chair Ehlers
 - B. Transportation Demand Management – Chair Ehlers and Commissioner Thompson
 - C. Senior Services Transportation – Vice Chair Miano and Commissioner Thompson
 - D. General Traffic Safety – Commissioners Verga and Walker

4. PPW Department Report
 - A. Parking Program Update – Jim Renelle (Written Report – Attachment)
 - B. Transportation Impact Fee – Nicolle Burnham (Written Report – Attachment)
 - C. Upcoming Council Items of Interest – Nicolle Burnham (Verbal Report)
 - D. Future Agenda Items (Verbal Report - Attachment)
Recommendation: Receive update and provide information attached
5. VTA Bicycle & Pedestrian Advisory Committee – Chair Bill Ehlers (Verbal Report)
6. Bike Valet - Commissioner Thompson (Verbal Report)
 - A. Spring into Green
 - B. Fourth of July
7. Bike to Wherever Day Energizer Station – May 20th

COMMISSIONER REPORTS

ADJOURNMENT

Next meeting scheduled: June 8, 2023

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]



**TOWN OF LOS GATOS
COMPLETE STREETS AND
TRANSPORTATION COMMISSION
REPORT**

MEETING DATE: 05/11/2023

ITEM NO: 1

**MINUTES OF THE COMPLETE STREETS AND TRANSPORTATION
REGULAR MEETING
April 13, 2023**

The Complete Streets and Transportation Commission of the Town of Los Gatos conducted its Regular Meeting on Thursday, April 13, 2023, at 7:30 a.m. via videoconferencing.

MEETING CALLED TO ORDER AT 7:30 A.M.

ROLL CALL

Present: Chair Bill Ehlers, Vice-Chair Alice Miano, Commissioners Jeff Thompson, Gillian Verga, Cindy Walker, Youth Commissioner Taj Chunawala

CONSENT ITEMS

1. Approve Complete Streets & Transportation Commission March 09, 2023 Regular Minutes.

MOTION: Motion by Commissioner Thompson to approve Consent Item 1.

Seconded by Commissioner Verga.

VOTE: Motion passed unanimously.

VERBAL COMMUNICATIONS

Ed Mordion highlighted the upcoming May bike-to-work day along with bike whatever day and inquired how the Town of Los Gatos can support the event. In addition, Ed Mordion expressed and offered to help and volunteer.

OTHER BUSINESS

2. Youth Commissioner Report (Verbal Report)
Youth Commissioner Chunawala verbally reported that the Town Council approved the revised ebike ordinance and educational videos will potentially be projected at Spring to the Green to help outreach the ordinance. In addition, Youth Commissioner Chunawala highlighted that they organized Easter cookie decorating for neurodiverse kids. Commission discussed on this item.
3. County Trail Master Plan Update – Rebecca Coates-Maldoon (Verbal Report and Presentation)
Coates-Maldoon, Countywide Trails Program Manager, presented an overview update on the County Trail Master Plan. Commission discussed this item and provided feedback.

4. Finalize 2023 Priorities

- A. Bike Valet –
Commissioner Thompson highlighted that one volunteer spot is still available for the Bike Valet at Spring to the Green.
- B. Public Transportation
Not discussed.
- C. Safety of Mountain Roads
Not discussed.
- D. Community Outreach & Public Meetings, Bike & Pedestrian Master Plan –
Not discussed.
- E. General Traffic Safety Ad-Hoc Committee – Commissioners Walker and Verga
 - I. Mission Statement (Attachment)
Commissioners Walker and Verga requested feedback the General Traffic Safety Ad-Hoc Committee mission statement. Commission discussed this item.

5. PPW Department Report

- A. Accept the 2023 Complete Streets Transportation Commission (CSTC) Work Plan – Tracy Wang (Verbal Report & Attachment)
Recommendation: Review and provide comment on the 2023 CSTC Work Plan

Transportation and Mobility Manager Wang reported on the Completed Streets & Transportation Commission Work Plan. Commission discussed this item.

MOTION: Motion made by Vice Chair Miano to recommend Town Council defer the work plan Summer/Rush/Hour/School Traffic Regional Transportation Issues to the Youth Commission.

Seconded by Commissioner Walker.

VOTE: Motion passed unanimously.

Commission discussed.

MOTION: Motion made by Vice Chair Miano to repeal the four 2023 priorities as discussed, which included:

- Bike Valet
- Public Transportation
- Safety of Mountain Roads
- Community Outreach & Public Meetings, Bike & Pedestrian Master Plan

Seconded by Commissioner Verga.

VOTE: Motion passed unanimously.

Commission discussed.

MOTION: Motion made by Commissioner Thompson to approve the new 2023 priorities as discussed, which included:

- Transportation Demand Management with Chair Ehlers and Commissioner Thompson as part of the Ad-hoc
- Senior Transportation with Vice Chair Miano and Commissioner Thompson as part of the Ad-hoc

Seconded by Vice-Chair Miano.

VOTE: Motion passed unanimously.

B. Upcoming Council Items of Interest – Nicolle Burnham (Verbal Report)

Director Burnham reported that the Shannon Road Bike Pedestrian and Bikeway will be on the upcoming Town Council along with the CSTC Work Plan.

Burnham also highlighted:

- Parks and Public Works will coordinate with Silicon Valley Coalition bike-to-work-day
- Town budget will be posted next week
- Commission recruitment is beginning
- Los Gatos Creek Trail Connector to Hwy 9 bid project was higher than the available budget and will potentially reduce the scope of the project and seek additional funds

C. Future Agenda Items (Attachment)

Recommendation: Review and provide comment on the 2023 CSTC Work Plan

Director Burnham indicated that a parking update is expected at next month's meeting. She highlighted that beginning in June, the Safe Routes to School and Police Department reports, will be quarterly moving forward.

6. VTA Bicycle & Pedestrian Advisory Committee - Bill Ehlers (Verbal Report)

Chair Ehlers stated that he attended the VTA meeting which highlighted the County Trail Master Plan Update and the approval of the Central Bikeway plans.

COMMISSIONER REPORTS

Commissioner Verga stated that she attended the previous Town Council meeting.

Chair Ehlers reported that he was talking to crossing guards and was informed that a child got hit near Fisher Middle School.

Commissioner Thompson reported that he was passed on Shannon Road by a speeding vehicle.

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SUBJECT: COMPLETE STREETS & TRANSPORTATION REGULAR MEETING MINUTES

DATE: April 13, 2023

ADJOURNMENT

The meeting adjourned at 9:27 a.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the April 13, 2023, meeting as approved by the Complete Streets & Transportation Commission.

Nicolle Burnham, PPW Director



TOWN OF LOS GATOS
COMPLETE STREETS AND
TRANSPORTATION COMMISSION REPORT

MEETING DATE: May 11, 2023

ITEM NO: 4.A.

DATE: May 3, 2023
TO: Complete Streets and Transportation Commission
FROM: Nicolle Burnham, Director of Parks and Public Works
SUBJECT: Receive a Parking Update Report

RECOMMENDATION:

Receive a Parking Update Report

BACKGROUND:

In December 2019, the Town Council adopted a plan to improve parking availability and enhance the parking experience in the greater Downtown by following a Parking Roadmap developed by Dixon Resources Unlimited (Dixon). This Roadmap is a Town guide to improving the parking experience primarily through better space utilization management.

The key Parking Roadmap recommendations are:

- Employee Permit Parking Program – Completed
- Wayfinding Improvements – In progress
- Dynamic Parking Guidance System – Pending funding
- Paid Parking Program – Under current consideration
- Parking Alternatives (Alt. Trans stipends/shuttle/etc.) – Pending funding and staffing
- Additional Parking (If needed) – Pending funding

At the December 6, 2022 Town Council meeting, Town Council directed Staff to develop a fiscally self-sustaining parking plan that provides the current free two-hour on-street parking, and the first two-hours free off-street parking with a fee of \$2.00 to \$2.50 per hour thereafter.

DISCUSSION:

Staff worked with Dixon to study and analyze the revenue data from the Council directed plan and determined that it is significantly short from being fiscally sustainable and will not reduce time spent looking for parking or generate enough revenue to cover the costs of the minimum required staffing to operate paid parking. Its only benefit would be that it provides an option for visitors who need to stay

PREPARED BY: James Renelle
Parking Program Manager

Reviewed by: Parks and Public Works Director

DISCUSSION: (continued)

beyond the current 3-hour parking limit. Currently, visitors must move to another space after three hours to avoid receiving a parking citation. The paid parking program must be part of the solution to achieve the overall goals of the Parking Roadmap.

The benefits of a successful paid parking program are:

- Encourages turnover to create better parking availability for arriving visitors;
- Better manages where and how long visitors can park;
- Encourages employees to park in designated areas instead of visitor parking;
- Generates revenue to cover operational expenses;
- Generates revenue to provide a higher level of customer service and experience; and
- Generates revenue for capital maintenance and improvement projects such as
 - Capital maintenance – freeing current funding for other Town projects
 - Dynamic Parking Guidance System
 - Alternative Parking Options including a Downtown Community Shuttle
 - Additional Parking (parking structure or leased parking)

Staff worked with Dixon to develop several paid parking options that are fiscally self-sustainable and will provide improved parking benefits in alignment with the Downtown Parking Roadmap (See Chart below).

The Council directed plan (Option 1) is not fiscally sustainable and does not provide for future parking improvements. Keeping parking “as-is” (Option 2) is fiscally sustainable, but it does not provide any parking improvements. To achieve the Town goal of improving parking, the only option is to charge for both on and off-street parking. Option 3A (minimal fees) will provide for operational costs and minor service improvements, but it does not significantly improve parking. Option 3B (higher fees) will provide for operations, maintenance, and the foreseeable capital improvements. Fully paid parking will improve parking availability and the parking experience.

	Option 1	Option 2	Option 3A	Option 3B
Locations	Downtown	Current	Downtown/Civic	Downtown/Civic
Parking Model: On-Street Off-Street	2 hrs Max Free 2 hrs Free/Paid	2 hrs Max Free 3 hrs Max Free	2 hrs Max Paid 2 hrs Free/Paid	2 hrs Max Paid 2 hrs Free/Paid
Fee Rates: On-Street Off-Street	Free Free/\$2.50 hr	Free Free	\$1.25 hr \$1 hr	\$3 hr \$2 hr
Add. Staff Required	Yes	No	Yes	Yes
Funds: Operations & Staff	No	Current	Yes	Yes
Customer Experience	No	No	Yes	Yes
Capital Maintenance	No	No	No	Yes
Capital Improvements	No	No	No	Yes
Requires Add. Funding	Yes	No	No	No
Improves Parking Experience	No	No	No	Yes
Fiscal Self-Sustainable	No	Neutral	Yes	Yes

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SUBJECT: Receive a Parking Update Report

DATE: May 3, 2023

CONCLUSION:

Keeping parking as-is or adopting the Council directed plan will not provide the Town with the resources to accomplish the recommended improvements from the Parking Roadmap. No notable parking improvements will take place with the adoption of either option. Charging for both on-street and off-street parking will provide the Town with the resources to significantly improve the visitor parking experience and reduce the time it takes to locate a parking space. This plan is also fiscally self-sustaining and can free up the current parking maintenance funding for other Town improvements. The parking program as a whole can become fully self-sustaining.



TOWN OF LOS GATOS
COMPLETE STREETS AND
TRANSPORTATION COMMISSION REPORT

MEETING DATE: May 11, 2023

ITEM NO.: 4.B.

DATE: May 4, 2023
TO: Complete Streets and Transportation Commission
FROM: Nicolle Burnham, Director of Parks and Public Works
SUBJECT: Receive the Report on Potential Changes to the Town's Transportation Impact Fee

RECOMMENDATION:

Receive the Report on Potential Changes to the Town's Transportation Impact Fee.

BACKGROUND:

Parks and Public Works staff is working on an update, per Town Council direction, to the Town's Traffic Impact Fees. At the May 2, 2023 Town Council meeting staff presented a progress report and requested input from council on the proposed update. The Town Council memorandum is included here as Attachment 1.

DISCUSSION:

Town Council directed staff to make modifications to the fees presented in the report. Specific feedback included:

1. Taking steps to increase the rate for retail and commercial developments.
2. Taking steps to reduce the rates for multi-family residential developments.
3. Verify the average unit size for residential land uses in Los Gatos.
4. Provide a program option that would be revenue neutral, resulting in all land uses paying the same fees paid under the current program.
5. Evaluate credit programs for affordable housing.
6. Provide more detail on the assumed funding sources for the identified project list.
7. Consider other rates for specialized land uses that may generate more traffic, such as medical offices.

PREPARED BY: Nicolle Burnham
Director of Parks and Public Works

Reviewed by:

PAGE 2 OF 2

SUBJECT: Receive a Parking Update Report

DATE: May 3, 2023

CONCLUSION:

Staff will be continuing with analysis of changes to the Traffic Impact Program based on feedback from Town Council. Feedback from the Complete Streets and Transportation Commission will also inform potential changes.

Attachments:

1. Report to Town Council dated April 27, 2023.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/02/2023

ITEM NO: 13

DATE: April 27, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive the Report and Provide Direction on Potential Changes to the Town's Transportation Impact Fee

RECOMMENDATION:

Receive the report and provide direction on potential changes to the Town's Transportation Impact Fee.

BACKGROUND:

The Town of Los Gatos adopted its first Traffic Impact Policy and Traffic Impact Mitigation Fees in 1991 in accordance with California Mitigation Fee Act (AB 1600). The Town's current Traffic Impact Policy is defined in Council Policy 1-08 (see Attachment 1). At present, the Town charges new development a traffic impact fee at a rate of \$1,015 per new Average Daily Trip. The Average Daily Trip of every new development is estimated based on engineering analysis provided as part of the development application. A single-family residence generates an average of 9.44 trips per day, and new homes in Los Gatos currently pay an impact fee of \$9,581.60. Commercial and multi-family developments pay multiples of the \$1,015 depending on the number of vehicle trips expected to be generated, but also receive credits based on existing uses and pass-by trips.

Council Policy 1-08 was last updated in December 2021 to reflect the use of Vehicle Miles Traveled (VMT) as a means of evaluating traffic impacts in addition to the standard level of service/traffic generation model that previously existed. Traffic impact fees were not updated at that time, the Council action from that date authorized staff to update the Traffic Impact Fee.

In 2021 in Assembly Bill 602 the State of California implemented certain changes to AB 1600. Specifically, jurisdictions that charge impact fees must: 1) complete an impact fee nexus study;

PREPARED BY: Nicolle Burnham
Director, Parks and Public Works

Reviewed by: Town Manager, Town Attorney, Community Development Director, and Finance Director

BACKGROUND (continued):

2) calculate the fees based on square footage of the proposed units (or justify why square footage cannot be used); and 3) update the nexus study every eight years.

Since early 2022, staff has been working with DKS Associates to complete a transportation nexus study, update the traffic impact fee, and consider a VMT Impact fee. Allowable charges developed through this study must show:

1. A reasonable relationship between new development and the need for public facilities, in this case transportation related infrastructure;
2. A reasonable relationship between new development and the use of fee revenue for public facilities to accommodate that development; and
3. A reasonable relationship between the amount of the fee and the portion of public facilities cost associated with new development.

DISCUSSION:

In their most basic form, transportation related impact fees are calculated by determining the dollar value for the design and construction of improvements deemed necessary to support future development without worsening traffic and dividing the cost of those improvements by the amount of new development projected to occur. Work completed to date and described in this report includes:

1. Identification of projects that would be funded through the impact fee program and their associated design and construction costs;
2. Determination of the amount of development (e.g., number of housing units, amount of retail and commercial, etc.) that would pay into the fee program; and
3. Identification of the resulting maximum fee for each land use type.

In considering this item, Town Council should specifically provide direction regarding: the maximum fee or some lower fee amount; the amount and type of public outreach that should be provided prior to returning to Town Council for fee adoption; and Town Council interest in credit programs to incentivize certain types of development.

Note that in this memo, and in future memos on this topic staff is changing the nomenclature regarding this program. In the past the term Traffic Impact Fee has been used to describe the program and its associated fee. In this memo and in future writings on this topic, the term Traffic Impact Program (TIP) is used to describe the overall fee program. The TIP is comprised of two different fee components:

- *Transportation Improvement Fee (TIF)*: The Transportation Improvement Fee collects funds to expand transportation infrastructure and accommodate increased travel demand from new development. Sample projects include expanding and improving traffic signals, roads, bridges, and safety projects. The current TIF only addresses this component of the fee.

DISCUSSION (continued):

- *Vehicles Miles Traveled (VMT) Reduction Fee:* The VMT Reduction Fee collects funds to decrease demand for driving and focuses on mitigating car travel from new development by supporting other travel modes such as transit, bicycling/walking, and charging for parking. Sample projects include new bike lanes and sidewalks. This would be a new fee that the Town does not currently have.

PROJECT LIST AND COSTS

As noted above, the proposed TIP is underpinned by a list of projects that the Town would like to see completed to continue to improve traffic and transportation infrastructure and mitigate the impact of future development. The project list was developed from previously adopted planning documents including the Bicycle and Pedestrian Master Plan, the General Plan (2020 and 2040), Local Road Safety Plan, and prior capital improvement project lists. The list was segregated between traffic impact related projects and VMT related projects.

Attachment 2 lists the specific projects included in the fee calculation, their total cost, the amount of funding anticipated from grants or outside sources, and the cost the Town is expected to pay. Table 1 is a summary of the costs developed and included in the fee calculation.

Table 1. Summary of Project Types and Costs

	Transportation Improvement Fee Project Costs (2022\$)	VMT Reducing Projects (2022\$)	Total (2022\$)
Total Project Costs	\$151,132,533	\$40,523,441	\$191,655,974
Estimated Funding from Other Source (e.g., grants)	\$124,228,307	\$24,721,584	\$148,949,891
Unfunded Cost Allocated to TIP	\$26,904,227	\$15,801,857	\$42,706,083

This value of this list is reflective of the ambitious transportation related programs the Town has adopted. Staff worked to reduce the list to the extent feasible, and earlier iterations had unfunded costs allocated to the Town in excess of \$90 million. As noted earlier, the dollar value in this list directly effects the value of the calculated impact fee so reducing the number of projects on the list directly reduces the fee.

DISCUSSION (continued):

PROJECTED DEVELOPMENT

Projected development amounts are the second critical component to the fee calculation. The Town’s General Plan 2040 Land Use Element and Draft Housing Element were used as the basis for determining the projected amount of single-family, multi-family, retail, office, and industrial development. To calculate an impact fee, the multi-family, retail, office, and industrial development levels are normalized to “dwelling unit equivalents” (DUEs), where a single-family home is one DUE. This converts residential and non-residential land uses to a common unit in terms trip generation characteristics. In other words, the DUE is equivalent to the travel demand produced by a typical single-family dwelling unit using industry standard trip generation rates. Accounting for all land use types and excluding Accessory Dwelling Units (ADUs), which are currently exempt from paying traffic related fees, the net DUEs projected for Los Gatos is 2,021. This number factors directly into the fee calculations.

Table 2 provides the DUE for each land use type. This factors into how much impact fee a development will pay under the updated fee program.

Table 2. Dwelling Unit Equivalent (DUES) per Land Use Type

Land Use	Dwelling Unit Equivalent (DUE)
Single-Family (per dwelling unit)	1.00
Multi-Family (per dwelling unit)	0.71
Retail (per 1,000 square feet)	1.40
Office (per 1,000 square feet)	1.23
Industrial (per 1,000 square feet)	0.58

FEE CALCULATIONS

The TIF and the VMT Fee are calculated separately using the project costs show in Table 1 and the net DUE of 2,021. In calculating the proposed fees, the current balance of the Traffic Mitigation Fund (which is the account into which all current impact fees are paid) is subtracted from the unfunded cost allocated to the TIP. Table 3 shows the Transportation Improvement and VMT Fee calculations.

DISCUSSION (continued):**Table 3. Traffic Impact Program Fee Calculation Summary**

	Transportation Improvements Fee	VMT Fee
Unfunded Cost Allocated to TIP	\$26,904,227	\$15,801,857
Less Existing Mitigation Fee Fund Balance	(\$1,319,656)	(\$775,084)
Total Unfunded Cost Used in Calculations	\$25,584,570	\$15,026,773
Net DUE's	2,021	2,021
Cost per DUE	\$ 12,661	\$7,437

In its simplest terms, this means that a new single-family home would pay \$20,098 into the TIP, although converting the fee to square footage of the proposed construction (as required per AB602) means the actual fee will vary based on the size of the home. Multi-family, retail, office, and industrial uses would pay multiples of that based on the DUE in Table 2. Table 4 shows the maximum proposed fee per type of development. Attachment 3 compares these fees with the current impact fees for nearby jurisdictions.

Table 4. Maximum Fee per Land Use Type

Land Use / Unit Basis of Fee	DUE	VMT Fee	Transportation Improvement Fee	Total Fee
Single-Family / per Dwelling Unit	1.00	\$7,437	\$12,661	\$20,098
Multi-Family / per Dwelling Unit	0.71	\$5,315	\$9,050	\$14,365
Retail / per 1,000 square feet	1.40	\$10,374	\$17,663	\$28,037
Office / per 1,000 square feet	1.23	\$9,141	\$15,564	\$24,706
Industrial / per 1,000 square feet	0.58	\$4,288	\$7,300	\$11,588

As noted earlier, per AB 602, impact fees for residential must be converted to a per square foot basis. The conversion to square footage is based on the average square footage of the housing type. Table 5 shows this conversion.

DISCUSSION (continued):

Table 5. Conversion to Square Foot Fee for Residential

	VMT Reduction Fee	TIF	Average Unit Size	VMT Fee Per Square Foot	TIF Per Square Foot	TIP Fees Per Square Foot
Single-Family	\$ 7,437	\$ 12,661	1,671	\$ 4.45	\$ 7.58	\$ 12.03
Multi-Family	\$ 5,315	\$ 9,050	884	\$ 6.01	\$ 10.23	\$ 16.24

Development projects will be required to mitigate their VMT impacts as well as support continued expansion of the transportation network. The VMT mitigation fee will not fully mitigate the impacts of an individual development project and additional mitigation strategies may be required for environmental clearance.

Table 6 shows a comparison of the existing fee to the proposed new fee for various developments. As Table 6 demonstrates the conversion of residential fees the per square foot of unit type has a significant impact on the fees paid by residential developments. However, the potential future fee leaves commercial, retail and office paying less than under the existing program.

At present the Council Policy 1-08 exempts all ADUs from transportation impact analysis and traffic impact fees. However, since larger ADUs could support more residents which would create more demand on roads, the Town could consider requiring ADUs larger than 750 square feet to pay a fee proportional to the primary dwelling unit while ADUs smaller than 750 square feet must remain exempt from paying impact fees.

Council may adopt fees at any level up to the fees shown or may adopt different fee levels for each land use (e.g., 100% of proposed fees for commercial and 75% of proposed fees for residential). However, reducing the fees would necessitate additional alternative funding sources to deliver projects on the list and reducing the VMT Fee reduces mitigation effectiveness.

DISCUSSION (continued):**Table 6. Existing Fees vs Proposed Fees**

Project	Fees Paid or Anticipated to be Paid Under Existing Fee Program	Proposed Fee
Accessory Dwelling Unit	\$0	\$0 (per Town Policy)
New Single-Family Residence (hypothetical) (3,000 SF)	\$9,581.60	\$36,090
Multi-family Residential Project (16940 Roberts Rd, 3 condominiums – 1,820, 1,797, and 1,806 SF)	\$23,394.36	\$88,069.52
Redevelopment (16212 Los Gatos Blvd), existing commercial building, 2,312 SF) with proposed retail/office at 6,185 SF ¹	\$251,720	\$91,315
Retail (15600-15650 Los Gatos Blvd, Whole Foods) 40,190 SF Retail ¹	\$2,129,936.19	\$1,126,807.03

Notes:

1. Fees shown are net. The project receives credit for the existing use and is charged for the expanded/increased use.

COUNCIL DIRECTION

Staff is seeking direction on the following items: 1) total fee that might be proposed; 2) consideration of credit programs and for what type of projects; and 3) outreach strategy.

Total Fee

Option 1: Move forward with both fee components at proposed fee levels

While this option maximizes funding for Town capital projects, it will result in higher fees than many other jurisdictions.

Option 2: Reduce or eliminate the VMT fee component

The fees presented represent the maximum fee the Town could charge. However, Town Council can establish the fee at any rate lower than what is currently presented. While setting a lower rate or eliminating the VMT fee reduces the fee burden on development, it will result in reduced mitigation effectiveness and lower fee revenue. Per Council Policy 1-08, the Town is taking a Town-wide approach for VMT impact mitigation, and the updated fee program is

DISCUSSION (continued):

intended to function as an impact mitigation strategy to support environmental clearance of development projects. Reducing the VMT fee is counter-productive to the original intention of using the fee program as one tool in the environmental clearance process for new development.

Option 3: Reduce the Transportation Improvement Fee component

While this option also reduces the fee burden on development, it will result in lower fee revenue and the Town will need additional alternative funding sources to deliver the project list, which may be challenging considering that the estimated cost of the project list already assumes 78% of the funding will be from grants.

Considerations of a Credit Program

Council Policy 1-08 exempts Accessory Dwelling Units (ADUs) of all sizes from payment of the fee. In addition, fees are prorated to reflect existing land uses. For example, a 3,000-square foot retail development proposed at a site that currently has a 1,500-square foot retail development would only be charged impact fees on the new 1,500 square feet.

In considering the new fee, Town Council may want to provide direction for staff to evaluate other potential credits. Credit programs can serve to incentivize the types and location of development that support the Town's goals and policies. For example, credits may include deed restricted affordable housing units for various income levels. Credits may be for 100% of the fees (which would not be recommended) or some lower percentage like 50% or 75%.

Council may also want to consider if the existing ADU exemption should be continued or modified.

If credit programs are of interest to Town Council staff will research credit programs and return with a proposed credit program.

Outreach Strategy

This Council item provides the first opportunity for Town Council and the public to see the fee calculations. Staff recommends that additional outreach be conducted before the fee study is finalized and brought forward for adoption and is seeking input from Council on potential groups that should be included in the outreach.

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SUBJECT: Provide Direction on Potential Changes to the Transportation Impact Fee

DATE: April 27, 2023

CONCLUSION:

As a result of Council direction when adopting the Town's VMT policy in December 2021 and recent changes in state law, staff is completing the necessary technical work to update the Town's TIP. The maximum fee has been calculated and would significantly increase impact fees for residential development, while reducing fees for non-residential land uses. Staff is seeking direction from Town Council on the proposed rate, credit programs, and future outreach.

COORDINATION:

This agenda item was coordinated with the Town Manager, Town Attorney, and Finance Director. The Community Development Department has been involved with reviewing the fee options and other technical materials.

FISCAL IMPACT:

There is no fiscal impact associated with Town Council providing direction.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Council Policy 1-08 - Traffic Impact Policy
2. Project List for TIF and VMT Calculations
3. Analysis of Fees for Comparable Jurisdictions



TOWN OF LOS GATOS
COMPLETE STREETS AND
TRANSPORTATION COMMISSION

MEETING DATE: 05/11/2023

ITEM NO.: 4.D.

DATE: May 11, 2023
TO: Complete Streets and Transportation Commission
FROM: Nicolle Burnham, Director of Parks and Public Works
SUBJECT: Parks and Public Works Department Report

RECOMMENDATION:

The purpose of this information is to provide the Commission and members of the public a look at anticipated future agenda items.

BACKGROUND:

Potential future agenda items are presented below. This report will be updated monthly to reflect any items going on in the Parks and Public Works Department.

ANALYSIS:

June	Police Department Report
	Safe Routes to School Report
	Carpool Options
	Summer Meeting Schedule
July	

FISCAL IMPACT:

No Fiscal Impact

Attachments:

1. None

PREPARED BY: Nicolle Burnham
Director, Parks and Public Works
