



# Agenda Report

City Council

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**Date:** December 8, 2020

**To:** Brian Saeki, City Manager

**From:** Monica Lo, Director of Administrative Services

**Subject:** Annual Assembly Bill 1600 Impact Fee Report

## **RECOMMENDATION**

Approve report pursuant to Government Code Subsection 66006(b)(1) for both the annual and five-year funding 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 this report is 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 required compliance report provides information on activity and account balances. If impact fee monies have not been spent within five years of receipt, the City is required to make findings, regardless of whether those funds are committed or uncommitted.

Details of available utility 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, 2019	\$ 438,217
Interest	\$ 21,572
Balance @ June 30, 2020	\$1,215,677
Revenues Received prior to June 30, 2015	\$ 0

The current balance of \$1,215,677 accumulated since 2015-16, including interest, is reserved to supplement for expenditure on undersized water main replacement projects in 2020-21.

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, 2019	\$256,903
Interest	\$ 6,143
Balance @ June 30, 2020	\$ 58,494
Revenues Received prior to June 30, 2015	\$ 0

City Council at the July 9, 2019 meeting approved the project with a projected completion date by December 31, 2022. Total project costs are estimated at approximately \$14.6 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, 2019	\$1,534,941
Interest	\$ 36,550
Balance @ June 30, 2020	\$1,484,519
Revenues Received prior to June 30, 2015	\$ 0

City Council at their March 10, 2020 meeting approved the Lee Owens Park Project and appropriated \$535,000 in Park Impact Fees at that time. The project is anticipated to be complete in January 2021. With the Groves at Whittier in its construction phase, additional fees are continuing to accrue, which will be deposited into this account.

### 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, 2019	\$12,382
Interest	\$ 295
Balance @ June 30, 2020	\$14,458
Revenues Received prior to June 30, 2015	\$ 3,392

Monies received prior to the 2015-16 fiscal year are currently uncommitted and being accumulated to assist with the construction of a new water feature at Lee Owens Park. The project was approved by City Council at their March 10, 2020 meeting. The project is anticipated to be complete in 2020-21.

### 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, 2019	\$260,700
Interest	\$ 6,208
Balance @ June 30, 2020	\$ 56,593
Revenues Received prior to June 30, 2015	\$ 16,863

Monies received prior to June 30, 2015 are currently committed 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 \$14.6 million. Anticipated project completion is projected for December 31, 2022.

### **FISCAL IMPACT**

There is no fiscal impact associated with this report.

### **ATTACHMENTS**

None.