Lamorinda Fee and
Financing Authority

LAMORINDA FEE AND FINANCING AUTHORITY (LFFA) MEETING AGENDA

Monday, June 2, 2025, 2:05 PM

County Supervisor District 2 Office
3338 Mt. Diablo Boulevard
Lafayette, CA 94549

AGENDA

1. **Call to Order the Lamorinda Fee and Financing Authority (LFFA)**

2. **Roll Call**

3. **Adoption of the LFFA Agenda**

4. **Public Comment**

5. **Consent Calendar:**

   a. February 3, 2025 Minutes
   Recommendation: Approve

6. **Old Business:**

   a. Lamorinda Development Mitigation Fee Program – Nexus Study Update

   Action: Receive report from LFFA staff and provide feedback on a draft scope of work for an update to the Lamorinda Nexus Study.

7. **New Business:**

   a. Staff update: 2024 Basic Financial Statements and Independent Auditor's Report and Communications
   Recommendation: Receive and file.

   b. LFFA Funding Request: Lamorinda Spirit Van
   Recommendation: Staff requests that the LFFA Board approve a distribution of $20,000 from the Town of Moraga's regional LFFA fund for the Lamorinda Spirit Van Senior Transportation Program.

8. Adjourn LFFA Meeting to Monday, July 7, 2025 2:30 p.m.

I, Patrick Golier, Transportation Program Manager, declare under penalty of perjury under the laws of the State of California that this regular meeting agenda has been posted at least 72 hours in advance at the Lafayette City Offices, 3675 Mount Diablo Boulevard, Lafayette, California in the glass case and on the City website https://www.lovelafayette.org.

Location of Agendas and Agenda Packets: Agendas and packets are available for review by the public by following this link: https://swatcommittee.org/lffa-meetings/ and during regular business hours at the Orinda City Hall, 22 Orinda Way, Orinda, CA 94563. Agendas and packets shall be made available at least 72 hours in advance of regular meetings and 24 hours in advance of special meetings.

Any writings or documents pertaining to an open session item provided to a majority of the Lamorinda Fee and Financing Authority less than 72 hours prior to the meeting, shall be made available for public inspection at this link: https://swatcommittee.org/lffa-meetings/ and at the Lafayette City Offices, 3675 Mount Diablo Boulevard, Lafayette, California 94549.

Lamorinda Fee and
Financing Authority

LAMORINDA FEE AND FINANCING AUTHORITY (LFFA) MEETING

Monday, February 03, 2025

2:00 P.M.

County Supervisor District 2 Office
3338 Mt. Diablo Boulevard
Lafayette, CA 94549

Meeting Minutes

1. **Call to Order the Lamorinda Fee and Financing Authority (LFFA)**
   Member Darlene Gee called the meeting to order at 2:07 PM

2. **Roll Call**
   LFFA Members Present: Board Member Darlene Gee, Orinda; Kerry Hillis, Moraga
   Staff Present: Nate Levine, Moraga, Patrick Golier, Lafayette, Sivakumar Natarajan, Orinda

3. **Adoption of the LFFA Agenda**
   Gee moved, and Hillis seconded. The LFFA unanimously adopted the agenda.

4. Public Comment - None

5. Consent Calendar:

a) August 5, 2024, Minutes.
   Recommendation: Approve.
   Gee moved, Hillis seconded
   The LFFA unanimously approved the Consent Calendar.

6. New Business:

a) Election of new Chair and Vice Chair.
   Gee nominated Member Susan Candell, and Hillis seconded. The LFFA unanimously elected the Chair.
   Hillis nominated Member Darlene Gee, and Gee seconded. The LFFA unanimously elected the Vice Chair.

b) Staff update: FY 2023/24 Annual Transportation Fee Adjustment
Recommendation: Accept Report
Gee moved, and Hillis seconded. The LFFA unanimously accepted the Report.

c) Lamorinda Development Mitigation Fee Program – Nexus Study Update
Action: Receive oral report from LFFA staff and provide feedback regarding expectations for the next update to the Lamorinda Nexus Study.
Natarajan provided an oral report on the history of the Lamorinda Nexus Study and the potential to evaluate updates. LFFA Members directed staff to further review and return with a draft scope of work to update the Nexus Study, which would include goals and objectives and the next steps.

7. Old Business:

8. Adjourn LFFA Meeting to Monday, March 03, 2025, 2:30 p.m.

I, Nate Levine, Senior Engineer, declare under penalty of perjury under the laws of the State of California that this regular meeting agenda has been posted at least 72 hours in advance at the Town of Moraga, 329 Rheem Boulevard, Moraga, CA 94556.

Location of Agendas and Agenda Packets: Agendas and packets are available for review by the public by following this link: https://swatcommittee.org/lpmc-meetings/ and during regular business hours at the Town of Moraga, 329 Rheem Boulevard, Moraga, CA 94556. Agendas and packets shall be made available at least 72 hours in advance of regular meetings and 24 hours in advance of special meetings.

Any writings or documents pertaining to an open session item provided to a majority of the Lamorinda Program Management Committee less than 72 hours prior to the meeting, shall be made available for public inspection at this link: https://swatcommittee.org/lpmc-meetings/ and at the Town of Moraga, 329 Rheem Boulevard, Moraga, CA 94556.

Lamorinda Fee and Financing Authority

June 2, 2025

To: LFFA Board
From: LFFA Technical Advisory Committee (TAC)

Subject: Draft Scope of Work – 2025 LFFA Transportation Impact Fee Nexus Study Update

Staff Recommendation
Staff requests that the LFFA Board review and provide input on the attached draft scope of work for a proposed update to the 2015 LFFA Transportation Impact Fee Nexus Study.

Background
The current LFFA Transportation Impact Fee Nexus Study was last updated in 2015, following the original study, which was completed in 1998. The 2015 update assumed a 25-year planning horizon and identified specific transportation projects eligible for funding through the impact fee program.

While the existing Nexus Study does not establish a required update schedule, it is within the Board's discretion to determine when a new update is warranted. In 2024, the LFFA Board directed staff to evaluate the need for a new update to reflect changes in land use projections, transportation priorities, legal standards, and fee program practices.

Discussion
Attached for the Board's consideration is a draft scope of work outlining the anticipated content and objectives of the Nexus Study update. The proposed update would aim to:

- Reflect current and projected development patterns through 2050;
- Reassess eligible transportation improvements and associated cost estimates;
- Review and update the fee calculation methodology, including the use of vehicle miles traveled (VMT);
- Evaluate the existing jurisdictional fee allocation formula; and
- Ensure legal compliance with the Mitigation Fee Act and related statutes.

Staff is seeking Board input on the scope's structure and key questions posed within the draft to ensure alignment with policy goals and implementation priorities.

Next Steps
Following this discussion, staff will incorporate Board comments into a finalized scope of work. A full Request for Proposals (RFP) will then be issued to select a consultant based on experience and qualifications to deliver on the proposed scope of work. The proposers will also be required to submit a project schedule and an estimated fee. Once a selection is made based on qualifications, Staff will present a recommendation to the LFFA Board for consideration and approval at a future LFFA meeting.

At that time, Staff will also request the Board to approve the use of LFFA funds for the Nexus Study update before the project can proceed.

Attachments:

A. LFFA Nexus Study 2025 Update – Draft Scope of Work
B. Summary: Mitigation Fee Act (AB 1600)
C. Summary: Transit-Oriented Development Fee Reduction (AB 3005)

Attachment A
LFFA Nexus Study 2025 Update
Draft Scope of Work

Purpose of the Update

The Lamorinda Fee and Financing Authority (LFFA) seeks to update its 2015 Transportation Impact Fee Nexus Study. This update will ensure the program remains legally defensible, reflects current transportation needs in Lamorinda, and supports a fair and proportionate distribution of transportation impact fees across Lafayette, Moraga, and Orinda. The update will realign the program with new land use projections, recent development patterns, changes in fee use policy, and current statutory requirements.

Goals of the Study Update

- **Legal defensibility**: Ensure full compliance with the Mitigation Fee Act (AB 1600) and applicable legal standards of reasonable relationship and rough proportionality. A summary of AB 1600 is found in Attachment B. Consider possible impacts from U.S. Supreme Court Sheetz v County of El Dorado.
- **Current data**: Reflect the latest Regional Housing Needs Allocations (RHNA), development forecasts, and traffic data to assess growth-related infrastructure needs.
- **Fee recalibration**: Update the schedule of maximum justified transportation impact fees by land use category, based on revised cost estimates and updated growth assumptions.
- **Transparency and documentation**: Provide detailed, accessible explanations of assumptions, calculations, and nexus findings to support policymaking.
- **Planning consistency**: Align analysis with a new planning horizon year (proposed 2050) for development projections and capital improvements.
- **Ongoing relevance**: Establish a recommended update cycle (e.g., every 10 years) to keep the fee program responsive to legal, policy, and market changes.

Key Components of the Update

1. **Program-Wide Review and Legal Compliance**
    - Assess potential for incorporating wildfire mitigation costs into fee structure.

- o Assess potential for incorporating necessary emergency evacuation infrastructure improvements costs into the fee structure.
- o As needed, update references to AB 1600, AB 3005, and any other applicable state statutes or case law. A summary of AB 1600 is found in Attachment A. A summary of AB 3005 is found in Attachment C.

2. **Development Growth Projections**
    - o Extend forecast horizon from 2040 to 2050.
    - o Incorporate updated RHNA numbers and new assumptions about second units and institutional uses.
    - o Revisit all DUE-related tables (Tables 2, 5, 6, and 8 in 2015 study) to reflect current conditions and expected growth.
3. **Fee Calculation Methodology**
    - o Evaluate and potentially update the use of Vehicle Miles Traveled (VMT) instead of or alongside Level of Service (LOS).
    - o Recalculate Dwelling Unit Equivalent (DUE) rates and cost allocations, considering current traffic and land use conditions.
    - o Reassess the inclusion or revision of tables used to calculate fees (e.g., consider retiring Cost per Dwelling Unit Equivalent table if redundant).
    - o Identify a methodology for when to conduct a “fair share” contribution assessment for planned and/or project triggered improvements. Provide a recommendation if this should be done at the local and/or regional level.
4. **Transportation Needs and Improvement Planning**
    - o Consider whether to maintain a fixed project list (Appendix A) or shift to a more flexible list of eligible project categories.
    - o Explore use of data platforms like Streetlight for cost-effective traffic counts and travel behavior analysis.
    - o Ensure project categories (Section 4.4) reflect contemporary multi-modal values, needs and goals.
5. **Improvement Cost Estimates**
    - o Revisit “planning-level” cost estimates with updated figures where relevant.

- Address concerns that static cost estimates become quickly outdated by identifying more durable methods for project valuation.

6. **Jurisdictional Fee Allocation Methodology**
   - Reevaluate the two-step revenue allocation process based on recent LFFA financial practice changes (e.g., per-agency net tracking from FY 2023–24).
   - Consider changes to how local and regional shares are calculated, potentially revising the formulas in Appendix C.
   - Ensure fee allocations reflect actual usage and growth-related travel demand, not just jurisdictional boundaries.

Attachment B

Mitigation Fee Act (AB 1600) – Summary

The Mitigation Fee Act, enacted in 1987 as AB 1600, is codified in California Government Code §§ 66000–66025. It governs how local governments in California can impose development impact fees to fund public infrastructure and services required as a result of new development. The Act applies to most local development impact fees, including those for transportation.

Key Requirements of the Act

To impose and collect impact fees, agencies must establish a "nexus" or reasonable relationship between the fee and the impacts of development. The Act outlines the following core requirements:

1. Identify the Purpose of the Fee

- The agency must specify what infrastructure or public service the fee is intended to fund (e.g., roads, parks, fire protection).

2. Identify the Use of the Fee

- The revenue must be used only for the facilities or improvements related to the fee's stated purpose

3. Demonstrate the Nexus (Rough Proportionality)

- A reasonable relationship must exist between:
  - The new development and the need for the facility/improvement, and
  - The amount of the fee and the cost of the portion of the facility attributable to the development.

4. Separate Accounting

- Fee revenues must be deposited in a separate capital facilities fund and not commingled with the general fund.

5. Annual Reporting (Government Code § 66006)

- Local agencies must make public an annual report showing:
  - Beginning and ending balances,
  - Fee amounts collected and spent,
  - The status of projects funded by the fees.

6. Five-Year Findings (Government Code § 66001(d))

- If fee revenues remain unspent after five years, the agency must:
  - Identify the expected use of the funds, and
  - Make findings to demonstrate the continued need for the funds.
  - Otherwise, unspent funds must be refunded.

Attachment C

Transit-Oriented Development Fee Reduction (AB 3005) – Summary

Purpose

AB 3005 was enacted in 2008 to support transit-oriented development by limiting the traffic-related impact fees that local agencies may impose on certain qualifying housing developments near transit.

Key Provisions

Local agencies must reduce traffic impact fees for qualifying TOD housing developments under the following conditions:

1. The development is within ½ mile of a transit station, with a direct, walkable, and barrier-free path to the station.
2. Convenience retail (e.g., food stores) is available within ½ mile of the development.
3. The development meets parking maximums, providing:
    - No more than 1 parking space per unit for 0–2 bedroom units, and
    - No more than 2 parking spaces for 3+ bedroom units.

If a development meets all three criteria, the traffic impact fee must reflect a lower rate of automobile trip generation compared to standard residential development. This ensures the fee aligns with the reduced traffic demand TODs are expected to generate.

Practical Implications

- Agencies must adjust their impact fee calculations for qualifying TODs, typically using trip generation data that supports reduced vehicle usage.
- A default discount is not provided in the law; jurisdictions must base reductions on reasonable trip data (e.g., studies showing lower VMT for TODs).
- AB 3005 does not exempt TODs from paying traffic impact fees—it simply requires those fees to be proportionally lower.

Relevance to Nexus Studies

When updating a transportation impact fee nexus study:

- Agencies should evaluate whether any areas qualify under AB 3005.

- If so, a reduced VMT or trip rate must be applied to fee calculations for those developments.
- This supports compliance and encourages higher-density, lower-traffic development near transit.

Lamorinda Fee and Financing Authority

Lafayette, California

Basic Financial Statements and Independent Auditor's Report

For the year ended June 30, 2024

Lamorinda Fee and Financing Authority
(A Joint Powers Authority)
Basic Financial Statements
For the year ended June 30, 2024
Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet	13
Statement of Revenues, Expenditures and Changes in Fund Balance	14
Notes to Basic Financial Statements	17

This page intentionally left blank

BADAWI & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
of the Lamorinda Fee and Financing Authority
Lafayette, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Lamorinda Fee and Financing Authority (Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund information of the Authority, as of June 30, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Badawi & Associates

Badawi and Associates, CPAs
Berkeley, California
February 28, 2025

This page intentionally left blank

LAMORINDA FEE AND FINANCING AUTHORITY
(A JOINT POWERS AUTHORITY)
Management's Discussion and Analysis
For the Year Ended June 30, 2024

PURPOSE OF THE LAMORINDA FEE AND FINANCING AUTHORITY (LFFA)

In 1998, the Cities of Lafayette and Orinda and the Town of Moraga entered into a Joint Powers Agreement for the purpose of assessing transportation fees in accordance with the impact of new developments in Lamorinda. As a result, the Lamorinda Fee and Financing Authority (LFFA) was created. The LFFA administers the Lamorinda Development Mitigation Fee Program, which collects funds from new development in Lafayette, Moraga, and Orinda to finance a portion of the transportation improvements associated with travel demand generated by that development.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements comprise the *Statement of Net Position* and *Statement of Activities* for the Combined Government-wide and Fund Financial Statements.

The statements present the LFFA financial activities as a whole. The *Statement of Net Position* and *Statement of Activities* include all assets and liabilities using the full accrual basis of accounting similar to the accounting model used by private sector firms.

Statement of Net Position

The *Statement of Net Position* is a snapshot of the LFFA's financial position at the end of the Fiscal Year (FY) 2023-24. The LFFA's assets are all liquid assets, i.e. cash and receivables. The LFFA has no capital assets. For the year ended June 30, 2024, net position totalled $316,774, a decrease of $1,325,896 (81%) from the prior year.

The FY 2023-24 financials reflect a new and significant change in operational practices. In FY 2022-23 the LFFA Board discussed the use of regional LFFA fees for member agencies' match contributions for the local and regional Smart Signals projects, led by the Contra Costa Transportation Agency. Since the amounts needed by each agency was not consistent with the fee allocation methodology identified in the current Nexus Study, completed in FY 2015-16, it was decided that as of June 30, 2023, the LFFA net position would begin being tracked on a per agency basis. Prior to this change, the LFFA's net position was tracked as a single balance with the member's portion determined through the application of the allocation methodology. With the new practice, at the end of each fiscal year, a member's net position balance will be increased by applying the allocation methodology to any revenues received that year and reduced for any distributions made to that agency. This updated methodology is reflected in the Statement of Net Position and the Statement of Activities for the Fiscal Year Ending June 30, 2024, as shown in Table 1 below.

Table 1. Statement of Net Position for the Fiscal Years Ended June 30,

		2024		2023	% Change
ASSETS					
Cash deposits, investments	$	311,872	$	1,594,559	-80%
Accounts receivable		2,636		41,133	-94%
Accrued interest receivable		2,266		6,978	-68%
Total assets		316,774		1,642,670	-81%
NET POSITION					
Accounts payable		-		-	0%
Total liabilities		-		-	0%
Net position- City of Lafayette		224,681		903,468	-75%
Net position- City of Orinda		59,627		468,161	-87%
Net position- Town of Moraga		32,466		271,041	-88%
Total liabilities and net position	$	316,774	$	1,642,670	-250%

Statement of Activities

The *Statement of Activities* presents the LFFA's revenues and incurred expenses for the year ended June 30, 2024. All financial activities incurred for the LFFA are recorded here, including operational expenses, capital project costs, depreciation and accrued liabilities, when applicable. The current fee levels were set by a Nexus Study completed in FY 2015-16. The amount of transportation and traffic impact fees brought in by the individual communities is dependent on the amount of development occurring in a particular fiscal year.

Table 2. Statement of Activities for the Fiscal Years Ended June 30,

		2024		2023	% Change
EXPENSES					
Administration and community services	$	4,892	$	1,382	254%
Contribution to outside Agencies		1,394,200		-	100%
Total Expenses		1,399,092		1,382	101137%
GENERAL REVENUE					
Transportation and traffic impact fee					
City of Lafayette		43,066		56,979	-24%
City of Orinda		-		38,082	-100%
Town of Moraga		-		1,137	-100%
Interest Income		30,130		20,220	49%
Total Other Revenues		73,196		116,418	-37%
NET POSITION					
Change in net position		(1,325,896)		115,036	-1253%
Net position - beginning of year		1,642,670		1,527,634	8%
Net position - end of year	$	316,774	$	1,642,670	-81%

For FY 2023-24, the increase in administrative expenses was attributable to cost adjustments in audit fees and accounting services. Additionally, this year the LFFA Board approved a distribution of funds to member agencies for the local and regional Smart Signals projects.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This Management's Discussion and Analysis is intended to provide the reader with a narrative overview of the LFFA's financial statements for the year ended June 30, 2024. Questions concerning any information provided in this report or requests for additional financial information should be directed to:

City of Lafayette
Finance Department
3675 Mt. Diablo Blvd. Suite 210
Lafayette, CA 94549

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

Lamorinda Fee and Financing Authority
(A Joint Powers Authority)
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 311,872
Receivables:	
Accounts	2,636
Interest	2,266
Total assets	316,774
NET POSITION	
Unrestricted	316,774
Total net position	$ 316,774

See accompanying Notes to Basic Financial Statements.

Lamorinda Fee and Financing Authority
(A Joint Powers Authority)
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position — Governmental Activities
Governmental activities:		
Administration and community services	$ 4,892	$ (4,892)
Contribution to outside Agencies	1,394,200	(1,394,200)
Total governmental activities	$ 1,399,092	(1,399,092)
General revenues:		
Transportation and traffic impact fee		43,066
Interest income		30,130
Total general revenues		73,196
Change in net position		(1,325,896)
Net position - beginning of year		1,642,670
Net position - end of year		$ 316,774

See accompanying Notes to Basic Financial Statements.

Lamorinda Fee and Financing Authority
(A Joint Powers Authority)
Balance Sheet
June 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	$ 311,872
Receivables:	
Accounts	2,636
Interest	2,266
Total assets	316,774
NET POSITION	
Unrestricted	316,774
Total net position	$ 316,774

See accompanying Notes to Basic Financial Statements.

Lamorinda Fee and Financing Authority
(A Joint Powers Authority)
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2024

	General Fund
REVENUES:	
Regional fees passed through:	
City of Lafayette	$ 43,066
Interest	30,130
Total revenues	73,196
EXPENSES:	
Contractual services	4,892
Contribution to other agencies	1,394,200
Total expenditures	1,399,092
Ner change in fund balance	(1,325,896)
FUND BALANCE:	
Beginning of year	1,642,670
End of year	$ 316,774

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

This page intentionally left blank

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Lamorinda Fee and Financing Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Financial Reporting Entity

The Authority is a joint powers authority (JPA) organized by the Town of Moraga and the Cities of Lafayette and Orinda. The Authority was created to administer an adopted sub-regional transportation and traffic impact fee for the Lamorinda region. This fee was adopted by the three jurisdictions as part of the Southwest Transportation Mitigation Program (STMP) and its member agencies under the authority of Measure C, the Contra Costa County half cent sales tax measure adopted in 1988. There are no separate legal entities that are a part of the Authority's reporting entity. The Authority's accounting records are currently administered by the City of Lafayette (City).

B. Basis of Accounting and Measurement Focus

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In accordance with the Authority's adopted policies, different types of funds are used to record the Authority's financial transactions.

<u>Government-Wide Financial Statements</u>

The Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Authority.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Certain types of transactions reported as program revenues for the Authority are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

The Authority applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

<u>Governmental Fund Financial Statements</u>

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. There were no adjustments to the financial statements in order to comply with GASB 34 reporting therefore the Government-Wide Financial Statements report the same amounts as the fund financial statements for the current year.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The Authority reports the following governmental fund in the accompanying financial statements:

<u>General Fund</u> – the purpose of this fund is to account for all financial resources except those required to be accounted for in another fund. The General Fund is required to be presented as a major fund.

Revenues considered susceptible to accrual include property taxes (generally due within 60 days), charges for services, regional fees, federal and state grants, and interest. Expenditures are recognized in which the fund liability is incurred, if measurable, except for principal and interest on general long-term debt which is recognized when due.

C. Cash and Investments

The Authority pools its cash and investments with the City. The pooled funds are invested in accordance with the City's investment policy established pursuant to state law. All monies not required for immediate expenditure are invested or deposited to earn maximum yield consistent with safety and liquidity. Interest income is allocated to the Authority based on its proportionate share of the pool.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
    - Overall
    - Custodial Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority is invested in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) through the pooling of cash with the City of Lafayette. LAIF has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

D. Receivables

Receivables recorded in the financial statements are not net of any allowance for doubtful accounts. Any doubtful accounts at June 30, 2024 were not considered to be material.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Net Position and Fund Balances

Net Position

In the government-wide financial statements, the Authority's net position is classified in the following categories:

Restricted Net Position – This amount is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter.

Unrestricted Net Position – This amount represents all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Fund Balance

The Authority reclassifies fund balances into the following five categories to comply with the GASB Statement No. 54, Fund Balance and Governmental Fund Types. Fund balance is defined as the difference between assets and liabilities.

Nonspendable fund balances include amounts that cannot be spent because they are either in nonspendable form or they are legally required to be maintained intact. Examples of nonspendable fund balances include inventory and prepaid items.

Restricted fund balances exist when constraints are placed on the use of those resources that are either externally imposed or imposed by law. In general, most reserve funds will fall into this category.

Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the governing board).

Assigned fund balances are amounts that are constrained by the government's intent to use for a specific purpose, but are neither restricted nor committed. The intent can be made either by the governing body itself or a body or official to which the governing body has delegated such authority to (purchasing agent and business official). Appropriated fund balance and the majority of encumbrances will be classified into the assigned category.

Unassigned fund balances will represent those funds that have not been assigned, committed, restricted, or considered nonspendable. The General Fund is the only fund that will report an unassigned fund balance, unless a deficit fund balance resulting from overspending in other funds exists. Fund balance in any other funds will either be assigned, committed, restricted, or nonspendable unless the fund reports a deficit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Net Position and Fund Balances, Continued

The accounting policies of the Authority consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Authority considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

F. Revenue Recognition – Development Fees

Development fees are assessed according to a set fee schedule for new construction. The fees collected by members and pass through to the Authority from new construction will be used to mitigate increased traffic congestion.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Authority management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Budgetary Comparison

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the General Fund and each major special revenue fund with a legally adopted budget. The Authority is not legally required to adopt a budget for the General Fund. Therefore, budgetary comparison information is not included in the Authority's financial statements.

2. CASH AND INVESTMENTS

The cash and investments of the Authority are pooled and maintained with the funds of the City. The City allocates interest to the Authority based upon their proportional share in the cash and investment pool balances. The Authority considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

A. Summary of Cash and Investments

Cash and investments at June 30, 2024 consist of the following:

Investments in State Investment Pool (LAIF)	$ 840,333
Cash in bank	(528,460)
Total cash and investments	$ 311,872

2. CASH AND INVESTMENTS, Continued

B. Deposits

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure public agencies' deposits by pledging government securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral in cash deposits is considered to be held in the City's name.

Fair value of pledged securities must equal at least 110% of deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the total deposits. The first $250,000 of each institution's deposits are covered by Federal Deposit Insurance Commission (FDIC) insurance. The Authority shares a pro-rata portion of the FDIC $250,000 which is commingled in the same accounts as the funds of the City of Lafayette.

C. Investments Authorized by the Authority's Investment Policy

The Authority is authorized to invest in obligations of the U.S. Treasury, agencies, commercial paper with certain minimum ratings, certificates of deposit, bankers' acceptances, repurchase agreements, and the State Treasurer's Investment Pool (LAIF).

At June 30, 2024, the Authority was invested in the Local Agency Investment Fund (LAIF) through the pooling of cash with the City. The City is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2024 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

> *Structured Notes* are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.
>
> *Asset-Backed Securities*, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2024, the City had invested in LAIF, which had invested 3% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.78% in the previous year. The LAIF fair value factor of 0.996316042 was used to calculate the fair value of the investments in LAIF.

D. Risk Disclosures

Interest Rate Risk – Interest rate risk is the market value fluctuation due to overall changes in the interest rates. As a means of limiting its exposure to fair value losses arising from changes in interest rates, the Authority's investment policy limits investments to a maximum maturity of five years.

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the Authority's investments were subject to custodial credit risk for the current year.

E. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quotes prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority held no investments subject to the levelling disclosure at June 30, 2024.

Lamorinda Fee and Financing Authority

June 2, 2025

To: LFFA Board
From: LFFA Technical Advisory Committee (TAC)

Subject: LFFA Funding Request – Lamorinda Spirit Van

Staff Recommendation

Staff requests that the LFFA Board approve a distribution of $20,000 from the Town of Moraga's regional LFFA fund for the Lamorinda Spirit Van Senior Transportation Program.

Background

LFFA was created under a Joint Exercise of Powers Agreement (Agreement). The Agreement provides the authority, powers, and procedures for collecting and distributing regional LLFA funds. In the Agreement, Regional LLFA funds are required to be used for identified categories of projects in the nexus study, which primarily include the physical Capital Improvement projects. One of those categories is "Transit facilities and improved access," which includes increasing transit capacity/service or providing improvements/upgrades to the transit program or infrastructure.

The Lamorinda Spirit Van Program (Program) has been in service since June 2006. The Program provides rides to older Lamorinda residents (age 60 and up) for errands, shopping, medical, and personal appointments throughout the Lamorinda area. Rides range in cost for most users and are subsidized for low-income users.

The Program is funded by City of Lafayette General Funds, grants, fares, and donations. In Fiscal Years 23/24 and 24/25, the program requested and received funding from the Town of Moraga, totaling $40,000 or $20,000 each year. Historically, Moraga has provided other funding amounts to the program as well. The Program is requesting another $20,000 from the Town of Moraga for Fiscal Year 25/26, see attached Request Letter.

Discussion

Staff has reviewed the Lamorinda Spirit Van Program's request for compliance with the LLFA agreement and found it complies with funding use requirements. The program is committed to using the funding to:

- Outfit new vehicles with required hardware
- Increase dispatch operators' hours which expands access to riders

- Increase the number of low-income seniors who may use the program; low-income riders do not pay a ride fee

The Town of Moraga has exhausted its local LFFA funds, primarily to fund the Smart Signals Project.

As such, Staff is seeking a $20,000 distribution of the Town of Moraga's Regional LLFA fund (Net Position). The fiscal impact is summarized below:

Moraga LFFA Net Position for the Fiscal Year Ending June 30		
2024 Town of Moraga Net Position	$	32,466
Lamorinda Spirit Van Funding Request	$	20,000
Remaining	**$**	**12,466**

Moraga has experienced minimal land development during the current fiscal year; however, it is anticipated that a small remittance (less than $10,000) will be provided to the LFFA regional fund at the end of the fiscal year, based on collected LFFA impact fees.

Next Steps
Upon the Board's approval, Town of Moraga staff will formalize the Program's request and present the LFFA funding use recommendation to Moraga's Town Council for consideration in the Fiscal Year 2025/26 budget. Once approved, the Town of Moraga would fulfill the Program's request and submit a distribution request to the LFFA treasurer.

Attachments:
- Lamorinda Spirit Van Program Funding Request Letter

LAFAYETTE
SETTLED 1848 — INCORPORATED 1968

April 14, 2025

Town of Moraga
Attn: Mr. Scott Mitnik and Town Council Members
329 Rheem Boulevard
Moraga, CA 94556

Dear Mr. Mitnik and Town Council Members:

On behalf of the Lamorinda Spirit Van Senior Transportation Program, I want to extend our heartfelt thanks to the Town of Moraga for your generous contribution of $20,000 in both Fiscal Years 2023–2024 and 2024–2025. Your support has played a vital role in enabling us to provide safe, affordable, and reliable transportation to Moraga's older adult population.

As we approach the next fiscal year, we respectfully request that the Town continue funding the Lamorinda Spirit Van at the level of $20,000 for FY 2025–2026 and beyond to help enhance this essential service. To be clear, these funds will be designated for:

1. **Continuing to offer and increasing complimentary rides to low-income and fixed-income passengers**, ensuring that no one in our community is left behind for lack of resources.

2. **Supporting the improvement costs associated with deploying new vehicles** - including vehicle decals, key duplication, and other preparations for the new vehicles we hope to acquire within the next year or two.

3. **Expanding dispatcher hours**—covering personnel costs for additional hours to extend our current dispatch coverage to meet the growing demand, ensuring improved ride coordination and responsiveness.

Why Continued Support is Critical

1. **Increasing Need Due to Demographic Shifts**
   The need for senior transportation is rapidly growing. According to a January 2025 report by the Public Policy Institute of California, 22% of Californians will be 65 or older by 2040, up from 14% in 2020. Closer to home, Contra Costa County anticipates that by 2030, nearly 24% of residents will be 65+, with the most rapid growth among those 75 and older. These trends are already evident in Moraga, and the need for supportive services like transportation will only increase.

2. **Proven Community Impact**
   Moraga seniors consistently make up a significant portion of our riders. In FY 2023–2024 alone, 47.5% of our total rides (1,710 out of 3,603) were provided to Moraga residents. We estimate that Moraga seniors will take approximately 1,220 rides in FY 2024–2025, highlighting the strong demand and value of this program to the Town.

3. **Sustainable, Multi-Funded Model**
   As an Enterprise Fund program, Lamorinda Spirit is required to diversify its revenue streams. We receive support from Lafayette, grants (including Caltrans 5310), donations, and rider contributions. Continued funding from Moraga helps us balance our budget and ensure equitable access to transportation across all three Lamorinda cities.

Program Highlights

- **Ridership Growth**: We anticipate 4,100 total rides in FY 2024–2025, up from 3,603 the previous year.

- **Fleet Renewal**: We now operate 2 minibuses and 3 minivans, and plan to replace our oldest units with newer, ADA-accessible vehicles, further increasing access to users.

- **Staffing & Volunteers**: We have 20 dedicated volunteer drivers and 3 part-time dispatchers managing scheduling and ride coordination.

- **Safety & Training**: All drivers complete background checks and safety training, including wheelchair transport and CPR/First Aid certification.

Budget Overview – FY 2025–2026

Category	**Amount**
Personnel Services	$153,611
Van Maintenance & Fuel	$30,000
Operations & Supplies	$27,800
Contractual Services	$12,000
Total Program Cost	**$211,411**

Your continued investment of $20,000 would represent less than 10% of our operating budget while directly benefiting Moraga's older adult residents and helping us meet the growing demand for transportation services.

Community Voices

"When I turned 85, I stopped driving and started using Spirit Van. It's been a lifeline—for doctor's appointments, Rotary meetings, and errands. Drivers are prompt and friendly. I highly recommend it."
— *Evie Michon, Moraga Rotary*

"I'm in my 90s and have no family nearby. Spirit Van gets me to all my appointments safely and affordably. I don't know what I'd do without it."
— *Pat Harries, Long-Time Passenger, Moraga Resident*

Looking Ahead
With future developments like the proposed affordable senior housing project at 348 Park Street, the demand for senior transportation will only increase. Continued support from the Town will ensure we remain ready and able to serve these growing needs.

Thank you once again for your past support. We hope to continue this important partnership and would be happy to provide additional data or present to the Council if that would be helpful.

Warm regards,

Riki Juster
Program Coordinator
Lamorinda Spirit Van
(925) 284-5546
rjuster@lovelafayette.org

Copied:
City of Lafayette Council Members
Niroop Srivatsa – City Manager, City of Lafayette
Jonathan Katayanagi – Parks, Trails and Recreation Director, City of Lafayette