



Agenda Report

City Council

Date: December 11, 2018

To: Jeffrey W. Collier, City Manager

From: Rod Hill, Director of Administrative Services
Monica Lo, Assistant Director of Administrative Services

Subject: Annual Assembly Bill 1600 Report

RECOMMENDATION

Approve report pursuant Government Code Subsection 66006(b)(1) for both the annual and five year finding requirements.

BACKGROUND

State of California Assembly Bill 1600 (AB 1600) – the Mitigation Fee Act (Gov. Code, Sections 66000 *et seq.*) sets forth the standards against which monetary exactions on development projects are measured.

On May 7, 1991, the City Council adopted Resolution No. 6123 establishing a water connection fee, which is treated as development impact fee. This fee includes contributions from developers and new applicants for water service. The purpose of the fee is to address the needs of additional water system capacity, required because of anticipated demand and the required new fire suppression capacity, such that existing users are not subsidizing newcomers, and newcomers are not subsidizing existing users.

On May 25, 2010, the City Council adopted Ordinance Nos. 2953 and 2954, establishing its first development impact fees related to parks, recreation and library. The fees are associated with residential developments and intended to address the needs of increasing populations and their demand on related facilities. The fees studied and approved included:

- Library & Collection Facilities
- Public Use (Community) Facilities
- Aquatic Facilities
- Park Land Acquisition & Facility Development

DISCUSSION

The purpose of the applicable legal requirements are to address findings and compliance reporting, and provide the community with information regarding the status and use of fees collected under the Mitigation Fee Act (Gov. Code Sections 66000 *et seq.*), commonly called Impact Fees. This is a required reporting and compliance report

that provides information on activity and account balances. If the impact fee monies have not been spent within five years of receipt, the City is required to make findings, regardless of whether those moneys are committed or uncommitted.

Details of available water related development impact fees are as follows:

Water Connection Fee

Water Connection impact fees were established to assist in financing the replacement of water mains throughout the entire distribution system that are undersized for required Fire Flow.

Balance @ July 1, 2017	\$39,954
Interest	\$1,953
Balance @ June 30, 2018	\$214,959
Revenues Received prior to June 30, 2013	\$3,190

\$3,190 was received prior to the 2013-14 fiscal year (FY) and will be spent on projects to upgrade the water system. The current balance of \$214,959 accumulated since FY 13-14, including interest, is reserved to supplement for expenditure on undersized water main replacement projects in FY 19-20.

Details of available non-utility related development impact fees are as follows:

Library and Collection

Library Facilities and Collection impact fees were established for the construction of additional library space, expansion of collections and technology improvements to accommodate increasing populations.

Balance @ July 1, 2017	\$243,860
Interest	\$3,268
Balance @ June 30, 2018	\$247,128
Revenues Received prior to June 30, 2013	\$17,808

Monies received prior to the 2013-14 fiscal year are currently uncommitted, but are planned to be utilized towards the Central Library Expansion and Remodel project. The City Council is working with staff to finalize a comprehensive project and funding recommendation. If approved, the project could be completed by December 31, 2022. Total project costs are estimated at approximately \$14 million.

Park Land Acquisition & Facility Development

Park Land Acquisition and Park Facilities Development impact fees were established for the acquisition and development of new trails, parks, the construction of recreational facilities, and for the improvement of existing undeveloped parklands.

Balance @ July 1, 2017	\$1,459,880
Interest	\$19,562
Balance @ June 30, 2018	\$1,479,442
Revenues Received prior to June 30, 2013	\$99,288

Monies received prior to the 2013-14 fiscal year are currently uncommitted and being accumulated to assist with the acquisition and development of new park facilities within the City, including the Uptown area. As the Groves at Whittier begins its construction phase, additional fees are anticipated to accrue, which will be deposited into this account for a large park with sports fields to be constructed within the community by December 31, 2022. In addition, staff is currently working on the expansion of Lee Owens Park and anticipates utilizing a portion of these funds towards the development of this new park land by the end of 2020.

Aquatic Facilities

Aquatic Facilities impact fees were established to provide maintenance of the City's existing pool complex and for additional new water features to increase capacity.

Balance @ July 1, 2017	\$11,776
Interest	\$158
Balance @ June 30, 2018	\$11,934
Revenues Received prior to June 30, 2013	\$798

Monies received prior to the 2013-14 fiscal year are currently uncommitted and being accumulated to be utilized towards a new water feature at Lee Owens Park. Staff is in the final project planning process, but anticipates project completion by the end of 2020.

Public Use (Community) Facilities

Public Use Facilities Impact fees were established for the construction of additional community center space for general public use.

Balance @ July 1, 2017	\$247,949
Interest	\$3,323
Balance @ June 30, 2018	\$251,272
Revenues Received prior to June 30, 2013	\$16,863

Monies received prior to June 30, 2013 are currently uncommitted, but are being considered as a funding component of the Central Library remodel and expansion

project, and these funds will be utilized to fund a portion of the community meeting room expansion component. Total project costs are estimated at approximately \$14 million. Anticipated project completion is projected for December 31, 2022.

FISCAL IMPACT

There is no fiscal impact associated with this report.

ATTACHMENTS

None.