

DATE ISSUED: January 24, 2001

REPORT NO. 01-010

ATTENTION: Honorable Mayor and City Council
Docket of January 30, 2001

SUBJECT: Developer Fees FY 2000 Annual Report

SUMMARY

Issue - Should the City Council adopt a resolution accepting the attached developer fees reports for Fiscal Year 2000 and make findings related to unexpended balances as required in the California Government Code 66001?

Manager's Recommendation - Adopt the resolution accepting the attached reports and make findings as required by the California Government Code.

Other Recommendations - None with this action.

Fiscal Impact - None with this action.

BACKGROUND

The purpose of this Manager's Report, and the accompanying attachments, is to fulfill State mandated annual reporting and disclosure requirements with respect to the imposition of development impact fees by local governments.

DISCUSSION

The California Government Code requires that local agencies that impose fees in connection with the approval of development projects make certain information available to the public on an annual basis. This section of the Government Code requires that the following be disclosed: a) a brief description of the type of fee in the fund; b) the amount of the fee; c) the beginning and ending balance of the fund; d) the amount of 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; and f) an identification of an approximate date by which the construction of the public improvement will commence if the public agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement.

Reports 1 through 3 relate to Development Impact Fees, Park Development Fees, and Urban Impact Fees. Reports 4 and 5 relate to the Sewerage Utility Expansion fund and the Water Utility Expansion fund. These reports were made available to the public in the City Clerk's Office on December 20, 2000.

Section 66001 of the Government Code mandates additional disclosure with respect to any fees collected and remaining unexpended in the fifth year after collection. For this category, whether the fees are committed or not, the following findings must be made: 1) identify the purpose to which the fee is to be put; 2) demonstrate a reasonable relationship between the fee and the purpose for which it is charged; and 3) identify all sources and amounts of funding anticipated to complete financing in incomplete improvements and the approximate dates on which such funding is expected to be deposited into the appropriate fund. When sufficient funds have been collected to complete financing of incomplete public improvements and the improvements remain incomplete, the agency is required to identify an approximate date by which construction of the public improvement will be commenced, or shall refund to the then current owners of record the unexpended portion of the fee and interest accrued thereon with limited exception. Required findings for funds collected over five years ago are contained in Attachment 6.

ALTERNATIVE

Do not accept the attached reports.

Respectfully submitted,

S. Gail Goldberg, AICP
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/CMG

Attachments: 1. Report #1 Development Impact Fee (Planned Urbanizing)
 2. Report #2 Park Development Fees 3. Report #3 Urban Impact Fees
 4. Report #4 Sewerage Utility Expansion Fund
 5. Report #5 Water Utility Expansion Fund
 6. Findings
 7. Fee Schedule

Note: Only Attachment 6 is available in electronic format. Copies of Attachments 1, 2, 3, 4, 5, and 7 are available for review in the Office of the City Clerk.

FINDINGS FOR FUNDS COLLECTED OVER FIVE YEARS AGO
DEVELOPMENT IMPACT FEES FISCAL YEAR 2000 ANNUAL REPORT

1. What is the purpose of the Impact Fee? The proposed Impact Fees are to ensure that new development provide its fair share funding for community public facilities.
2. What is the use to which the fee is to be put? The Impact Fees will be used to finance transportation, park and recreation, or library facilities as indicated in each fund explanation.
3. What is the reasonable relationship between the fee's use and the type of development project on which the fee is imposed? The Impact Fees will be used to provide for a fair share contribution for community infrastructure projects needed to serve both residential and non-residential development.
4. What is the reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed?
 - Transportation Projects: Both residential development and non-residential development utilize the community's transportation system which requires various street projects, traffic signal interconnect systems, landscaping, and medians.
 - Park and Recreation Projects: Residential development utilizes the community's parks and improvements are necessary based on the population build-out and the General Plan standards to maintain the existing levels of services.
 - Library Projects: residential development utilizes the community libraries and expansions are necessary based on the population build-out and the General Plan standards to maintain the existing levels of service.

The following funds have unexpended net balances as of June 30, 2000. The reasons for these unexpended funds and the actions taken are discussed below.

Western Otay Mesa Impact Fee Fund 39067 - \$62,256.46

Funds have been allocated for CIP 29-481.0 "Robinhood Ridge Neighborhood Park Development," CIP 52-672.0 "New Heritage Road (Otay Valley Road) - Central," and CIP 52-681.0 "Ocean View Hills Parkway Improvements." Each of these projects is under construction by developers. Funds will be used to reimburse the developers per reimbursement agreements.

Skyline/Paradise Impact Fee Fund 79509 - \$2,957.11

These funds are appropriated in CIP 52-654.0 "Lisbon Street - Imperial Avenue to 217 Feet East of 71st Street" and have been expended on Preliminary Engineering costs incurred during the first five months of FY 2001. The balance of funds will be expended during FY 2001.

Ocean Beach Impact Fee Fund 79516 - \$17,266.09

Funds have been allocated for CIP 53-461.0 "Ocean Beach Architectural Barrier Removal" and for CIP 35-100.0 "Ocean Beach Library Expansion Site Study" and will be expended in FY 2001.

San Ysidro Impact Fee Fund 79518 - \$45,960.48

These funds have been allocated to CIP 52-650.0 "San Ysidro Boulevard Improvements," CIP 29-461.0 "San Ysidro Athletic Area Improvements," and CIP 35-093.0 "San Ysidro Branch Library Improvements." Expended FY 2001 year-to-date is \$36,228.03; with the remaining funds to be expended during FY 2001.

Mission Valley Impact Fee Fund 79529 - \$556,890.68

These funds have been allocated to CIP 35-092.0 "Mission Valley Library" with a scheduled construction start in FY 2001. Estimated construction costs for the library is \$6,447,683. Of this \$1,700,000 of expenses will be incurred during FY 2001.

Kearny Mesa Impact Fee Fund 79530 - \$913,387.63

Funds have been allocated for CIP 35-089.0 "Serra Mesa Branch Library," CIP 52-483.0 "Kearny Villa Road - 200 Feet North of SR-52," and for CIP 62-292.9 "Traffic Signal and Street Lighting at Kearny Villa road and SR-52 On/Off Ramp." Design funds have been expended on each project.

The proposed site for the Serra Mesa Library is undergoing environmental/mitigation review. Currently \$3.003 million in DIF funds have been identified for the project. It is anticipated that additional funding to construct the library will be identified and received in the next five years. Public Buildings Division is currently working with the Council Office to identify a possible alternative site.

Sorrento Hills Park Development Fund 39093 - \$6,758.93

Funds will be allocated to fund a portion of Sorrento Hills share of CIP 29-764.0 "Carmel Valley Community Park-South." The project is scheduled for land acquisition, design and construction in FY 2001.