

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Dylan Feik, City Manager
DATE: April 5, 2016
SUBJECT: Development Impact Fees Annual Report in Compliance with Assembly Bill 1600

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

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2 **ISSUE:** To accept and file the 2014-15 Assembly Bill 1600 (AB 1600) development fee
3 report.

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5 **RECOMMENDATION:** Adopt annual development fee report.

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7 **BACKGROUND:** State law (California Government Code Section 66006) requires each
8 local agency that imposes AB 1600 development impact fees to prepare an annual report
9 providing specific information about those fees. The AB 1600 legal requirements stipulate
10 that fees imposed on new development have the proper nexus to any project on which
11 they are imposed. In addition AB 1600 imposes certain accounting and reporting
12 requirements with respect to the fees collected. The fees for accounting purposes must be
13 segregated from the General Fund of the City and from other funds or accounts containing
14 fees collected for other improvements. Interest on each development fee fund or account
15 must be credited to the fund or account and used only for the purpose for which fees were
16 collected.

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18 California Code Section 66006(b) requires the local agency for each separate account or
19 fund, within 180 days after the last day of the fiscal year to make available to the public the
20 following information for the fiscal year:

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- A brief description of the type of the 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 interest earned

- The amount of the expenditures on each improvement
- The amount of any interfund transfers or loans made, 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.

California Government Code Section 66001(d) requires the local agency to file the report every fifth year with respect to the portion of the account remaining unexpended, whether committed or uncommitted.

If the agency no longer needs the funds for the purposes collected, or if the agency fails to make required findings, or perform certain administrative tasks prescribed by AB 1600, the agency may be required to refund, on a prorated basis to owners of the properties upon which the fees for the improvement were imposed, the monies collected for that project and any interest earned on those funds.

The report must also be reviewed by the City Council at a regularly scheduled public meeting not less than 15 days after the information is made available to the public. In addition, notice of the time and place of the meeting shall be mailed at least 15 days prior to the meeting to any interest party who files a written request with the local agency for such a mailed notice. This report was filed with the City Clerk's office and available for public review on March 22, 2016.

DISCUSSION: Development impact fees are charged by a local governmental agency to an applicant in connection with approval of a development project. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a development impact fee program are set forth in Government Code Section 66000-66025 (the Mitigation Fee Act"), the bulk of which was adopted as 1987's AB 1600 and thus commonly referred to as "AB 1600 requirements."

Development fees were adopted 15-20 years ago and were updated to reflect the current costs of public facilities and equipment as well as affordable housing through Ordinance Nos. 704 and 705 in December 2014.

Fees are collected at the time a building permit is issued for the purpose of mitigating the impacts caused by new development on certain public facilities. Facility fees are used to finance the acquisition, construction and improvement of public facilities needed as a result of this new development. A separate fund has been established to account for the impact of new development on each of the following types of public facilities: public safety, administrative facilities, fire, police, transportation, affordable housing, cultural/recreation, traffic signal, northwest drainage, water and wastewater. As of June 30, 2015, none of the funds have been held beyond the five year period as described in AB 1600.

66 State law requires the City prepare and make available to the public an annual report for
67 each fund established to account for the Development Impact Fees. The attached report
68 includes the beginning and ending balances by public facility type for the fiscal year, as
69 well as any changes. The report also presents the amount of fees, interest and other
70 income, expenditures and amount of any required refunds made during the fiscal year.

71 The City Council must review the annual report at a regularly scheduled public meeting not
72 less than fifteen days after the information is made available to the public. This report was
73 filed with the City Clerk's office and available for public review on March 22, 2016.

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75 **FISCAL IMPACT:** None.

76

77 **ATTACHMENTS:**

78 1. Draft Resolution

79 2. Description of Development Impact Fees

80 3. Annual Report on Analysis of Changes in Fund Balance for Developer's Impact Fees as
81 of June 30, 2015

RESOLUTION NO. 2016-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, ACCEPTING THE FISCAL YEAR 2014-15 ANNUAL REPORT OF DEVELOPER IMPACT FEES (AB 1600 REPORT)

1 **WHEREAS**, the City of Calistoga imposes fees to mitigate the impact of
2 development pursuant to Government Code Section 66000 et seq.; and

3 **WHEREAS**, said fees collected are deposited into a special and separate
4 capital account for each type of improvement funded by development fees; and

5 **WHEREAS**, the City maintains separate funds for public safety,
6 administrative facilities, fire, police, transportation, affordable housing,
7 cultural/recreational, traffic signal, northwest drainage, water and wastewater;
8 and

9 **WHEREAS**, the City is required within 180 days after the last day of each
10 fiscal year to make available to the public information for the fiscal year regarding
11 these fees under Government Code Section 66006; and

12 **WHEREAS**, City staff has prepared a report (“AB 1600 Report”) that
13 contains the information required by Government Code Section 66006; and

14 **WHEREAS**, no loans were made from any of the accounts identified in the
15 AB 1600 Report; and

16 **WHEREAS**, there were no refunds of development impact fees collected
17 pursuant to Government Code Section 66001 (e), nor were there any allocations
18 of unexpended revenues collected pursuant to Government Code Section 66001
19 (f); and

20 **WHEREAS**, the AB 1600 Report was made available for review on March,
21 22, 2016, more than fifteen (15) days prior to the date the Council considered the
22 AB 1600 Report; and

23 **WHEREAS**, no interested persons have requested notice of the AB 1600
24 Report; consequently no notices of availability of the AB 1600 Report were
25 mailed.

26 **NOW, THEREFORE, BE IT RESOLVED:**

27 Section 1:

28 A. In accordance with Government Code Section 66006, the City has
29 conducted an annual review of its development impact fees and capital
30 infrastructure programs and the City Council has reviewed the AB 1600
31 Report attached hereto as Exhibit A and incorporated therein by this
32 reference.

33 B. The City Council hereby approves, accepts and adopts the AB 1600
34 Report.

35 Section 2: Effective Date: The resolution shall take effect immediately upon
36 adoption.

37 Section 3: Severability. If any section, subsection, sentence, clause, phase or
38 portion of this Resolution is for any reason held invalid or unconstitutional,
39 such decision shall not affect the validity of the remaining portions of this
40 Resolution.

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42 The City Council hereby declares that it would have passed this Resolution
43 and each section, subsection, sentence, clause or phase thereof irrespective
44 of the fact that any one of or more sections, subsections, clauses, or phases
45 be declared unconstitutional on their face or as applied.

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47 **PASSED, APPROVED AND ADOPTED** by the City Council of the City of
48 Calistoga at a regular meeting held this 5th day of April, 2016, by the following
49 vote:

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AYES:

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NOES:

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ABSENT:

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ABSTAIN:

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CHRIS CANNING, Mayor

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56 **ATTEST:**

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KATHY FLAMSON, City Clerk

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