



401 B Street, Suite 800  
 San Diego, CA 92101-4231  
 (619) 699-1900  
 Fax (619) 699-1905  
 www.sandag.org

# SPECIAL MEETING NOTICE AND AGENDA

**MEMBER AGENCIES**

- Cities of
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- and
- County of San Diego

**ADVISORY MEMBERS**

- Imperial County
- California Department  
of Transportation
- Metropolitan  
Transit System
- North San Diego County  
Transit Development Board
- United States  
Department of Defense
- San Diego  
Unified Port District
- San Diego County  
Water Authority
- Baja California/Mexico

## CITIES/COUNTY TRANSPORTATION ADVISORY COMMITTEE (CTAC)

The CTAC may take action on any item appearing on this agenda.

Thursday, March 25, 2004

10:00 a.m. to 12:00 noon

SANDAG, Conference Room A  
 401 B Street, Suite 800  
 San Diego, CA 92101-4231

Chair: Fred Luedtke, City of Escondido  
 Vice-Chair: Doug Isbell, County of San Diego

Staff Contact: Richard Chavez  
 (619) 699-6989  
 rch@sandag.org

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**CITIES/COUNTY TRANSPORTATION ADVISORY  
COMMITTEE (CTAC)**  
Thursday, March 25, 2004

| ITEM # |   | ACTION      |
|--------|---|-------------|
| 1.     | <b>Introductions</b>  |             |
| 2.     | <b>Public Comments</b>  |             |
| +3.    | <b><i>TransNet Extension: Developer Impact Fees (Marney Cox)</i></b>  | DISCUSSION  |
|        | Public perception concludes that private development is not paying its fair share of needed transportation improvements. To address this perception, the SANDAG Board has recommended creating a program funded by private development for regional transportation infrastructure in the <i>TransNet Extension</i> Ordinance. CTAC is asked to review and discuss the proposed Regional Transportation Congestion Improvement Program. Attached is a staff summary and the staff report from the March 19, 2004 agenda. Draft minutes from the March 19, 2004 Board discussion will be provided at the meeting. |             |
| 4.     | <b>Announcements</b>  | INFORMATION |
|        | CTAC members encouraged to share items of interest.   |             |

The next CTAC meeting is scheduled for Thursday, April 1, 2004.

+ next to an agenda item indicates an attachment.

March 25, 2004

TO: Cities/County Transportation Advisory Committee (CTAC)

FROM: SANDAG staff

SUBJECT: *TransNet Extension: Developer Impact Fees*

ACTION: DISCUSSION

**Introduction**

Public perception concludes that private development is not paying its fair share of needed transportation improvements. Public perception does not always reflect reality as there are many excellent examples around the region of how private development has paid its fair share or more. However, in order to address this perception, the SANDAG Board of Directors has recommended creating a Regional Transportation Congestion Improvement Program (RTCIP) funded by private development. The RTCIP would be detailed in the *TransNet Extension* Ordinance.

A number of jurisdictions already have programs in place that will meet the requirements of the RTCIP. CTAC is asked to review and discuss issues related to creating a RTCIP.

**Discussion**

The issues surrounding the creation of a RTCIP include the following:

1. Qualifying transportation improvements, delivery timeframe, and California Environmental Quality Act (CEQA) conformity.
2. Developer impact fee level and exemptions.
3. Local jurisdiction conformity requirements.

*1. Qualifying Transportation Improvements, Delivery Timeframe, and CEQA Conformity:* Due to CEQA conformity issues, all transportation improvements individually listed in the *TransNet Extension* Ordinance must be contained in the 2030 Regional Transportation Plan. City/County general plan approved arterial widening and extensions on the 343-mile Regionally Significant Arterial Network (RSAN) and larger 777-mile Regional Arterial System (RAS) are included in the 2030 RTP for transportation modeling and air quality conformity finding purposes. Therefore, all RSAN and RAS widening and extension projects are eligible to be individually listed in the *TransNet Extension*. In addition, all planned highway widening and interchange modifications are contained in the 2030 RTP and are eligible for individual listing in the *TransNet Extension*.

Staff recommends creating a "Highway and Regional Arterial System: Active Projects List". It is recommended to include the highway system as all jurisdictions (Cities of Coronado and Imperial Beach) do not have roadways part of the Regional Arterial System. Transportation Demand Management programs could also be included. This list would include the projects funded by the developer impact fees, by jurisdiction, for the next ten years on the Highway and Regional Arterial System. The list would be updated every three years in cycle with the development of the Regional Transportation Plan. Expected maximum revenues to be generated by jurisdiction in the first ten years of the TransNet Extension program are shown in the table below. Cities/County are requested to submit their Highway and Regional Arterial System: Active Project List by April 6, 2004 if not sooner.

New Housing Unit Construction 2008 - 2018  
Regional Transportation Congestion Improvement Program

| <b>Jurisdiction</b> | <b>New Housing Units</b> | <b>Low Income Housing Reduction</b> | <b>Revenue Units</b> | <b>10-year Revenue</b> |
|---------------------|--------------------------|-------------------------------------|----------------------|------------------------|
| Carlsbad            | 5,227                    | 5.6%                                | 4,934                | \$9,868,000            |
| Chula Vista         | 9,320                    | 5.6%                                | 8,798                | \$17,596,000           |
| Coronado            | 205                      | 5.6%                                | 194                  | \$387,000              |
| Del Mar             | 20                       | 5.6%                                | 19                   | \$38,000               |
| El Cajon            | 804                      | 5.6%                                | 759                  | \$1,517,000            |
| Encinitas           | 925                      | 5.6%                                | 873                  | \$1,746,000            |
| Escondido           | 1,880                    | 5.6%                                | 1,775                | \$3,549,000            |
| Imperial Beach      | 790                      | 5.6%                                | 746                  | \$1,492,000            |
| La Mesa             | 435                      | 5.6%                                | 411                  | \$821,000              |
| Lemon Grove         | 379                      | 5.6%                                | 358                  | \$715,000              |
| National City       | 509                      | 5.6%                                | 481                  | \$962,000              |
| Oceanside           | 3,369                    | 5.6%                                | 3,180                | \$6,360,000            |
| Poway               | 534                      | 5.6%                                | 504                  | \$1,009,000            |
| City of San Diego   | 40,061                   | 5.6%                                | 37,817               | \$75,634,000           |
| San Marcos          | 2,839                    | 5.6%                                | 2,680                | \$5,360,000            |
| Santee              | 1,295                    | 5.6%                                | 1,223                | \$2,445,000            |
| Solana Beach        | 41                       | 5.6%                                | 39                   | \$78,000               |
| Vista               | 1,621                    | 5.6%                                | 1,531                | \$3,061,000            |
| County of San Diego | 28,425                   | 5.6%                                | 26,833               | \$53,666,000           |
| <b>Region</b>       | <b>98,679</b>            |                                     | <b>93,153</b>        | <b>\$186,304,000</b>   |

*Source: Final 2030 Regional Growth Forecast*

*Issues for CTAC Discussion:* CTAC is asked to discuss the merits of this proposal and make recommendations for modification and providing additional details as necessary.

2. *Fee level and Exemptions:* Each jurisdiction would contribute \$2,000 in non-public funds for each new residential housing unit toward the RTCIP. Low-income and very-low income housing would be exempt. No other new residential units would be exempt.

*Issues for CTAC Discussion:* The fee level and exemptions will largely depend upon a policy decision by the SANDAG Board and the fee level established by the upcoming CEQA Nexus study. CTAC is asked to provide input on the appropriate index that should be used to increase the fee level over time. Choices include the Engineering News Record Building Cost Index or developing an index from the County of San Diego, Assessor/ Recorder/ County Clerk Annual Average Residential Prices data.

3. *Conformity Requirements:* Each jurisdiction would be subject to an annual review and audit to be carried out by SANDAG and the Independent Taxpayers Oversight Committee. Any jurisdiction opting not to provide its monetary contribution to the RTCIP in a given year will not be eligible to receive *TransNet* funding for local streets and roads for that year. Any funding not allocated would be reallocated to the remaining jurisdictions that are participating in the RTCIP.

*Issues for CTAC Discussion:* The conformity requirements will largely depend upon a policy decision by the SANDAG Board. CTAC is asked to provide additional details as necessary.

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BOARD OF DIRECTORS  
MARCH 19, 2004

ACTION REQUESTED – INFORMATION

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## REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROPOSAL

### Introduction

One of the important issues to be addressed in the development of the *TransNet* Extension Ordinance and Expenditure Plan is to ensure that the sales tax extension is not viewed as a bailout for private development. The current *TransNet* measure includes a prohibition against using sales tax funds to replace any private developer funding that has been or will be committed to any of the projects in the expenditure plan. In the past, building industry representatives have opposed consideration of increased development fees, including ones to cover a share of the costs of regional transportation infrastructure needs. They have argued that fees in the region are already quite high, increasing them would work against efforts to produce affordable housing, and, in some cases impact fees are already collected to fund regional facilities. Others have argued that regional transportation impact fees are needed to make sure that new development is paying its own way by contributing to regional transportation facilities and not just local road facilities in the immediate location of the development.

Traditional sources of transportation funding (such as the gasoline tax, local general funds, *TransNet* and its reauthorization) will not be sufficient to fund needed regional transportation facility improvements, and local development impact fees may not be contributing their pro rata share towards the construction of these regional transportation facilities.

Our challenge is especially critical for arterial roadways of regional significance. The Regionally Significant Arterials identified in SANDAG's RTP are forecast to carry an increasingly significant amount of traffic volume. While localized fee programs exist to mitigate the local impacts of new development on the transportation system in specific areas, and while these programs are effective locally, they are inadequate for meeting the growing traffic demand on the Regionally Significant Arterials associated with new development.

The SANDAG Board recognized the need to establish a funding program to mitigate the regional transportation impacts of new development on the Regionally Significant Arterials, as defined in SANDAG's Regional Transportation Plan. Discussions over the need to establish a funding program for improving the Regionally Significant Arterials has evolved into a proposed Regional Transportation Congestion Improvement Program (RTCIP). While the RTCIP cannot and should not fund all necessary regionally significant transportation network components and improvements, the RTCIP will establish a new revenue source that ensures future development will contribute toward addressing the impacts of new growth on regional transportation infrastructure. **Attachment 1 shows the proposed language to be included in the *TransNet* Ordinance "Section 9. Regional Transportation Congestion Improvement Program."** **Attachment 2 provides**

**additional information and clarification of the RTCIP. Attachments 3 and 4 are a map and list of the Regionally Significant Arterial transportation system.**

## **Discussion**

The RTCIP is intended to be organized under the auspices of SANDAG's reauthorization of *TransNet*, implemented by each jurisdiction, with the objective of developing a single consolidated mitigation program for the San Diego region as a funding source for Regionally Significant Arterials. This action was predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Regionally Significant Arterial transportation system. Funding acquired through the RTCIP will be used to construct transportation improvements such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit services that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. By establishing a Funding Program to collect revenue from new developments in the region, local jurisdictions will be creating a mechanism by which developers and in turn new county residents will effectively contribute toward sustaining the regional transportation system.

### ***Development Impact Fees in the San Diego Region***

To determine the current level of development impact fees around the region, the staff contacted each jurisdiction and the Building Industry Association to collect fee schedules. Nearly every jurisdiction responded with detailed information. However, it is important to note that cities are not solely responsible for collecting impact fees. In many cases special districts collect the fees. For example, most sewer fees are collected by sanitation districts, water fees are collected by water districts, and school fees by school districts<sup>1</sup>.

Development Impact Fees are collected in all jurisdictions in the region; however, the basis for fees and their schedules vary widely by jurisdiction. Some jurisdictions calculate fees on a per unit (or "equivalent dwelling unit") basis, some on a per acre basis. Some fees are calculated from building permit value, and some by average daily trips generated by a particular type of development. Also, not all jurisdictions collect the same type of fees. Thus, to help ensure comparability across jurisdictions, detailed fee information was applied to a "prototypical" structure in each jurisdiction. Because the current RTCIP includes a fee for new residential units only, our information and analysis in this report is limited to single and multifamily residential units<sup>2</sup>. Prototypical information for single and multifamily units and development impact fee data by jurisdiction are shown in tables of Attachments 5, 6 and 7.

Development Impact Fees (DIF) for single family residential property range from just under one dollar per square foot to over thirty dollars per square foot of building area (or more than \$60,000 for a standard 2,000 square foot house). For multiple-family housing fees can reach into the millions of dollars for a fifty unit complex.

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<sup>1</sup> At the time the report was completed, DIF information for the unincorporated area had not been provided, so data collected during SANDAG's 1998 development impact fees survey was used for the unincorporated communities.

<sup>2</sup> Additional information for other development types can be found in two reports to the Ad Hoc Working Group on *TransNet*, "Regional Transportation Impact Fees," SANDAG, October 24, 2004 and November 21, 2004.

Staff also requested the information from the jurisdictions on the aggregate amount of fees collected during the most recent year for which data is available. Although data were not provided for all jurisdictions and fee categories, the information shows total impact fee revenues collected during FY02 of \$133 million.

Of specific interest is whether the jurisdictions collect transportation impact fees. Overall, of the 19 jurisdictions, ten directly collect a transportation impact fee. Of the remaining jurisdictions, two (the Cities of San Diego and San Marcos) include traffic fees in their public facilities fee assessments, and one other (Solana Beach) charges a traffic signals fee on a per-project basis and six do not have a program to collect transportation fees.

### ***Fees in the San Diego Region Compared with Riverside***

Recently, voters in Riverside County approved the continuation of their one-half percent sales tax for transportation to supplement traditional revenues and revenues to be generated through locally-adopted developer fees and assessment districts for transportation improvements to ensure the system will serve the current and future travel needs of Riverside County. In addition, sales tax funds from this measure designated for local streets and roads will not be allocated to jurisdictions within the Western County and Coachella Valley areas unless the local agency participates in the Transportation Uniform Mitigation Fee program (TUMF). TUMF requires future development to pay a development impact fee (DIF) that will fund projects designed to mitigate traffic impacts created by the development. By creating TUMF, Western Riverside and Coachella Valley now have a uniform transportation fee throughout their cities and county, as shown below. TUMF was passed in December 2002. While the fees for Single Family and Multi Family Residential Units became effective on February 8, 2003, fees for non-residential projects are to be phased in starting on July 1, 2004.

- \$6650 per Single Family Residential Unit
- \$4607 per Multi Family Residential Unit
- \$1.45 per square foot of an Industrial Project
- \$7.81 per square foot of a Retail Commercial Project
- \$4.84 per square foot of a Service Commercial Project

As part of the process to compare residential development impact fees between the two counties, the total level of development impact fees (DIF) as well as those collected specifically to mitigate transportation impacts need to be compared. Table 1 shows total DIF amounts, as well as the proportion and amount of just traffic impact fees. The prototype housing unit used for the cities in Western Riverside is based on a single family detached dwelling unit on a 7,200 square foot lot, and the prototype used for the cities in San Diego is based on a 4 bedroom/3 bath single family detached unit with 2,700 square foot living area.<sup>3</sup>

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<sup>3</sup> The County of San Diego does not have an established program to charge transportation fees for Single Family Residential development, and therefore has none listed in the chart.



Table 1

**Single Family Residential  
Development Impact Fees**

|   | 2002*        |                      | Traffic/Total<br>Percent |
|---|--------------|----------------------|--------------------------|
|   | Traffic Fees | Total <sup>A,B</sup> |                          |
| City of San Diego <sup>1</sup>                  | \$8,491      | \$14,565             | 58%                      |
| County of San Diego <sup>2</sup>                | --           | \$21,903             | N/A                      |
| North Coastal SD Average <sup>3</sup>           | \$1,671      | \$28,501             | 6%                       |
| North Inland SD Average <sup>4</sup>            | \$1,383      | \$25,016             | 6%                       |
| East & South SD Average <sup>5</sup>            | \$5,809      | \$32,999             | 18%                      |
| SD Cities Average <sup>6</sup>                  | \$3,252      | \$26,790             | 12%                      |
| <i>Before Passage of TUMF</i>                   |              |                      |                          |
| Riverside County Select Cities Avg <sup>7</sup> | \$825        | \$3,113              | 27%                      |
| Riverside County Select Areas Avg <sup>8</sup>  | \$2,136      | \$4,802              | 44%                      |
| Riverside Cities and Areas Avg                  | \$1,481      | \$3,957              | 37%                      |
| <i>After Passage of TUMF</i>                    |              |                      |                          |
| Riverside County Select Cities Avg <sup>9</sup> | \$6,650      | \$8,938              | 74%                      |
| Riverside County Select Areas Avg <sup>10</sup> | \$6,650      | \$9,315              | 71%                      |

\* Figures to Riverside County Select Cities are for 2000. Figures for City of San Diego are for March 2003.

1. Source: Facilities Financing Department. Average of Urbanizing Communities: Black Mountain Ranch, Carmel Valley N & S, Del Mar Mesa, Fairbanks Ranch, Mira Mesa, North University City, Otay Mesa, Pacific Highlands Beach, Rancho Bernardo, Rancho Encantada, Rancho Penasquitos, Sabre Springs, San Pasqual, Scripps Miramar Ranch, Tierrasanta & Torrey Highlands. High \$29,425, low \$287, median \$7,145.
  2. No traffic fees for development. Not included in any other category, i.e., public facilities. Is considering doing a feasibility study in Ramona.
  3. Source: 2002-2003 BIA Fee Survey. Carlsbad, Encinitas, Oceanside. High \$2,225, low \$940.
  4. Source: 2002-2003 BIA Fee Survey. Escondido, Poway, Vista. High \$1,797, low \$660.
  5. Source: 2002-2003 BIA Fee Survey. Santee, Chula Vista. High \$9,230, low \$2,388.
  6. City of San Diego, Carlsbad, Chula Vista, Encinitas, Escondido, Oceanside, Poway, Santee, Vista.
  7. Cities of Hemet, Lake Elsinore, Murrieta, Perris. Figures are for 2000. High \$2,190, low \$144.
  8. Community Plan Areas consisting of Greater Elsinore, Lakeview/Nuevo, Mead Valley/Good Hope, SW Area Plan, Sun City/Menifee Valley, Temescal Canyon, Upper San Jacinto Valley, Woodcrest/Lake Matthews. High \$3,054, low \$1,090. Figures are as of May 15, 2002.
  9. Same cities as above, figures are estimates of what fees are after adoption of Ordinance 824 (flat fee of \$6,650 per single family residential unit), based on actual fees paid in 2000. Effective as of February 8, 2003.
  10. Same areas as above, figures are estimates of what fees are after adoption of Ordinance 824 (flat fee of \$6,650 per single family residential unit), based on actual fees paid in 2002. Effective as of February 8, 2003.
- A. Except as otherwise stated, Total Fees for San Diego are made up of Permit Fees (Plan Check, Building Permit, MPE Permits, Energy, Seismic) and Impact/Capacity Fees (Sewer, Water, Public Facilities, Traffic, Parks, Fire, Drainage/Flood, School, Inclusionary Housing, Other).
- B. Total Fees for Riverside are made up of Public Facilities, Fire Facilities, Transportation, Conservation and Land Bank, Regional Park, Community Center/Park, Regional Multipurpose Trails, Flood Control, Library Books, Administration.

Total DIF's for the cities in the San Diego region are all much higher (currently two to four times higher in the San Diego region) than total DIF's for the cities and areas in Western Riverside County. Both prior to and after the adoption of the TUMF, transportation fees as a percentage of total DIF were lower for the cities in San Diego region (averaging 12%) than for the Western Riverside cities and areas (averaging 37%). The City of San Diego is an exception, though, as transportation fees make up approximately 58% of total DIF. After TUMF, transportation fees as a percentage of total DIF jumps up to the 70% range for the Western Riverside cities and communities.

Caution should be used when using average fee values. The range for fee values is very wide, some cities and areas have exceptionally high or low transportation fees. For example, transportation fees for Chula Vista are \$9,230, or 28% of total DIF of \$33,256. Transportation fees as a percentage of total DIF for the San Diego cities without Chula Vista is \$2,505, or 10% of total DIF of \$25,982. Additional information concerning the wide differences in fee levels between individual jurisdictions and communities within the City of San Diego are available (except for the County which does not have an established DIF program for transportation).

GARY L. GALLEGOS  
Executive Director

Attachments

Key Staff Contact: Marney Cox, (619) 699-1930; mco@sandag.org

## Section 9 of *TransNet Ordinance*

SECTION 9. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP): Starting on July 1, 2008, each jurisdiction in the San Diego region shall contribute \$2,000 in non-public funds, for each new residential housing unit in that jurisdiction to the RTCIP to fund the Regionally Significant Arterials and related regional transportation facility improvements, as defined in SANDAG's most up-to-date and adopted Regional Transportation Plan. New residential housing units constructed for very-low and low-income households can be exempted from the \$2,000 per unit contribution requirement. No other new residential units shall be exempted. The amount of contribution may be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each jurisdiction shall establish an impact fee program or other non-public revenue Funding Program by which it collects and funds its contribution to the RTCIP. The RTCIP revenue will be used to construct regional transportation improvements such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit improvements. The RTCIP is intended to be organized under the auspices of SANDAG and implemented by each jurisdiction, with the objective of developing a single consolidated mitigation program for the San Diego region as a funding source for the Regionally Significant Arterial transportation system. This action is predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Regionally Significant Arterial transportation system. While the RTCIP cannot and should not fund all necessary regionally significant transportation network components and improvements, the RTCIP will establish a new non-public revenue source that ensures future development will contribute its pro rata share towards addressing the impacts of new growth on regional transportation infrastructure. Each jurisdiction is responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP and each jurisdiction's Funding Program shall be subject to an annual review and audit to be carried out by SANDAG and the Independent Taxpayers Oversight Committee, as defined in Section 11 of the *TransNet Ordinance*. Any jurisdiction opting not to provide its monetary contribution to the RTCIP in a given year will not be eligible to receive funding for local streets and roads under section 4(D)(1) of the *TransNet Ordinance* for that year. Any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining jurisdictions that are participating in the RTCIP. Provisions for implementation of the RTCIP are described in the document titled "*TransNet Extension Regional Transportation Congestion Improvement Program*," which is hereby incorporated by reference as if fully set forth herein. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.

## ***TransNet Extension* Regional Transportation Congestion Improvement Program**

Providing new transportation services and facilities will be expensive, but not providing them would be worse and result in a significant increase in traffic congestion, degrading mobility throughout the San Diego region. As SANDAG's Regional Transportation Plan points out our challenge is especially critical for the Regionally Significant Arterial transportation system, which is forecast to carry an increasingly significant amount of traffic volume. The SANDAG Board recognizes the need to establish a new Regional Transportation Congestion Improvement Program that ensures future development will contribute its pro rata share towards funding the Regionally Significant Arterials and mitigate new traffic impacts on the regional transportation system.

### **A. Funding Program**

Section 9 of the *TransNet* Ordinance requires that local jurisdictions establish a Funding Program or mechanism that provides \$2,000 per new residential unit for the purpose of funding the Regionally Significant Arterial transportation system, as defined in SANDAG's most recent, up-to-date and adopted Regional Transportation Plan.

1. Local jurisdictions may choose to implement a Funding Program through a development impact fee program or by other means, provided the source of the funds is non-public.
2. In the event a jurisdiction(s) chooses to establish a development impact fee program to fund its portion of the Regionally Significant Arterial transportation system, said program will be consistent with Government Code Section 66000 et seq.
3. SANDAG will be responsible for producing the required Nexus Study to satisfy the requirements of California Government Code Section 66000 et seq. for Development Projects.
4. In no case will non-residential development be subject to a development impact fee to meet the requirements of Section 9 of the *TransNet* Ordinance.
5. Each jurisdiction's Funding Program shall be established and begin operations on July 1, 2008.

### **B. Purpose**

1. The purpose of the Funding Program is to provide sufficient revenue to fund those facility and service improvements on the Regionally Significant Arterials system whose need is created by new development, as defined in SANDAG's most recent, up-to-date and adopted Regional Transportation Plan.

### **C. Fee Adjustment**

1. The amount per residential unit shall be adjusted on July 1 of each year by each implementing jurisdiction based upon the Engineering Construction Cost Index as published by the Engineering News Record, or similar, cost of construction index.
2. Any increase will not exceed the percentage increase set forth in the construction index. The purpose of this annual adjustment is to retain purchasing power in anticipation of future inflation.

#### **D. Expenditure of Funding Program Revenues**

1. Revenues collected under Section 9 of the *TransNet* Ordinance shall be used as a Funding Program for the Regionally Significant Arterials as defined in SANDAG's most recent, up-to-date and adopted Regional Transportation Plan.
2. Revenue collected through this Funding Program shall be used to construct transportation improvements such as new arterial roadway lanes, reconfigured freeway-arterial interchanges, railroad grade separations and new regional express bus services, or similar types of improvements, as well as right-of-way acquisition, preparation of environmental and engineering documents, that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. A reasonable portion of the program revenue may be used for fund administration.
3. Expenditure of the Funding Program revenues shall be in a manner consistent with SANDAG's most recent, up-to-date and adopted long-range Regional Transportation Plan and the short-range, multi-year Regional Transportation Improvement Program. Expenditure priorities shall be consistent with Section 5 of the *TransNet* Ordinance. To maximize the effective use of these funds Funding Program revenues may be transferred or exchanged in accordance with the intent of Section 7 of the *TransNet* Ordinance.

#### **E. Exemptions**

New housing units constructed for very-low and low-income households can be exempted by each jurisdiction from the \$2,000 contribution requirement. No other new residential units shall be exempted. Policies shall be established from time to time by the SANDAG Board of Directors to determine any and all new residential development to be included and exempted from the Funding Program requirements.

#### **F. Credits**

1. If a developer funds or constructs improvements on the Regionally Significant Arterial transportation system and/or that arise out of SANDAG's Congestion Management Program, the developer shall receive full credit for the costs associated with the arterial improvements, offsetting the revenue requirements of the Funding Program.
2. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the local jurisdiction in consultation with the developer.
3. The amount of the credit shall not exceed the revenue requirements of the most current Funding Program or actual cost, whichever is less.
4. The local jurisdictions shall compare facilities in their local fee program, against the Regionally Significant Arterials and eliminate any overlap in its local fee program except where there is a recognized benefit district established.
5. If there is a recognized benefit district established, the local agency may credit that portion of the facility identified in both programs against this Funding Program.

**G. Procedures for the Levy, Collection and Disposition of Funding Program Revenues**

1. Each jurisdiction shall establish and implement a procedure to levy and collect its contribution of the revenue requirements of the Funding Program.
2. Each jurisdiction shall determine its own schedule for collecting and/or contributing revenue to the Funding Program. This schedule shall be kept up-to-date and provided to SANDAG each year at the time of the annual review and audit.
3. Funding Program revenue requirements shall not be waived.
4. Funding Program revenue requirements shall run with the land.
5. All Funding Program revenue shall be subject to an annual review by each jurisdiction participating in the Program. The annual review shall take place on July 1 each year following the establishment of the Funding Program. At the time of the review each jurisdiction collecting a development impact fee to meet the requirements of the Funding Program shall make findings for any unexpended and uncommitted fees in their Program Fund that demonstrates a reasonable relationship between the fee and the purpose for which it was charged. Unless a need for such fees can be demonstrated, the unexpended or uncommitted portion shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within one year on qualified projects within the same subregional area. Contributions to the Funding Program not committed or expended by the fifth anniversary date of collection shall be refunded to the current record owner of the development project on a prorated basis. In no case will a refund be more than was initially contributed to the Funding Program. SANDAG and the Independent Taxpayers Oversight Committee identified in Section 11 of the *TransNet* Ordinance shall be responsible for issuing an annual audit statement on each jurisdiction's compliance with requirements of Section 9 of the *TransNet* Ordinance.

**TABLE TA 7.7—REGIONALLY SIGNIFICANT TRANSPORTATION NETWORK – ARTERIALS**

| <b>Arterial</b>   | <b>Limits</b>                           |
|---|---|
| Balboa Ave.   | I-5 to I-15                             |
| Bear Valley Pkwy.   | I-15 to Valley Pkwy.                    |
| Black Mountain Rd./Kearny Villa Rd./Ruffin Rd.  | SR 56 to Balboa Ave.                    |
| Cannon Rd.  | Carlsbad Blvd. to SR 78                 |
| Centre City Pkwy.   | I-15(N) to I-15(S)                      |
| Citracado Pkwy.   | SR 78 to I-15                           |
| Clairemont Mesa Blvd.   | Genesse Ave. to I-15                    |
| Coast Hwy./Carlsbad Blvd./Hwy 101   | I-5 (Oceanside) to Via De La Valle      |
| College Avenue  | SR 94 to I-8                            |
| College Boulevard   | El Camino Real to SR 76                 |
| Deer Springs Road/Twin Oaks Valley Road   | I-15 to Rancho Santa Fe Road            |
| Del Dios Hwy./Via De La Valle/Paseo Delicitas/Valley Pkwy.  | El Camino Real to I-15                  |
| Del Mar Heights/Black Mtn Rd./Carmel Valley Rd./Bernardo Ctr.   | I-5 to I-15                             |
| El Camino Real/ Manchester Avenue   | SR 76 to I-5                            |
| El Cajon Boulevard/Washington Street  | Pacific Highway to I-8                  |
| Euclid Avenue/54th Street   | Plaza Boulevard to El Cajon Boulevard   |
| Fletcher Pkwy./Broadway/E Main St./Greenfield Dr.   | I-8 to I-8                              |
| Friars Road/Mission Gorge Road  | Morena Boulevard to I-8                 |
| Garnet Avenue/Grand Avenue  | I-5 to Mission Boulevard                |
| Genesee Ave./N. Torrey Pines Rd./Carmel Valley Rd.  | SR 163 to El Camino Real                |
| H Street  | I-5 to SR 125                           |
| Harbor Drive  | Rosecrans Street to I-5 (National City) |
| La Jolla Village Drive/Miramar Road   | I-5 to I-15                             |
| Market St./Imperial Ave./Lemon Grove Ave.   | Harbor Drive to SR 94                   |
| Melrose Drive   | SR76 to Rancho Santa Fe Road            |
| Mira Mesa Boulevard   | Sorrento Valley Rd. to I-15             |
| National City Blvd./Broadway/Beyer Blvd.  | Harbor Drive to SR 905                  |
| Nimitz Boulevard  | I-8 to Harbor Drive                     |
| Oceanside Boulevard   | Coast Highway to Melrose Drive          |
| Pacific Highway/Sea World Dr./Morena Blvd.  | Harbor Drive to Balboa Avenue           |
| Palomar St./Orange Ave./Olympic Pkwy.   | I-5 to SR 125                           |
| Palomar Airport Rd./San Marcos Blvd.  | Carlsbad Boulevard to Mission Road      |
| Plaza Blvd./Paradise Valley Rd./Jamacha Blvd/Rd.  | I-5 to I-8                              |
| Pomerado Road   | I-15 (N) to I-15 (S)                    |
| Rancho Santa Fe Rd./Olivenhain Rd./Leucadia Blvd.   | South Santa Fe to Coast Highway         |
| Rosecrans Street  | I-8 to Harbor Drive                     |
| Scripps Poway Parkway   | I-15 to SR 67                           |
| Siempre Viva Road/Heritage Road   | SR 125 to SR 905                        |
| Via de la Valle/El Camino Real/Carmel Mtn Rd./Vista Sorrento Pkwy./Sorrento Valley Blvd./Vista Sorrento Pkwy. | Hwy 101 to Mira Mesa Boulevard          |
| Valley Parkway  | I-15 to Bear Valley Parkway             |
| Vista Way/South Santa Fe Ave./Mission Rd./Mission Ave.  | Jefferson St./SR 78 to Centre City      |

# Description of Typical Structure Used for Development Impact Fee Comparison San Diego Region

## Single-Family Residential

|                           |   |
|---------------------------|---|
| Size (sq. ft., 3 bedroom) | 2,000   |
| Lot Sizes (acres)         | 0.25  |
| Building Permit Valuation | \$255,407   |
| DU's (per acre)           | 4   |
| ADT's (per unit)          | 10  |
| EDU's                     | 1   |
| Meter Size                | 5/8" displacement<br>(3/4" when 5/8"<br>fee not listed) |
| Sprinklers                | None  |

## Multiple-Family Residential

|                              |                 |
|------------------------------|-----------------|
| Size (sq. ft., 2 bdrm units) | 50,000          |
| Lot Sizes (acres)            | 2               |
| Units                        | 50              |
| Building Permit Valuation    | \$5,553,700     |
| DU's (per acre)              | 25              |
| ADT's (per unit)             | 6               |
| Meter Size                   | 4" displacement |
| Sprinklers                   | Yes             |

### Sources:

2002 data from Real Estate And Construction Report - First Quarter 2003, Real Estate Research Council of Southern California  
Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, SANDAG



## IMPACT FEES FOR A PROTOTYPICAL SINGLE-FAMILY RESIDENTIAL DEVELOPMENT

|                    | Public Facilities | Traffic (incl. signal and surcharge) | School  | Sewer   | Water    | Fire  | Drainage / Flood Control | Parks   | Inclusionary Housing | Misc.   | Total Fees | Fee per Sq. Ft. |
|--------------------|-------------------|--------------------------------------|---------|---------|----------|-------|--------------------------|---------|----------------------|---------|------------|-----------------|
| Carlsbad (1)       | \$8,939           | \$980                                | \$4,280 | \$3,293 | \$2,400  | \$0   | \$723                    | \$2,436 | \$2,925              | \$530   | \$26,506   | \$13.25         |
| Chula Vista (2)    | \$5,048           | \$9,230                              | \$1,880 | \$3,000 | \$4,427  | \$0   | \$0                      | \$7,869 | \$0                  | \$783   | \$32,237   | \$16.12         |
| Coronado           | \$100             | \$300                                | \$3,680 | \$2,559 | **       | \$0   | \$600                    | \$0     | \$7,000              | \$0     | \$14,239   | \$7.12          |
| Del Mar            | \$0               | \$0                                  | \$2,000 | \$1,647 | \$1,620  | \$0   | \$0                      | \$0     | \$0                  | \$0     | \$5,267    | \$2.63          |
| El Cajon           | \$0               | \$0                                  | \$4,480 | \$3,472 | \$4,127  | \$0   | \$0                      | \$300   | \$0                  | \$0     | \$12,379   | \$6.19          |
| Encinitas (3)      | \$0               | \$790                                | \$2,000 | \$2,680 | \$4,004  | \$322 | \$420                    | \$2,803 | \$0                  | \$0     | \$13,019   | \$6.51          |
| Escondido          | \$1,582           | \$2,193                              | \$1,420 | \$4,667 | \$4,690  | \$0   | \$908                    | \$1,098 | \$0                  | \$1,558 | \$18,116   | \$9.06          |
| Imperial Beach     | \$0               | \$0                                  | \$0     | \$700   | **       | \$0   | \$0                      | \$0     | \$0                  | \$1,100 | \$1,800    | \$0.90          |
| La Mesa            | \$0               | \$0                                  | \$2,540 | \$2,400 | \$1,651  | \$0   | \$0                      | \$610   | \$0                  | \$0     | \$7,201    | \$3.60          |
| Lemon Grove        | \$0               | \$0                                  | \$2,540 | \$1,000 | \$0      | \$0   | \$0                      | \$200   | \$0                  | \$0     | \$3,740    | \$1.87          |
| National City      | \$0               | \$0                                  | \$1,700 | \$1,557 | \$3,596  | \$0   | \$0                      | \$125   | \$0                  | \$0     | \$6,978    | \$3.49          |
| Oceanside          | \$1,301           | \$1,848                              | \$4,280 | \$3,793 | \$5,102  | \$0   | \$5,640                  | \$2,200 | \$11,375             | \$0     | \$35,539   | \$17.77         |
| Poway (4)          | \$0               | \$660                                | \$4,280 | \$3,356 | \$3,710  | \$0   | \$785                    | \$2,720 | \$5,500              | \$0     | \$21,011   | \$10.51         |
| San Diego (5)      | \$7,045           | PF                                   | \$4,280 | \$2,500 | \$2,500  | \$0   | \$0                      | \$316   | \$0                  | \$0     | \$16,641   | \$8.32          |
| low                | \$0               | \$0                                  | \$4,280 | \$2,500 | \$2,500  | \$0   | \$0                      | \$0     | \$0                  | \$0     | \$9,280    | \$4.64          |
| high               | \$46,045          | PF                                   | \$4,280 | \$2,500 | \$2,500  | \$0   | \$0                      | \$5,073 | \$0                  | \$0     | \$60,398   | \$30.20         |
| San Marcos         | \$3,843           | PF                                   | \$6,680 | \$2,400 | \$3,361  | \$640 | \$1,808                  | \$0     | \$4,875              | \$0     | \$23,607   | \$11.80         |
| Santee (6)         | \$0               | \$1,990                              | \$2,660 | \$3,779 | \$5,103  | \$0   | \$1,456                  | \$3,725 | \$0                  | \$0     | \$18,713   | \$9.36          |
| Solana Beach       | \$2,554           | C                                    | \$3,860 | \$4,500 | \$4,816  | \$320 | \$0                      | \$600   | \$0                  | \$0     | \$16,650   | \$8.33          |
| Vista (7)          | \$1,218           | \$1,798                              | \$4,280 | \$1,922 | \$3,337  | \$379 | \$658                    | \$1,391 | \$0                  | \$0     | \$14,983   | \$7.49          |
| Unincorporated (8) | \$0               | \$0                                  | \$2,440 | \$3,537 | \$5,173  | \$620 | \$1,222                  | \$800   | \$0                  | \$0     | \$13,792   | \$6.90          |
| low                | \$0               | \$0                                  | \$1,400 | \$0     | \$1,000  | \$480 | \$300                    | \$600   | \$0                  | \$0     | \$3,780    | \$1.89          |
| high               | \$0               | \$0                                  | \$5,940 | \$6,125 | \$10,788 | \$480 | \$2,700                  | \$1,000 | \$0                  | \$0     | \$27,033   | \$13.52         |

### Notes:

Data shaded in gray represents information collected during SANDAG's 1998 fee survey.

PF - Traffic fees are included in public facilities fees.

C - Fee calculated on a case-by-case basis.

\*\* - Fees collected by California American Water Company and vary too widely to report.

1 - Carlsbad public facilities, bridge and thoroughfare, and traffic fees assume development outside CFD. Sewer fees include base fee of \$2,098 plus average of sewer benefit area fees. Drainage fees are an average of all areas and high/low runoff years. Parks fees are for three out of the city's four fee districts.

2 - Chula Vista fees are calculated assuming development in Otay Ranch.

3 - Encinitas sewer fees are calculated assuming development in the Encinitas Sanitation District.

4 - Poway fees are calculated assuming development in northern region of Poway.

5 - San Diego fees for Public Facilities and Parks are calculated based on an average of fees across city Community Plan Areas. Lowest and Highest fees also shown.

6 - Santee drainage and flood control fee based on low/medium density fee per unit.

7 - Vista sewer fees are calculated assuming development in the Vista Sanitation District. Drainage fees are average of all fee areas.

8 - Unincorporated area fees are average of district fees.

## IMPACT FEES FOR A PROTOTYPICAL MULTIPLE-FAMILY RESIDENTIAL DEVELOPMENT

|                    | Public Facilities | Traffic (incl. signal and surcharge) | School    | Sewer     | Water     | Fire     | Drainage / Flood Control | Parks     | Inclusionary Housing | Misc.    | Total Fees  | Fee per Sq. Ft. |
|--------------------|-------------------|--------------------------------------|-----------|-----------|-----------|----------|--------------------------|-----------|----------------------|----------|-------------|-----------------|
| Carlsbad (1)       | \$194,379         | \$29,400                             | \$107,000 | \$3,293   | \$42,000  | \$0      | \$5,787                  | \$91,250  | \$146,250            | \$15,900 | \$635,259   | \$12.71         |
| Chula Vista (2)    | \$236,300         | \$276,900                            | \$47,000  | \$112,500 | \$221,350 | \$0      | \$0                      | \$292,000 | \$0                  | \$39,150 | \$1,225,200 | \$24.50         |
| Coronado           | \$2,500           | \$7,500                              | \$92,000  | \$127,950 | **        | \$0      | \$15,000                 | \$0       | \$350,000            | \$0      | \$594,950   | \$11.90         |
| Del Mar            | \$0               | \$0                                  | \$50,000  | \$82,350  | \$81,000  | \$0      | \$0                      | \$0       | \$0                  | \$0      | \$213,350   | \$4.27          |
| El Cajon           | \$0               | \$0                                  | \$112,000 | \$173,600 | \$206,350 | \$0      | \$0                      | \$9,400   | \$0                  | \$0      | \$501,350   | \$10.03         |
| Encinitas (3)      | \$0               | \$23,700                             | \$50,000  | \$134,000 | \$65,666  | \$322    | \$10,500                 | \$140,150 | \$0                  | \$0      | \$424,338   | \$8.49          |
| Escondido          | \$79,100          | \$65,700                             | \$35,500  | \$175,000 | \$78,940  | \$0      | \$18,150                 | \$54,900  | \$0                  | \$10,100 | \$517,390   | \$10.35         |
| Imperial Beach     | \$0               | \$0                                  | \$0       | \$35,000  | **        | \$0      | \$0                      | \$0       | \$0                  | \$55,000 | \$90,000    | \$1.80          |
| La Mesa            | \$0               | \$0                                  | \$63,500  | \$120,000 | \$82,550  | \$0      | \$0                      | \$15,000  | \$0                  | \$0      | \$281,050   | \$5.62          |
| Lemon Grove        | \$0               | \$0                                  | \$63,500  | \$50,000  | \$0       | \$0      | \$0                      | \$10,000  | \$0                  | \$0      | \$123,500   | \$2.47          |
| National City      | \$0               | \$0                                  | \$42,500  | \$78,850  | \$179,800 | \$0      | \$0                      | \$6,250   | \$0                  | \$0      | \$307,400   | \$6.15          |
| Oceanside          | \$65,050          | \$55,440                             | \$107,000 | \$78,250  | \$134,000 | \$0      | \$11,280                 | \$110,000 | \$519,750            | \$0      | \$1,080,770 | \$21.62         |
| Poway (4)          | \$0               | \$26,400                             | \$107,000 | \$167,800 | \$50,456  | \$0      | \$39,250                 | \$105,000 | \$0                  | \$0      | \$495,906   | \$9.92          |
| San Diego (5)      | \$270,031         | PF                                   | \$4,280   | \$125,000 | \$125,000 | \$0      | \$0                      | \$13,077  | \$0                  | \$0      | \$537,387   | \$10.75         |
| low                | \$0               | \$0                                  | \$4,280   | \$125,000 | \$125,000 | \$0      | \$0                      | \$0       | \$0                  | \$0      | \$254,280   | \$5.09          |
| high               | \$1,611,600       | PF                                   | \$4,280   | \$125,000 | \$125,000 | \$0      | \$0                      | \$253,650 | \$0                  | \$0      | \$2,119,530 | \$42.39         |
| San Marcos         | \$192,150         | PF                                   | \$167,000 | \$120,000 | \$168,050 | \$8,000  | \$14,464                 | \$0       | \$243,750            | \$0      | \$913,414   | \$18.27         |
| Santee (6)         | \$0               | \$59,700                             | \$66,500  | \$188,950 | \$255,150 | \$0      | \$72,800                 | \$169,800 | \$0                  | \$0      | \$812,900   | \$16.26         |
| Solana Beach       | \$55,537          | \$0                                  | \$96,500  | \$225,000 | \$240,800 | \$2,500  | \$0                      | \$30,000  | \$700,000            | \$0      | \$1,350,337 | \$27.01         |
| Vista (7)          | \$60,900          | \$53,931                             | \$107,000 | \$77,750  | \$166,850 | \$18,950 | \$5,263                  | \$69,550  | \$0                  | \$0      | \$560,194   | \$11.20         |
| Unincorporated (8) | \$0               | \$0                                  | \$61,000  | \$191,700 | \$283,307 | \$8,000  | \$30,555                 | \$40,000  | \$0                  | \$0      | \$614,562   | \$12.29         |
| low                | \$0               | \$0                                  | \$35,000  | \$0       | \$50,000  | \$12,000 | \$7,500                  | \$30,000  | \$0                  | \$0      | \$134,500   | \$2.69          |
| high               | \$0               | \$0                                  | \$148,500 | \$306,250 | \$539,400 | \$12,000 | \$67,500                 | \$50,000  | \$0                  | \$0      | \$1,123,650 | \$22.47         |

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7 - Vista sewer fees are calculated assuming development in the Vista Sanitation District. Drainage fees are average of all fee areas.

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