

DATE ISSUED: January 5, 2005

REPORT NO. 05-003

ATTENTION: Honorable Mayor and City Council  
Docket of January 11, 2005

SUBJECT: Developer Impact Fees FY 2004 Annual Report

#### SUMMARY

Issue - Should the City Council adopt a resolution accepting the attached developer fees reports for Fiscal Year 2004 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 November 16, 2004.

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 of 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,

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S. Gail Goldberg, AICP  
Planning Director

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Approved: George I. Loveland  
Assistant City Manager

GOLDBERG/CMG

Note: Attachment 6 is available in electronic format.

- 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: Because of their bulk, the attachments are included with copies distributed to the City Council and the City Clerk. Copies of the attachments may be requested from the Facilities Financing Section of the Planning Department at 533-3670.

FINDINGS FOR FUNDS COLLECTED OVER FIVE YEARS AGO  
DEVELOPMENT IMPACT FEES FISCAL YEAR 2004 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 guidelines 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 guidelines to maintain the existing levels of service.

The following funds have unexpended net balances as of June 30, 2004. The reasons for these unexpended funds and the actions taken are discussed below.

**San Pasqual Valley Development Impact Fee Fund 39068 - \$6,970.02**

It is projected that administrative costs associated with project review and development impact fee fund management will offset the existing fund balance.

**Navajo Development Impact Fee Fund 79506 - \$148,949.88**

During the first months of Fiscal Year 2005, construction of Pershing Middle School Joint Use Improvements, CIP 29-531.0, has utilized Development Impact Fee funds in the amount of \$345,000.

**Torrey Pines Development Impact Fee Fund 79527 - \$367,904.46**

Resolution R-299681 approved the advertising for bids and award of contract for the construction of Carmel Valley Road Enhancements, Work Order No.52-517.0. Torrey Pines Development Impact Fee funds in the amount of \$162,000 are appropriated for this project.

On-going expenditures for CIP 52-686.0, "Del Mar Heights Road Center Median" will continue to be supported by the \$455,000 of Development Impact Fee funds appropriated to the project.

**Kearny Mesa Development Impact Fee Fund 79530 - \$2,990,550.99**

Resolution R-299652 approved the plans and specifications for construction of the Serra Mesa Library and authorized appropriations for a total of \$3,800,000 from Kearny Mesa Development Impact Fee Fund 79530 for construction of the Library.