

REPORT TO THE CITY COUNCIL



DATE: November 20, 2018

TITLE: AB 1600 Annual Report - Development Impact Fees and Resolution Making Findings and Reaffirming the Necessity of Certain Development Impact Fees

Prepared by: Viviana Gonzales, Management Analyst

Reviewed by: Linda Kelly, Finance Director

RECOMMENDATION

- 1) Staff Report;
- 2) Entertain questions of Staff and from the City Council;
- 3) Open the Public Hearing;
- 4) Take Public Testimony;
- 5) Close the Public Hearing;
- 6) Review and accept the AB 1600 Annual Report on Development Impact Fees for the period ending June 30, 2018; and
- 7) Adopt a Resolution of the City Council making findings and reaffirming the necessity of certain Development Impact Fees.

BACKGROUND

Government Code section 66000 *et seq.*, commonly known as AB 1600, requires both charter and general law cities imposing development impact fees ("DIFs") to prepare an annual public report providing specific information about those fees. To satisfy this requirement, City Finance Staff annually completes a report documenting the expenditures made with DIFs collected and includes statutorily-required information, such as the beginning and ending balances of each account/fund, the amount of DIFs collected, and interest accrued during the year. Staff has completed the AB 1600 Report (Exhibit 1) for this purpose and recommends acceptance and approval of the report after closing the public hearing.

AB 1600 further requires that five years following the first deposit into an impact fee account/fund (and every fifth year thereafter) the City make certain findings as to any portion of such account/fund which remains unexpended (unspent). The findings must: (1) identify the purpose to which the fee is to be put towards; (2) demonstrate a nexus between the fee and the purpose for which it was originally charged; (3) identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and (4) provide the approximate dates on which the anticipated funding is expected to be deposited into the account/fund.

DISCUSSION

This year, staff prepared the annual AB 1600 Report (Exhibit 1) to meet these five-year requirements for the unexpended amounts in the Fire Suppression and Response Vehicles Fund, Streets, Bridges and Traffic Signal Fund and the Storm Drain Facilities Fund for the following purposes:

Fire Suppression and Response Vehicles Fund monies have been retained by the City due to the high costs associated with the purchase of land, design and construction of a new fire station in the easterly part of the City (Hacienda and Desert View is the general area). A reasonable relationship exists between the need for this fire station and future commercial and residential development because new developments in that part of the City will need fire suppression facilities nearby to adequately protect life and property.

Streets, Bridges and Traffic Signals Fund monies have been retained by the City for the design of two new bridges, design of street improvements along Palm Drive from Pierson Boulevard to Dillon and street improvements for Desert View side walk construction and Indian Avenue widening. A reasonable relationship between the need for new bridges and new street infrastructure project development must continue, because the failure or inability to widen thoroughfares where warranted and the building of new bridges where needed would reduce the level of service traffic flow, create congested conditions, and further restrict or prevent movement.

Storm Drain Facilities Fund monies have been retained by the City to accumulate the amounts needed to comprehensively design and construct storm drains and flood protection projects that are triggered by new development, rather than do so in a piecemeal fashion.

The attached Resolution (Exhibit 2) specifies these findings and City Council's approval thereof. Staff has advised the Desert Valley Builders Association of the status of DIF funds and they approved the report as presented. The AB 1600 report covers Fiscal Year 2017-2018 and the preceding five years, as it pertains to Fire Suppression, Streets Bridges and Traffic Signal and Storm Drain accounts/funds.

FISCAL IMPACT:

As of June 30, 2018, the available fund balances were as follows:

• Fire DIF	\$ 638,764
• Parks DIF	\$ 112,545
• Streets/Traffic Signal/Bridges DIF	\$ 1,781,921
• General Facilities DIF	\$ 92,289
• Law Enforcement DIF	\$ 389,414
• Community Center DIF	\$ 344,476
• Aquatics DIF	\$ 28,608
• Storm Drainage DIF	\$ 241,355

EXHIBIT(S)

- 1) AB 1600 Annual DIF Report – Development Impact Fees Fiscal Year 2017-2018
- 2) Resolution Making Findings and Reaffirming the Necessity of Certain Development Impact Fees
- 3) Copy of Public Hearing Notice
- 4) Copy of letter from Desert Valley Builders Association approving the AB 1600 Annual Affordable Fees Report

