

March 18, 2016

SENT VIA E-MAIL

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Re: Proposed Interim Traffic Impact Fees – per Martin Slough Interceptor Project EIR

Dear Sirs,

Thank you for the opportunity to provide our comments. The NCHB understands the need for both the City and the County to raise funding to improve traffic flow within both the City and the County jurisdictions. We respectfully submit the following concerns regarding the proposed traffic impact fee program and report.

**1. Low housing development historically.** Historically, permits for housing have gone down in number annually. Since 2008, we have not built over 200 units per year; the average over the last 8 years is 118 single family dwellings, and 6 multi-family buildings per year. The local sale of new construction housing absorption rate is also low. Quickly growing urban and suburban areas may support such fees, but here in Humboldt County they are mathematically doomed from the start. There simply is not enough economic activity to make any impact fee program “pencil out.” We find it unlikely that the imposition of these fees will fiscally generate funds as the proposal is written, especially when there is to be \$190,000.00 in administrative costs of the program per year.

**2. There is no nexus for including outlying areas within the impact fee area as a mitigation measure for the Martin Slough Interceptor project.** Per the EIR for the Martin Slough Interceptor, the boundary of that drainage area is clearly mapped and defined and has been recognized by the area service provider: Humboldt Community Services District. The staff-recommended expansion of the area proposed for imposition of the fee (as far south as Humboldt Hill, as far west as Fields Landing and as far east as Freshwater) is a tacit admission that permitting activity within the Martin Slough Interceptor project area is inadequate to support a viable impact fee program. This is just another example of misapplication of the impact fee model.

**3. Geographic boundary change of proposed fee area is unsubstantiated.** Apparently, when drafting the report for the proposed the fee, staff decided to expand the boundary. They pointed to the City’s EIR : “. . . The aim of the MOA, and of the resulting Program, will be to formally identify indirect or cumulative traffic and circulation impacts, and the required improvements necessary to offset indirect or cumulative circulation impacts, within the areas of the City of Eureka and the County of Humboldt *that will be served, whether directly or indirectly*, by the Martin Slough Interceptor Project.” (Mitigation Measure 11-3.1) (*emphasis added*).

- The EIR was written only for the Martin Slough drainage area and its boundary, period. Staff cannot arbitrarily pick a random geographic area that they would like to use as a basis for the fee area.
- The Martin Slough Interceptor serves only the Martin Slough drainage area on the ground. It does not serve Humboldt Hill, Freshwater or Field's Landing. To infer that the interceptor does serve those areas "directly or indirectly" is disingenuous.

**4. The report was compiled using data and information from an unaccepted, uncertified EIR for a failed project.** Any information or data from the Forester-Gill project cannot be used by either the City or the County as that EIR was never accepted or certified by the County of Humboldt.

**5. Of the 12 proposed 'projects' called out in the project list in the interim traffic fee report, only 4 are actually within the boundary of the Martin Slough Interceptor drainage area.**

Proposed traffic signals on roads/highways located within Cal-Trans jurisdiction should not be considered (Broadway, Broadway at the Bayshore Mall, or Herrick Ave. Off and On ramps of Highway 101), nor should new signals on Hodgson or Harris Sts. be considered as none of the intersections on those streets are within the Martin Slough drainage boundary.

NCHB commented to the Board of Supervisors some time ago that because the county population as a whole would be the beneficiaries of road repairs and improvements, we would first support a roads improvement tax proposal as a ballot measure to be paid by the general public, county wide. We would also support the formation of a Community Facilities District per Government Code 53311. The BOS supported the creation of a traffic impact fee program with the understanding that the required nexus studies and justification would be presented for any project specific proposal and would be met for a specific given area at the time a fee was proposed and as a last resort because the BOS felt the public would not support a new roads tax or CFD at that time.

Both of the above named options have quantifiable steps per state law to follow and both would spread the fiscal responsibility to either the general public or those residents of a given District area rather than to unfairly saddle one industry with the burden. Further, neither option would directly threaten the status of either jurisdiction's Housing Element via the RHNA numbers if housing development decreases as a direct result of fee imposition. We feel it is time to reconsider a ballot measure and a CFD.

The NCHB does not support the proposed interim traffic impact fee because there is no nexus for including outlying areas within the impact fee area as a mitigation measure for the Martin Slough Interceptor project, that the Geographic boundary change of proposed fee area is unsubstantiated, that the report was compiled using data and information from an unaccepted, uncertified EIR for a failed project, that of the 12 proposed 'projects' called out in the project list in the interim traffic fee report, only 4 are actually within the boundary of the Martin Slough Interceptor drainage area, and lastly, because it is unlikely that the imposition of these fees will fiscally generate funds as the proposal is written, especially when there is to be \$190,000.00 in administrative costs of the program per year.

For the NCHB,  
Julie Williams

Julie Williams  
Northern California Association of Home Builders  
Cc: BOS, HCSD Board, GEAMAC, NCHB Board, R. Wall, R Holmlund