



**CITY OF HUNTINGTON BEACH
SUPPLEMENTAL COMMUNICATION
FINANCE DEPARTMENT**

TO: Honorable Mayor and City Council Members
FROM: Dahle Bulosan, Chief Financial Officer 
DATE: December 21, 2021
SUBJECT: SUPPLEMENTAL COMMUNICATION RE AGENDA ITEM 21-982

Please note the date correction from January 21, 2020 to December 21, 2021 on page 3 of Resolution No. 2021-75, "A Resolution No. 2021-75, "A Resolution of the City Council of the City of Huntington Beach to Accept and Approve the Development Impact Fee Report for Fiscal Year Ending June 30, 2021 and to Make the Findings as Required by Government Code Section 66006(b) and 66001(d)" including Exhibit A, "Development Impact Fee Report."

**SUPPLEMENTAL
COMMUNICATION**

Meeting Date: 12/21/21

Agenda Item No.: 12(21-982)

RESOLUTION NO. 2021-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH TO
ACCEPT AND APPROVE THE DEVELOPMENT IMPACT FEE REPORT FOR FISCAL
YEAR ENDING JUNE 30, 2021 AND TO MAKE THE FINDINGS AS REQUIRED BY
GOVERNMENT CODE SECTION 66006(b) AND 66001(d)

WHEREAS, City has received and expended reportable development impact fees as authorized by Government Code Section 66000, *et. seq.*; and the Huntington Beach Municipal Code; and

In accordance with Government Code Section 66006(a), the City has established and maintained separate funds for each development impact fee in a manner to avoid any commingling of the fees with other revenues and funds for the City, except for temporary investments, and has expended those fees solely for the purpose for which the fees were collected; and

Pursuant to Government Code Section 66006(b)(1), the City is required to prepare and make available to the public within one hundred eighty (180) days after the last day of each fiscal year, information describing the type of fee in each 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, and details regarding the use of the fees; and

Pursuant to Government Code Section 66001(d)(1), the City is required, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, to make specified findings with respect to that portion of the account or fund that remains unexpended, whether committed or uncommitted; and

Pursuant to Government Code Section 66001(d)(2), the fifth year findings must be made in connection with the public information required by Government Code Section 66006(b); and

Pursuant to Government Code Section 66006(b)(2), the City must review the information made available to the public pursuant to Section 66006 at a regularly scheduled public meeting occurring not less than 15 days after the information is made public; and

Pursuant to Government Code Section 66001(e), except as otherwise provided by law, when sufficient funds have been collected, as determined pursuant to Government Code Section 66006(b)(1)(F), to complete financing on an incomplete public improvement identified in Government Code section 66001(a)(2), and the public improvements remain incomplete, the City must identify an appropriate date by which the construction of the public improvements will be commenced, or must refund to the then current record owner or owners of the lots or units of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon; and

The Development Impact Fee Report for Fiscal Year End June 30, 2021 (the "DIF Report") attached hereto as Exhibit "A", provides the information required by Government Code

Section 66006(b) to be made available to the public on an annual basis for the following development impact fees:

- A Law Enforcement Facilities Development Impact Fee as approved by Ordinance No. 3942, passed on July 2, 2012 and codified in Chapter 17.75 of the Huntington Beach Municipal Code, to fund the costs of providing police services attributable to new residential and nonresidential construction
- A Fire Facilities Development Impact Fee as approved by Ordinance No. 3943 Development Impact Fees for Fire Facilities, passed on July 2, 2012 and codified in Chapter 17.74 of the Huntington Beach Municipal Code, to fund the costs of providing additional fire suppression/medic facilities, vehicles and specialty equipment attributable to new residential and nonresidential construction
- A Fair Share Traffic Impact Mitigation Fee as approved by Ordinance No. 3944, passed on July 2, 2012 and codified in Chapter 17.65 of the Huntington Beach Municipal Code, to ensure that the adopted Level of Service standards for arterial roadways and signalized intersections are maintained when new development is constructed within the City limits and that new developments pay their fair share toward short- and long-term transportation improvements
- A Library Development Impact Fee as approved by Ordinance No. 3945, passed on July 2, 2012 and codified in Chapter 17.67 of the Huntington Beach Municipal Code, to fund the costs of expansion of the amount of library space and the number of collection items attributable to new residential construction
- A Parkland Acquisition and Park Facilities Development Impact Fee, as approved by Ordinance No. 3946, passed on July 2, 2012 and codified in Chapter 17.76 of the Huntington Beach Municipal Code, to fund the costs of providing the acquisition, relocation and expansion of parkland and park facilities development attributable to new residential and nonresidential construction
- A Sanitary Sewer Facilities Fee, pursuant to Chapter 14.36 of the Huntington Beach Municipal Code, to fund sewer capacity enhancements to accommodate new development requiring service from the City sewer system
- A Drainage Facilities Fee, pursuant to Section 14.48.050 of the Huntington Beach Municipal Code, restricted to use for drainage system enhancements

The DIF Report was made available to the public on December 2, 2021, more than 15 days prior to the regularly scheduled meeting held on December 21, 2021, of the City Council of the City of Huntington Beach; and

The City first collected and deposited fees in Fiscal Year 2012-13; and

The City Council now wishes to accept the DIF Report and to make requisite findings relating to unexpended funds for the five-year period ending with Fiscal Year June 30, 2021.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Huntington Beach, the following:

1. The foregoing recitals and determinations are true and correct.
2. The City has timely made available to the public the requisite information and proposed findings concerning the development impact fees received, deposited, invested and expended by the City.
3. The City Council at its regularly scheduled public meeting of December 21, 2021, has publicly reviewed the following information as contained in the DIF Report and finds that it complies with Government Code Section 66006(b), establishing the requirements for annual reporting on development impact fees:
 - a. A brief description of the type of fee in the account or fund;
 - b. The amount of the fee;
 - c. The beginning and ending balance of the account or fund;
 - d. The amount of the fees collected and interest earned;
 - e. 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;
 - f. 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;
 - g. 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; and
 - h. The amount of any 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 exceeding the amount to be refunded.
4. The City Council finds that the DIF Report contains the following requisite information to support making the findings relating to unexpended funds, pursuant to Government Code Section 66001(d) as of the end of Fiscal Year 2020-21:
 - a. Identify the purpose to which the fee is to be put;
 - b. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
 - c. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and

- d. Designate the approximate dates on which the anticipated funding is expected to be deposited into the appropriate account or fund.
5. The City Council finds that all fees, payments, and expenditures have been collected, deposited, invested and expended in compliance with all applicable provisions of Government Code Section 66000, *et. seq.*
6. The City Council finds that no refunds or allocations of fees are required pursuant to Government Code Section 66001(e).
7. The City Council finds that the City is in compliance with the annual reporting requirements of Government Code Section 66006(b)(1) for Fiscal Year 2020-21.
8. The City Council finds that the City is in compliance with Government Code Section 66001(d) relative to making required fifth year findings for the period beginning in Fiscal Year 2016-17 and ending Fiscal Year 2020-21.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2021.

Mayor

REVIEWED AND APPROVED:

APPROVED AS TO FORM:

City Manager

City Attorney *MV*

INITIATED AND APPROVED:

[Signature]

Chief Financial Officer

EXHIBIT A
DEVELOPMENT IMPACT FEE REPORT

RESOLUTION NO. 2021-75

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Pursuant to Government Code Section 66006(b)(1), the City is required to prepare and make available to the public within one hundred eighty (180) days after the last day of each fiscal year, information describing the type of fee in each 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, and details regarding the use of the fees; and

Pursuant to Government Code Section 66001(d)(1), the City is required, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, to make specified findings with respect to that portion of the account or fund that remains unexpended, whether committed or uncommitted; and

Pursuant to Government Code Section 66001(d)(2), the fifth year findings must be made in connection with the public information required by Government Code Section 66006(b); and

Pursuant to Government Code Section 66006(b)(2), the City must review the information made available to the public pursuant to Section 66006 at a regularly scheduled public meeting occurring not less than 15 days after the information is made public; and

Pursuant to Government Code Section 66001(e), except as otherwise provided by law, when sufficient funds have been collected, as determined pursuant to Government Code Section 66006(b)(1)(F), to complete financing on an incomplete public improvement identified in Government Code section 66001(a)(2), and the public improvements remain incomplete, the City must identify an appropriate date by which the construction of the public improvements will be commenced, or must refund to the then current record owner or owners of the lots or units of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon; and

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2. The City has timely made available to the public the requisite information and proposed findings concerning the development impact fees received, deposited, invested and expended by the City.
3. The City Council at its regularly scheduled public meeting of ~~December~~ January 21, 2021~~0~~, has publicly reviewed the following information as contained in the DIF Report and finds that it complies with Government Code Section 66006(b), establishing the requirements for annual reporting on development impact fees:
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PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2021.

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City Attorney

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