



**SEPTEMBER 13, 2018**

**AGENDA ITEM # 6**

**SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)  
ANNUAL REPORT – FY 2018**

Action Requested: Receive and File

Key Staff: Timothy Jones, Chief Financial and Administrative Officer

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Receive and file a summary report of the SCTMFP revenues and expenditures.

**Background**

The SCTMFP program was approved by voters in November 2004 as part of the Measure A sales tax program extension which will sunset in 2039. The program was developed to initiate a uniform transportation mitigation fee on all new development in Sacramento County and to assist in funding road and transit system improvements needed to accommodate projected growth and development. Under the Measure A Ordinance, each city receiving sales tax revenue was required to adopt a development financing mechanism consistent with program guidelines. Collection of the fees started in April 2009. Fee paying entities include the County of Sacramento, and the Cities of Sacramento, Galt, Elk Grove, Rancho Cordova, Folsom, Citrus Heights, and Isleton. The fees are required to be remitted to the Authority semi-annually within 60-days after each reporting period (June 30 and December 31).

The Ordinance provides guidelines for the use of these funds; however the Board may approve changes to the overall formula allocation by a 2/3 vote. Currently, the Ordinance requires the following allocations:

- 35% Local streets capital improvements and rehabilitation
- 20% Public transit capital improvements and rehabilitation
- 20% Local interchange upgrades, safety projects, and congestion relief, including bus and carpool lanes
- 15% Smart Growth Incentive Program
- 10% Transportation project environmental mitigation  
100%

Additionally, the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan) identifies the projects and funding amounts (based on the original program forecasts) designed to carry out the program.

The projects in the plan are slated for construction by the County and cities remitting fees, but also Caltrans, the Sacramento Regional Transit District (SRTD), and the Capital SouthEast Connector Authority. Therefore, some of the revenue generated by the County and cities paying the fees is destined for projects constructed by non-fee remitting agencies. For example, the expenditure plan identifies bus and carpool lanes on Highway 50 which are under construction by Caltrans, light rail construction and transit improvements overseen by SRTD, and the Capital SouthEast Connector between Interstate 5 – Highway 99 administered by the Capital SouthEast Connector Authority.

### **Discussion**

- Total revenues from program inception through June 30, 2018 were \$39.57 million, of which FY 2018 revenues were \$7.65 million.
- Total expenditures from program inception through June 30, 2018 were \$16.62 million, of which FY 2018 expenditures were \$2.13 million.

The attached summary provides complete revenue and expenditure data from program inception through June 30, 2018. Total program revenue is less than half of what was expected by this time, in part because construction activity stalled during the recession. The City and County of Sacramento and Elk Grove remitted about 77% of the total revenue thus far - \$14.8 million, \$8.3 million, and \$7.3 million respectively. The City of Galt did not remit any fees in fiscal years 2011 and 2012 because there was not any fee generating development during that time. Isleton has not generated any fees during the life of the program because there has not been any new development subject to the fee; therefore, it is not included in the summary. The program fund balance, including accumulated interest, is \$23.4 million as of June 30, 2018.

Total expenditures were \$16.6 million. Only four of the seven agencies remitting fee revenue received reimbursements using this funding source. To date, the City of Sacramento submitted reimbursable claims of \$11.5 million, followed by the County of Sacramento at \$3.9 million, Rancho Cordova at \$1.1 million, and an immaterial amount to Citrus Heights. The reason that three agencies – Elk Grove, Galt, and Folsom – have not received any funding from this source so far is that each city constructed capital projects at a time when the Authority was paying claims with bond proceeds. When bond proceeds funding was exhausted, the Authority began using a mix of SCTMFP and pay-go money to pay claims – at which time the three agencies' capital projects were completed.

Attachment