



City of Huntington Beach

File #: 20-1321

MEETING DATE: 1/21/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Dahle Bulosan, Interim Chief Financial Officer

Subject:

Adopt Resolution No. 2020-08 to accept and approve the Development Impact Fee Report for Fiscal Year 2018-19 and Make Government Code Section 66006 and 66001 Findings

Statement of Issue:

Pursuant to the Mitigated Fee Act, (California Government Code Sections 66001 through 66009) the City Council established certain Development Impact Fees (DIFs) that must be paid by developers of property to help offset some (or all) the cost of public facilities related to the development project. The DIFs are for Parkland Acquisition and Park Facilities, Police Facilities, Fire Facilities, and Library; additionally, there are three Public Works facilities improvement fees - Planned Local Drainage, Sanitary Sewer Facilities, and Fair Share Traffic Impact Mitigation program. The Mitigation Fee Act requires the City Council approve an annual report that provides information about the DIFs. These fees are required to be deposited into their own separate accounts or funds. The law also requires that certain findings be made in association with accumulated DIFs after the deposit into their respective account or fund.

Financial Impact:

Not applicable.

Recommended Action:

Adopt Resolution No. 2020-08, "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, 2019 and to Make the Findings as required by Government Code Section 66006(b) and 66001(d)."

Alternative Action(s):

Do not approve the recommendation and direct staff accordingly.

Analysis:

Reporting requirements under California Government Code 66006 specify that the City must prepare annual reports of Development Impact Fees within 180 days of the close of the fiscal year. The

reports must describe the fee, the amount of the fees collected, interest earned, and identification of any expenditures from those funds. The code also specifies that reports must be reviewed by the City Council at a regularly scheduled meeting not less than 15 days following release to the public. The FY 2018-19 Development Impact Fee Annual Report was released for public review on December 23, 2019, (Attachment 1).

Fiscal Year 2018-19 Development Impact Fee Annual Report for Public Works (Planned Local Drainage, Sanitary Sewer Facilities, and Fair Share Traffic Impact Mitigation Fee Program), Parkland Acquisition and Park, Police Facilities, and Fire Facilities and Library Development Impact Fees is attached for your review and approval (Attachment 1). A summary of the fees collected and expenditures incurred in FY 2018-19 are included in the Financial Summary Report section. As these funds are collected and their corresponding fund grows, the restricted funds may be used on projects identified in the City's General Plan, the Master Facilities Plan, or City Council approved development projects.

Use of the funds for the Traffic Impact, Sanitary Sewer and Planned Local Drainage fees is restricted to making system improvements as outlined in the respective master plans for each of the funds. Information contained in the reports conforms to the requirements of the Huntington Beach Municipal Code regarding revenues and expenditures in each fund.

The Public Works Commission reviewed the report at the October 16, 2019, commission meeting and recommended approval by 6-0 vote (Commissioner Small-absent).

Pursuant to the Mitigation Fee Act, a resolution has been prepared to make the required findings associated with any funds that may remain uncommitted. That resolution is attached to this Staff Report and it is requested that the City Council consider adopting the resolution.

Environmental Status:

Not Applicable.

Strategic Plan Goal:

Enhance and maintain infrastructure

Attachment(s):

1. Memo to City Council dated December 23, 2019
2. Resolution No. 2020-08 "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, 2019, and to Make the Findings as Required by Government Code Section 66006(b) and 66001(d)"