

**Annual Report
Mitigation Fee Act
Pursuant to Government Code 66006
City of San Clemente
Fiscal Year 2019-20**

Government Code Section 66006 provides that a local agency that requires the payment of development fees shall prepare an annual and five-year report detailing the status of those fees. The annual report must be made available to the public within 180 days of the end of the fiscal year. The City Council must review the report at the next regularly scheduled public meeting of the Council that falls at least fifteen (15) days after the information is made available to the public. Government Code Section 66013 has similar requirements for capacity charges.

Pursuant to Government Code Section 66006(b)(1) or section 66013(d), as applicable, the following information must be made available to the public:

1. Provide a brief description of the type of fee in the account or fund.

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: The fees are used to mitigate the traffic impacts caused by new development in the Benefit Zones. The fees will cause development in the Benefit Zones to pay their fair share of the construction costs of improvements within the Benefit Zones.
- b. *Public Safety Construction Fee*: The fees are used to mitigate the impact of new development on public safety services.
- c. *Civic Center Construction Fund Fee*: The fees are used to mitigate the impact of new development on the need for additional municipal office space.
- d. *Storm Drain Fee – Other Area (City Infill Development Areas)*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the City Infill Development Areas.
- e. *Storm Drain Fee – Segunda Deschecha*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Segunda Deschecha area.
- f. *Storm Drain Fee – Prima Deschecha Canada*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Prima Deschecha Canada area.
- g. *Storm Drain Fee – Marblehead*: The fees are used to mitigate new development's impact on the City's Storm Drainage Facilities in the Marblehead area.

- h. *Water Acreage Fee*: The fees are used to mitigate the impact of new development on the City's water system facilities.
- i. *Sewer Connection Fee*: The fees are used to mitigate the impact of new development on the City's water reclamation plant.

2. List the amount of the fee

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: Attached as Exhibit #1
- b. *Public Safety Construction Fee*: Attached as Exhibit #2
- c. *Civic Center Construction Fund Fee*: Attached as Exhibit #3
- d. *Storm Drain Fee – Other Area (City Infill Development Areas)*: Attached as Exhibit #4
- e. *Storm Drain Fee- Segunda Deschecha*: Attached as Exhibit #4
- f. *Storm Drain Fee - Prima Deschecha Canada*: Attached as Exhibit #4
- g. *Storm Drain Fee – Marblehead*: Attached as Exhibit #4
- h. *Water Acreage Fee*: Attached as Exhibit #5
- i. *Sewer Connection Fee*: Attached as Exhibit #6

3. List the beginning and ending balance of the account or fund.

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*:

Beginning balance as of 7/1/19:	\$ 2,013,970
Ending balance as of 6/30/20:	\$ 1,060,539
- b. *Public Safety Construction Fee*:

Beginning balance as of 7/1/19:	\$ 5,210,966
Ending balance as of 6/30/20:	\$ 5,448,800
- c. *Civic Center Construction Fund Fee*:

Beginning balance as of 7/1/19:	\$ 779,527
Ending balance as of 6/30/20:	\$ 561,257
- d. *Storm Drain Fee – Other Area (City Infill Development Areas)*:

Beginning balance as of 7/1/19:	\$ 777,951
Ending balance as of 6/30/20:	\$ 752,761
- e. *Storm Drain Fee – Segunda Deschecha*:

Beginning balance as of 7/1/19:	\$ 2,834,009
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	Ending balance as of 6/30/20:	\$ 2,914,403
f.	Storm Drain Fee – Prima Deschecha Canada:	
	Beginning balance as of 7/1/19:	\$ 3,773
	Ending balance as of 6/30/20:	\$ 0
g.	Storm Drain Fee – Marblehead:	
	Beginning balance as of 7/1/19:	\$ 88,938
	Ending balance as of 6/30/20:	\$ 88,174
h.	Water Acreage Fee:	
	Beginning balance as of 7/1/19:	\$ 2,433,768
	Ending balance as of 6/30/20:	\$ 3,297,535
i.	Sewer Connection Fee:	
	Beginning balance as of 7/1/19:	\$ 7,105,132
	Ending balance as of 6/30/20:	\$ 7,643,344

4. List the amount of the fees collected and the interest earned.

	<u>Fees Collected</u>	<u>Interest Earned</u>
a. Regional Circulation Financing and Phasing Program (RCFPP):	\$ 58,000	\$ 34,869
b. Public Safety Construction Fee:	\$ 123,215	\$ 187,226
c. Civic Center Construction Fund Fee:	\$ 35,033	\$ 28,008
d. Storm Drain Fee – Other Area (City Infill Development Areas):	\$ 1,080	\$ 27,790
e. Storm Drain Fee – Segunda Deschecha:	\$ 1,091	\$ 100,975
f. Storm Drain Fee – Prima Deschecha Canada:	\$ 0	\$ 398
g. Storm Drain Fee – Marblehead:	\$ 0	\$ 3,177
h. Water Acreage Fee:	\$ 24,873	\$ 98,098
i. Sewer Connection Fee:	\$ 439,721	\$ 249,885

5. Provide an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.

Attached as Exhibit #7

6. Provide an identification of an approximate date by which the construction of the public improvements will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete. For capacity charges, this section also details any public improvements anticipated to be provided in the following year.

a. Regional Circulation Financing and Phasing Program (RCFPP):

The City has determined that sufficient funds have been collected to complete the Ave Pico Bike and Pedestrian Path, Vera Cruz to Frontera, Phase I (project no. 17337). Design is underway and planned for completion in late 2021, with construction anticipated in 2022.

The City has determined that sufficient funds have been collected to complete the Pico Widening, I-5 to Frontera, project (project no.18325). Design is underway and planned for completion in late 2021, with construction anticipated in 2022.

b. Public Safety Construction Fee:

None.

c. Civic Center Construction Fund Fee:

The City has determined that sufficient funds have been collected to complete the 910 Negocio Remodel (Project no. 18804). Construction began in December 2018 and was completed during the Summer of 2020. Another phase of remodeling, incorporating a Police Sub-Station into the 910 Negocio 2nd Floor, is in design, with construction anticipated in Fiscal Year 2021 (project no. 10546).

d. Storm Drain Fee – Other Area (City Infill Development areas):

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Other Areas project (Project no. 34001). The Master Plan development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan in 2021.

The City has determined that sufficient funds have been collected to complete the MOOS05 Montalvo Canyon Outlet project (Project no. 16004). The MOOS05 Montalvo Canyon Outlet project commenced in 2016 and the City continues to work with the California Coastal Commission for approval and next steps. It is anticipated that completion of this project will be in Fall 2021.

The City has determined that sufficient funds have been collected to complete the Storm Drain Improvements at PCH & Camino San Clemente project (project no. 10016). The project is in design, with construction expected to be completed Fall 2021.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

e. Storm Drain Fee – Segunda Deschecha:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Segunda Deschecha project (Project no. 34003). The Master Plan development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan sometime in 2021.

The City has determined that sufficient funds have been collected to complete the Storm Drain Improvements at 1601 Calle Las Bolas project (project no. 10015). The project is in design, with construction anticipated in fiscal year 2021-2022.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

f. Storm Drain Fee – Prima Deschecha Canada:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Prima Deschecha project (Project no. 34002). The Master Plan development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan sometime in 2021.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

g. Storm Drain Fee – Marblehead:

The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Marblehead project (Project no. 34004). The Master Plan development commenced in 2016, with a draft master plan completed by a consultant in FY2018-19. The plan is currently under review with the City Attorney, and it is anticipated that the City Council will adopt the plan sometime in 2021.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

h. Water Acreage Fee:

The City has determined that sufficient funds have been collected to complete the construction of a Water Line - Reservoir 10 & 6 (project #15401) across an easement purchased in 2016. The construction began in March 2019 and was completed in the fall of 2019.

The City has determined that sufficient funds have been collected to complete the Reeves Pump Station project (Project no. 17405) in the Marblehead Coastal area. Final design of the Pump Station was completed in 2019, and construction is expected to be completed by Fall 2021.

The City has determined that sufficient funds have been collected to complete the Recycled Water Expansion – Phase II project (Project no. 17407). The project will analyze the potential to expand the existing recycled system. The project commenced in 2017 and design and construction are expected to be completed in calendar year 2021.

The City has determined that sufficient funds have been collected to complete the Dana Point Ocean Water Desalinization Study project (Project no. 38401). The study is complete, salvage of the pumping system and project closeout is expected in FY2020-21. The City has not determined that sufficient funds have been collected to complete any desalinization project ultimately recommended in the Study project.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

i. Sewer Connection Fee:

The City has determined that sufficient funds have been collected to complete the Tertiary Filter Backwash Improvements (Project no. 16207). The scope of the project was evaluated as part of the WRP Efficiency Study (project no. 39202), which occurred in 2019. Design is being finalized, with construction on improvements expected to be completed during Spring 2021.

The City has determined that sufficient funds have been collected to complete the Recycled Water Expansion improvements (project no. 18201). Construction of the Expansion project has been completed, but there are still additional meters and modifications to the system are needed the near future. Design and construction are still ongoing, with completion anticipated in fiscal year 2020-2021.

The City has determined that sufficient funds have been collected to complete the Sewer System SCADA Improvement project (Project no. 12605). Project design is complete, with construction delayed due to lack of funding based on the bids received. Staff is evaluating other options to complete the project.

The City has determined that sufficient funds have been collected to complete the Solids Handling Sludge Storage Tank improvements (project no. 14205). Design and construction are ongoing and with more working incurring in both fiscal years 2020 and 2021.

The City has determined that sufficient funds have been collected to complete the Recycled Water Conversion program (project no. 34201). A retrofit program was implemented in 2016 and is still ongoing. Construction is complete and the project was closed in fiscal year 2019-2020.

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

7. Provide a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

A \$250,000 transfer from the City's Regional Circulation and Financing and Phasing Program was made to the Gas Tax Fund to fund a portion of the Camino Del Rio and La Pata Extensions (project no.18316).

A \$280,000 transfer from the City's Civic Center Fund was made to the General Fund to fund a portion the City Hall First Floor Renovation Project (910 Negocio Remodel project no. 18804).

An \$800,000 transfer was made from the Water Conservation program to the Water Acreage program for the Recycled Water Expansion Phase II (project no. 17407).

8. Provide the amount of any refunds made from surplus fees and the amount of any allocations made pursuant to subdivision (f) of Section 66001. (Subdivision (f) of Section 66001 requires reallocation of surplus fees where the administrative costs of refunding the fees exceed the amount to be refunded.)

- a. Regional Circulation Financing and Phasing Program (RCFPP):
None
- b. Public Safety Construction Fee:
None
- c. Civic Center Construction Fee:
None
- d. Storm Drain Fee – Other Area (City Infill Development Areas):
None
- e. Storm Drain Fee – Segunda Deschecha:
None
- f. Storm Drain Fee – Prima Deschecha Canada:
None
- g. Storm Drain Fee – Marblehead:
None
- h. Water Acreage Fee:
None
- i. Sewer Connection Fee
None

FISCAL YEAR 2020
CITY OF SAN CLEMENTE
RCFPP Impact Fee

Exhibit #1

Effective January 1, 2020

RCFPP (Regional Circulation Financing Phasing Program)	
Zone I & II - Marblehead Inland and Coastal	
Single Family	\$7,970/DU
Multi-Family	\$4,649/DU
Non-Residential	\$4.50/SF
Zone III - Rancho San Clemente	
Single Family	\$1,340/DU
Multi-Family	\$782/DU
Non-Residential	\$1.50/SF
Zone IV - Forster Ranch	
Single Family	\$1,105/DU
Multi-Family	\$645/DU
Non-Residential	TBD
Zone V - Talega Valley City	
Single Family	\$740/DU
Multi-Family	\$432/DU
Non-Residential	\$1.00/SF
Zone VI - Talega Valley County	
Single Family	\$545/DU
Multi-Family	\$318/DU
Non-Residential	\$1.00/SF
Zone VII, VIII, IX, X	
Single Family	\$900/DU
Multi-Family	\$525/DU
Non-Residential	\$1.50/SF

Note:

1. DU stands for Dwelling Unit.
2. SF stands for Square Foot.
3. TBD stands for To Be Determined.

FISCAL YEAR 2020
CITY OF SAN CLEMENTE
Public Safety Construction Fee
Effective January 1, 2020

Exhibit #2

Public Safety Construction Fee	
Each Residential Unit	\$1,659.10
Commercial Unit	\$413.46/1000 sq. ft.
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential and commercial unit.	

Note:

DU stands for Dwelling Unit.

FISCAL YEAR 2020
CITY OF SAN CLEMENTE
Civic Center Construction Fund Fee
Effective January 1, 2020

Exhibit #3

Civic Center Construction Fund Fee	
Residential Unit	\$571.13
Fee fluctuates annually (Jan 1st) based on the Consumer Price Index and is charged to every new residential unit.	

Note:
DU stands for Dwelling Unit.

FISCAL YEAR 2020
CITY OF SAN CLEMENTE
Storm Drain Fees

Exhibit #4

Effective January 1, 2020

Storm Drainage Fee:	
Other Areas	\$600/acre
Segunda Deshecha	\$3,409/acre
Prima Deshecha Canada	\$5,633/acre
Marblehead Coastal	\$1,650/acre

FISCAL YEAR 2020 CITY OF SAN CLEMENTE Water Acreage Fee

Exhibit #5

Effective January 1, 2020

<u>Water Acreage Fee</u>		
For developments having estimated water demand with the water usage limits set forth herein, the water acreage assessment charge (water connection fee) shall be:		
Estimated Water Demand not to exceed*		
<u>Existing Developed Areas:</u>		
Residential	450 gal/DU/Day*	\$2,388/acre
		\$2,388/acre
Industrial	3500 gal/acre/day*	\$2,388/acre
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial	2500 gal/acre/day*	\$10,500/acre
Industrial	3500 gal/acre/day*	\$10,500/acre
*All requests for commercial or industrial water service, and for multiple residential water service in the "existing developed area" shall be reviewed by the City Engineer for determination of compliance of the proposed use with the above water demand.		
For developments which exceed the water demand limits listed above, the water acreage fee shall be calculated as follows:		
<u>Existing Developed Areas:</u>		
Residential		\$0.884/gal/day
Commercial		\$0.955/gal/day
Industrial		\$0.682/gal/day
<u>Undeveloped Areas:</u>		
Residential	n/a; fee per DU	\$3,156/DU
Commercial		\$4.20/gal/day
Industrial		\$3.00/gal/day

Note:

1. DU stands for Dwelling Unit.
2. Gal stands for Gallon.

FISCAL YEAR 2020 CITY OF SAN CLEMENTE Sewer Connection Fee

Exhibit #6

Effective January 1, 2020

Sewer Connection Fee: (Acct. 001-000-32372)		
<i>(**Sewer Connection Fees were previously automatically increased by 10% at the beginning of each year per San Clemente Municipal Code Sections 13.24.220 and 13.24.250, Ord. 874. There has been a temporary moratorium approved by City Council on December 17, 2019 via resolution 19-055.)</i>		
<u>Residence or Dwelling Unit, Including Apts.:</u>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		\$0**
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76, and not included in the original Sewer Assessment District No. 85-1*)		\$0**
<u>Commercial & Industrial</u>		
Fee Areas "A" and "B" (All areas except those included in the original Sewer Assessment District No. 85-1)		\$0**
<u>Hotel, Motel, Mobile Homes, Etc.</u>		
Fee Area "A" (areas previously subdivided prior to Ordinance 663 dated 3/5/76)		
	First Unit:	\$0**
	Each Subsequent Unit:	\$0**
Fee Area "B" (areas subdivided after Ordinance 663, dated 3/5/76 and not included in the original Sewer Assessment District No. 85-1*)		
	First Unit:	\$0**
	Each Subsequent Unit:	\$0**
*Above fees applicable to properties not included in the original Assessment District No. 85-1 (Wastewater Treatment Facilities), which was subsequently refinanced. Properties included in said District have been assessed for sewer facilities and not subject to above fees.		
VERIFICATION OF SEWER ASSESSMENT to be obtained from Engineering Division prior to issuance of building permits.		

Note:

DU stands for Dwelling Unit.

FISCAL YEAR 2019-2020
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Regional Circulation Financing and Phasing Program (RCFPP)			
Ave Pico - Class I Bike/Ped Path Ph I	17337	\$ -	100%
Ave Vista Hermosa/Target Inter Improve	17339	\$ 418,418.64	100%
Camino Del Rio and La Pata Extensions	18316	\$ -	100%
Ave Pico Widening - I-5 - Frontera	18325	\$ -	100%
General Fund administrative reimbursement		\$ 12,960.00	100%
Pubic Safety Construction Fee			
Station No 59 Diesel Fuel Tank	16812	\$ 31,504.00	100%
Negocio 2nd Floor Design	10546	\$ 32,334.44	75%
One-Time Studies/Costs	30501	\$ -	100%
General Fund administrative reimbursement		\$ 8,768.00	100%
Civic Center Construction Fund Fee			
City Hall Relocation	18804	\$ 280,000.00	50%
Negocio 2nd Floor Design	10546	-	25%
General Fund administrative reimbursement		\$ 1,312.00	100%
Storm Drain Fee – Other Area (City Infill Development Areas)			
SD Improvement at PCH & Camino	10016	\$ 33,470.05	100%
MOOS05 Montalvo Canyon Outlet	16004	\$ 6,786.61	100%
City Master Plan of Drainage-Other Areas	34001	\$ 504.00	100%
General Fund administrative reimbursement		\$ 13,300.00	100%
Storm Drain Fee – Segunda Deschecha			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 1,906.10	100%
SD Improvements at 1601 Calle Las Bolas	10015	\$ 13,060.62	100%
General Fund administrative reimbursement		\$ 6,710.00	100%
Storm Drain Fee – Marblehead			
City Master Plan of Drainage - Prima Deschecha Canada	34002	\$ 456.00	100%
General Fund administrative reimbursement		\$ 3,710.00	100%
Storm Drain Fee – Prima Deschecha Canada			
City Master Plan of Drainage - Marblehead	34004	\$ 240.00	100%
General Fund administrative reimbursement		\$ 3,700.00	100%

FISCAL YEAR 2019-2020
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Water Acreage Fee			
Reeves Pump Station	17405	\$ 3,075.00	100%
Recycled Water Expansion Phase II	17407	\$ 37,568.56	100%
Dana Point Ocean Water Desalinization Project	38401	\$ -	100%
General Fund administrative reimbursement		\$ 18,560.00	100%
Sewer Connection Fee			
Tertiary Filter Backwash Improvements	16207	\$ 12,845.39	100%
Recycled Water Expansion	18201	\$ 3,818.74	16%
Recycled Water Conversion Program	34201	\$ -	100%
WRP Efficiency Study	39202	\$ 102,119.50	100%
General Fund administrative reimbursement		\$ 32,610.00	100%