

February 11, 2025

TransNet Regional Transportation Congestion Improvement Program Proposed Fee Adjustment

Overview

The [TransNet Extension Ordinance](#) requires the 18 cities and the County of San Diego to collect a [Regional Transportation Congestion Improvement Program \(RTCIP\)](#) fee from developers for each new housing unit constructed in their jurisdiction, with certain exceptions, including low-income residential units and accessory dwelling units. The fee's purpose is to help ensure that future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements as defined in the most recent Regional Transportation Plan adopted by SANDAG.

Key Considerations

The Ordinance requires SANDAG to adjust the minimum RTCIP fee amount on July 1 of each year, based on an analysis of construction cost indices. This annual adjustment is intended to preserve the program's purchasing power and ensure sufficient funding to address future inflation and continue improvements on the Regional Arterial System. The minimum annual adjustment required by the Ordinance is 2%.

Based on an analysis of construction cost trends and relevant indices, staff recommend a 2% fee adjustment to the RTCIP, raising the minimum RTCIP fee from \$3,047.57 to \$3,109.88 beginning July 1, 2026 (Attachment 1). This increase accounts for recent years' inflation and the Construction Cost Index, which has accelerated from its previous low pace.

Next Steps

In accordance with Ordinance provisions, each jurisdiction's RTCIP funding program must be submitted for review by the Independent Taxpayer Oversight Committee (ITOC) by April 1, of each year to remain eligible for TransNet Local Street and Road funding. The annual submittal of RTCIP funding programs by local jurisdictions is scheduled for review at the April 8, 2026, ITOC meeting.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachment: 1. Discussion Memo

Action: Information

The TransNet Independent Taxpayer Oversight Committee is asked to recommend that the Board of Directors approve a 2% adjustment to the Regional Transportation Congestion Improvement Program Fee, beginning July 1, 2026.

Fiscal Impact:

If approved by the Board, the Regional Transportation Congestion Improvement Program (RTCIP) fee would increase from \$3,047.57 to \$3,109.88, effective July 1, 2026.

Schedule/Scope Impact:

The adjusted RTCIP fee would take effect July 1, 2026.