



12/17/2025

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City of San Juan Capistrano Agenda Report

TO: Honorable Mayor and Members of the City Council

FROM: Benjamin Siegel, City Manager

SUBMITTED BY: Ken Al-Imam, Chief Financial Officer

PREPARED BY: John Jayasinghe, Finance Manager

DATE: December 17, 2024

SUBJECT: Annual Financial Report of Development Impact Fees Pursuant to Government Code Section 66006 (AB 1600) for the Fiscal Year Ended June 30, 2024

RECOMMENDATION:

Approve the attached Annual Financial Report of Development Impact Fees and make the findings contained herein.

EXECUTIVE SUMMARY:

The Annual Financial Report of Development Impact Fees for the fiscal year ended June 30, 2024, is provided to City Council as required by California Government Code Section 66006, which was enacted by Assembly Bill No. 1600 (AB 1600). This report (Attachment 1) provides financial information regarding the following funds of the City: Park-In-Lieu Fee Fund, Drainage Fee Fund, Capistrano Circulation Fee Program Fund (CCFP) and Housing-In-Lieu Fee Fund. All development impact fees have been spent or have been earmarked for spending as of June 30, 2024. Consequently, there are no funds that are required by California Government Code Section 66006 to be refunded to property owners.

DISCUSSION/ANALYSIS:

AB 1600 requires that local agencies annually report certain financial information related to Capital Improvement Projects (streets, transit facilities, parks, storm drains, etc.) that have been funded by development impact fees.

AB 1600 enacted Government Code Sections 66000-66008 that generally contain four requirements:

1. A local jurisdiction must follow the process set forth in the bill and make certain determinations regarding the purpose and use of each development impact fee and establish a “nexus” or connection between a development project or class of projects and the public improvement being financed with the fee.
2. The fee revenue must be segregated from the General Fund in order to avoid the commingling of public improvement fees and General Fund revenues.
3. If the City has had possession of funds generated by development impact fees for five years or more, and has not spent such funds or committed such funds to a project, it must make certain findings describing the continuing need to retain those funds. If the local jurisdiction is unable to make the findings required by state law, the City must refund the fees to property owners.
4. An annual report must be made of fees collected, interest earned, projects on which fees were expended, and any transfers or loans from the fee account. This report must be presented to the agency’s governing board within 180 days of the end of the fiscal year.

As demonstrated in Attachment 1, the CCFP Fund holds fees that remain unexpended after five years of receipt. AB 1600 provides that fees that remain unexpended after five years of receipt are not required to be refunded if they are committed to projects, or a finding has been made that there is a continuing need to retain these funds. The CCFP Fund holds amounts that have been committed to specified capital improvement projects for which funds were appropriated in the City’s Fiscal Year 2024-25 Amended Budget (Attachment 2).

Also, \$15 million of CCFP funds are currently programmed to be used beginning in Fiscal Year 2024-25 for design and construction of the La Novia Bridge Replacement Project (CIP 24106).

The projects identified to expend the accumulated fees and the anticipated completion dates of those projects as reported in the attached are consistent with the project information that was reported in the AB 1600 report for Fiscal Year 2022-23.

The findings required by AB 1600 to be made with respect to unexpended fees as of June 30, 2024, are set forth below:

1. The purposes for which these fees have been collected are for the projects identified in the Annual Financial Report of Development Impact Fees and related attachments.
2. There is a reasonable relationship between the fees and the purposes for which they have been collected. The fees are necessary to mitigate the impacts of development.

3. For projects that remain incomplete as of June 30, 2024, the approximate timing for the completion of these projects is set forth in the Annual Financial Report of Development Impact Fees and related attachments. The source of funding to complete these projects are existing reserves of the related funds, development impact fees anticipated to be collected in future fiscal years and anticipated grant revenues, in amounts sufficient to complete these projects.
4. Funds held in the CCFP Fund as of June 30, 2024, have been committed to specified capital projects.

Based on the foregoing, the City is not required to refund any fees collected pursuant to the requirements of AB 1600.

FISCAL IMPACT:

As of June 30, 2024, no refunds of development impact fees are required by the provisions of AB 1600.

ENVIRONMENTAL IMPACT:

Not applicable.

PRIOR CITY COUNCIL REVIEW:

Not applicable.

COMMISSION/BOARD REVIEW AND RECOMMENDATIONS:

This item does not go through the Commission/Committee review process.

NOTIFICATION:

Adam Wood, Building Industry Association of Orange County

ATTACHMENTS:

Attachment 1 – Annual Financial Report of Developer Impact Fees
Attachment 2 – Fiscal Year 2024-25 Capital Improvement Program Commitments

CITY OF SAN JUAN CAPISTRANO
Annual Financial Report of Developer Impact Fees
Pursuant to Government Code Section 66006
(AB 1600 Report)
As of June 30, 2024

		Park In-Lieu Fee (Fund 11)	Drainage Fee (Fund 12)	CCFP (Fund 18)	Housing In-Lieu Fee (Fund 33)
Beginning Fund Balance (Available)	6/30/2023	\$ 4,955,813	\$ (185,077)	\$ 13,102,592	\$ 6,129,665
<u>Developer Fees & Other Sources:</u>					
Developer fees		-	141	140,023	-
Interest Income		220,732	-	647,650	377,941
Total Sources		220,732	141	787,673	377,941
<u>Expenditures & Other Uses:</u>					
Eligible Expenditures (per attached list)		566,171	-	793,744	-
Total Uses		566,171	-	793,744	-
Ending Fund Balance (Available)	6/30/2024	\$ 4,610,374	\$ (184,935)	\$ 13,096,521	\$ 6,507,606
<u>Breakdown of Ending Fund Balance:</u>					
Contributed from rates (excluded from five year test)		-	-	-	-
Unexpended fees, contributions & interest (subject to five year test)		4,610,374	(184,935)	13,096,521	6,507,606
Ending Fund Balance (Available)	6/30/2024	\$ 4,610,374	\$ (184,935)	\$ 13,096,521	\$ 6,507,606
<u>Five Year Revenue Test</u>					
	Fiscal Year 2019-2020	\$ 2,000,000	\$ 1,075	\$ 196,798	\$ -
	Fiscal Year 2020-2021	652,500	3,449	468,576	-
	Fiscal Year 2021-2022	1,233,052	61,012	2,026,236	519,295
	Fiscal Year 2022-2023	959,645	10,976	1,685,019	6,634,200
	Fiscal Year 2023-2024	220,732	141	787,673	377,941
Total Received For The Five Years Ended	6/30/2024	\$ 5,065,928	\$ 76,654	\$ 5,164,302	\$ 7,531,436
Ending Fund Balance in Excess of Total Receipts of Last Five Years		\$ -	\$ -	\$ 7,932,220	\$ -
Committed to Capital Projects - Fiscal Year 2024-25		\$ 5,689,907	\$ -	\$ 2,000,000	\$ -
Amount in Excess of Allowed Deposits		\$ -	\$ -	\$ 5,932,220 ⁽¹⁾	\$ -

Notes:

⁽¹⁾ \$15 million of CCFP funds are required to complete construction of the La Novia Bridge Replacement Project (CIP 24106), which is expected to be completed by Fiscal Year 2030-31. The excess amount is being retained for that project.

**City of San Juan Capistrano
Capital Projects Funded from
Developer Fees
FY 2023/24**

Project No. Description	FY 2023/24 Final Budget	FY 2023/24 Actual	FY 2023/24 % Completed
<u>Park-In-Lieu Fee Projects</u>			
09203 Citywide Playground Upgrades	\$ 50,000	\$ -	0.0%
17202 Eastern Open Space Trails A and A-1	206,565	-	0.0%
18201 Cook La Novia Park Picnic Area Enhancements	50,949	-	0.0%
21201 Skateboard Park	3,957,269	208,048	5.3%
22201 Cook La Novia Park Pickleball Courts Conversion	30,428	18,200	0.0%
22202 Stonefield Park Synthetic Turf	840,000	188,091	22.4%
23301 Montanez Adobe Refurbishment	104,000	21,833	21.0%
24201 West Trabuco Creek Trail Improvements	109,897	-	0.0%
24202 Citywide Parks and Facilities Upgrades	130,000	130,000	100.0%
24303 Basketball Courts	12,000	-	0.0%
Total - Parks & Recreation Projects	<u>\$ 5,491,108</u>	<u>\$ 566,171</u>	<u>10.3%</u>
<u>Drainage Fee Projects</u>			
No Projects			
Total - Drainage Projects	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>
<u>Capistrano Circulation Fee Program (CCFP) Projects</u>			
07117 San Juan Creek Rd Underpass - Valle Rd to Camino Capistrano	\$ 2,400,684	\$ -	0.0%
14107 Ortega Highway Widening Project (managed by Caltrans)	331,433	17,623	5.3%
21103 Stonehill Traffic Signal at Lower Rosan	649,910	649,908	100.0%
24105 Traffic Signal at Calle Arroyo/La Novia	1,047,840	50,303	4.8%
24106 Traffic Signal at Calle Arroyo/La Novia	100,000	75,910	75.9%
Total-CCFP Projects	<u>\$ 4,529,867</u>	<u>\$ 793,744</u>	<u>17.5%</u>
<u>Housing-In-Lieu Fee Projects</u>			
No Projects	\$ -	\$ -	0.0%
Total - Housing In-Lieu Projects	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>

**Fiscal Year 2024/25 Capital Improvement Program
Revised Budget for Fee Funded Projects**

2024/25 Project Commitments

Project No. Project Name	Park In-Lieu Fee Fund 11	CCFP Fund 18
09203 City-wide Playground Upgrades	50,000	
21201 Skateboard Park	5,509,907	
22202 Stonefield Park Synthetic Turf	130,000	
24106 La Novia Bridge Replacement Project		2,000,000
Committed to Capital Projects	\$ 5,689,907	\$ 2,000,000