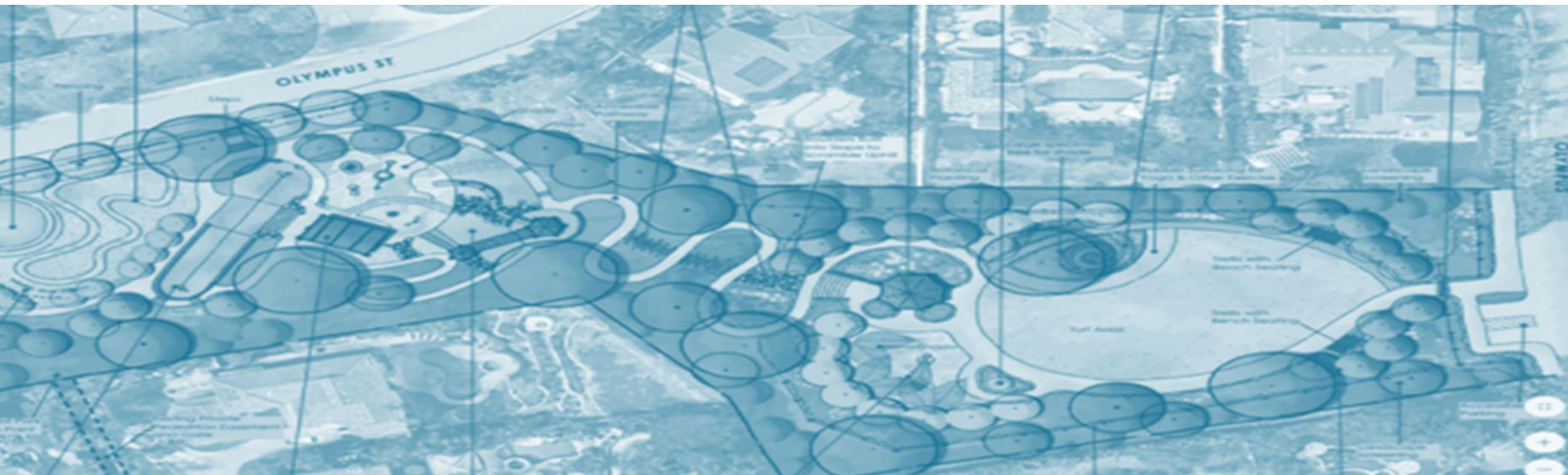


# Annual Development Impact/Mitigation Fee Report

For Fiscal Year Ended June 30, 2022

Prepared by  
City of Encinitas  
Finance Department



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## Development Impact Act Reporting Requirements Under the Mitigation Fee Act

*California Government Code Section 66000 et seq.*

In California, State legislation sets certain legal and procedural parameters for the charging of development impact fees. This legislation was passed as AB1600 by the California Legislature and is now codified as California Government Code Sections (GC §) 66000 through 66008 (“Mitigation Fee Act”). This State law went into effect on January 1, 1989.

GC § 66006(b) outlines the following annual reporting requirements pertaining to development impact fees:

(1) For each separate account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and interest earned.
- (E) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement including the total percentage of the cost of the public improvement that was funded with fees.
- (F) An identification of an approximate date by which the construction of the public improvement 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.
- (G) A description of each interfund 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 interfund 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.
- (H) The amount of refunds made (as pursuant to GC § 66001(e)) due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made (as pursuant to GC § 66001(f)) due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

GC § 65865(e) also requires that in any development agreement entered into on or after January 1, 2004, the City shall comply with GC § 66006 with respect to any fee it receives or cost it recovers.

## Fee Description

GC § 66006 (b)(1)(A)

The broad purpose of impact fees is to protect public health, safety, and general welfare by providing for adequate public facilities.

The specific purpose of the fees is to fund construction of certain capital improvements that will be needed to mitigate the impacts of planned new development on City facilities and to maintain an acceptable level of public services as the City grows.

Fund #	Fund Name	Fee Description	Code	Recent Fee Study
231	Park Development Fees	The park land in lieu/ impact fees and the park improvement impact fees will be used to acquire land and construct park improvements to mitigate the impacts of new development. The parks being funded by impact fees are needed to serve additional population related to new residential development.	EMC 23.98	DIF 2015 Chapter 3
232	Parkland Acquisition Fees	The purpose of the City's traffic mitigation fee is to provide for the traffic facilities needed to serve new development. The fees deposited in the traffic mitigation fee fund are used for the construction and reconstruction of Circulation Element streets and traffic facilities. The City's traffic mitigation fee follows the RTCIP amount increased annually as approved by the SANDAG Board.	EMC 23.94 23.94.050	DIF 2000 Section 3
233	Traffic Mitigation Fees	The TransNet Extension Ordinance requires the 18 cities in the San Diego region and the County of San Diego to collect a Regional Transportation Congestion Improvement Program (RTCIP) fee from the private sector for each new housing unit constructed in its jurisdiction, with certain exceptions, including low-income residential units and accessory dwelling units.	EMC 23.94.040.A	SANDAG Commission Ordinance 04-01
234	Regional Traffic Mitigation Fees	The purpose of this fee is to help ensure that future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements as defined in the most recent Regional Transportation Plan adopted by SANDAG.		

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<b>Fund #</b>	<b>Fund Name</b>	<b>Fee Description</b>	<b>Code</b>	<b>Recent Fee Study</b>
<b>235</b>	Open Space Acquisition Fees	The open space and trails development impact fees will be used to pay for additional open space and trails to mitigate the demand created by new residential development, or if it is not feasible to acquire additional open space, the open space fees may be used to improve access to, or usability of, existing open space.		DIF 2015 Chapter 4
<b>236</b>	Recreational Trails Fees			
<b>237</b>	Community Facilities Fees	Community Facilities Fees are used to mitigate the cost of improvements needed to meet the recreational space and facilities—such as the Encinitas branch library addressed in the 2005 impact fee study. Impact fees to recover new development’s share of the costs for the branch are based on per-capital costs and the population per dwelling unit.		DIF 2005 Chapter 5
<b>238</b>	Fire Mitigation Fees	The purpose of the fire protection impact fees is to mitigate the impact of all new development on the need for fire protection facilities and equipment in the City. Fees will be used to pay for additional fire protection assets needed to maintain the existing level of service for fire protection in the City. The fees are based on the impact of each type of new development, as measured by its associated increase in functional population.	EMC 23.92	DIF 2015 Chapter 5
<b>239</b>	Flood Control Mitigation Fees	The purpose of the flood control fee is to provide for flood control facilities needed to serve the development. Fees are used for the construction of planned drainage facilities for the removal of surface and stormwaters from the City of Encinitas, as shown on the San Diego County Flood Control Plan adopted in 1977.  The fee is 21 cents per square foot of impervious surface resulting from the completion of the project.	EMC 23.96	

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## Fee Amount

GC § 66006 (b)(1)(B)

Development Type	Dev Units <sup>1</sup>	Park Development Fund 231	Parkland Acquisition Fund 232	Traffic Mitigation Fund 233	Regional Arterial System RTICIP Fund 234	Open Space Acquisition Fund 235	Recreational Trails Fund 236	Community Facilities Fund 237	Fire Mitigation Fund 238	Flood Control Fund 239
Development projects within the City										\$0.21 per sq ft new impervious surface
Residential - Single-Family	DU	\$ 3,959	\$ 5,371			\$ 438	\$ 168	\$ 571	\$ 675	
Residential - Multi-Family	DU	2,644	3,587			293	112	R8-11 \$449 R11-25 \$428	451	
Residential - Mobile Home Park	DU	2,518	3,416			279	107	387	429	
Residential - Accessory Unit <sup>2</sup>	DU	N/A	N/A			N/A	N/A	N/A	N/A	
Office - Professional	KSF								741	
Commercial	KSF								627	
Industrial - Light	KSF								184	
Hotel/ Motel Room	Room								184	
<b>Traffic Mitigation Fees</b>										
Single-Family Residential x Peak Hour Trips x Traffic Mitigation Fee x Reduction Factor for Pass-by-Trips = Total Fee										
Residential - Single-Family	DU					\$2,635.50				
Residential - Low Income	DU			\$2,635.50		Exempt				
Residential - Rural	DU			\$527.10		\$2,635.50				
Residential - Other	DU					\$2,635.50				
Other Development - Non Residential										Calculated based on EDM 2.13 Attachment A

<sup>1</sup> Units of development. DU = dwelling unit; KSF = 1,000 square feet of building area; Room = guest room or suite

<sup>2</sup> Per Council direction on August 19, 2015, impact fees on ADUs were removed from the fee schedules (2015-10-21 Item 10C).

Traffic Mitigation Fees



**ATTACHMENT A**  
**PEAK-HOUR TRIPS FOR SPECIFIC RESIDENTIAL AND NON-RESIDENTIAL**  
**USES, AND APPLICABLE PASS-BY TRIP REDUCTION FACTORS**

1 Peak hour trip = \$2,635.50

<u>Land Use Categories</u>	<u>Highest AM/ PM Peak hour trips</u>	<u>Pass-By Trips Reduction Factor</u>	<u>Traffic Fees</u>
<b>RESIDENTIAL (per DU)</b>			
Rural Residential	1.20	N/A	\$3,162.60
Single Family	1.00	N/A	\$2,635.50
Other Residential	N/A	N/A	\$2,635.50
<b>OFFICE (per 1,000 sf)</b>			
Standard Commercial Office	2.80	N/A	\$7,379.40
Single Tenant Office	2.10	N/A	\$5,534.55
Medical-Dental Office	5.50	N/A	\$14,495.25
<b>SHOPPING CENTER (per 1,000 sf)</b>			
Community (10-30 acres)	7.00	0.70	\$12,913.95
Neighborhood (<10 acres)	12.00	0.60	\$18,975.60
<b>COMMERCIAL SHOPS (per 1,000 sf)</b>			
Convenience Market	40.00	0.50	\$52,710.00
Grocery Store	15.00	0.60	\$23,719.50
Discount Store	4.80	0.70	\$8,855.28
General Retail Shop	3.60	0.90	\$8,539.02
Furniture Store	0.54	N/A	\$1,423.17
<b>RESTAURANTS (per 1,000 sf)</b>			
Fast Food (with drive through)	45.50	0.60	\$71,949.15
Fast Food (without drive through)	49.00	0.60	\$77,483.70
Delicatessen (7 a.m. - 4 p.m.)	13.50	N/A	\$35,579.25
Sit Down, High Turnover	12.80	0.80	\$26,987.52
Sit Down, Low Turnover (quality)	8.00	0.90	\$18,975.60
<b>FINANCIAL SERVICES (per 1,000 sf)</b>			
Bank (walk-in only)	12.00	0.75	\$23,719.50
Bank (with drive-through)	20.00	0.75	\$39,532.50
<b>OTHER LAND USES (per 1,000 sf unless otherwise noted)</b>			
Church	0.72	N/A	\$1,897.56
Day Care Center (per child)	0.90	0.30	\$ 711.59
Private School (per student)	0.90	0.30	\$ 711.59
General Hospital (per bed)	1.70	N/A	\$4,480.35
Convalescent/Nursing (per bed)	0.21	N/A	\$ 553.46
Gas Station w/mart/car wash (per pump)	13.95	0.50	\$18,382.61
Hotel (w/convention facilities/restaurant) (per room)	0.80	N/A	\$2,108.40
Motel (per room)	0.81	N/A	\$2,134.76
Resort Hotel (per room)	0.56	N/A	\$1,475.88
Business Hotel (per room)	0.63	N/A	\$1,660.37
<b>RECREATIONAL (per 1,000 sf)</b>			
Golf Course (per hole)	3.20	N/A	\$8,433.60
Movie Theater (per seat)	0.144	N/A	\$ 379.51
Health Club	2.70	N/A	\$7,115.85

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## Fund Balance Activity

GC § 66006 (b)(1)

Required Information	Park Development Fund 231	Parkland Acquisition Fund 232	Traffic Mitigation Fund 233	Regional Arterial System RTICIP Fund 234	Open Space Acquisition Fund 235	Recreational Trails Fund 236	Community Facilities Fund 237	Fire Mitigation Fund 238	Flood Control Fund 239	Total
(C) <b>Beginning Fund Balance July 1, 2021</b>	\$ 446,061	\$ 378,953	\$ 4,266,587	\$ 297,437	\$ 316,435	\$ 94,574	\$ -	\$ -	\$ 362,484	\$ 6,162,531
(D) <b>Fees Collected</b>	137,306	233,190	125,589	89,720	15,197	5,824	20,578	195,183	135,958	958,544
(H) <b>Fees Refunded</b>										-
(D) <b>Interest Earned</b> includes change in FMV	(14,704)	(19,665)	(123,568)	(11,444)	(6,205)	(2,942)	-	4	(18,321)	(196,847)
Total Revenues	122,602	213,525	2,020	78,276	8,992	2,882	20,578	195,187	117,636	761,698
Capital Expenditures										
(E) on Public Improvement Projects	(116,435)	(6,083)	(169,539)	(18,025)	(118,111)	-	-	-	79,553	(348,639)
(G) General Fund Transfers Out										-
(G) Debt Service Transfer Out	-	-	-	-	-	-	(20,578) <sup>a</sup>	(195,187) <sup>b</sup>	-	(215,765)
(C) <b>Ending Fund Balance June 30, 2022</b>	\$ 452,228	\$ 586,396	\$ 4,099,068	\$ 357,688	\$ 207,316	\$ 97,456	\$ -	\$ -	\$ 559,673	\$ 6,359,825
Adjustments										
(C) Adjusted Ending Fund Balance June 30, 2022	452,228	586,396	4,099,068	357,688	207,316	97,456	-	-	559,673	6,359,825
Current Unspent Committed Funds in Approved Public Improvement Projects	0	(3,913)	(4,020,449)	(329,346)	(130,635)	(94,335)	-	-	(181,596)	(4,760,273)
Uncommitted fund balance June 30, 2022 *	\$ 452,228	\$ 582,483	\$ 78,620	\$ 28,342	\$ 76,681	\$ 3,121	\$ -	\$ -	\$ 378,077	\$ 1,599,552

(G) **Interfund transfers made in FY 2021-22:**

<sup>a</sup> Transfer from the Community Facilities Fund to the General Fund for the repayment of an interfund loan for the construction of the Encinitas Library.

<sup>b</sup> Transfer from the Fire Mitigation Fund to the General Fund for the repayment of an interfund loan on the construction of Fire Stations 2 and 5.

\* Note: Column totals may not sum due to rounding.



## Public Improvement Project Detail

GC § 66006 (b)(1) E, F

PROJECT > MITIGATION FUND	FY22 Project Expenditures	Amount Funded by Impact Fees	Amount Funded by Other Sources	% of Cost Funded by Fees
<b>CD17B - 5YR HABITAT-BIOLOGICAL &amp; MONITORING</b>	<b>13,692</b>	<b>13,692</b>	-	<b>100%</b>
239 - FLOOD CONTROL FEE		13,692		
<b>CP14A - OLYMPUS PARK</b>	<b>245,156</b>	<b>240,629</b>	<b>4,527</b>	<b>98%</b>
231 - PARK IMPROVEMENT FEE		116,435		
232 - PARKLAND ACQUISITION FEE		6,083		
235 - OPEN SPACE ACQUISITION FEES		118,111		
<b>CS02G - TRAFFIC SIGNAL MODIFICATIONS</b>	<b>18,025</b>	<b>18,025</b>	-	<b>100%</b>
233 - TRAFFIC MITIGATION FEE		-		
234 - REGIONAL TRAFFIC MITIGATION FE		18,025		
<b>CS19E - SANTA FE DR CORRIDOR IMPROVEMENTS</b>	<b>389,169</b>	<b>169,539</b>	<b>219,630</b>	<b>44%</b>
233 - TRAFFIC MITIGATION FEE		169,539		
<b>CS21B - N. VULCAN AVE TEMP PARKING PHASE II</b>	<b>(18,058)</b>	<b>(93,245)</b>	<b>75,187</b>	
239 - FLOOD CONTROL FEE		(93,245)		
				<i>NCTD reimbursement received FY22 for FY21 expenditures</i>
<b>Grand Total</b>	<b>647,983</b>	<b>348,639</b>	<b>299,344</b>	<b>54%</b>

The projects listed above represent recently completed and/or active (in-progress) uses of impact fee funds in Fiscal Year 2021-22 to complete current capital improvement projects. The City has also identified public improvement projects that have sufficient impact fee funds available to complete, including approximate dates (fiscal year) of construction in the City's Capital Improvement Plan as adopted by City Council. Outside of these two sources of information, the City has not determined that sufficient funds have been collected to complete financing of any other incomplete public improvements.