



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 25, 2020

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Edwin Gato, Director of Finance

SUBJECT: Accept the FY 18-19 Annual Development Impact Fee

RECOMMENDED ACTION:

Review, accept and file the Annual Development Impact Fee (DIF) and other compliance reports for fiscal year end June 30, 2019.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

This report was presented to the Finance Commission on February 19, 2020, special meeting.

FISCAL IMPACT OF RECOMMENDATION:

There is no fiscal impact associated with City Council reviewing, accepting, and filing the 2018-19 Development Impact Fee.

DISCUSSION:

California Government Code §§ 66000-66025 (the "Mitigation Fee Act") sets forth the legal requirements for enactment of a development impact fee program, the bulk of which was adopted as 1987's Assembly Bill (AB) 1600 and thus commonly referred to as "AB 1600 requirements". The AB 1600 requirements stipulate that fees imposed on new development have the proper nexus to any project on which they are imposed. In addition, AB 1600 requires that any local agency that imposes development impact fees prepare a report annually providing specific information about those fees as defined in Government Code Sections 66006(b) and 66001(d).

Government Code Section 66006(b) requires that for each separate account or fund, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and interest earned.

- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- 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.
- 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.
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

Government Code Section 66001(d) requires that the local agency make all of the following findings every fifth year following the first deposit into the fund and every five years thereafter with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

The 2018-19 Development Impact Fee Report includes both the annual and five year requirements for the City. The Government Code also requires this report be reviewed by the City at a regularly scheduled public meeting. This report will make the City up to date on its Mitigation Fee Act reporting requirements under State Law.

ATTACHMENTS:

1. 2018-19 Development Impact Fee Report