

RESOLUTION NO. 2026-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS ADOPTING INDEXED INCREASES IN DEVELOPMENT IMPACT FEES, INCLUSIONARY HOUSING IN-LIEU FEES, AND USER FEES FOR 2026

WHEREAS, the City Council of the City of San Marcos considered and adopted the Development Impact Fee Nexus Study Update prepared by Willdan Financial Services dated October 4, 2024 and findings incorporated therein at a duly noticed public hearing on November 26, 2024; and

WHEREAS, on November 26, 2024, the City Council of the City of San Marcos (“City Council”) passed and adopted Resolution No. 2024-9385 adopting the 2025 Development Impact Fee Schedule based on the findings set forth in the Development Impact Fee Nexus Study Update; and

WHEREAS, to ensure that such fees will continue to generate sufficient funds to construct the facilities needed to serve new development, Resolution 2024-9385 allows the City Council, following a duly noticed public hearing, to adjust the Maximum Justified PFF (Per Square Foot) in Table 1 of the Development Impact Fee (PFF) Schedule Development Impact Fees periodically, no more frequently than annually, based on the Engineering News Record – Construction Cost Index, which adjusted amounts are to be submitted to the City Council for consideration at a duly noticed public hearing and, if adopted by the City Council, would be effective no earlier than sixty (60) days thereafter, or at a later date as may be set by the City Council; and

WHEREAS, the table entitled “City of San Marcos Development Impact Fees 2026,” attached hereto as Exhibit A and incorporated by reference, includes adjusted fees based on the 2.7% increase in the Engineering News Record – Construction Cost Index from March 2025 to March 2026; and

WHEREAS, at a duly noticed public hearing on November 26, 2024, the City Council considered the January 2024 Inclusionary Housing In-Lieu Fee Study prepared by Keyser Marston Associates and the findings incorporated therein, and adopted Resolution No. 2024-9387 setting an Inclusionary Housing In-Lieu Fee based on the findings set forth in said Inclusionary Housing In-Lieu Fee Study; and

WHEREAS, to ensure that the fees will continue to generate sufficient funds to construct affordable housing in the City, Resolution 2024-9387 allows the City Council, following a duly noticed public hearing, to adjust the Inclusionary Housing In-Lieu Fees periodically, no more frequently than annually, based on the Engineering News Record – Construction Cost Index, which adjusted amounts are to be submitted to the City Council for consideration at a public hearing and, if adopted by the City Council, would be effective no earlier than sixty (60) days thereafter, or at a later date as may be set by the City Council; and

WHEREAS, the table entitled “Inclusionary Housing In-Lieu Fees 2026,” attached hereto as Exhibit B and incorporated by reference, includes adjusted fees based on the 2.7% increase in the Engineering News Record – Construction Cost Index from March 2025 to March 2026; and

WHEREAS, at a duly noticed public hearing on November 26, 2024 the City Council considered the Comprehensive User Fee Study prepared by Willdan Financial Services, and adopted Resolution No. 2024-9389 approving the 2025 User Fee Schedule based on the findings set forth in the Comprehensive User Fee Study; and

WHEREAS, to maintain the City’s ability to recover the reasonable costs of providing permit-related services, Resolution 2024-9389 allows the City Council, following a duly noticed public hearing, to adjust the User Fees periodically, no more frequently than annually, based on the Consumer Price Index, which adjusted amounts are to be submitted to the City Council for consideration at a public hearing and, if adopted by the City Council, the adjusted amounts to be effective no earlier than sixty (60) days thereafter, or at a later date as may be set by the City Council; and

WHEREAS, the table entitled “User Fees 2026,” attached hereto as Exhibit C and incorporated by reference, includes adjusted fees based on the 3.2% increase in the Consumer Price Index for All Urban Consumers: All Items, San Diego-Carlsbad from March 2025 to March 2026; and

WHEREAS, in connection with its consideration of the updated Development Impact Fees, Inclusionary Housing In-Lieu Fees, and User Fees, the City Council conducted a duly noticed public hearing to receive written and oral testimony regarding said fees in accordance with the requirements of Government Code Section 66016; and

WHEREAS, prior to consideration and adoption of the updated Development Impact Fees, Inclusionary Housing In-Lieu Fees, and User Fees, notice of said public hearing, as well as information concerning the indices used in relation to the proposed amendments have been published and made available to the public and interested persons, in accordance with the requirements of Government Code Section 66016.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Marcos as follows:

1. The City Council of the City of San Marcos hereby adopts the updated Development Impact Fees for 2026 as set forth in Exhibit A, attached hereto and incorporated herein, which Development Impact Fees shall be effective no sooner than 60 days after the effective date of this Resolution.

2. The City Council of the City of San Marcos hereby adopts the updated Inclusionary Housing In-Lieu Fees for 2026 as set forth in Exhibit B, attached hereto and incorporated herein, which Housing In-Lieu Fees shall be effective no sooner than 60 days after the effective date of this Resolution.
3. The City Council of the City of San Marcos hereby adopts the updated User Fees for 2026 as set forth in Exhibit C, attached hereto and incorporated herein, which User Fees shall be effective no sooner than 60 days after the effective date of this Resolution.
4. Prior to the adoption of this Resolution, the levying and update of the Development Impact Fees, Inclusionary Housing In-Lieu Fees, and User Fees has been reviewed by the City Council and staff in accordance with the California Environmental Quality Act (“CEQA”) and the CEQA Guidelines and it was determined that the adoption of this resolution is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.
5. The City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS at a regular meeting held on the 23rd day of June, 2026, by the following roll call vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

Rebecca D. Jones, Mayor
City of San Marcos

ATTEST:

Phillip Scollick, City Clerk
City of San Marcos

ATTACHMENT(S):

EXHIBIT A – CITY OF SAN MARCOS DEVELOPMENT IMPACT FEES 2026
EXHIBIT B – CITY OF SAN MARCOS INCLUSIONARY HOUSING IN-LIEU FEES 2026
EXHIBIT C – CITY OF SAN MARCOS USER FEES 2026