



City of Rialto

Legislation Text

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For City Council Meeting [April 24, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb R. Steel, Interim City Administrator

Request City Council to Adopt **Resolution No. 7320** Approving Fiscal Year 2016/17 AB 1600 Development Impact Fee Report and Making Certain Findings.

BACKGROUND:

In accordance with AB 1600 (codified in Government Code § 66000 et seq. and identified as the “Mitigation Fee Act”), the City imposes development impact fees on new development in order to finance various public improvements mitigating the impact of new development on the community. The City deposits development impact fees into special revenue accounts for each improvement category funded by the development impact fees. California Government Code Section 66006 requires each local agency that imposes development impact fees to prepare an annual report providing specific information regarding the collection and expenditure of the fees (the “AB 1600 Report”).

California Government Code Section 66006(b) requires that, for each separate fund, the local agency shall publish the following information for each fiscal year:

- A brief description of the type of 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.
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, 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.

- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues that exceeded the amount to be refunded.

On September 10, 2013, the City Council adopted Ordinance 1532 adding Section 3.33 to the Rialto Municipal Code, revising the standards for imposition of Development Impact Fees. Ordinance 1532 increased the number of Development Impact Fees the City may impose from twelve to thirteen by adding a Local Traffic Impact Fee.

- 1. Parks and Recreation Development Impact Fees (RMC 3.33.150)**
The Parks and Recreation Development Fund collects fees for the costs of acquiring, improving, and expanding parks, playgrounds, and recreational facilities.
- 2. Regional Traffic Impact Mitigation Development Fee (RMC 3.33.160)**
The Regional Traffic Impact Mitigation Development Fund collects fees for the costs of the constructing transportation facilities associated with the regional traffic network.
- 3. Local Traffic Development Impact Fee (RMC 3.33.170)**
The Local Traffic Development Impact Fund collects fees for the cost of designing, upgrading or improving the city's local traffic network.
- 4. Street Median Development Fee (RMC 3.33.180)**
The Streets and Median Development Fund collects fees for the costs of constructing and expanding street medians along major arterials.
- 5. General Municipal Facilities Development Fee (RMC 3.33.190)**
The General Municipal Facilities Development fund collects fees for the actual or estimated costs of constructing and improving the general municipal facilities within the City, including any required acquisitions of land.
- 6. Library Facilities Development Fee (RMC 3.33.200)**
The library facilities development fund collects fees for the actual or estimated costs of the acquisition, expansion, and construction of library facilities.
- 7. Law Enforcement Facilities Development Impact Fee (RMC 3.33.210)**
The Law Enforcement Services Development Fund collects fees for the cost of law enforcement facilities, equipment, and training.
- 8. Fire Protection Facilities Development Fee (RMC 3.33.220)**
The Fire Protection Services Development Fund collects fees for the cost of fire protection facilities and equipment.
- 9. Open Space Development Impact Fee (RMC 3.33.230)**
The Open Space Development Fund collects fees for the costs of acquiring open space as

well as grading, irrigation and turfing costs associated therewith.

10. Sewage Collection Facilities Development Impact Fee (RMC 3.33.240)

The Sewage Collection Facilities Development Fund collects fees for the cost of constructing and improving sewage collection facilities within the City, including any required acquisition of land.

11. Sewage Treatment Facilities Development Impact Fee (RMC 3.33.250)

The Sewage Treatment Facilities Development Fund collects fees for the cost of constructing and improving sewage treatment facilities within the City, including any required acquisition of land.

12. Domestic and Recycled Water Facilities Development Fee (RMC 3.33.260)

The Water Holding and Distribution Development Fund collects fees for the cost of constructing and improving the water holding and distribution facilities within the City, including any required acquisition of land.

13. Storm Drain Facilities Development Impact Fee (RMC 3.33.270)

The Storm Drain Facilities Development Fund collects fees for the cost of constructing and improving storm drain facilities within the City, including any required acquisition of land.

ANALYSIS/DISCUSSION:

Staff prepared the FY16/17 AB 1600 Report (**Exhibit A**) and made it available for public review. On April 9, 2018, the City Clerk posted a notice of availability of the AB 1600 Report and noticed the meeting for April 24, 2018 to consider approval of the AB 1600 Report, pursuant to Government Code Section 66006(b)(2) (**Exhibit B**).

The AB 1600 Report contains information on the revenues and expenditures during FY16/17. The AB 1600 report substantially complies with the annual reporting requirement of Government Code Section 66006(b). The Mitigation Fee Act establishes eight reporting requirements or findings that a local agency must make each fiscal year:

1. Create separate capital facilities funds or accounts for each improvement funded with impact fees. Funds must be spent solely on the purpose for which the fee was originally collected (Government Code Section 66006(a)).
2. Any interest income earned by the fees shall accrue and be kept in the same fund; interest income must be spent solely on the purpose for which the fee was originally collected (Section 66006(a)).
3. Within 180 days after the close of each fiscal year, prepare a public report concerning each impact fee. Such report must include the fund's beginning and ending balance for the fiscal year, amount of fees and interest deposited into the fund for the fiscal year, and a description of each expenditure from the fund for that year, including identification of the improvement being funded (Section 66006(b)).
4. Review the report at a public meeting (Section 66006(b) (2)).

5. If fees remain unexpended or uncommitted five years after being collected, the local agency must make a finding that there remains a reasonable relationship between the current need for the fees and the purposes for which they were originally collected (Section 66001 (d)).
6. Refund to current owners of lots, units or developed projects any fees, with accrued interest, for which continued need cannot be demonstrated (Section 660001 (e)).
7. A local agency must not commingle fees with any other revenue, except for temporary investment purposes (Section 66006(a)).
8. A local agency may not spend impact fees for maintenance or operation of improvements funded with impact fees (Section 65913.8).

The City is unable to make one finding because both annual reports were not completed and presented to the City Council within 180 days after closure of the fiscal year ending June 30 pursuant to Section 66006 (b) and RMC Section 3.33.140.

The following impact fees have existing balances for each fiscal year that may include unexpended or uncommitted funds collected in the last five years:

- Parks and Recreation Development Impact Fee
- Regional Traffic Development Impact Fee
- Street Median Development Impact Fee
- General Municipal Facilities Development Impact Fee
- Library Facilities Development Impact Fee
- Law Enforcement Facilities Development Impact
- Fire Protection Facilities Development Fee
- Open Space Development Impact Fee
- Sewage Collection Facilities Development Impact Fee-
- Storm Drain Facilities Development Impact Fee

For each of the above impact fees listed with existing balances, the City has on-going or future projects that require funding from impact fees. Attached is a list of such projects (**Exhibit C**). The resolution finds that a reasonable relationship exists between the unexpended or uncommitted funds collected in the last five years and the purposes for which they were originally collected.

ENVIRONMENTAL IMPACT:

The approval of the AB 1600 Report is an administrative action that will not result in any potentially significant change to the environment. Pursuant to Section 15378 of the California Environmental Quality Act. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto General Plan has four Guiding Principals as well as several Goals and Objectives through which the City looks to improve the appearance of the community and protect the quality of life for our residents. The collection of Development Impact Fees for additional public facilities to accommodate growth is consistent with the following guiding principles, goals, and objectives

contained in the General Plan:

Guiding Principals

- Essential community services and amenities must meet the needs and desires of our families.
- Infrastructure keeps pace with our growth.

Goals and Objectives

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and Resolution.

FINANCIAL IMPACT:

The proposed action to approve the annual AB 1600 Report is an administrative action by the legislative body to review, receive, and file an annual accounting of the Development Impact Fee accounts. There is no fiscal impact.

RECOMMENDATION:

Staff recommends the City Council Adopt a Resolution approving the FY16/17 AB1600 Development Impact Fee Report (**Exhibit D**).