



ANNUAL DEVELOPMENT IMPACT FEE REPORT

FY 2023



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INTRODUCTION

This report provides an overview and accounting of Development impact fees collected and expended in Fiscal Year 2023 as well as available fund balances, and satisfies the City's annual reporting requirements under the California Mitigation Fee Act. The report also provides an update on the implementation of fees associated with the City's Complete Communities: Mobility Choices program. Development Impact Fees are fees that are imposed on new development in all communities to fund public infrastructure needed to serve our growing City and enhance the lives of our community members.



LIST OF VARIOUS DIFs

GOVERNMENT CODE SECTION

66006(b)(1)(A) 66006(b)(1)(B)

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 a brief description of the type of fee in the account or fund:

- A. A brief description of the type of fee in the account or fund.
- B. The amount of the fee: The Facilities Benefit Assessment (FBA), Development Impact Fee (DIF), and Regional Transportation Congestion Improvement Program (RTCIP) fees.

A

A brief description of the various types of DIF is provided below, and the [fee schedule](#) for the below-mentioned fees is published on City's website.

1. Facilities Benefit Assessment (FBA):

FBA's were development impact fees that were applied in communities that were identified in the General Plan as Facilities Benefit Assessment communities. FBAs were imposed in accordance with the City's Facilities Benefit Assessment Ordinance, which was repealed by the City Council in 2016 by San Diego Ordinance No. 20627. FBAs were intended to ensure that greenfield development paid all of the costs of the infrastructure needed to serve these new communities. As development trends have shifted toward infill development, more nuanced methodologies became necessary to address the City's growing population. FBAs generally provided up to 100% of funds for public facilities projects identified in the respective community's Public Facilities Financing Plan (PFFP). The dollar amount of the assessment was based upon the cost of each public facility distributed over the community.

2. Development Impact Fee (DIF):

Development Impact Fees (DIF) are fees charged to projects to defray all or a portion of the cost of new public facilities needed to serve the new development. The City then uses the DIF funds collected from all new developments to design and construct

the infrastructure needed to serve the City's new growth. All DIFs must be expended for purpose for which it was collected in accordance with the California Mitigation Fee Act ([California Government Code section 66000 et seq.](#)). Prior to 2021, all DIFs were community-specific, meaning that they could only be used for specific facilities identified in community-specific Public Facilities Financing Plans (PFFP) or Impact Fee Studies (IFS). The PFFPs or IFS documents were used as the nexus studies that formed the basis for the amount of the applicable DIF. Beginning in 2021, with the adoption of a [Citywide Park DIF](#), and then in 2022, with the adoption of a [Citywide Mobility DIF](#), [Citywide Fire DIF](#), and [Citywide Library DIF](#), separate nexus studies have been prepared as the basis for each new Citywide DIF. Citywide DIF funds must then be utilized and expended as outlined in each of the nexus studies. Community-specific DIF will continue to be expended in accordance with the community specific PFFPs and IFS documents and the Mitigation Fee Act requirements. Citywide DIF can now be used for expanded purposes, including providing additional needed funds for projects identified in community-specific documents to help close the gap between remaining community-specific funds and infrastructure needs.

3. Park Development Fee (PDF):

PDFs are special park fees that were previously enacted within certain community planning areas to provide park amenities. While PDFs are no longer collected and have essentially been replaced by the DIF fees or park ad hoc fees, a few PDF account balances remain in certain communities and are available for use on park projects.

4. Regional Transportation Congestion Improvement Program (RTCIP) Fee:

The RTCIP was established under Proposition A, approved by the voters in 2004. This fee is collected from new residential development and is used to fund improvements to streets and roadways identified in the Regional Arterial System (RAS) as established by the San Diego Association of Governments (SANDAG) and related regional transportation facility improvements. The Citywide Mobility DIF includes the required RTCIP fee. For development that is paying into community-specific DIF accounts because an application was submitted prior to new Citywide DIF becoming effective, a separate RTCIP fee is still collected.

5. Habitat Acquisition Fee (HAF):

This fee is associated with development of property in areas affecting sensitive biological habitats. In some cases developments in such areas with relatively small



impacts may mitigate those impacts by payment into the City's Habitat Acquisition Fund. This fund is used for acquisition, maintenance, and administrative costs associated with the development of habitat preserves.

6. Active Transportation In Lieu Fee (ATILF):

The Active Transportation in Lieu Fee (ATILF) was adopted as part of the Complete Communities-Mobility Choices initiative. This fee was adopted to alleviate the burden caused by new developments that increase vehicle miles traveled within the city. ATILF is used to fund walking/rolling, biking, or transit infrastructure within Mobility Zones 1, 2, and 3 with at least 50% of funds to be expended in communities of concern. The ultimate goal is to reduce vehicle miles traveled Citywide, and in turn, decrease the carbon footprint of the city.

B [Fee schedule](#) for all development impact fees can be accessed on the City's website.

DIF COLLECTED AND EXPENDED

GOVERNMENT CODE SECTION

66006(b)(1)(C)
66006(b)(1)(D)
66006(b)(1)(E)

COMMUNITY SPECIFIC FUNDS

- DIF Fund Balance
- DIF Expenditures
- DIF Collected

The beginning and ending fund balance of the account or fund, amount of fees collected and interest earned and an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement are provided in [the Development Impact Fees Funds Report – Attachment 1.](#)

Community Specific Funds

With the adoption of City-wide DIF as part of [Parks for All of Us](#) in 2021 and [Build Better SD](#) in 2022, community-specific DIF is no longer collected. However, funds remaining in each community-specific DIF fund must be expended in accordance with the community-specific PFFPs, IFS documents, and the Mitigation Fee Act. Where remaining balances are insufficient to address identified infrastructure needs, they can be supplemented with Citywide DIF funds.

FY 2023 Community- Specific DIF Fund Balance

Figure 1 shows the cash balance for the communities with balances greater than \$500k. Cash balance includes funds that have been allocated to projects that are currently in various phases of planning, design and construction. Information regarding DIF funds available for allocation to projects are updated quarterly and available on the City Planning Department's [web page](#).

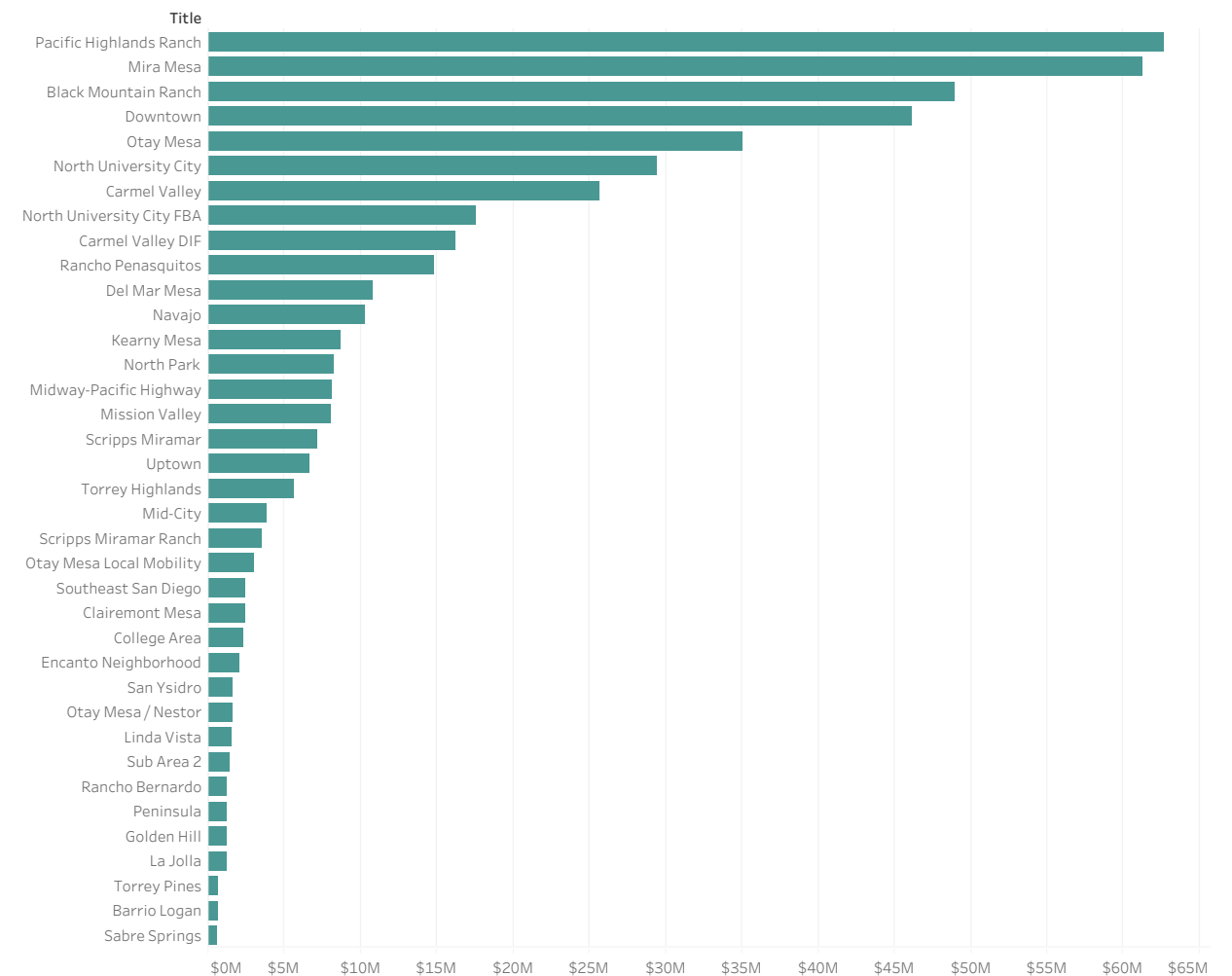


Figure -1 Unencumbered Fund Balance - Community Specific Funds

FY 2023 Community- Specific DIF Expenditures

Figure 2 shows the communities with DIF expenditures greater than \$500K. A full list of expenditures is provided in [Attachment 1](#).

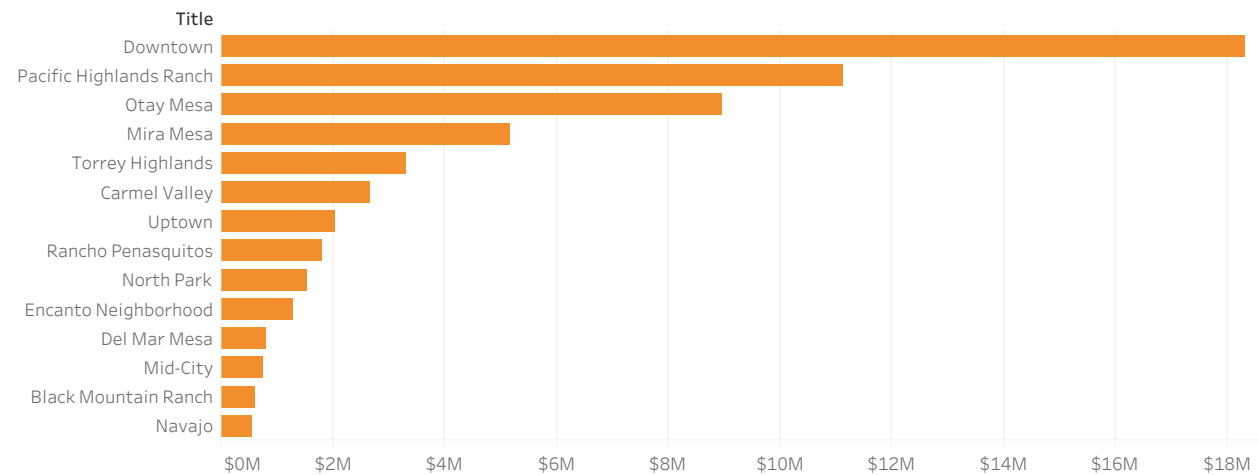


Figure -2 Expenditures- Community Specific Funds

FY 2023 Community- Specific DIF Collected

Projects already in the permit process when the Citywide DIFs were adopted were subject to the lower fee, either the community-specific fee or the Citywide DIF, whichever was less. For this reason, community-specific fees are still being collected in FY23. Figure 3 shows the communities with DIF revenue greater than \$500K. A full list of revenue collected is provided in [Attachment 1](#).

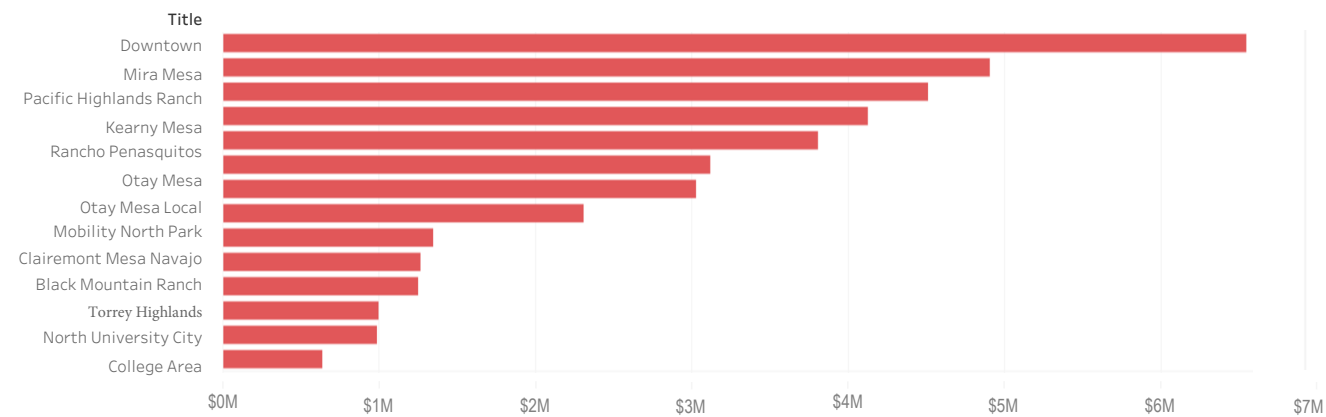


Figure -3 DIF Collected- Community Specific Funds



DIF COLLECTED AND EXPENDED

GOVERNMENT CODE SECTION

66006(b)(1)(C)
66006(b)(1)(D)
66006(b)(1)(E)

CITYWIDE FUNDS

- DIF Fund Balance
- DIF Expenditures
- DIF Collected

Citywide Funds

With the adoption of [Parks for All of Us](#) and [Build Better SD](#), projects are subject to citywide DIF based on asset type of parks, library, mobility, and fire. Funds collected are expended for each asset type citywide and are prioritized for expenditure in areas experiencing the greatest growth and greatest need. Citywide funds may also be used to supplement community-specific DIF funds to deliver needed infrastructure when funding gaps occur. Parks for All of Us took full effect on July 1, 2022, while Build Better SD was only fully implemented on July 1, 2023. Although Citywide DIF was collected during FY 2023, no expenditures were made using Citywide Parks, Library, Mobility, or Fire DIF funds during that reporting period.

FY 2023 Citywide DIF Fund Balance

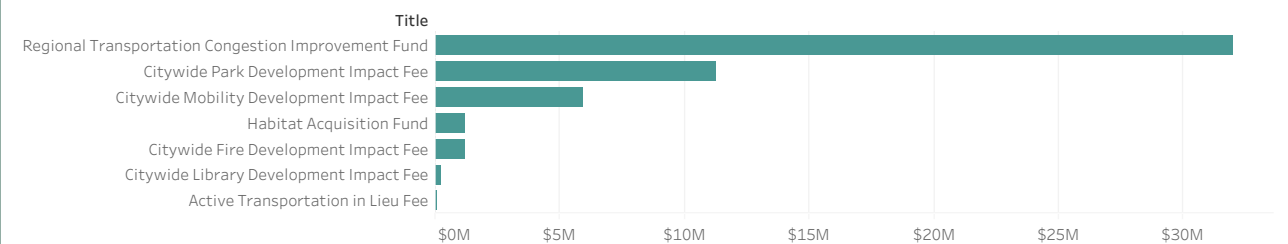


Figure -4 Fund Balance - Citywide Funds

FY 2023 Citywide DIF Expenditures

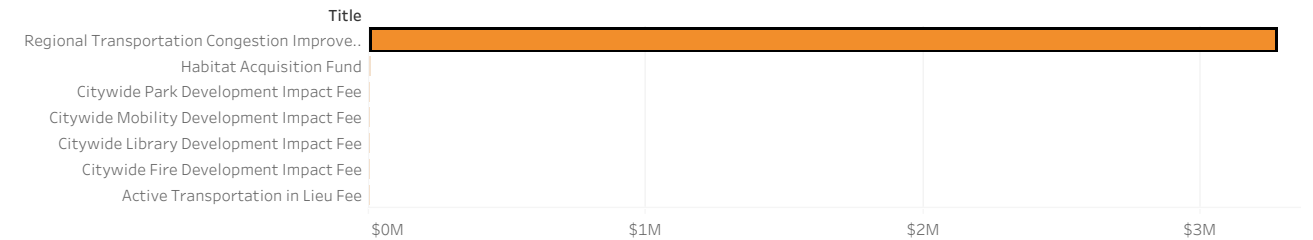


Figure -5 Expenditures - Citywide Funds

FY 2023 Citywide DIF Collected

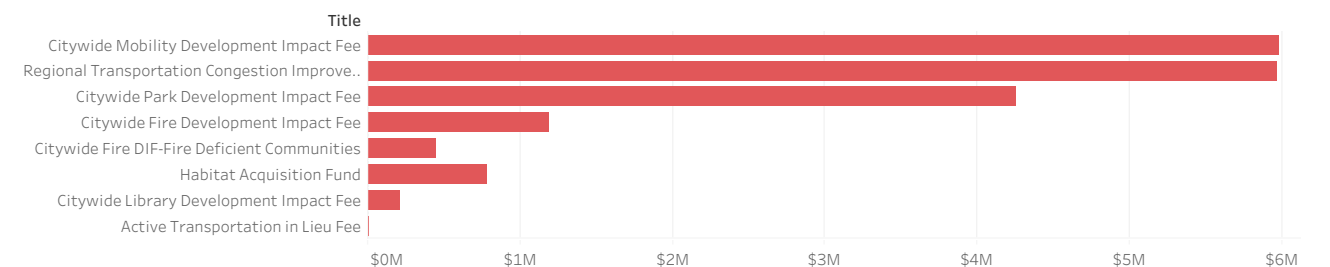


Figure -6 Fees Collected - Citywide Funds

DIF EXPENDITURES EXAMPLES

Libraries

Pacific Highlands Ranch Branch Library

Scripps Miramar Ranch Library

Parks & Recreation

Riviera Del Sol Neighbourhood Park

Wangenheim Joint Use Facility

Mobility

Merge 56

Otay Mesa Road & Traffic Signals

Fire-Rescue

Fire Station No. 50- North University City

DIF funds are used to support a variety of infrastructure projects such as parks, libraries, fire stations, sidewalks and bike paths. Park improvement projects such as adding new amenities like playgrounds, sports facilities, picnic areas, and increasing accessibility for all residents are examples of DIF eligible expenditures. DIF funds are also used to reimburse developer led public projects in an effort to deliver projects efficiently and in a timely manner. It is important to note that DIF funds are only one of the several funding sources for Capital Improvement Projects funded by the City. Additional information on the types of funding sources for Capital Improvement Projects is made available as part of the [Capital Improvements Program Budget document](#).

Libraries



The San Diego Public Library is a popular destination that connects the City’s diverse community to free educational and cultural resources that will enrich their lives. With 6.6 million visitors, the Library is the largest cultural institution in San Diego that offers free programming, including access to more than 5.3 million books, including e-books and audio-visual materials; 1.6 million government documents; and over a quarter million books in 25 languages other than English.

Future development and associated growth in population will cause increased demand for library services. Without a corresponding investment in library improvements, this increased demand will result in sub-standard service levels, inadequate coverage, and other service inequities. The Library DIF is used to fund library improvements throughout the City in a manner consistent with the goals and policies set forth in the General Plan and the San Diego Public Library Master Plan Framework.

The following are examples of library projects that are fully or partially funded by DIF. A full list of DIF expenditures is provided in [Attachment 1](#).

Name	DIF Expenditure
PACIFIC HIGHLANDS RANCH BRANCH LIBRARY	\$9,453,041.44
SAN CARLOS BRANCH LIBRARY	\$403,332.16
SCRIPPS MIRAMAR RANCH LIBRARY	\$294,019.75

Table -1: List of FY 23 Expenditures of DIF for Library Assets

Libraries

Pacific Highlands Ranch Branch Library



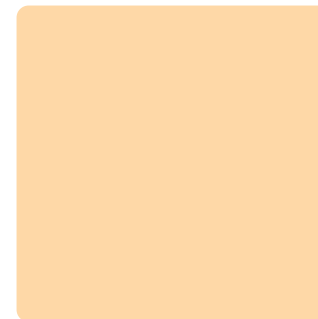
This project will construct an 18,000-square-foot branch library facility on a 1.5-acre site in Pacific Highlands Ranch. The design includes dedicated areas for children and teens, multiple study rooms, a computer area, a community meeting room with a catering kitchen, a library room and outdoor patios. The project is scheduled for completion in 2026.



Libraries

Scripps Miramar Ranch Library

The project will include a parking lot with a total of 119 parking spaces, featuring 5 electric vehicle charging spaces. DIFs were utilized for this project as it involves the enhancement and expansion of an existing facility to accommodate the anticipated increase in demand due to community growth. The project is expected to be completed by 2028.



Parks and Recreation



The City's Parks & Recreation Department serves the recreational needs of community members and visitors through the development and management of over 42,000 acres of park assets, including almost 27,000 acres of open space and aquatic areas, 400 parks, and 27 miles of waterfront.

Future development and corresponding population growth within the City will cause increased demand for park facilities. Without a corresponding investment in park facilities, this increased demand will result in sub-standard service levels, inadequate park coverage, and other recreational inequities. The Parks DIF is used to fund a variety of park improvements to accommodate future growth, in a manner consistent with City park standards set forth in the Parks Master Plan.

The following are examples of parks projects that are fully or partially funded by DIF. A full list of DIF expenditures is provided in [Attachment 1](#).

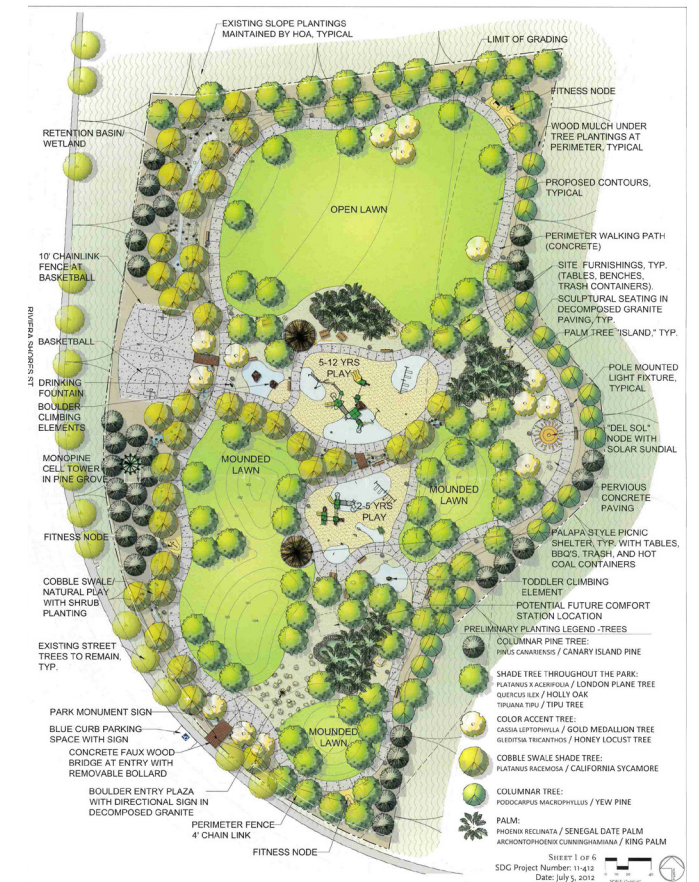
Name	DIF Expenditure
EAST VILLAGE GREEN PHASE 1	\$6,823,621.02
RIVIERA DEL SOL NEIGHBOURHOOD PARK	\$3,839,017.38
SOLTERRA VISTA NEIGHBOURHOOD PARK	\$3,345,954.70
WANGENHEIM JOINT USE FACILITY	\$3,077,920.24
CHILDREN'S PARK IMPROVEMENT	\$1,882,706.48
TORREY HIGHLANDS NP UPGRADES	\$1,355,774.51
OLIVE ST PARK ACQUISITION AND DEVELOPMENT	\$1,028,363.10
SALK NEIGHBOURHOOD PARK AND JOINT USE DEVELOPMENT	\$556,175.87
BEYER PARK DEVELOPMENT	\$409,187.41
NORTH PARK MINI PARK	\$340,724.43

Table -2: List of FY 23 Expenditures of DIF for Parks and Recreation Assets

Parks and Recreation

Riviera Del Sol Neighbourhood Park

This project provides for the design and construction of a 4.9 acre neighborhood park, within the Otay Mesa Community. Improvements include open lawn areas, a basketball court, picnic areas, playgrounds, fitness stations, security lighting, picnic shelters, restroom building, site furnishings, and other park amenities. The park is expected to open to the public summer 2024.



Parks and Recreation

Wangenheim Joint Use Facility



The design and construction of these improvements will include a 4-acre expansion to the existing joint-use facility at Wangenheim Middle School in the Mira Mesa Community. The project is expected to be completed by 2026.



Mobility



The City Planning Department and Sustainability and Mobility Department work together to plan for a complete mobility network that serves the needs of community members and visitors. That network is managed by the City's Transportation Department, which evaluates and implements capital and operational changes to improve mobility and enhance safety for motorists, transit users, cyclists, and pedestrians.

Future development and associated growth in population within the City will cause increased strain on and demand for mobility infrastructure. Without a corresponding investment in mobility improvements, this increased demand will result in sub-standard service levels, inadequate coverage, and other service inequities. The Mobility DIF is used to fund identified mobility improvements throughout the City - including roadway improvements, bicycle facilities, traffic signals, roundabouts, sidewalks, curb ramps, and intelligent transportation systems - in a manner consistent with the goals and policies set forth in the General Plan and other planning documents.

The following are examples of mobility projects that are fully or partially funded by DIF. A full list of DIF expenditures is provided in [Attachment 1](#).

Name	DIF Expenditure
MERGE 56 (CAMINO DEL SUR & CARMEL MOUNTAIN ROAD)	\$3,609,934.92
OTAY MESA ROAD & TRAFFIC SIGNALS	\$2,191,085.15
DOWNTOWN COMPLETE STREET IMPLEMENTATION PHASE 3	\$1,489,576.98
MARKET STREET- 47th TO EUCLID- COMPLETE STREET	\$1,193,163.71
UNIVERSITY AVENUE MOBILITY	\$859,344.66
LA JOLLA VILLAGE/ I-805 LANDSCAPE MAINTENANCE	\$160,980.03
PLAYA DEL SOL PARKWAY	\$154,788.85

Table -3: List of FY 23 Expenditures of DIF for Transportation Assets

Mobility

Merge- 56



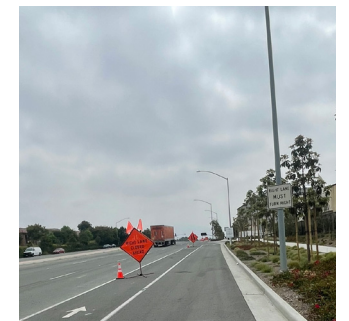
Camino del Sur North, Camino del Sur South and Carmel Mountain Road were constructed through a Reimbursement Agreement funded by DIF. The roads include bike lanes, sidewalks, traffic signals, landscaping and medians. The project was put into service in Fall 2022.



Mobility

Otay Mesa Road & Traffic Signals

The improvements for this project included new raised medians, curb, gutter, sidewalk, bike lanes and landscaping along the south side of Otay Mesa Road from Caliente Avenue traveling east. It also included a traffic signal modification at the intersection of Otay Mesa Road and Caliente Avenue and a new traffic signal at the intersection of Airway Road and Caliente Avenue, consistent with Otay Mesa's Public Facilities Financing Plan projects T-9.2 and T-35.



Fire-Rescue



The Fire-Rescue Department ensures the protection of both urban and natural environments with 17 miles of coastline extending 3 miles offshore and 4,600 acres surrounding Mission Bay Park, the department’s reach is extensive. There are 52 fire stations strategically positioned throughout the city, along with 9 permanent lifeguard stations (augmented by 31 seasonal stations during peak periods), the department maintains a robust presence to swiftly respond to emergencies.

Future development and associated growth in population will cause increased demand for fire and rescue services. Without a corresponding investment in improvements, this increased demand could result in sub-standard service levels, inadequate coverage, and other service inequities.

Example projects that were partially or fully funded by DIF funds for the reporting period of FY 2023 are provided in [Attachment 1](#).

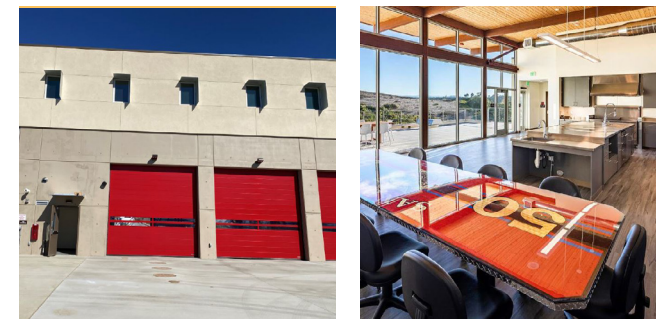
Name	DIF Expenditure
FAIRMOUNT AVENUE FIRE STATION	\$87,496.80
FIRE STATION NO. 48- BLACK MOUNTAIN RANCH	\$83,099.18
FIRE STATION NO. 50- NORTH UNIVERSITY CITY	\$72,571.41
FIRE-RESCUE AIR OPS FACILITY- PH II	\$21,414.23

Table -4: List of FY 23 Expenditures of Fire-Rescue Assets

Fire-Rescue

Fire Station No. 50- North University City

A new 13,500-square-foot fire station was constructed at the southeast corner of Nobel Drive and Shoreline Drive to enhance the community’s emergency response capabilities. The facility accommodates 10 crew members and includes an apparatus bay, dorm rooms, a kitchen, a watch room, a ready room, a station alerting system, and a training classroom. This state-of-the-art station is designed to ensure swift and efficient emergency response, significantly improving community safety. The project was substantially completed in 2021, required additional funds in FY23 (this reporting period), and is expected to have the recording of completion and closeout in 2025.



FUTURE FUND EXPENDITURES

GOVERNMENT CODE SECTION

66006(b)(1)(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.

Most of the city's public improvement projects are managed by the City. As funding for a City-managed public improvement project becomes available, the funding is identified in the City's annual Capital Improvements Program (CIP) Budget. The City's CIP Budget can be found on the City's website at:

<https://www.sandiego.gov/finance/annual/vol3>

In certain instances, public improvement projects may be managed by private developers under a Reimbursement Agreement with the City. Under such an agreement, a private developer fronts the cost and manages the construction of the public improvement, and the City, in turn, reimburses the developer for the agreed-upon costs of delivering the project. In such instances, the construction schedule is typically stated in the applicable Reimbursement Agreement. To view active Reimbursement Agreements, please visit the City's website at:

<https://www.sandiego.gov/planning/facilities-planning/reimbursementagreement/executed-agreements>

If there are infrastructure projects within the City of San Diego that you would like to advocate for, please visit the Infrastructure Prioritization website to find out ways in which your voice can be heard including filling out a survey or attending a workshop meeting or pop up event in your area. All input received will be sent to the correct Asset Managing Department to help them assess which projects should be included in their Five-Year Outlook:

<https://www.sandiego.gov/planning/programs/work-programs/infrastructure-prioritization-engagement>

INTERFUND LOANS

GOVERNMENT CODE SECTION

66006(b)(1)(G)

A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

In September 2020, the City Council approved Ordinance O-21236, authorizing a Reimbursement Agreement (RA) with Sea Breeze 56, LLC for the design and construction of certain public infrastructure projects in the Torrey Highlands and Rancho Peñasquitos Community Plan Areas. Although the estimated total cost for the public improvements exceeded the funds available at the time the RA was developed, it was anticipated that additional Torrey Highlands FBA fees would be collected as future development occurred to fully reimburse the developer's infrastructure costs. For that reason, Ordinance O-21236 also authorized an inter-fund loan of up to \$7,106,304 (the value of the anticipated Rancho Peñasquitos FBA contribution) from the Rancho Peñasquitos FBA fund to the Torrey Highlands FBA Fund.

On March 8, 2021, an interfund loan in the amount of \$5,053,420.73 was made from the Rancho Peñasquitos FBA Fund 400083 to the Torrey Highlands FBA Fund 400094. The purpose of the loan was to facilitate progress payments on five projects under construction pursuant to the Torrey Highlands Public Facilities Financing Plan, specifically Camino del Sur South T-3.1A, Camino del Sur North T-3.1B, Carmel Mountain Road South T-5.2, Torrey Highlands Trails P-6, and Water Lines U-3. The loaned fees were expended on the aforementioned projects on April 5, 2021. The loan is anticipated be repaid on or before March 8, 2026. Interest on the loan is paid annually and is based on the City's variable pooled interest rate over the term covered by the interest payment.

On May 5, 2021 an interfund loan in the amount of \$882,967.13 was made from the Rancho Peñasquitos FBA Fund 400083 to the Torrey Highlands FBA Fund 400094. The purpose of the loan was to facilitate progress payments on four projects under construction pursuant to the Torrey Highlands Public Facilities Financing Plan, specifically Camino del Sur North T-3.1B, Carmel Mountain Road South T-5.2, Torrey Highlands Trails P-6, and Water Lines U-3. The loaned fees were expended on the aforementioned projects on May 27, 2021. The loan is anticipated be repaid on or before May, 5, 2026. Interest on the loan is paid annually and is based on the City's variable pooled interest rate at the time the interest payment is due.

FEE REFUNDS

GOVERNMENT CODE SECTION

66006(b)(1)(H)

The amount of refunds made to current record owners from unexpended portions of fees.

There have been no refunds made for unexpended portions of fees as such refunds have not been required pursuant to Government Code section 66001(e).

REQUIRED EXPENDITURE FINDINGS

GOVERNMENT CODE SECTION

66001(d)

Table 5 includes development impact fees and their corresponding fee amounts that have remained in the account for over 5 years. The table also outlines the anticipated utilization of these unexpended funds. The primary objective of the identified funds is to ensure a fair share contribution towards crucial infrastructure projects required to cater to both residential and non-residential developments. [Impact Fee Fiscal Year Summary's](#) provide information on available DIF amounts and City's [Capital Improvement Program Budget](#) document presents details about other funding sources and project timelines and an anticipated schedule of expenditures, providing a comprehensive overview of the city's infrastructure development plans.

Community Name	Fund Number	Fund	Unexpended Funds in Accounts Longer than Five Years as of 6/30/23	Project Number to Utilize Unexpended Funds	Project Name to Utilize Unexpended Funds	Anticipated Project Completion Date
North University FBA/DIF	400080/400849	North University City FBA/DIF	\$30,398,448.00	S13021	Fire Station No. 50 - North University City	FY 2025
				S15017	La Jolla Village / I-805 Landscape Maintenance	
				S00880	Miramar Road I-805 Easterly Ramps	FY 2026
				S19003	Torrey Pines Fire Station	FY 2028
				S00951	Coastal Rail Trail	FY 2030
					Regents Greenway (North and South)	FY 2035
Sabre Springs	400082	Sabre Springs - FBA	\$497,685.00	B19125	Citywide Street Lights 1950	
				B23092	Sidewalk Replacement Group 23 - 31	
Carmel Valley	400088	Carmel Valley FBA	\$23,098,326.00	AIG00001-B21102	Median Installation - Carmel Mtn Road @ Carmel Country Road Roundabout	Ongoing (2010 - 2040)
				AIL00001 - B22131	Traffic Calming - High Bluff Dr/Lady Hill Rd RRFB (NSG)	Ongoing (2010 - 2040)
				AGE00001 - B22159	Hiking/Equestrian Trail Neighborhood	Ongoing (2010 - 2040)
				S00969	Carmel Country Road Low Flow Channel	FY 2028
				S16029	Carmel Valley CP - Turf Upgrades	FY 2025
				S16031	Open Air Comfort Station and Park Improvements	FY 2025
				S16033	Carmel Knolls NP Comfort Station - Development	FY 2025
				S16034	Carmel Del Mar NP Comfort Station - Development	FY 2026
				S16035	Sage Canyon NP Improvements	FY 2025
				S16036	Torrey Highlands NP Upgrades	
				S16038	Carmel Grove NP Comfort Station and Park	FY 2025
				S16039	Carmel Mission NP Comfort Station Development	Cancelled
				Del Mar Mesa	400089	Del Mar Mesa FBA
RD14000	State Route 56 Freeway Improvements	FY 2026				
S14023	Pacific Highlands Ranch Branch Library	FY 2026				
Rancho Encantada	400095	Rancho Encantada FBA	\$160.00	AGE00001 - B20054	West Sycamore Staging Area	
Otay Mesa	400102	Otay Mesa - Western DIF	\$33,820.00	S00752	Beyer Park Development	FY 2031
				S00870	Old Otay Mesa Road - Westerly	FY 2024
San Pasqual Valley	400103	San Pasqual Valley DEV FD	\$41,730.00	B19125	Citywide Street Lights 1950	FY 2026
				ACA00001 - B23099	20100 San Pasqual Rd SD Replacement	
Rancho Bernardo	400107	Ranch Bernardo -PK DEV FUND	\$31,722.00	L200001	Rancho Bernardo Community Park Improvement - Lighting Rancho Bernardo Community Park Improvement - Dog Park	FY 2029
Old Town San Diego	400131	Old San Diego-Urban Community	\$56,628.00	B19049	Camino Del Rio West & Moor St Median	FY 2028

Table -5: Findings for Funds Collected over Five Years Ago

For the fifth fiscal year following the first deposit 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:

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

Table 5 within the Annual Development Impact Fee Report for Fiscal Year 2023 lists the communities with Development Impact Fee funds in the account for over 5 years and provides the amount of fees that have remained in the account for over five years. The table provides an anticipated list of projects that are expected to utilize the unexpended funds.

2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

All projects listed in Table 5 of the Annual Development Impact Fee Report for Fiscal Year 2023 are projects listed within the Public Facilities Financing Plans and thus eligible for Development Impact Fee funds, or alternative projects that serve the purpose for which the funds were collected. This ensures compliance with the Mitigation Fee Act, which mandates that the funds are being expended to mitigate the need for public infrastructure due to new development and growth and for the purpose for which it was collected. Additional information can be found in each applicable Public Facilities Financing Plan, along with the findings in the resolutions that adopted each applicable plan. Projects that are not listed in the Public Facilities Financing Plan, but still serve the purpose for which the funds were collected are further discussed in finding 4.

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

The Capital Improvement Projects within the City are funded by a variety of funding sources. Development Impact Fees are one of several funding sources that the City uses to fund capital improvement projects. The anticipated projects toward which the Development Impact Fee funds in the account for over five years will be expended may need additional funds from other funding sources to ensure project completion. The annual Adopted Budget publication (Volume III, Capital Improvements Program) that is brought forward each year by the Department of Finance lists all projects and allocated funding sources for active projects - projects in planning, design and construction for the respective fiscal year. Development Impact

Fees are one of the funding sources identified for active projects that are eligible for Development Impact Fees. Other revenue sources include grants, general funds, infrastructure funds, enterprise funds, bonds, etc.

4. Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

All projects identified in Table 5 of the Annual Development Impact Fee Report for Fiscal Year 2023 anticipated to utilize unexpended funds that have been in the account for over five years are projects that are managed by the City's Engineering and Capital Projects department and other asset-managing departments. The Engineering and Capital Projects Department maintains a Capital Improvement Program project tracking webpage. The webpage provides project scope, project schedule and project cost for all projects in different phases of planning, design and construction. The project scope, project cost and the project schedule are updated on a regular basis and the most current project status is provided through the Capital Improvement Program project tracking webpage. Projects that are identified in the table are included on the Capital Improvement Program project tracking webpage. Nine communities have unexpended funds that have been in the account for over five years. Six out of the nine communities with fund balances that have been in the account for over five years have unexpended and unallocated fund balances that are less than \$50,000. For these six accounts with unexpended and unallocated fund balances that have been in the account for over five years, with fund balance less than \$50,000, City Planning staff collaborated with Engineering Capital Projects to allocate these funds toward projects that are eligible for Development Impact Fee funds. Engineering Capital Projects has identified needs, and the remaining fund balances will be allocated toward the projects as identified in Table 5 in FY 2025 either through the administrative authorization ordinance or through the mid-year budget adjustment. Examples of projects towards which the remaining fund balances will be allocated are the citywide Street lights project, Carmel Grove Comfort Station and Park and Rancho Penasquitos Community Park Improvement - Dog Park.

The three communities with unexpended and unallocated fund balances that have been in the account for over five years that are greater than \$50,000 are North University (DIF and FBA), Carmel Valley and Del Mar Mesa.

North University (DIF and FBA) has an unexpended and unallocated fund balance of approximately \$30 million that has remained in the account for

over five years.

The University Community Plan and the Public Facilities Financing Plan previously proposed the Regents Road bridge as an improvement to provide a north-south connection within the community. However, due to a lack of community support for this project, the Development Impact Funds (DIF) collected for it remain unspent.

The University Community Plan update was adopted in July 2024 with infrastructure needs identified within the community. The unexpended and unallocated funds within the North University Community DIF accounts are anticipated to be expended on the needs identified within the recently adopted Community Plan Update, including trailhead pocket parks along the Regents Greenway (North and South) and the Coastal Rail Trail project.

The Coastal Rail Trail is one of the identified infrastructure needs. This project aims to provide safe pedestrian and bicycle connections along Gilman Drive, fulfilling the original goal of creating a north-south link for the community. The Coastal Rail Trail will not only serve a similar transportation function but also create a safer, more enjoyable route that encourages alternative modes of transportation, such as walking and cycling. By incorporating protected bike lanes and sidewalks, the project will improve accessibility and connectivity between different parts of the community, promoting a more sustainable and active lifestyle.

The design and right-of-way phases of the Coastal Rail Trail project are anticipated to be completed in Fiscal Year 2025. Construction is anticipated to begin in Fiscal Year 2026 and be completed in Fiscal Year 2029. The Coastal Rail Trail is currently partially funded and a funding need of \$15 million has been identified for this project. As part of the Annual DIF report, City staff is recommending City Council approval to appropriate \$15 million towards the Coastal Rail Trail project.

In addition to the Coastal Rail Trail project, the University Community Plan update also identified the Regents Greenway project along the rights-of-way north and south of the Rose Canyon. This project aims to provide safe pedestrian connections and places of recreation and enjoyment along Regents Road, which, similar to the projects originally anticipated in the Public Facilities Financing Plan that provide community connections. The project aligns with the community's strong desire to preserve the natural

landscape of Rose Canyon, offering a vision that harmonizes with the area's environmental and recreational goals.

The greenway project could include a range of features, such as park facilities, multi-use pathways, nature exploration playgrounds, fitness circuits, and seating areas. It also prioritizes environmental sustainability, incorporating native plant landscaping and bioretention swales to capture and filter runoff before it enters the canyon. Additionally, the project may include educational and cultural elements, enhancing the community's connection to the natural environment while promoting health, recreation, and environmental stewardship.

Planning-level estimates for the Regents Greenway (North and South) is around \$9.5 million. It is anticipated that the remaining \$7.3 million North University fund balance after appropriating funds towards the Coastal Rail Trail project will be appropriated toward the Regents Greenway Project in FY 2028 and the Regents Greenway Project is anticipated to be completed in FY 2035.

Carmel Valley has an unexpended and unallocated fund balance of approximately \$23 million that has remained in the account for over five years. Additional funding needs have been identified in Carmel Valley and the unexpended and unallocated fund balances that have been in the account for over five years will be allocated toward projects such as Carmel County Road Low Flow Channel project, Carmel Valley CP – Turf Upgrades and Carmel Valley Comfort Station and Park. These projects are eligible for Carmel Valley Community Specific Development Impact Fees. The unexpended and unallocated funds are anticipated to be allocated toward these projects in FY 2025, and that will bring the unexpended and unallocated fund balance that has been in the account for over five years to around \$2.2 million.

Del Mar Mesa has an unexpended and unallocated fund balance of approximately \$7.7 million that has remained in the account for over five years. The recent appropriations toward Del Mar Mesa Southern Multi-Use Trail, State Route 56 Freeway Improvements and Pacific Highlands Ranch Branch Library bring the unexpended and unappropriated fund balance to \$6.9 million.

City Planning staff will continue to work with the Engineering & Capital Projects Department and Department of Finance to identify projects within Carmel Valley and Del Mar Mesa that are eligible for the respective community-specific development impact fees to expend the unexpended and unallocated funds. These projects include infrastructure projects needed to serve new development, such as storm water facilities, parks, and mobility improvements. Planning-level cost estimates for storm water facilities can range from \$2 million to \$5 million or greater and planning level cost estimates for mobility improvement projects can range from \$5 million to \$15 million or greater depending on the scope of the project. The estimated completion date of the projects eligible for unexpended and unallocated Community specific Development Impact Fees for Carmel Valley and Delmar Mesa that have been in the account for over five years is FY 2035.

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ALTERNATE USE OF FUNDS

GOVERNMENT CODE SECTION

66001(f)

If the administrative costs of refunding unexpended revenues exceed the amount to be refunded, the local agency, after a public hearing, may:

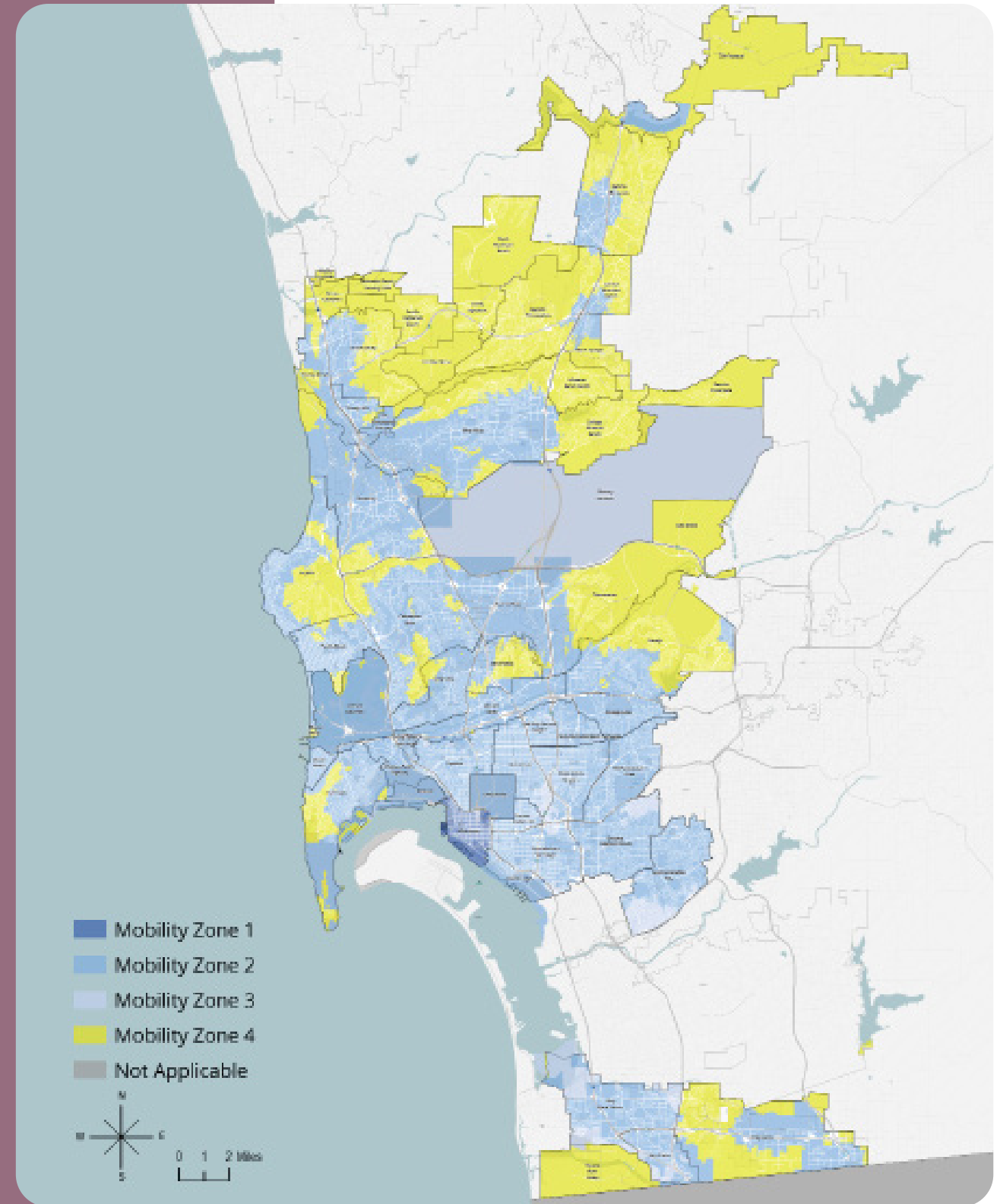
1. Determine some other purpose towards which the revenue collected shall be allocated to serve the project on the which the fee was originally imposed; and
2. Publish a onetime notice pursuant to code 66001 and post in three prominent places within the area of the development project

Since there have been no refunds issued, there have been no instances where the administrative costs of refunding unexpended revenues exceeded the amount to be refunded. Therefore, a public hearing has not held under Government Code Section 66001(f)

ACTIVE TRANSPORTATION IN LIEU FEE

The [Active Transportation in Lieu Fee \(ATILF\)](#) was adopted as part of Complete Communities -Mobility Choices in order to address the burdens posed by new development that increases citywide Vehicle Miles Traveled (VMT) by developing in areas that are VMT inefficient. ATILF funds may only be used to fund walking, biking, or transit infrastructure projects within Mobility Zone 1, 2, and 3 that will result in reduced VMT. Providing an annual report to monitor ATILF was identified as an implementation item to ensure the City's economic prosperity and VMT reduction goals are achieved throughout Mobility Zones 1, 2, 3 and 4.

MOBILITY ZONES



The Active Transportation in Lie Fee (ATILF) has been imposed on the projects listed in the table below, all of which are located in Mobility Zone 4. However, since DIF is not due until the final inspection, not all fees have been paid yet and will be paid at the time of final inspection.

The City Planning Department prepares an [Annual Report on Homes](#) to track new home development in the city. Based on the reports from the past three years, the application of the ATILF does not appear to have had an adverse effect on new home production. City Planning staff will continue to monitor the impact of this fee on new home production and provide annual reports.

Project Location	Project Description	ATILF Fee Estimate
Mira Mesa	Residential Project - 118 dwelling units	\$1,159,704
Peninsula	Mixed-Use Building - Conversion of 8,983 sq. ft. of commercial space into 12 dwelling units	\$3,050
Otay Mesa	Industrial Project - New 6,000 sq. ft. storage warehouse	\$24,788
Kearny Mesa	Residential Project - 267 dwelling units including 12 affordable	\$1,737,028
Serra Mesa	Residential Project - 20 dwelling units including 2 affordable	\$171,420
North University City	Industrial Project - New 122,284 sq. ft. research & development campus	\$1,800,305
Serra Mesa	Residential Project- 60 dwelling units	\$880,523
Del Mar Mesa	Residential Project - 25 units	\$1,069,205
Serra Mesa	Residential Project - 18 dwelling units	\$150,880
San Ysidro	Commercial Project- Replacing mixed use with commercial	\$64,040
La Jolla	Residential Project- 5 dwelling units	\$120,630

Table -6: Active Transportation in Lie Fee (ATILF) for Projects in Mobility Zone 4

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REFERENCE DOCUMENTS

1. [Financial Summary for Development Impact Fees](#)
2. [Fee Schedule for Development Impact Fees](#)
3. [City's CIP Budget](#)
4. [Developer Reimbursement Agreements for Public Infrastructure Projects](#)
5. [Parks Master Plan](#)
6. [Resolution adopting Active Transportation In Lieu Fee](#)
7. [Development Impact Fee Plans](#)
8. [Nexus Studies:](#)
 - [Fire & Rescue Fee Nexus Study](#)
 - [Library Fee Nexus Study](#)
 - [Parks Fee Nexus Study](#)
 - [Mobility Fee Nexus Study](#)