



Staff Report

TO: City Council
FROM: Jeff Mohlenkamp, Finance Director
DATE: December 1, 2020
SUBJECT: Annual Compliance Report for AB 1600 Development Impact Fees

Background and Analysis:

State of California Assembly Bill 1600 (AB 1600) – the Mitigation Fee Act (Gov. Code, Sections 66000 et seq.) sets forth the standards governing fees charged to address the impacts of development.

The City Council adopted and updated various other development impact fees applicable to new development within the City. The purpose of development impact fees is to finance the design, construction and acquisition of facilities and equipment necessary to accommodate future development.

Development impact fees that are collected are segregated and placed in special funds or accounts, which earn interest. Those funds are held for the facilities for which the fees are collected, in accordance with Government Code Section 66006. This report provides a summary of development fee activity and financial detail regarding each of the projects impacted during FY 2020 (July 1, 2019 through June 30, 2020).

The summary of development fee activity and detail regarding each project is included as Attachment A to this report.

Annual Compliance Reporting for all Development Impact Fees

Government Code Subsection 66006 (b) (1) sets forth the annual compliance reporting requirements as:

For each separate account or fund established pursuant to subdivision (a), 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 the interest earned;

An identification of each public improvement on which fees were expended and the amount of the 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, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete; and

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; and

The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

Fiscal Impact:

This report provides a summary of transaction activity that has already occurred and expenditures on projects previously authorized by the City Council. City staff estimates that the cost to produce this report is approximately \$750.

Recommended Action:

Receive and file the AB 1600 report on development impact fee activity that occurred during the period July 1, 2019 through June 30, 2020.

Attachments:

- A. AB 1600 Report