

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: October 23, 2025

PREPARED BY: Kalaina Perez, Management Analyst

SUBJECT: RECEIVE, FILE, AND IMPLEMENT THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS' TRANSPORTATION UNIFORM MITIGATION FEE SCHEDULE INFLATION ADJUSTMENT EFFECTIVE JANUARY 1, 2026, APPLICABLE TO ALL DEVELOPMENTS IN THE CITY OF PALM DESERT

RECOMMENDATION:

Receive and file the Coachella Valley Association of Governments ("CVAG") Transportation Uniform Mitigation Fee ("TUMF") revised fee schedule adjusted for inflation to be effective January 1, 2026.

BACKGROUND/ANALYSIS:

On April 28, 2025, CVAG approved a 2.03% inflationary increase to the TUMF rates, effective January 1, 2026. This adjustment increases the rates the City must collect on development projects within Palm Desert.

The City has participated in the TUMF program since 1989, collecting and remitting fees to CVAG to fund regional transportation projects. CVAG reviews TUMF rates annually and may recommend that each member City adjust them for inflation in accordance with the Mitigation Fee Act (Government Code Section 66000 et seq.).

City Council Action History:

To ensure compliance with the Mitigation Fee Act, the City Council adopted Resolution No. 2024-081 on November 14, 2024. This resolution approved an addendum to the 2018 TUMF Nexus Study, authorizing staff to apply future inflationary adjustments approved by CVAG without the need for additional public hearings. This authorization remains valid until a new nexus study is adopted or the Council revokes it.

Current Update:

CVAG's 2.03% TUMF inflationary adjustment will take effect January 1, 2026. Since the City Council previously authorized administrative implementation of such adjustments, no further Council action is required.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

The proposed Inflation Adjustment ensures that the City imposes and collects a developer impact fee that appropriately mitigates the cost of completing improvements to the regional roadway system in the Coachella Valley attributed to new development projects. TUMF is charged and collected by the City but is then transmitted and paid to CVAG for its administration of regional system improvements within the Coachella Valley.

ATTACHMENTS:

1. CVAG staff report, including a letter from the Desert Valley Builders Association supporting the TUMF inflationary increase; and
2. Revised TUMF Fee Schedule effective January 1, 2026.
3. Resolution No. 2024-081