



STAFF REPORT

MEETING DATE: July 9, 2025

PRESENTER: Josefina Alvarez, Finance Director

SUBJECT: Development Impact Fees Annual Report (AB1600) (JA)

RECOMMENDATION: Council by motion review and approve resolution accepting the Development Impact Fee Annual Report for FY 2024.

EXECUTIVE SUMMARY:

State law sets certain legal and procedural parameters for the charging of development impact fees (“DIFs”). This legislation was passed under Assembly Bill 1600 (AB 1600) and codified as California Government Code Sections (GC §) 66000 through 66020 (“Mitigation Fee Act”). The Mitigation Fee Act requires the City to report on an annual basis on the fees collected and their use. If an agency doesn’t report on these fees, the funds may be at risk.

AB1600 requires that within 180 days after the last day of each fiscal year, agencies must report the following information for each fee:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and the interest earned.
- (E) 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.
- (F) (i) 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.
 - (ii) An identification of each public improvement identified in a previous report pursuant to clause (i) and whether construction began on the approximate date noted in the previous report.

(iii) For a project identified pursuant to clause (ii) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction.

(G) A description of each interfund 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 interfund 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.

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001, the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.

The City must also present this information at a regularly scheduled Council meeting no less than 15 days after making it available to the public.

FISCAL IMPACT:

None.

ATTACHMENTS:

A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 25-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ACCEPTING
DEVELOPMENT IMPACT FEES ANNUAL REPORT 2024 PER GOVERNMENT CODE SECTION
66006**

WHEREAS, Assembly Bill 1600 (AB 1600) which is also known as the Mitigation Fee Act, requires agencies to do an annual report with specific information in regards to each development impact fee; and

WHEREAS, the report must be completed 180 days after the last day of each fiscal year; and

WHEREAS, the report must also be available to the public no less than 15 days prior to the regularly scheduled Council meeting; and

WHEREAS, the City of Kerman has prepared the Development Impact Fee Annual Report 2024 (**Exhibit 'A'**) and made it available to the public as required by the Mitigation Fee Act.

NOW, THEREFORE, be it resolved by the City Council of the City of Kerman as follows:

1. The foregoing recitals are true and correct and incorporated by reference.
2. The Council approves the Development Impact Fee Annual Report 2024 as outlined in **Exhibit 'A'** which is incorporated herein by reference.
3. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting held on the 9th day of July 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Josie Camacho
City Clerk

City of Kerman

Development Impact Fees Annual Report FISCAL YEAR 2024

Government Code Section 6600 (b) (1) requires that If a local agency requires the payment of a fee specified in subdivision (c) in connection with the approval of a development project, the local agency receiving the fee shall deposit it with the other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected. Any interest income earned by moneys in the capital facilities account or fund shall also be deposited in that account or fund and shall be expended only for the purpose for which the fee was originally collected. Within 180 days after the last day of each fiscal year, the City must make available to the public the following information each fiscal year:

- A. A brief description of the type of fee in the account or fund
- B. The amount of the fee
- C. The beginning and ending balance of the account or fund
- D. The amount of the fees collected and the interest earned
- E. 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 public improvement that was funded with fees.
- F. An identification of an approximate date by which the construction of the public improvements with commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- G. 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 upon which the loan will be repaid, and the rate of interest that the account or fund will received on the loan.

The City of Kerman has adopted development impact fees to finance projects to serve new development. The following information is presented to meet the requirements of Government Code section 66006 (b) (1)

A. A brief description of the type of fee in the account or fund

CIP Administration (Fund 110)-This fee is used to cover the cost of staff and consultants for the Capital Improvement Plan and the Annual Development Impact Fee Review.

Facilities Construction (Fund 140)-This fee is used to construct new buildings and purchase additional equipment.

General Plan Impact Fee (Fund 170)-This fee is used to update the General Plan periodically.

Fire Facility (Fund 180)-This fee is collected to build a new station and for equipment for North Central Fire District (NCFD)

Jobs/Housing Mitigation Fee (Fund 300)-This fee is collected to pay for annual interest payments due on the infrastructure improvement loans.

Del Norte Sewer Trunk (Fund 425)-A special sewer trunk is required to serve future developments in the northern area of the City of Kerman due to inadequate capacity of the existing sewer trunk.

Storm Drain Acquisition (Fund 480)- This fee pays for the purchase of property of permanent storm drainage basins.

Storm Drain Facilities (Fund 490)-This fee pays for the construction of storm drain pipelines, manholes and inlets to convey storm water runoff to permanent basins.

Water Front Footage (Fund 520)-This fee is used to reimburse developers who install water mains in boundary streets that are later developed in another project.

Water Oversize (Fund 530)-This fee pays for the cost of installing water mains larger than 8" (inches) in diameter.

Water Major Facilities (Fund 540)-This fee is used for the construction of additional wells within the Sphere of Influence.

Sewer Front Footage (Fund 550)-This fee is used to reimburse developers who install sewer mains in boundary streets that are later developed as part of another project.

Sewer Oversize (Fund 560)-This fee pays for the cost of installing sewer mains larger than 8" in diameter.

Sewer Major Facilities (Fund 570)-This fee is used for future expansion of the Waste Water Treatment Plant (WWTP).

Park Development (Fund 580)-This fee includes landscaping, irrigation, playground equipment and site improvements for any City owned Parks.

Park Development/Quimby (Fund 590)-This fee is collected in lieu of dedication of new land for park development.

Major Streets (Fund 910)-This fee is collected for the installation of a median curb island with median landscaping and irrigation facilities plus the installation of two adjacent twelve foot travel lanes.

Major Streets Signal (920)-This fee is collected for four new traffic signals that are proposed to be installed.

Major Streets RR (Fund 930)-This fee is collected for three new railroad crossing signals that are proposed to be installed.

Outside Travel Lane (Fund 940)-This fee pays for the cost of installing the outside travel lane and shoulder paving on four-lane expressways and arterials where developers install those improvements.

B. The amount of the fee

The amounts of the fees are shown under **Attachment 'A'** which is incorporated by reference.

C. The beginning and ending balance of the account or fund

Beginning and ending balances of each fund are shown under **Attachment 'A'**. The reports include the beginning balance as of Fiscal Year 2021/2022 and ending balance as of Fiscal Year 2023/2024. Fiscal Year 2024/2025 are estimated year end numbers.

D. The amount of the fees collected and the interest earned

Interest is allocated to each fund based on the total fund balance at the end of each quarter. The interest amount is shown under **Attachment 'A'**.

E. 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 public improvement that was funded with fees.

The identification and percentages of each fund expenditures are shown under **Attachment A**. The City currently has reimbursement agreements in place with several developers for public improvements. Developers are in most cases paid annually based on calculations from the City Engineer.

F. An identification of an approximate date by which the construction of the public improvements will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.

On an annual basis the City identifies capital improvements projects to be fully or partially funded with collected Development Impact Fees. Improvements may be constructed approximately 18 months after identification of funds use to allow for design development, permitting and construction advertisement processes.

G. 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 upon which the loan will be repaid, and the rate of interest that the account or fund will received on the loan.

Every fiscal year a \$125,000 loan payment is done from Fund 570 (Sewer Major Facilities) to help cover the SRF Loan Payment for the WWTP Expansion. Loan payments will be made until 2031.

Conclusion

This report provides the information required by Government Code Section 66006 (b) (1). It will be submitted to the City of Kerman City Council for review at a public meeting on July 9, 2025.

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ATTACHMENT 'A' TO FY 2024 DIF ANNUAL REPORT

Fee	FY 2021/2022		FY 2022/2023		FY 2023/2024		FY 24/25 Estimated Revenue ***	FY 24/25 Estimated Interest ***	FY 24/25 Estimated Expenses ***	Public Improvement	% Funded from DIF	FY 24/25 Estimated Fund Balance ***
	Fund	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance						
CIP Administration Facilities Construction General Plan Impact Fee Fire Facility Jobs/Housing Mitigation Fee Del Norte Sewer Trunk Storm Drain Acquisition Storm Drain Facilities Water Front Footage Water Overize	110	\$ 119,156.29	\$ 205,218.29	\$ 226,000.02	\$ 40,000.00	\$ 1,844.43	\$	\$	\$ 50,540.38	PFA Lease Payment	21.02%	\$ 268,444.45
	140	\$ (168,626.82)	\$ 31,778.72	\$ 20,283.46	\$ 110,000.00	\$ 10,000.00	\$	\$	\$			\$ 80,005.54
	170	\$ (286,038.87)	\$ (290,158.67)	\$ (280,178.40)	\$	\$	\$	\$	\$			\$ (270,178.40)
	180	\$ 563,070.33	\$ 694,442.28	\$ 732,780.88	\$ 60,000.00	\$	\$ 6,792.50	\$	\$			\$ 799,573.38
	300	\$ 66,715.64	\$ 67,627.22	\$ 69,376.50	\$	\$	\$	\$	\$			\$ 69,376.50
	425	\$ 47,141.36	\$ 53,695.36	\$ 53,695.36	\$ 9,895.33	\$	\$	\$	\$			\$ 63,590.69
	480	\$ (17,814.60)	\$ 28,544.17	\$ 30,449.01	\$ 10,000.00	\$	\$ 1,074.62	\$	\$			\$ 41,523.63
	490	\$ 370,702.98	\$ 270,991.68	\$ 139,408.99	\$ 85,000.00	\$ 2,544.11	\$ 151,000.00	Developer Reimbursement & Basin J Expansion	100%	\$ 75,953.10		\$
	520	\$ 264,413.88	\$ 277,885.09	\$ 277,885.09	\$ 1,500.00	\$ 2,720.82	\$ 52,000.00	Water Main Across SR180	18%	\$ 230,105.91		\$
	530	\$ 216,338.20	\$ 229,318.43	\$ 238,741.50	\$ 25,000.00	\$ 2,246.88	\$ 238,000.00	Water Main Across SR180	82%	\$ 27,988.38		\$
Water Major Facilities Sewer Front Footage Sewer Overize Sewer Major Facilities Sewer Major Facilities Park Development Park Development/Quimby Major Streets Major Streets Major Streets Signal Major Streets RR Outside Travel Lane	540	\$ 1,659,765.00	\$ 1,974,719.10	\$ 1,898,263.53	\$ 185,000.00	\$ 20,219.50	\$ 322,000.00	Basin C Groundwater Recharge/Well 14	100%	4.76%/42.5%	\$ 1,781,483.03	
	550	\$ 16,599.11	\$ 18,091.20	\$ 20,194.14	\$ 3,500.00	\$ 144.99	\$	\$	\$	Emergency Generators/Well 33		\$ 23,839.13
	560	\$ 131,465.83	\$ 203,362.22	\$ 221,214.35	\$ 45,000.00	\$ 1,331.15	\$	\$	\$			\$ 267,545.50
	570	\$ 94,515.11	\$ 548,983.95	\$ 622,448.04	\$ 150,000.00	\$ 4,452.61	\$ 125,000.00	WWTP Debt Payment	48.91%		\$ 651,900.65	
	580	\$ (181,540.66)	\$ (288,132.77)	\$ (275,127.01)	\$ 225,000.00	\$ 465.47	\$ 159,086.40	PFA/Eastside Community Park	8.32%/1.07	\$ 208,747.94		\$
	590	\$ 215,684.51	\$ 266,690.97	\$ 265,429.36	\$ 60,000.00	\$ 2,578.71	\$ 20,003.90	PFA Lease Payment	8.32%	\$ 308,004.17		\$
	910	\$ 204,371.37	\$ 36,336.91	\$ 76,140.01	\$ 130,000.00	\$ 1,917.39	\$	\$	\$			\$ 208,057.40
	920	\$ 59,635.78	\$ 10,681.42	\$ 17,906.35	\$ 7,000.00	\$ 552.35	\$	\$	\$			\$ 25,458.70
	930	\$ 30,024.62	\$ 15,316.18	\$ 3,492.00	\$ 10,000.00	\$ 528.87	\$ 300,000.00	Developer Reimbursement	100%	\$ (285,979.13)		\$
	940	\$ 65,256.08	\$ 8,479.53	\$ 16,839.88	\$ 25,000.00	\$ 601.48	\$	\$	\$			\$ 42,441.36

***EV 23/24 Audit is complete