FAQ – Nexus Study Update & TUMF Fees

What is a Nexus Study?

The TUMF Nexus Study establishes the link between the program's requirements and the TUMF Program Fee Schedule. It identifies development-related projects that require mitigation, estimates project costs, and calculates the fees needed to fund them. Through transportation modeling, a list of eligible mitigation projects was developed. The draft Nexus Study was released for a 30-day public review and comment period, during which WRCOG staff addressed all submitted feedback and provided responses to commenters. The final version of the study was approved by the WRCOG Executive Committee on September 9, 2024.

Why update a Nexus Study?

Nexus studies are essential for ensuring compliance and are considered a best practice to update regularly. Over time, underlying growth forecasts evolve, and travel behaviors have shifted significantly, especially due to the impacts of COVID-19. Regular updates to the Nexus Study enable WRCOG to evaluate the relevance of current projects and anticipate future needs. This process also provides an opportunity to incorporate new project types, such as Intelligent Transportation System (ITS) infrastructure, ensuring the program remains aligned with regional transportation priorities.

When will the fees be increasing?

The WRCOG Executive Committee has the authority to adjust TUMF fees, though changes typically occur following updates to the TUMF Nexus Study and at annual CCI increases. The next TUMF fee increase, based on the updated Nexus Study, will take effect no earlier than April 1, 2025. The exact timing of the fee increase will depend on individual actions of various WRCOG Member Agencies.

Why are fees increasing?

The Nexus Study evaluates the necessary mitigation to ensure the TUMF network operates at an adequate level of service. When a facility is identified as deficient and requires improvements, TUMF fees are used to fund those improvements. Over time, the factors considered in the study, such as road improvement costs, change. As improvement costs rise, the fees must increase accordingly to cover the higher expenses of making the same improvements.

When will the Nexus Study be approved?

The Nexus Study is approved at the discretion of the WRCOG Executive Committee. This comprehensive study is complex and typically takes over a year to complete. Each WRCOG agency provides essential input throughout the process. With all data gathered, the study has been presented for final review and comments. The WRCOG Executive Committee formally approved the Nexus Study on September 9, 2024.

Why is the Single-Family Residential (SFR) fee shifting from a per-unit basis to being based on square footage?

On January 1, 2022, California implemented AB-602, a law that reformed how cities calculate impact fees for new housing developments. This legislation requires that the size of residential developments be considered when assessing impact fees. During the 2024 Nexus Study, it was determined that different household types generate varying numbers of trips. To align with AB-602, the WRCOG Executive Committee decided to transition Single-Family Residential TUMF fees from a per-unit basis to a square footage tiered approach.

For more information on the Nexus Study and Single-Family residential TUMF fees can be found here on Page 60 of the 2024 Nexus Study: Transportation Uniform Mitigation Fee Nexus Study 2024 Update

Will AB-602 require that new residential additions will trigger a TUMF fee clearance due to the additional square footage added to a home?

No, WRCOG does not require TUMF to be applied to new residential additions.

Will the 3,000 square foot reduction for service/retail be maintained in the Nexus Study fee schedule update?

The WRCOG Executive Committee makes two key decisions. First, it approves or rejects the Nexus Study and its technical analysis, which includes a recommendation for the appropriate fee amount. Second, the committee adopts the fee schedule. The Executive Committee has the discretion to adjust the fee, implement a phased increase, or introduce policies, such as the 3,000 sq. ft. reduction for retail/service establishments. On September 9, 2024, the Executive Committee decided to maintain this reduction.

Will Class A/B Office classification be maintained?

On September 9, 2024, the WRCOG Executive Committee decided to maintain the Class A/B classification. You can find more information on Class A/B Office classification on page 25 of the TUMF Administrative Plan: TUMF Administrative Plan.

Can an updated Nexus Study reduce the available funding for a project that may have been higher in an earlier study?

Yes, an updated Nexus Study could reduce the maximum shares for a project. There are three main reasons for these changes:

1. Changes in transportation modeling
   - Changes in demographics can affect traffic patterns, which may result in different eligibility determinations for projects in updated studies.
2. Changes in project costs
   - Costs for materials and labor fluctuate between updates. Costs to mitigate projects change for network improvements.
3. Mitigation of projects
   - Projects can be completed or partially completed between studies. This will change the funding available for these improvements.

However, if a reimbursement agreement is in place, the project will adhere to the Nexus Study's previous maximum share, but only in the case of a decrease. If the updated Nexus Study results in an increase, the higher maximum share will apply.

Why is there no longer funding available for certain TUMF facilities in this Nexus Update?

Several factors could contribute to a decrease in funding:

1. Funding may decrease to zero if future mitigation for the facility is no longer required.
2. The project has been completed.
3. Funding from an alternative source exceeds the estimated project costs (i.e. State or Federal funding sources.)

Do TUMF obligations on credit agreements get "grandfathered" in case of Nexus Study Updates and CCIs?

TUMF obligation amounts are not grandfathered into credit agreements. The agreement stipulates that the TUMF obligation is calculated based on the fee in effect at the time the permit is issued. Improvement credits are determined according to the Nexus Study in effect when the agreement is executed.

Do TUMF credits get updated on credit agreements in case of a Nexus Study and CCI?

The TUMF credit is established at the time of the credit agreement adoption and may not be revised thereafter.

Are ITS improvements eligible costs, and can they be standalone projects in Nexus Study

Intelligent Transportation Systems (ITS) are eligible costs as part of any TUMF improvement project. WRCOG does not have specific guidelines on types of ITS improvements. If the ITS improvement is part of the capacity enhancing project, it becomes an eligible cost.

Projects that do not include any other improvements such as a widening or interchange improvement, and are only an ITS improvement, must be called out as such in the Nexus Study. These projects would include no other capacity improvement other than ITS.

When will the next Nexus Study Update occur?

WRCOG typically conducts a nexus study during the SCAG RTP update, which occurs approximately every four years. While WRCOG aims to adhere to this schedule, circumstances may impact the timing. The next planned update is expected around 2028-2029.