

Exhibit A



# **CITY OF CALISTOGA**

**FY 20-21 Development Impact Fees Annual Report  
For Compliance with Assembly Bill 1600**

December 20, 2021

Prepared by the City of Calistoga Administrative Services Department

## **BACKGROUND:**

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

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

- 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 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 December 30, 2021 and posted on the City's Web page on December 30, 2021.

## **ANALYSIS:**

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: administrative facilities, fire, police, transportation, affordable housing, cultural/recreation, traffic signal, northwest drainage, water and wastewater.

As of June 30, 2021, none of the funds have been held beyond the five-year period as described in AB 1600 and their continued collection is necessary to address the impacts associated with new development.

## **AB 1600 DESCRIPTION OF DEVELOPMENT FEES**

The AB 1600 Development Fee is used only for the construction and the expansion of infrastructure to accommodate growth, not for operating or maintenance costs. Revenue will be used to maintain infrastructure standards for nine capital types in no order of importance:

- City Administrative Facilities
- Fire
- Police
- Transportation
- Affordable Housing
- Cultural/Recreational
- Traffic Signal
- Northwest Drainage
- Water Capacity Charge
- Wastewater Capacity Charge

City Administrative Facilities AB 1600 development fees cover new development’s share of the costs associated with a new City Hall and Community Center facility, including land acquisition.

Fire AB 1600 development fees cover new development's share of the costs associated with the replacement of capital equipment and vehicles. Capital items will depreciate more quickly as new development occurs and the City's service population grows.

Police AB 1600 development fees cover new development's share of the costs associated with the replacement of capital equipment and vehicles. Capital items will depreciate more quickly as new development occurs and the City's service population grows.

Affordable Housing AB 1600 development fees cover new development's share of the costs associated with construction and preservation of affordable to very low-, low- and moderate-income households.

Cultural/Recreational AB 1600 development fees are designed to cover the costs associated with new parks and recreation facilities required to serve future growth in Calistoga.

Transportation AB 1600 development fees cover new development's share of the costs associated with providing infrastructure improvements necessary to accommodate the increase in traffic and bicycle-associated improvements associated with new development.

Traffic Signal AB 1600 development fees will cover future signal and intersection improvements. This fee is no longer collected separately, and the identified signal improvements have been incorporated into the Transportation Fee. Funds collected under this impact fee will be used to facilitate the construction of the traffic signal at the intersection of Foothill Boulevard and Petrified Forest Road. Once the fees collected have been expended this impact fee account will be closed.

Northwest Drainage AB 1600 development fees are used to fund the design and construction of drainage infrastructure improvements to mitigate the impact of new development.

Water Capacity fees are used to fund the design and construction of water supply, water treatment and distribution system infrastructure improvements to cover costs associated with new development.

Wastewater Capacity fees are used to fund the design and construction of wastewater treatment, collection and disposal infrastructure improvements to cover costs associated with new development.

Attachment 1.A reflects the Annual Report and Analysis of Changes in Fund Balance for Developer's Impact and Capacity Fees for the Fiscal Year Ending June 30, 2021.

**City of Calistoga**  
**Annual Report on Developers' Funds Per GC 66000**  
**Analysis of Changes in Fund Balance/Working Capital Including beginning and ending balances, fees collected and interest earned**  
**For the Fiscal Year Ended June 30, 2021**

	City Administrative Facilities	Fire	Police	Transportation	Affordable Housing	Cultural /Recreational	Traffic Signal	North West Drainage	Water	Wastewater
<b>Revenues:</b>										
Charges for services	\$ 23,774	\$ 19,486	\$ 5,192	\$ 63,115	\$ 7,459	\$ 53,061	\$ -	\$ -	\$ 38,105	\$ 56,785
Miscellaneous	-	-	-	-	423,256	-	-	-	-	-
Interest	219	144	237	2,251	1,530	260	554	10	25,644	-
<b>Total revenues</b>	<b>23,993</b>	<b>19,630</b>	<b>5,429</b>	<b>65,366</b>	<b>432,245</b>	<b>53,321</b>	<b>554</b>	<b>10</b>	<b>63,749</b>	<b>56,785</b>
<b>Expenditures:</b>										
Current:										
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	239,374	163,770
Housing	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	68,000	-
Interest	-	-	-	-	-	-	-	-	87,121	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374,495</b>	<b>163,770</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>23,993</b>	<b>19,630</b>	<b>5,429</b>	<b>65,366</b>	<b>432,245</b>	<b>53,321</b>	<b>554</b>	<b>10</b>	<b>(310,746)</b>	<b>(106,985)</b>
<b>Other financing sources (uses):</b>										
Debt Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	512	-	-	-	-	310,746	-
Transfers out	(19,636)	-	-	(133,561)	-	(74,945)	(158,847)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(19,636)</b>	<b>-</b>	<b>-</b>	<b>(133,049)</b>	<b>-</b>	<b>(74,945)</b>	<b>(158,847)</b>	<b>-</b>	<b>310,746</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>4,357</b>	<b>19,630</b>	<b>5,429</b>	<b>(67,683)</b>	<b>432,245</b>	<b>(21,624)</b>	<b>(158,293)</b>	<b>10</b>	<b>-</b>	<b>(106,985)</b>
<b>Fund balance, July 1</b>	<b>64,527</b>	<b>25,822</b>	<b>69,029</b>	<b>776,286</b>	<b>1,347,519</b>	<b>103,557</b>	<b>332,694</b>	<b>3,298</b>	<b>-</b>	<b>588,035</b>
<b>Fund balance, June 30</b>	<b>\$ 68,884</b>	<b>\$ 45,452</b>	<b>\$ 74,458</b>	<b>\$ 708,603</b>	<b>\$ 1,779,764</b>	<b>\$ 81,933</b>	<b>\$ 174,401</b>	<b>\$ 3,308</b>	<b>\$ -</b>	<b>\$ 481,050</b>