



BUILD BETTER SD

CITY OF SAN DIEGO REGIONAL TRANSPORTATION
CONGESTION IMPROVEMENT PROGRAM (RTCIP)
FUNDING PROGRAM



THE CITY OF SAN DIEGO PLANNING DEPARTMENT

RESOLUTION NUMBER R- 314269DATE OF FINAL PASSAGE AUG 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AMENDING THE REGIONAL
TRANSPORTATION CONGESTION IMPROVEMENT
PROGRAM (RTCIP) RELATING TO BUILD BETTER
SAN DIEGO (SD) CITYWIDE INITIATIVE.

WHEREAS, in November 2004, voters approved Proposition A to extend the TransNet half-cent sales tax for transportation projects through 2048; and

WHEREAS, the passage of Proposition A resulted in the establishment of the Regional Transportation Congestion Improvement Program (RTCIP); and

WHEREAS, on April 14, 2008, the City Council adopted Resolution No. R-303554, originally approving and adopting the City's Funding Program pursuant to Report to City Council No. 08-049, as well as adopting the associated nexus study, and the development impact fee; and

WHEREAS, on April 24, 2012, the City Council adopted Resolution No. R-307401 formally adopting and revising the City's RTCIP Funding Program; and

WHEREAS, the purpose of the RTCIP is to ensure that new development directly invests in the region's transportation system to offset the negative impact of growth and congestion and mobility; and

WHEREAS, the RTCIP provides for the collection of a development impact fee per new dwelling unit to ensure future development contributes its proportional share of the funding needed to pay for Regional Arterial System (RAS) and related transportation

facility improvements, as identified and defined in the San Diego Association of Government's (SANDAG) most recently adopted Regional Transportation (RTP); and

WHEREAS, revisions to the City's RTCIP Funding Program have been proposed to better align the RTCIP Funding Program with Build Better San Diego (SD); and

WHEREAS, the RTCIP fee will be a component of the Citywide Mobility Development Impact Fee (DIF) and will be scaled by residential unit size; and

WHEREAS, the RTCIP will now be imposed citywide to ensure compliance with the TransNet extension ordinance with the movement to a Citywide Mobility DIF; and

WHEREAS; this amendment to the RTCIP Funding Program will not change the amount of the fee and it will remain subject to SANDAG's annual adjustment of no less than 2 percent to ensure the RTCIP retains its purchasing power to improve the Regional Arterial System; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the amendments to the RTCIP Funding Program, on file in the Office of the City Clerk as document No. RR 314269, are hereby adopted.

APPROVED: MARA W. ELLIOTT, City Attorney

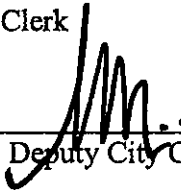
By /s/ Shannon C. Eckmeyer
Shannon C. Eckmeyer
Deputy City Attorney

SCE:sc
07/13/2022
Or.Dept: Planning
Doc. No.: 2986139_2

Exhibit A – Amendments to RTCIP Funding Program

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 01 2022

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 8/8/22 _____
(date)

 _____
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

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INTRODUCTION

Providing transportation options is an integral part of providing a high level of mobility and quality of life throughout the San Diego region. In 2004, the SANDAG Board recognized the need to establish a Regional Transportation Congestion Improvement Program (RTCIP) to ensure future development contributes its share toward funding and mitigating new traffic impacts on the Regional Arterial System (RAS).

On May 28, 2004, the San Diego County Regional Transportation Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet 2 Ordinance), approved by San Diego voters in November, 2004. The TransNet 2 Ordinance (Appendix A) established a Regional Transportation Congestion Improvement Program (RTCIP) to ensure future development contributes its proportional share of the funding needed to pay for the Regional Arterial System (RAS) and related regional transportation facility improvements

Under Section 9 of the TransNet Extension Ordinance, each local agency shall establish an impact fee or other revenue Funding Program by which it collects and funds its contribution to the RTCIP; and shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. This program is known as the local jurisdiction's Funding Program.

RTCIP revenue is to be used to construct improvements on the RAS 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. If a local agency does not comply with the RTCIP requirements set forth in the TransNet 2 Ordinance, the agency may lose TransNet sales tax funding for local roads.

This document constitutes the City of San Diego's RTCIP Funding Program (City RTCIP Program) pursuant to the TransNet 2 Ordinance requirements. Key Components to the City RTCIP Program include:

- Beginning July 1, 2008, the City of San Diego (City) must contribute \$2,000 (increased annually based upon the Engineering Construction Cost Index or similar cost of construction index or two percent, whichever is greater, and as approved by the SANDAG Board of Directors) on RAS improvements per each new residential dwelling unit (City RTCIP Funding Requirement);
- Beginning July 1, 2008, the City implements a City RTCIP Development Impact Fee Schedule on residential development, as adopted and updated annually by City Council Resolution, which identifies the applicable RTCIP fee (City RTCIP Fee);
- In the future, residential development in all communities will be required to pay a City RTCIP Fee which will be incorporated into the City's Mobility Fee Program. This will ensure that new development will contribute their fair share towards both the RTCIP fundings and the City's transportation network.
- City RTCIP Fees are collected prior to final inspection, before building occupancy; and revenues must be expended within the parameters defined under the Mitigation Fee Act (California Government Code Sections 66000 et seq.) and in a manner consistent with the expenditure priorities in the SANDAG Regional Transportation Plan (RTP); and
- The Independent Taxpayer Oversight Committee (ITOC), created by SANDAG for the TransNet Program is responsible for reviewing the City's implementation of the RTCIP Program.

NEXUS STUDY

In order to comply with the Mitigation Fee Act, the City is required to make certain findings demonstrating a reasonable relationship or nexus between the amount of the City RTCIP Fee collected and the cost of public facilities attributable to the development on which the fee is imposed. On September 22, 2006 the SANDAG Board of Directors approved the “RTCIP Impact Fee Nexus Study” dated September 5, 2006, as prepared by MuniFinancial (Nexus Study). The Nexus Study ((Included in Appendix A) provides the basis for the dollar amount of the RTCIP Fee.

The Nexus Study was adopted by the San Diego City Council (City Council) on April 14, 2008 by Resolution No. R-303554.



RTCIP IMPACT FEE CALCULATION

SANDAG staff developed the original RTCIP contribution amount of \$2,000 per residence (FY 2009) using an approach that allocated transportation system improvements proportionately across both existing development and projected growth. The methodology, specified in the Nexus Study, assumes that all residential development, existing and new, has the same impact on the need for RAS improvements based on the amount of travel demand generated (vehicle trips). Thus, existing and new development should share proportionately in the cost of transportation system improvements. The original City RTCIP Fee was broken down into multi-family and a single family fees and in FY 2022 was \$2,456 per new multi-family residential unit; and \$3,069 per single family residential unit.

In the future, the City RTCIP Fee is included in the new Citywide Mobility DIF. The Citywide Mobility DIF is broken down into a multi-family and a single-family scaled fee based on unit type and size. The full RTCIP contribution amount (per residential unit), set by SANDAG every year, will be extracted from the Citywide Mobility DIF to go toward the RTCIP Funding Program.

The Transnet extension ordinance requires the City RTCIP fee to be adjusted annually in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index (CCI) published by the Engineering News Record (ENR), or a similar CCI. The Ordinance also states that in no event shall the adjustment be less than 2 percent per year. The purpose of this annual adjustment is to ensure the RTCIP retains its purchasing power to improve the RAS. Each year, the SANDAG Board of Directors considers proposed fee adjustments during the month of February, and the new RTCIP fee amount takes effect at the start of the following fiscal year.

SECTION 4

COLLECTION & EXPENDITURE OF IMPACT FEES

In accordance with Municipal Code Section 142.0640(b), and the resolutions adopting the City RTCIP Fee, the City RTCIP Fee is due prior to final inspection, before building occupancy.

Revenues collected through the City RTCIP Program shall be used for preliminary and final engineering, right-of-way acquisition, and construction that will be needed to accommodate future travel demand generated by new development throughout the San Diego region. Selection of proposed projects to be fully or partially funded by the City RTCIP Program are based upon RTCIP eligibility criteria and the City Council approved CIP Prioritization Policy (800-14).



RTCIP Fee revenues must be expended on improvements to the RAS, as designated and updated periodically in the SANDAG Regional Arterials by Jurisdiction (Appendix B). RAS arterials are defined as meeting one of three criteria:

- Provides parallel capacity in high-volume corridors to supplement freeways, state highways, and/or other regional arterials (Corridor);
- Provides capacity and a direct connection between freeways or other regional arterials, ensuring continuity of the freeway, state highways, and arterial network throughout the region without duplicating other regional facilities (Cross-corridor); or
- Provides all or part of the route for existing or planned regional and/or corridor transit service that provides headways of 15 minutes or less during the peak period.
- New or widened arterials, with priority for walking/rolling, bicycle, and transit service
- Turning lanes
- Traffic signal coordination and other traffic improvements
- Freeway interchange and related freeway improvements
- Railroad grade separations
- Improvements required for express bus service
- Transit facilities: new bus stops, bus stops enhancements, bus only lanes, traffic signals priority for buses, queue jumper lanes for buses, circulator routes for buses
- Active transportation: traffic calming measures, pedestrian and bike paths, ramps, crossings, buffer area between sidewalk and street, and roadways lightings

To achieve the City's ambitious climate goals set forth in the Climate Action Plan, priority shall be given to RAS improvements that facilitate walking/rolling, bicycling, and transit.

[RESERVED]



REPORTING REQUIREMENTS

Annual Letter of Conformance

The City of San Diego Planning Department submits an annual letter to the SANDAG Independent Taxpayers Oversight Committee (ITOC) prior to April 1st of each year to document that the City did submit to ITOC the San Diego RTCIP Funding Program in accordance with the RTCIP requirements contained within the TransNet Extension Ordinance, and to confirm that the program submitted is still in effect and has not materially changed (or provide any changes to the RTCIP program approved by City Council).

Annual Audit

The ITOC annual audit is conducted in the Department of Finance in conjunction with Planning Department to verify it has collected or provided RAS improvements in an amount or value greater than the current SANDAG RTCIP Fee per residential unit.

GENERAL EXEMPTIONS

Consistent with the RTCIP as set forth in the TransNet 2 Ordinance, the following types of development are exempt from the City RTCIP Fee:

- A. New moderate, low, very low and extremely low income residential units as defined in California Health and Safety Codes;
- B. Government/public buildings, public schools and public facilities;
- C. Rehabilitation and/or reconstruction of any legal residential structure and/or the replacement of a previously existing residential unit;
- D. Development projects subject to Public Facilities Development Agreements prior to the effective date of the TransNet Extension Ordinance (May 28, 2004) that expressly prohibit the imposition of new fees; provided however, that if the terms of the development agreement are extended after July 1, 2008, the requirements of the City RTCIP Program shall be imposed;
- E. Guest dwellings;
- F. Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- G. Kennels and catteries established in conjunction with an existing residential unit;
- H. The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- I. Residential units that have been issued a building permit prior to July 1, 2008; and
- J. Condominium conversions.
- K. First Accessory Dwelling Units (ADU) built on a premises;

SECTION 8

AFFORDABLE HOUSING EXEMPTION

In order to be exempt from payment of the City RTCIP Fee at the time of building permit issuance, each unit must meet the definition of affordable housing as defined above in Section 7(A) for a minimum of 55 years, and the developer must provide a recorded copy of an affordable housing agreement with the responsible government agency.



ALTERNATIVELY CONTRIBUTING DEVELOPMENT PROJECTS

Projects which include residential development have the option to construct RAS improvements In-lieu of contributing to the City RTCIP Fee. Based on the cost of the improvements, these residential development projects may qualify for a full or partial exemption from paying the RTCIP.

In certain circumstances, the City may determine that a particular project will otherwise contribute the required contribution toward the RAS, and thus meet the RTCIP Funding Requirement through the payment of other development fees or provision of RAS improvements valued at an amount greater than or equal to the amount the project would otherwise be required to pay through City RTCIP Fee collection. These development projects may be considered to be Alternatively Contributing Community Projects, and residential units within these projects may qualify for the RTCIP exemption.

To be exempt from paying the City RTCIP Fee at time of final inspection, prior to final inspection the City must verify that the value of the RAS improvement being provided exceeds the revenue requirements of the RTCIP Funding Program. If it cannot be verified, the City RTCIP Fee shall be paid prior to final inspection. If the value received from the project toward RAS improvements is determined to be insufficient , in no case shall a final inspection occur until the deficit is paid in City RTCIP Fees. In order to comply with the annual auditing requirements of the RTCIP, the City must submit evidence demonstrating that the required contribution toward the City RTCIP has been met through the provision of improvements that equal or exceed the City RTCIP Fee.

Each alternatively contributing community project shall be required to submit documentation for each RAS improvement it provides, in support of its alternative contribution to the RTCIP Funding Requirement. Such documentation shall include, but not be limited to, copies of contracts, change orders, and invoices received, proof of vendor payments, and proof that all mechanic liens have been released. The City shall verify whether materials and work have been installed and performed per the documents submitted, terms of the project plans and specifications, and adherence to the bid list as to quality and quantities.

SECTION 9

The applicant will be required to establish a deposit account with the City, and contribute up to a maximum of three percent (3%) of the total cost of each RAS improvement as stated below:

- Up to three percent (3%): RAS improvement less than \$1,000,000;
- Up to two percent (2%): RAS improvement greater than \$1,000,00 and less than \$5,000,000; or
- Up to one percent (1%): RAS improvement greater than \$5,000,000.

The deposit account will fund the cost to review and verify the value of the RAS improvement provided in lieu of the City RTCIP Fee. It is anticipated that the review and verification process will be conducted by a consultant retained by the City. The funds used in the deposit account shall not count toward the value of the RAS improvement contributed in lieu of the City RTCIP Fee, nor shall it be considered a credit against fees.

For approved alternatively contributing projects, RTCIP reimbursement or credit allowance may be issued.

RTCIP Reimbursement

At the City's sole discretion, City RTCIP Fees already paid at time of final inspection may be reimbursed to a private developer, if the private developer has designed and/or constructed an eligible RAS improvement and has entered into a Reimbursement Agreement (RA) with the City, and as per the specific terms of the RA.

RTCIP Credit Allowance

At the City's discretion, a private developer (Developer) may be entitled to a City RTCIP Fee credit allowance as follows:

A. Up to twenty-five percent (25%) credit allowance based on the City verified cost estimate for the RAS improvement subject to a Developer satisfying all of the following requirements:

1. All construction plans and drawings for the RAS improvement have been approved by the City;
2. Any right-of-way required for the RAS improvement has been secured and dedicated, or an irrevocable offer to dedicate has been provided to the City;
3. All required permits and environmental clearances necessary for the RAS improvement have been secured;
4. Provision of all performance bonds and payment bonds to complete the RAS improvement; and
5. Payment of all City fees and costs.

B. Up to fifty percent (50%) credit allowance based on the amount of the construction contract, consultants contract, and soft costs that qualify as allowable in lieu costs then incurred for the individual RAS improvement subject to a Developer satisfying all of the above referenced requirements for the twenty-five percent (25%) credit allowance, and provided Developer has received valid bids for the RAS improvement, and has awarded the construction contract.

C. Up to ninety percent (90%) credit allowance at the time of Operational Acceptance, provided that reimbursement requests have been submitted and approved for such amounts, based on the value of the improvements as verified by the City.

D. A credit allowance shall be issued to Developer based upon the remaining ten percent (10%) of value of RAS improvement upon the later of: (i) the recordation by Developer of the notice of completion and delivery of a conformed copy to City, or (ii) City's written acceptance of the Project As-Built Drawings.

APPENDIX A

SANDAG TransNet Extension Ordinance and Expenditure Plan

[PAGES RESERVED FOR APPENDICES]

APPENDIX B

Regional Arterials within San Diego Jurisdiction

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