

**Five-Year  
Mitigation Fee Act Report  
City of San Clemente  
For Fiscal Year 2019-2020 through Fiscal Year 2023-2024**

Government Code Section 66001(d)(1), a provision of the Mitigation Fee Act (Government Code Sections 66000 *et seq.*) provides as follows:

“For the fifth fiscal year following the first deposit (of the development fee) into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- (A) Identify the purpose to which the fee is to be put.
- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete [sic] improvements identified in paragraph (2) of subdivision (a) [which paragraph (2) states that the improvements may, but need not, be made by reference to a capital improvement plan, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged].
- (D) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.”

**This 5-Year Report covers the 5 fiscal years from FY 2019-2020 through FY 2023-2024.**

**Each fee program addressed in this Report is addressed in an authorizing provision or provisions of the San Clemente Municipal Code and/or an implementing fee resolution and has been the subject of a detailed study or studies prepared at the time the fee program was instituted (and, in some cases, amended). Such ordinances, resolutions, and prior study(ies) addressed (1) the purpose of the fee, (2) the use to which the fee is to be put, (3) the reasonable relationship between the fee’s use and the type of development project on which the fee is imposed, and (4) the reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each applicable ordinance, resolution, and study (if applicable, as amended) is incorporated into this Report by this reference. The statements in this Report to some extent summarize statements in the ordinance(s), resolution(s), and prior fee study(ies) and should be read consistently therewith.**

**The following findings are hereby made for those fees that have been in effect for the past five years.**

- 1. Identify the purpose to which the fee is to be put.**

- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: The fee is used to fund major roadway improvements to accommodate new development. (See, generally, Municipal Code Chapter 15.60 and related fee resolution(s).) Projects are identified on Exhibit 1, Section (a).
  - b. *Public Safety Construction Fee*: The fee is used to mitigate the impact of new development on the need to provide public safety facilities. (See, generally, Municipal Code Chapter 15.52 and related fee resolution(s).) Projects are identified on Exhibit 1, Section (b).
  - c. *Civic Center Construction Fund Fee*: The fee is used to mitigate the impact of new development on the need to provide public facilities/offices to house municipal staff. (See, generally, Municipal Code Chapter 15.52 and related fee resolution(s).) Projects are identified on Exhibit 1, Section (c).
  - d. *Storm Drain Fee – Other Area (City Infill Development Areas)*: The fee is used to construct master plan storm drain facilities in City Infill Development Areas. (See, generally, Municipal Code Chapter 15.56.) Projects are identified on Exhibit 1, Section (d).
  - e. *Storm Drain Fee – Segunda Deschecha*: The fee is used to construct master plan storm drain facilities in the Prima Deschecha Canada drainage basin. (See, generally, Municipal Code Chapter 15.56.) Projects are identified on Exhibit 1, Section (e).
  - f. *Storm Drain Fee – Marblehead*: The fee is used to construct master plan identified facilities in Marblehead. (See, generally, Municipal Code Chapter 15.56.) Projects are identified on Exhibit 1, Section (f).
  - g. *Storm Drain Fee – Prima Deschecha Canada*: The fee is used to construct master plan identified facilities in the Prima Deschecha Canada drainage basin. (See, generally, Municipal Code Chapter 15.56.) Projects are identified on Exhibit 1, Section (g).
  - h. *Water Acreage Fee*: The fee is used to mitigate the impact of new development on the City’s water reclamation plant and sanitary facilities. (See, generally, Municipal Code Sections 13.24.220-13.24.260.) Projects are identified on Exhibit 1, Section (h).
  - i. *Sewer Connection Fee*: The fee is used to mitigate the impact on the City’s water reclamation plant and sanitary sewer facilities. (See, generally, Municipal Code Sections 13.24.220-13.24.260.) Projects are identified on Exhibit 1, Sections (i).
- 2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.**
- a. *Regional Circulation Financing and Phasing Program (RCFPP)*: Roadway improvements to be funded from the RCFPP and necessary to provide an adequate transportation system are determined by the City Council, based upon recommendations from the City Manager and/or Public Works Department. The Public Works Department is responsible for establishing cost estimates for the planned improvements. Based upon available funding, the City Council

prioritizes the construction of specific projects. The fee originally was calculated by dividing the improvement cost estimates for the then-designated roadway improvements to be funded from the RCFPP by the total number of single family, multifamily and non-residential commercial construction units planned to be built within specific benefit zones of the City. Since that time, projects have been added to the RCFPP without increasing the amount of the fee, which has resulted in a situation in which the RCFPP will not be sufficient to completely fund all identified improvements—but there is still a reasonable relationship between the fee and the purpose for which the fee is charged.

- b. *Public Safety Construction Fee:* The fee has been calculated based on the projected need for public safety facilities (police, emergency medical, fire, and other related services) generated by new development occurring in the City since the fees were established. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated by dividing the estimated improvement cost by the number of new residential units and the square footage of planned commercial and industrial space in the City.
- c. *Civic Center Construction Fund Fee:* The fee has been calculated based on the projected need for civic center facilities generated by new development occurring in the City since the fee was established. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated by dividing the estimate improvement cost by the number of new residential units.
- d. *Storm Drain Fee – Other Area (City Infill Development Areas):* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
- e. *Storm Drain Fee – Segunda Deshecha:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
- f. *Storm Drain Fee – Marblehead:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon runoff coefficient for each proposed land use category and the size/acreage of the proposed development.

- g. *Storm Drain Fee – Prima Deshecha Canada:* The fee has been calculated based on the projected need for public storm drain facilities generated by new development in the area of benefit. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the runoff coefficient for each proposed land use category and the size/acreage of the proposed development.
- h. *Water Acreage Fee:* The fee has been calculated based on the projected need for public domestic/reclaimed water facilities generated by new development in the City. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based upon the number of units for residential uses, and the number of commercial or industrial acreage for developed or undeveloped areas. The number of units helps to determine the demand for water, its impact on the overall system and future capacity needs, and the marginal cost for related facilities. The fee is also determined based on the estimated water demand of the development.
- i. *Sewer Connection Fee:* The fee has been calculated based on the projected need for public sanitary sewer transmission and treatment facilities generated by new development in the City. The Public Works Department is responsible for establishing cost estimates for the planned improvements, including land acquisition. The amount of the fee is then calculated based on the number of dwelling units for residential uses, and the parcel's acreage for commercial, industrial and institutional facilities. The number of connections helps to determine the maximum amount of sewage that would be generated at those points and, thus, measure their impact on the overall system and future capacity needs.

Due to escalating cost of impact fee, on December 17, 2019, the City Council imposed a moratorium on the Connection Fees until a new study can be conducted.

**3. Identify all funding sources and amounts of funding anticipated to complete financing of incomplete improvements identified.**

- a. *Regional Circulation Financing and Phasing Program (RCFPP) Improvements:* The source of funding for these improvements is the RCFPP fee. However, the City will solicit financial support from the County of Orange Measure M Initiative and from the Federal Government through Transportation Enhancement Activities to fully fund the identified projects. The amount of funding required for the various improvements at issue is estimated to be \$4.5 million dollars, as detailed in Exhibit 1(a). These estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- b. *Public Safety Improvements:* The funding source for the public safety facilities is the Public Safety Construction Fee. The amount of funding required for the improvements at issue is estimated to be \$4.86 million dollars, as detailed in Exhibit 1(b). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.

- c. *Civic Center Improvements*: The funding source for the identified facilities is the Civic Center Construction Fund Fee. The City estimates that improvements are not needed at this time as shown in Exhibit 1(c).
- d. *Storm Drain Improvements – Other Area (City Infill Development Areas)*: The funding source for the identified facilities is the Storm Drain Fee (City Infill Development Areas). The City anticipates needing \$1.15 million dollars before being able to complete the improvements, as detailed in Exhibit 1(d). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- e. *Storm Drain Improvements - Segunda Deshecha*: The funding source for the identified facilities and improvements is the Storm Drain Fee – Segunda Deshecha. The City anticipates needing \$9.8 million dollars before being able to complete the improvements, as detailed in Exhibit 1(e). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- f. *Storm Drain Improvements – Marblehead*: The funding source for the identified facilities and improvements is the Storm Drain Fee - Marblehead. The City anticipates needing \$500 thousand dollars before being able to complete the improvements, as detailed in Exhibit 1(f). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- g. *Storm Drain Improvements – Prima Deshecha Canada*: The funding source for the identified facilities and improvements is the Storm Drain Fee—Prima Deshecha Canada. The City does not anticipate needing funding at this time, as shown in Exhibit 1(g). However, these estimates will require further analysis of needed improvements and any related land purchases and construction, which fluctuate greatly over time.
- h. *Water Acreage Improvements*: The funding source for the identified facilities and improvements is the Water Acreage Fee. The City anticipates needing \$7.1 million dollars before being able to complete the improvements, as detailed in Exhibit 1(h). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.
- i. *Sewer Connection Improvements*: The funding source for the identified facilities and improvements is the Sewer Connection Fee. The City anticipates needing \$18.65 million dollars before being able to complete the improvements, as detailed in Exhibit 1(i). However, these estimates will require further analysis of the costs of the improvements and any related land purchases and construction, which fluctuate greatly over time.

**4. Designate the approximate dates on which the funding referred to in paragraph 3 is expected to be deposited into the appropriate account or fund.**

- a. *Regional Circulation Financing and Phasing Program (RCFPP) Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. The City also has received funding commitments in the past from the County of Orange and from the Federal Government. It is not known when, if any, additional grant money may be received from these agencies. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. Nonetheless, given that the list of projects to be funded with the RCFPP has a higher estimated cost than the amount of fee revenue the City expects to generate, the limited amount of additional development the City anticipates will occur that is subject to payment of the fee, and the uncertainty of other sources of funding, the City does not foresee that it will have enough RCFPP fee revenue to complete as-yet uncompleted RCFPP improvements for approximately 20 or more years. Since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- b. *Public Safety Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 10 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- c. *Civic Center Construction Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated and/or surplus property is declared and sold. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee

revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 10 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).

- d. *Storm Drain Improvements– Other Area (City Infill Development Areas):* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- e. *Storm Drain Improvements– Segunda Deshecha:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- f. *Storm Drain Improvements– Marblehead:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- g. *Storm Drain Improvements– Prima Deshecha Canada:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction

and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).

- h. *Water Acreage Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).
- i. *Sewer Connection Improvements:* All fees previously collected already have been deposited into the appropriate fund. Receipt dates for future fees yet to be collected will occur over multiple years as development projects are initiated. Due to a number of variables, including the uncertainty related to the amount of interest earnings the City will generate on funds previously collected, fluctuations in land values and construction and consultant costs, and the above-mentioned uncertainty regarding when additional development subject to the fee will occur and additional fee revenues will be collected, it is difficult to estimate an approximate date by which the City will have enough funding. The City approximates it will have enough funding within 20 years; however, since that date may change, the City will announce when it has sufficient funding in order to comply with Government Code section 66001(e).

Pursuant to Government Code 66001(e), within 180 days of a determination that sufficient funds have been collected, the City will identify an approximate date for the commencement of construction of the uncompleted public improvements/facilities for which the applicable impact fees were collected. However, since the City has not yet made that determination for any of the above fees, the City is not designating an approximate date for the commencement of construction at this time.

# FIVE YEAR MITIGATION REPORT CITY OF SAN CLEMENTE

## Section 1

Purpose to which fees will be put:

Project Name	Project	Estimated Total Project Cost	% Estimated to be Funded with Fees
<b>(a) Regional Circulation Financing and Phasing Program (RCFPP)</b>			
Ave Pico - Class I Bike/Ped Path Phase I	17337	\$ 300,025	100%
Ave Pico Widening - I-5 to Frontera	18325	\$ 203,459	100%
Intersection Improvements: AVH & La Pata	Future	\$ 875,000	100%
Intersection Improvements: AVH & Vera Cruz	Future	\$ 1,000,000	100%
Intersection Improvements: Pico & Amanecer	Future	\$ 750,000	100%
Intersection Improvements: Pico & Del Cerro	Future	\$ 875,000	100%
Intersection Improvements: Pico & La Pata	Future	\$ 500,000	100%
	<b>Total</b>	<b>\$ 4,503,484</b>	
<b>(b) Public Safety Construction Fee</b>			
Negocio 2nd Floor Design/Police Substation	10546	\$ 4,115,912	75%
City Hall Generator Installation	14812	\$ 750,003	100%
	<b>Total</b>	<b>\$ 4,865,916</b>	
<b>(c) Civic Center Construction Fund Fee</b>			
		\$ -	100%
<b>(d) Storm Drain Fee – Other Area (City Infill Development Areas)</b>			
MOOS05 Montalvo Canyon Outlet	16004	\$ 749,984	100%
SD Improvement at PCH & Camino	10016	\$ 397,285	100%

# FIVE YEAR MITIGATION REPORT CITY OF SAN CLEMENTE

## Section 1

Purpose to which fees will be put:

Project Name	Project	Estimated Total Project Cost	% Estimated to be Funded with Fees
<b>Total</b>		<b>\$ 1,147,269</b>	
<b>(e) Storm Drain Fee – Segunda Deschecha</b>			
City Master Plan of Drainage - Segunda Deschecha	34003	\$ 130,075	100%
Catch Basin and SD Improvements at Presido & Miguel	12003	\$ 750,000	100%
Catch Basin & SD Improvement-Pico and Frontera	13018	\$ 7,984,301	100%
SD Improvement - Calle Bonito & Los Molinos	14081	\$ 650,000	100%
SD Improvement - Santa Margarita & Corta	Future	\$ 300,000	100%
<b>Total</b>		<b>\$ 9,814,377</b>	
<b>(f) Storm Drain Fee – Marblehead</b>			
Marblehead Coastal SD & WD Improvements	14080	\$ 500,002	100%
<b>Total</b>		<b>\$ 500,002</b>	
<b>(g) Storm Drain Fee – Prima Deschecha Canada</b>			
		\$ -	

# FIVE YEAR MITIGATION REPORT CITY OF SAN CLEMENTE

## Section 1

Purpose to which fees will be put:

Project Name	Project	Estimated Total Project Cost	% Estimated to be Funded with Fees
<b>(h) Water Acreage Fee</b>			
Reeves Pump Station	17405	\$ 3,539,085	100%
Recycled Water Expansion Phase II	17407	\$ 1,324,629	100%
Dana Point Ocean Water Desalinization Project	38401	\$ 703,524	100%
Doheny Ocean Desalination	14459	\$ 1,500,000	100%
	<b>Total</b>	<b>\$ 7,067,238</b>	
<b>(i) Sewer Connection Fee</b>			
Cyprus Shores PS Relocation	12210	\$ 5,272,457	100%
Recycled Water Conversion Program	34201	\$ 689,014	100%
WRP Efficiency Study	39202	\$ 599,998	100%
Recycled Water Quality Improvements	13203	\$ 2,219,055	100%
SMWD Trampas Recycled Water Reservoir	12207	\$ 3,100,000	100%
SMWD Pico Recycled Water Pump Station	12206	\$ 611,800	100%
Sludge Dehydration System	Future	\$ 2,060,000	100%
WRP Co-Generation	Future	\$ 3,000,000	100%
Aeration Basin Conversion to Flow Equalization	Future	\$ 1,000,000	100%
Material Storage Area	Future	\$ 100,000	100%
	<b>Total</b>	<b>\$ 18,652,325</b>	