



AGENDA REPORT SUMMARY

Meeting Date: February 13, 2024

Subject: Annual Development Impact Fees Report for Fiscal Year 2023

Prepared by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Annual Report on Development Impact Fees for the Fiscal Year 2023 Pursuant to AB1600

Initiated by:

Staff

Fiscal Impact:

None

Environmental Review:

The adoption of the Development Impact Fee Report for the Fiscal Year 2023 Pursuant to AB1600 has been assessed in accordance with the California Environmental Quality Act (Cal. Pub. Res. Code, § 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (14 Cal. Code Regs. § 15000 et seq.) and is categorically exempt from CEQA under CEQA Guidelines, § 15273, which exempts from CEQA fees, rates, tolls, fares and other charges by the local agency for the purpose of meeting financial reserve needs and requirements, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies.

Policy Question(s) for Council Consideration:

- None.

Summary:

- Accept Annual Development Impact Fees Report

Staff Recommendation:

Move to receive the Annual Report on Development Impact Fees for the Fiscal Year 2023



Subject: Annual Development Impact Fees Report for Fiscal Year 2023

Purpose

State law requires the City to make this report available for public inspection at least 10 days before the City Council accepts the report and 180 days after the last day of the fiscal year. Due to the Finance department key personnel turnover, the report is available to for the public to review on the City's website on January 24, 2023.

Background

The attached report provides information on the amount of park-in-lieu fees and traffic impact fees collected, the interest earned on unexpended funds, and the amount of funds expended for the period July 1, 2022, through June 30, 2023. If the City held developer fees for a period greater than five years, the City Council can make findings on an annual basis that uncommitted funds have a specified purpose and that there is a reasonable relationship between the fee and the purpose for which it was charged. As of June 30, 2023, there were no uncommitted funds held by the City for a period greater than five years, and as a result, no findings are needed for this year's report.

Discussion/Analysis

The City has two developer impact fees in place, a Park in-Lieu Fee and a Traffic Impact Fee. The City's Park in-Lieu Fee requires developers to contribute land or an in-lieu fee per parcel when developing or subdividing a property. The City has identified park and recreation facility improvements in its Capital Improvement Program and the bond payments are to be funded with these dollars.

For the traffic impact fee, the City requires developers to pay a fee when a new development generates traffic and meets other requirements described in Section 3.48.040 of the City's Municipal Code. The fees collected are to be used for transportation improvements that are identified in the City's Capital Improvement Program and/or in the Traffic Impact Fee report in effect at the time the traffic impact fee is enacted or as subsequently amended. As of June 30, 2023, the traffic impact fee has a negative balance of \$199,341. This is due to the city did not meet the revenue projection for the year.

Section 66001 of the Government Code requires the City to review and report on the status of the fees collected annually.

Recommendation

Receive the Annual Report on Development Impact Fees for the Fiscal Year 2023