



# Agenda Report

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**Date:** December 10, 2019

**To:** Brian Saeki, City Manager

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

**Subject:** Annual Assembly Bill 1600 Impact Fee 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 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 the 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 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, 2018	\$214,959
Interest	\$ 5,650
Balance @ June 30, 2019	\$438,217
Revenues Received prior to June 30, 2014	\$ 6,310

\$6,310 was received prior to the 2014-15 fiscal year (FY) and will be spent on projects to upgrade the water system. The current balance of \$438,217 accumulated since FY 14-15, 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, 2018	\$247,128
Interest	\$ 5,752
Balance @ June 30, 2019	\$256,903
Revenues Received prior to June 30, 2014	\$ 17,808

Monies received prior to the 2014-15 fiscal year are currently uncommitted, but are planned to be utilized towards the Central Library Expansion and Remodel project. City Council at the July 9, 2019 meeting approved the project with a projected completion date by December 31, 2021. 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, 2018	\$1,479,442
Interest	\$ 34,420
Balance @ June 30, 2019	\$1,534,941
Revenues Received prior to June 30, 2014	\$ 99,288

Monies received prior to the 2014-15 fiscal year are currently uncommitted and being accumulated to assist with the acquisition and development of new park facilities within the City. As the Groves at Whittier begins its construction phase, additional fees are anticipated to accrue, which will be deposited into this account. In addition, staff is currently working on the expansion of Lee Owens Park and anticipates utilizing a portion of these funds towards the development and redevelopment 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, 2018	\$11,934
Interest	\$ 278
Balance @ June 30, 2019	\$12,382
Revenues Received prior to June 30, 2014	\$ 3,392

Monies received prior to the 2014-15 fiscal year are currently uncommitted and being accumulated to assist with the development of 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, 2018	\$251,272
Interest	\$ 5,847
Balance @ June 30, 2019	\$260,700
Revenues Received prior to June 30, 2014	\$ 16,863

Monies received prior to June 30, 2014 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.