



City of Huntington Beach

File #: 21-833

MEETING DATE: 11/17/2021

PUBLIC WORKS COMMISSION REQUEST FOR ACTION

SUBMITTED TO: Chairman and Members of the Commission

SUBMITTED BY: Sean Crumby, PE, Director of Public Works

Subject:

Planned Local Drainage Facilities Fund Annual Compliance Report for Fiscal Year 2020/21.

Statement of Issue:

In accordance with Section 14.48 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Planned Local Drainage Facility Fund (Drainage Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review revenues and expenditures under the program.

Funding Source:

No funding is required for this action.

Recommended Action:

Motion to recommend to the City Council the approval of the Planned Local Drainage Facility Fund Compliance Report for Fiscal Year 2020/21.

Alternative Action(s):

Recommend revisions to the report.

Analysis:

The Planned Local Drainage Facilities Fund (Drainage Fund) is a development fee that is restricted to use for drainage system enhancements. Section 14.48.050 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Drainage Fund. Although the reporting requirement became effective with the adoption of the revised ordinance in September 2006, the Drainage Fund has existed since 1975. The following information covers Fiscal Year (FY) 2020/21.

Fiscal Status

The Drainage Fund advanced \$250,000 to the Redevelopment Agency for improvements in 1987. With interest accrual of \$672,750, the debt amount is currently \$922,750. As a result, the Fund maintained a negative balance over a period of ten years until FY 12/13, when the fund ended with a positive balance. In FY 2019/20, the Drainage Fund ended the year with a balance of \$2,518,623.

On June, 29, 2011, the State of California enacted AB1X26, which dissolves redevelopment agencies and designates Successor Agencies to “wind-down” activities of the former redevelopment agencies under supervision of newly created Oversight Boards. On January, 31, 2012, the City’s Redevelopment Agency presented an initial draft Recognized Obligation Payment Schedule (ROPS) to the Successor Agency. In this case, the City has elected to become the Successor Agency. The debt noted above is included in the list of obligations; however, no payments are scheduled to the Drainage Fund within the presented time frame.

Revenues

Revenue for FY 2020/21 from development was \$217,735 and interest and market adjustments to the fund totaled \$12,285 for total revenue of \$230,020.

Expenditures

Expenditures for FY 2020/21 totaled \$26,749 for consultant fees related to work on the Drainage Master Plan

Conformance with Program Goals and Objectives

The Drainage Fund is intended to implement the goals and objectives of the current Drainage Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of drainage facilities. The Fund is in compliance with these requirements.

Beginning Balance 7/1/20	\$2,518,623
Revenue	
Developer fees	217,735
Interest earned	12,285
Total Revenue	\$230,020
Expenditures	
Drainage Master Plan	(26,749)
Total Expenditures	(26,749)
Ending Balance 6/30/21	\$2,721,894

Rate Schedule

The Drainage Fee for FY 2020/21 was \$14,888 per acre..

Attachment(s):

1. None.