

Annual Report
Mitigation Fee Act
Pursuant to Government Code 66006
City of San Clemente
Fiscal Year 2023-24

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 – Marblehead*: The fees are used to mitigate new development’s impact on the City’s Storm Drainage Facilities in the Marblehead area.
- g. *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.

- 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 and collection system.

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 – Marblehead*: Attached as Exhibit #4
- g. *Storm Drain Fee - Prima Deschecha Canada*: 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 (RCFPP):

Beginning balance as of 7/1/23:	\$ 1,236,854
Ending balance as of 6/30/24:	\$ 1,268,946

- b. Public Safety Construction Fee:

Beginning balance as of 7/1/23:	\$ 1,125,644
Ending balance as of 6/30/24:	\$ 1,140,005

- c. Civic Center Construction Fund Fee:

Beginning balance as of 7/1/23:	\$ 175,580
Ending balance as of 6/30/24:	\$ 185,463

- d. Storm Drain Fee – Other Area (City Infill Development Areas)

Beginning balance as of 7/1/23:	\$ 285,045
Ending balance as of 6/30/24:	\$ 230,952

- e. Storm Drain Fee – Segunda Deschecha :

Beginning balance as of 7/1/23:	\$ 2,123,176
Ending balance as of 6/30/24:	\$ 1,953,630

f. Storm Drain Fee – Marblehead:	
Beginning balance as of 7/1/23:	\$ 67,489
Ending balance as of 6/30/24:	\$ 46,651
g. Storm Drain Fee –Prima Deshecha Canada:	
Beginning balance as of 7/1/23:	\$ 0
Ending balance as of 6/30/24:	\$ 0
h. Water Acreage Fee:	
Beginning balance as of 7/1/23:	\$ 3,070,731
Ending balance as of 6/30/24:	\$ 2,907,366
i. Sewer Connection Fee:	
Beginning balance as of 7/1/23:	\$2,234,321
Ending balance as of 6/30/24:	\$1,278,606

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

	<u>Fees Collected</u>	<u>Interest Earned</u> <u>/Investment Income</u>
a. Regional Circulation Financing and Phasing Program (RCFPP):	\$ 1,188	\$ 57,384
b. Public Safety Construction Fee:	\$ 33,719	\$ 64,581
c. Civic Center Construction Fund Fee:	\$ 2,290	\$ 10,073
d. Storm Drain Fee – Other Area (City Infill Development Areas):	\$ 953	\$ 12,773
e. Storm Drain Fee – Segunda Deschecha:	\$ 0	\$ 95,144
f. Storm Drain Fee – Marblehead:	\$ 0	\$ 3,024
g. Storm Drain Fee – Prima Deschecha Canada:	\$ 0	\$ 0
h. Water Acreage Fee:	\$ 6,524	\$ 142,972
i. Sewer Connection Fee:	\$ 0	\$ 97,111

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 design for Avenida Pico Bike and Pedestrian Path, Vera Cruz to Frontera, Phase I (project no. 17337). Design is underway and planned for completion in early 2025. It is anticipated that the design will be presented to the City Council for approval in 2025. The City has not determined that sufficient funds have been collected to complete the construction.

The City has determined that sufficient funds have been collected to complete the design for Pico Widening, I-5 to Frontera, project (project no. 18325). Conceptual design is planned for completion in 2024, with construction anticipated in late 2025.

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

b. Public Safety Construction Fee:

The City has determined sufficient funds have been collected to complete the second phase of the Calle Negocio remodel project to incorporate a Police Sub-Station on the 2nd Floor. The 2nd floor improvements were completed in Fall 2022 the parking lot fence and entrance gates installation completion is anticipated in Fall of 2024 (project no. 10546).

The City has determined sufficient funds have been collected to complete the City Hall Generator Installation project. The project is funded with Civic Center and Public Safety Construction Funds, improving power system reliability at City Hall and the Police Substation located on the 2nd floor. Design and advertising are completed and a contract has been awarded with construction anticipated in Fall of 2024 (project no. 14812).

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

c. Civic Center Construction Fund Fee:

The City has determined sufficient funds have been collected to complete the second phase of the Calle Negocio remodel project to incorporate a Police Sub-Station on the 2nd Floor. The 2nd floor improvements in connection with civic center related construction is completed.

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

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

The City has determined that sufficient funds have been collected to complete the required habitat restoration mitigation phase of the MOOS05 Montalvo Canyon Outlet project (Project no. 16004). The MOOS05 Montalvo Canyon Outlet improvements were completed in late 2023. The required habitat restoration mitigation phase of the project will commence in Fall of 2024. As part of the California Coastal Commission's permit (CDP) conditions, City is required to maintain and upkeep the restoration work for 5 years.

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

e. Storm Drain Fee – Segunda Deshecha:

The City has determined that sufficient funds have been collected to complete the City's Master Plan of Drainage – Segunda Deshecha project (Project no. 34003). The draft

Master Plan of Drainage has been completed by a consultant in FY2018-19. The Master Plan of Drainage is currently under review, and it is anticipated that the plan will be presented to City Council for adoption sometime in Fiscal Year 2025.

The City has determined that sufficient funds have been collected to start design of the Storm Drain Improvements at 1601 Calle Las Bolas (Project No. 10015). Project is under design with anticipated completion in FY 2025.

The City has determined that sufficient funds have been collected to start design of the Catch Basins and Storm Drain Improvements at Intersection of Avenida Presidio and Calle Miguel (Project No. 12003). Project is under design with anticipated completion in FY 2025. Construction funding has not been budgeted yet.

The City has determined that sufficient funds have been collected to start the design of the Catch Basins and Storm Drain Improvements at Intersection of Avenida Pico and Calle Frontera (Project No. 13018). Project is under design with anticipated completion in FY 2025.

The City has determined that sufficient funds have been collected to start the design of the Storm Drain improvements at the intersection of Calle Bonito & Los Molinos (Project No. 14081) Project is under design with anticipated completion in FY 2025.

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

f. Storm Drain Fee – Marblehead:

The City has determined that sufficient funds have been collected to start the design of the Marblehead Storm Drain & Water Quality Improvement (project No. 14080). The project is currently under review for an anticipated start date in FY 2025.

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

g. Storm Drain Fee – Prima Deshecha Canada:

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

h. Water Acreage Fee:

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 is underway, and construction is expected to begin in Fall 2025.

The City has not 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 water system, as completion anticipated in Fall 2024.

The City has determined that sufficient funds have been collected to complete the Dana Point Ocean Desalination study (Project no. 14459) which transition to the design and partnership study for the Doheny Desalination Ocean study (Project no. 38401).

The City has determined that sufficient funds have been collected to complete the Doheny Ocean Desalination study (Project no. 38401). The City is evaluating design, partnership and the cost of participation in the project. Design is anticipated to start in early 2024 by

South Coast Water District. The City has not determined that sufficient funds have been collected to complete the desalinization project or its level of participation in the project.

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

i. Sewer Connection Fee:

The City has determined that sufficient funds have been collected to complete the Cyprus Shore Pump Station Relocation (Project no. 12210). A construction contract was awarded in May 2024, construction completion is expected in mid-2025.

The City has determined that sufficient funds have been collected to complete the WRP Efficiency Study (Project no. 39201). The project is currently active and continues into FY 2025.

The City has determined that sufficient funds have been collected to complete the WRP Efficiency Study (Project no. 39202). The project is currently active and continues into FY 2025.

The City has not determined that sufficient funds have been collected to complete the Recycled Water Quality Improvements project (Project no. 13203). Design completion is anticipated in January 2025 with construction commencing once additional grant funding is allocated for the project .

The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in a 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.

None.

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 – Marblehead:

None

g. Storm Drain Fee – Prima Deschecha Canada:
None.

h. Water Acreage Fee:
None

i. Sewer Connection Fee
None

FISCAL YEAR 2024
CITY OF SAN CLEMENTE
RCFPP Impact Fee

Exhibit #1

Effective July 1, 2023

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 2024
CITY OF SAN CLEMENTE
Public Safety Construction Fee

Exhibit #2

Effective January 1, 2024

<u>Public Safety Construction Fee</u>	
Each Residential Unit	\$1,934.99
Commercial Unit	\$482.21/1000 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 2024
CITY OF SAN CLEMENTE
Civic Center Construction Fund Fee

Exhibit #3

Effective January 1, 2024

<u>Civic Center Construction Fund Fee</u>	
Residential Unit	\$666.10
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 2024
CITY OF SAN CLEMENTE
Storm Drain Fees

Exhibit #4

Effective July 1, 2023

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

FISCAL YEAR 2024 CITY OF SAN CLEMENTE Water Acreage Fee

Exhibit #5

Effective July 1, 2023

<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 or 398/DU, whichever is greater
Commercial	2500 gal/acre/day*	\$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 2024 CITY OF SAN CLEMENTE Sewer Connection Fee

Exhibit #6

Effective July 1, 2023

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 2023-24
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	\$ 6,949.00	100%
Ave Pico Widening - I-5 to Frontera	18325	\$ 9,601.00	100%
General Fund Administrative Reimbursement		\$ 9,930.00 **	100%
Public Safety Construction Fee			
Negocio 2nd Floor Design/Police Substation	10546	\$ 44,505.30	75%
City Hall Generator Installation	14812	\$ 23,533.37	100%
General Fund Administrative Reimbursement		\$ 15,900.00 **	100%
Civic Center Construction Fund Fee			
General Fund Administrative Reimbursement		\$ 2,480.00 **	100%
Storm Drain Fee – Other Area (City Infill Development Areas)			
MOOS05 Montalvo Canyon Outlet	16004	\$ 371,428.87	100%
General Fund Administrative Reimbursement		\$ 10,260.00 **	100%
Storm Drain Fee – Segunda Deschecha			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 327.96	100%
SD Improvements at 1601 Calle Las Bolas	10015	\$ 180,677.55	100%
Catch Basin and SD Improvements at Presidio & Miguel	12003	\$ 71,703.28	100%
Catch Basin & SD Improvement- Pico & Frontera	13018	\$ 1,741.37	100%
SD Improvement - Calle Bonito & Los Molinos	14081	\$ - *	100%
General Fund Administrative Reimbursement		\$ 10,240.00 **	100%
Storm Drain Fee – Marblehead			
Marblehead Coastal SD & WD Improvements	14080	\$ 18,772.35	100%
General Fund administrative reimbursement		\$ 5,090.00 **	100%
Storm Drain Fee – Prima Deschecha Canada			
General Fund Administrative Reimbursement		\$ - **	100%

FISCAL YEAR 2023-24
CITY OF SAN CLEMENTE
Section 5
Public Improvement Expenditures

Project Name	Project #	Expenditure	% Funded with Fees
Water Acreage Fee			
Reeves Pump Station	17405	\$ 4,808.58	100%
Recycled Water Expansion Phase II	17407	\$ 300,162.88	100%
Dana Point Ocean Water Desalinization Project	38401	\$ - *	100%
Doheny Ocean Desalination	14459	\$ - *	100%
General Fund Administrative Reimbursement		\$ 7,890.00 **	100%
Sewer Connection Fee			
Cyprus Shores PS Relocation	12210	\$ 542,877.36	100%
Recycled Water Conversion Program	34201	\$ 2,005.00	100%
WRP Efficiency Study	39202	\$ 57,517.25	100%
Recycled Water Quality Improvements	13203	\$ 582,598.55	100%
General Fund Administrative Reimbursement		\$ 16,170.00 **	100%

* Projects are budgeted, but no costs incurred in the current year.

** Administrative costs is a reimbursement for overhead related to General government costs incurred such as city clerk, finance, treasury, and other general costs.