



## **Transportation Corridor Agencies™**

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### FREQUENTLY ASKED QUESTIONS MAJOR THOROUGHFARE AND BRIDGE FEE PROGRAM MAY 2016

When are fees due? Can a builder pay the fees prior to pulling of a building permit to avoid an increase in the fee amount?

The fees are due at the time the building permit is issued. Fees should be paid to the TCA member agency issuing the permit. The fee rate applied is the rate in effect on the day of permit issuance. Fees cannot be paid prior to issuance of a permit to avoid a fee increase.

What are the criteria for determining whether a single family or multi-family rate is applicable for residential projects? Can there be both single and multi-family in the same project?

In 1992, the TCA adopted an interpretation of the Fee Program (Interpretation 92-1) which clarified the criteria for determining the correct category (single family v. multi-family) for residential projects. The two sets of criteria for classifying units within projects are:

#### Single Family

- (1) Separate lot
- (2) Detached
- (3) 1,500 square feet or larger

#### Multi-Family

- (1) No separate lot
- (2) Attached
- (3) Less than 1,500 square feet

Individual units will be classified as “single family” if they exhibit two or more characteristics of that category, and units will be classified as “multi-family” if they exhibit two or more characteristics of that category.

The possibility exists, based on this method of categorizing units that both single family and multi-family units will occur within the same tract/development.

When are fees increased? What determines the amount of the fee increase?

The fees are currently increased by a fixed percentage on July 1<sup>st</sup> of each year. The percentages are:

Foothill/Eastern Areas of Benefit:	2.206%
San Joaquin Hills Areas of Benefit:	2.667%

Is credit given for demolition of a structure?

Yes. Reconstruction of non-residential buildings on the same legal building site (although not necessarily in the same footprint) as the demolished structure is exempt from paying fees, provided the structure is the same square footage or less than the demolished structure. If the new structure is larger than the demolished structure, fees would be collected for the net square footage increase. Credit is given for demolition of residential units (single or multi-family) on the same lot.

How are fees charged for a hotel?

A hotel is assessed at the non-residential rate for the gross square feet, including each floor of multiple story buildings. A timeshare facility also is assessed at the non-residential rate for the gross square feet.

Are fees due for the addition of a building mezzanine?

Per the Fee Program, any expansion of a non-residential structure is subject to fees for the net increase of gross square feet.

Which projects are exempt from payment of fees?

Please consult the permitting agency and/or TCA to confirm if an exemption applies to your project. The following are examples of projects that may be exempt from fees.

- Projects that provide documentation of exemption from property taxes.
- On-site leasing offices and common structures in residential tracts such as a pool building, provided that the use is limited to residents.
- Governmental structures such as fire stations and schools, to the extent that they shall not be used for generating revenue or commercial purposes.
- Parking structures built for the parking of vehicles used for travel to and from the non-residential development served by the structure. Structures used for the repair, maintenance, cleaning, sale, rental or display of vehicles, or for the storage of vehicles as a commercial enterprise conducted at the site of the development, are not exempt.
- Structures that are permanently open to the elements – meaning that they do not have 4 walls, a door, and a roof (examples include gas station canopies, restaurant outdoor patio dining areas, etc.).

What about self-storage projects? How are the fees charged?

Fees are collected for the gross square feet of the project which includes all enclosed storage units. If there is a manager's residence on site, a residential fee (instead of non-residential fee) would be collected for that portion of the project. The criteria for classifying residential units would apply in determining whether the manager's residence was a single family or multi-family unit.

How should fees be calculated for a senior citizen housing project?

The only exception to the collection rules for senior housing is for congregate care projects. For example, senior apartments are charged at the multi-family rate; a convalescent hospital would be charged at the non-residential rates. A congregate care facility is a licensed community care facility offering long-term accommodations for senior citizens along with a full range of related services, such as a common dining area, doctor's office, beauty salon, administrative offices, exercise room, etc. For those projects that qualify under this definition, please refer to Fee Program Interpretation 87-1 or contact TCA for details.

If the congregate care facility is housed in a single-family structure, the project is subject to single family residential rates. Any future conversions of this type of facility to any other use shall be subject to full fee assessment at that time.

How does a builder appeal the fees?

The builder must pay the fees in protest and file an appeal to the Agencies' Chief Executive Officer (CEO) within ten (10) days following the date on which the fee is required to be paid. To file an appeal, the builder must send a petition and supporting evidence on why the fees were not due or how they were calculated incorrectly to the TCA Administrative Offices. The City or County will be asked by the TCA to review the petition and provide any documentation necessary such as copies of the permit and receipt for the payment of fees. The CEO will hear the appeal and issue a decision. Decisions of the CEO may be appealed to the Board of Directors.

What if there is an overpayment of fees?

The builder or the member agency needs to submit a request for repayment of fees. Documentation of the reason for the overpayment and copies of the receipt for the payment of fees must be submitted. The TCA will review the request and, if approved, will issue a refund check.

What if the permit expires and the builder comes in to renew it? Are fees due?

If a permit has expired, credit will be given for the fees already paid and the difference will be assessed. For example, if the fee amount per square foot was \$4.00 when the original permit was issued and, at the request for renewal, the fees are \$4.25 per square foot, 25 cents per square foot would be due.

What if the permit is extended? Are fees due?

If the permit does not expire and is extended with no lapse, no fees are due. However, as a matter of practice, after the permit has been extended twice, fees will be recomputed and the difference charged.

To where should member agencies send fee payments?

All payments and the corresponding remittance forms should be collected by member agencies and sent directly to our trust company at the following address:

**The Bank of New York Mellon  
Attn: Client Financial Management  
400 S. Hope St., Suite 400  
Los Angeles, CA 90071**

If you prefer to wire the funds, please use the following wire instructions.

For Foothill/Eastern Transportation Corridor Fees:

**The Bank of New York Mellon  
ABA# 021000018  
Account# 1146428400  
Reference: FE Revenue DIF Account  
Attn: Justin Bui, 415-263-2416**

For San Joaquin Hills Transportation Corridor Fees:

**The Bank of New York Mellon  
ABA# 021000018  
Account# 7397028400  
Reference: SJH Revenue DIF Account  
Attn: Justin Bui, 415-263-2416**

Our office must also be provided with summary sheets that include the following information by corridor: date the fee was received, amount received, whom it was collected from, location (including city, zone, lot, block, tract, address, as applicable) and building permit number.

Who should be contacted if there are questions on the administration of the program or if a builder has questions about the Fee Program?

Please contact the TCA. You can reach:

Greg Walker at (949) 754-3438 or by e-mail at [gwalker@thetollroads.com](mailto:gwalker@thetollroads.com), or

Andrew Seibly, at (949) 754-3425 or by e-mail at [aseibly@thetollroads.com](mailto:aseibly@thetollroads.com)

If we are not available, please leave a message and we will get back to you as soon as possible.