



Agenda Report

City Council

Date: December 13, 2022

To: Brian Saeki, City Manager

From: Alice Hui, Director of Finance

Subject: Annual Assembly Bill 1600 Impact Fee Report

RECOMMENDATION

Approve the 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. The fee is charged pursuant to Resolution No. 2019-27 as below:

<u>Meter Size</u>	<u>Fee</u>
¾ inch	\$2,861
1 inch	\$4,778
1½ inch	\$9,527
2 inch	\$15,249
3 inch	\$28,610
4 inch	\$47,693
6 inch	\$95,357
8 inch	\$152,577

The following shows activities in Fiscal Year 2021-22:

Balance at July 1, 2021	\$ 2,529,252
Add: Revenues	25,091
Add: Interest	38,483
Less: Expenditures	<u>(81,500)</u>
Balance at June 30, 2022	<u>\$ 2,511,326</u>
 Revenues Received prior to June 30, 2017	 \$ 0

\$81,500 was spent during Fiscal Year 2021-22 on the Water Transmission Main Valve Replacement Phase II Project. The current balance of \$2,511,326 accumulated since Fiscal Year 2017-18, including interest, is reserved to supplement for expenditure on undersized water main replacement projects in Fiscal Years 2022-2023 and 2024.

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. The fee is charged pursuant to Resolution No. 8290 as below:

<u>Proposed Land Use</u>	<u>Impact Fee Per Unit</u>
Detached Dwelling Unit	\$1,017
Attached Dwelling Unit	\$848
Mobile Home Dwelling Unit	\$553

Assisted Care Living Units	\$288
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The following shows activities in Fiscal Year 2021-22:

Balance at July 1, 2021	\$ 0
Add: Revenues	74,962
Add: Interest	<u>(178)</u>
Balance at June 30, 2022	<u>\$ 74,784</u>
 Revenues Received prior to June 30, 2017	 \$ 0

\$74,962 received during the Fiscal Year 2021-22 will be utilized toward the completion of the Central Library Expansion and Remodel project during Fiscal Year 2022-23.

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. The fee is charged pursuant to Resolution No. 8290 as below:

<u>Proposed Land Use</u>	<u>Impact Fee Per Unit</u>
Detached Dwelling Unit	\$5,667
Attached Dwelling Unit	\$4,728
Mobile Home Dwelling Unit	\$3,082
Assisted Care Living Units	\$3,038

The following shows activities in Fiscal Year 2021-22:

Balance at July 1, 2021	\$ 4,699,148
Add: Revenues	417,942
Add: Interest	<u>78,165</u>
Balance at June 30, 2022	<u>\$ 5,195,255</u>
 Revenues Received prior to June 30, 2017	 \$ 444,894

A total of \$3,223,575 including monies received prior to Fiscal Year 2017-18, are being utilized to purchase the property at First Ave in the amount of \$2,383,575 for additional park space along the Greenway Trail East Extension and the property at Whittier Boulevard in the amount of \$840,000 for the expansion of Anaconda Park. The remaining accumulated balance will be further utilized to assist with the acquisition and development of new park facilities within the City.

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. The fee is charged pursuant to Resolution No. 8290 as below:

<u>Residential Land Use</u>	<u>Impact Fee Per Unit</u>
Detached Dwelling Unit	\$46
Attached Dwelling Unit	\$38
Mobile Home Dwelling Unit	\$25
Assisted Care Living Units	\$25

The following shows activities in Fiscal Year 2021-22:

Balance at July 1, 2021	\$ 46,156
Add: Revenues	3,360
Add: Interest	774
Balance at June 30, 2022	<u>\$ 50,290</u>

Revenues Received prior to June 30, 2017	\$ 11,776
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Monies received prior to Fiscal Year 2017-18 are currently uncommitted and being accumulated to assist with the renovation of men's and women's locker rooms at Palm Park Aquatic Center.

Public Use (Community) Facilities

Public Use Facilities Impact fees were established for the construction of additional community center space for general public use. The fee is charged pursuant to Resolution No. 8290 as below:

<u>Residential Land Use</u>	<u>Impact Fee Per Unit</u>
Detached Dwelling Unit	\$963
Attached Dwelling Unit	\$803
Mobile Home Dwelling Unit	\$524
Assisted Care Living Units	\$516

The following shows activities in Fiscal Year 2021-22:

Balance at July 1, 2021	\$ 660,899
Add: Revenues	70,984
Add: Interest	11,695
Balance at June 30, 2022	<u>\$ 743,578</u>

Revenues Received prior to June 30, 2017	\$ 0
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The current balance of \$743,578 accumulated since Fiscal Year 2017-18, including interest, is reserved for the renovation of Broadway Park.

FISCAL IMPACT

There is no fiscal impact associated with this report.

STRATEGIC PLANNING GOAL

Goal 2: Ensure Long-Term Financial Sustainability

Goal 3: Maintain & Enhance Quality of Life

Goal 4: Transparent & Open Government

ATTACHMENTS

None.