



Meeting Date: 2/19/2020
Agenda Item:

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council
REPORT FROM: Alma Colado, Finance Director **REVIEWED BY:**
AGENDA ITEM: Development Impact Fee Report
ACTION REQUESTED: ___Ordinance ___Resolution Motion ___Receive/File

EXECUTIVE SUMMARY

The Mitigation Fee Act (Government Code Section 66006 et. seq.) requires local agencies to submit an annual report detailing the status of development impact fees. The annual report must be made available to the public within 180 days after the close of the fiscal year, and must be presented to the City Council at least 15 days after it is made available to the public. The Development Impact Fee Annual Report for Fiscal Year ending June 30, 2018 and June 30, 2019 are enclosed herein as Attachment "A".

With the passage of Proposition 13 in 1978 and the resulting decline in local government revenues, local governments have increasingly relied on impact fees in order to mitigate the impacts created by new development. Development impact fees are collected to finance the design, construction and acquisition of facilities and equipment necessary to accommodate future development.

In response to the growing use of impact fees, the state Legislature passed AB 1600 in 1987, the California Mitigation Fee Act, setting forth standards and procedures for how impact fees are imposed, collected and expended. The Mitigation Fee Act requires local governments to segregate and place development impact fees collected in special funds. Those funds are held to finance the construction of the specific facilities for which the fee was imposed. The Mitigation Fee Act also requires local governments to prepare annual reports detailing the status of development impact fees until the funds collected are expended.

The enclosed Development Impact Fees Annual Report provides information on the amount of development impact fees collected and expended, and the interest earned on unexpended funds from July 1, 2017 through June 30, 2019. The City of Kingsburg has nine types of development impact fees. They are:

Water System Development Fee:
Funds the water supply, treatment, and distribution facilities needed to provide potable domestic water and to meet fire flow requirements for new development.

Traffic Capital Facility Fee:
Funds transportation improvements that include arterial streets, intersections, and traffic signals to accommodate new development.

Public Safety Fee:
Funds the acquisition of land for Police and Fire facilities, the upgrade of existing facilities, and the purchase of

vehicles and equipment to accommodate new development.

Specialized Recreation Fee:

Funds the acquisition of land and building for playing fields, open spaces, corridor development, and facility improvements to accommodate new development.

General Government Fee:

Fund the acquisition of land for City Hall, Public Works yard and Library facilities, and the upgrade of existing facilities to accommodate new development.

Sewer Connection Systems Fee:

Funds the connection systems required to provide sanitary sewer service to new development.

Storm Drain System Systems Fee:

Funds drainage facilities for flood control and water management to accommodate new development.

Traffic Impact Zone Fee:

Funds improvements to streets, signals, and ramps due to the development in the K-Mart benefit area.

Park & Recreation

- **Neighborhood Park**
- **Community**

Funds new facilities for park and recreation activities to serve development.

The annual report provides the public with the requisite information as to the status and use of impact fees collected for fiscal year ending June 30, 2018 and June 30, 2019 in compliance with the Mitigation Fee Act.

RECOMMENDED ACTION BY CITY COUNCIL

Council review and accept public comment regarding the FY2017/2018 and FY 2018/19 Development Impact Fee Annual Report and file the subject report with the Office of the City Clerk.

POLICY ALTERNATIVE(S)

N/A

FINANCIAL INFORMATION

<u>FISCAL IMPACT:</u>	
1. Is There a Fiscal Impact?	<u>Yes</u>
2. Is it Currently Budgeted?	<u>Yes</u>
3. If Budgeted, Which Line?	<u>Varies</u>

ATTACHED INFORMATION

1. Development Impact Fee Report for FY 2017/18
1. Development Impact Fee Report for FY 2018/19

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

TRAFFIC CAPITAL FACILITY FEE FUND 210-9601

Beginning Fund Balance, July 1, 2017	\$ 771,842.00
adjustment to beg fund bal	\$ (3,832.00)
	<u>\$ 768,010.00</u>
 Revenues:	
Interest Earnings	\$ 19,151.00
Development Impact Fees	\$ 133,771.00
Total Revenue	<u>\$ 152,922.00</u>
 Expenditures:	
Professional Services	\$ 13,298.00
Transfer to Other Funds	\$ 37,500.00
Capital Expenses	\$ -
Total Expenditures	<u>\$ 50,798.00</u>
 Ending Fund Balance, June 30, 2018	
	<u><u>\$ 870,134.00</u></u>

Planning consultant fees for work on Sphere of Influence (analysis, maps, charts & building permits)

Operational intrafund transfer from Traffic Capital Facilities to General Fund for improvements to main streets and traffic signals.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

PUBLIC SAFETY FUND 210-9609
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Beginning Fund Balance, July 1, 2017	(\$1,492,055.00)
Revenues:	
Interest Earnings	\$0.00
Development Impact Fees	79,598.00
Total Revenue	<u><u>\$79,598.00</u></u>
Expenditures:	
Interest Payable	\$0.00
Transfer to Other Funds	\$18,000.00
Capital Expenses	\$0.00
Total Expenditures	<u><u>\$18,000.00</u></u>
Ending Fund Balance, June 30, 2018	<u><u>(\$1,430,457.00)</u></u>

Operational intrafund transfer from Public Safety to General Fund for new development impact on Police and Fire services.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

SPECIALIZED RECREATION FUND 210-9606

Beginning Fund Balance, July 1, 2017	\$613,990.00
Revenues:	
Interest Earnings	\$0.00
Development Impact Fees	\$94,949.00
Total Revenue	\$94,949.00
Expenditures:	
Servicing Fees	\$0.00
Transfer to Other Funds	\$50,000.00
Capital Expenses	\$0.00
Total Expenditures	\$50,000.00
Ending Fund Balance, June 30, 2018	\$658,939.00

Operational intrafund transfer from Specialized Recreation to General Fund for new development impact on recreation facilities and playing fields.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

WATER SYSTEM FUND 210-9608

Beginning Fund Balance, July 1, 2017	\$635,113.00
adjustment to beg fund bal	\$98,339.00
	<u>\$733,452.00</u>
Revenues:	
Interest Earnings	\$0.00
Development Impact Fees	\$68,649.00
Total Revenue	<u>\$68,649.00</u>
Expenditures:	
Professional Services	\$0.00
Transfer to Other Funds	\$25,000.00
Capital Expenses	\$0.00
Total Expenditures	<u>\$25,000.00</u>
Ending Fund Balance, June 30, 2018	<u><u>\$777,101.00</u></u>

Operational intrafund transfer from Water system to General Fund for new development impact on the cost of new water facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

GENERAL GOVERNMENT FUND 210-9691

Beginning Fund Balance, July 1, 2017	\$ 656,919.00
adjustment to beg fund bal	\$ (9.00)
	<u>\$ 656,910.00</u>
 Revenues:	
Interest Earnings	\$ -
Development Impact Fees	\$ 96,823.00
Total Revenue	<u>\$ 96,823.00</u>
 Expenditures:	
Transfer to Other Funds	\$ 37,500.00
Servicing Fees	\$ -
Capital Expenses	\$ -
Total Expenditures	<u>\$ 37,500.00</u>
 Ending Fund Balance, June 30, 2018	<u>\$ 716,233.00</u>

Operational intrafund transfer from General Government to General Fund for new development growth impact to City Hall and Public works facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

SEWER CONNECTION SYSTEMS FUND 211-9100	
Beginning Fund Balance, July 1, 2017	\$ 1,013,369.00
adjustment to beg fund bal	<u>\$ 14,406.00</u>
	<u>\$ 1,027,775.00</u>
Revenues:	
Interest Earnings	\$ 13,202.00
Development Impact Fees	<u>\$ 33,089.00</u>
Total Revenue	<u>\$ 46,291.00</u>
Expenditures:	
Servicing Fees	\$ -
Transfer to Other Funds	\$ 25,000.00
Capital Expenses	\$ -
Total Expenditures	<u>\$ 25,000.00</u>
Ending Fund Balance, June 30, 2018	<u>\$ 1,049,066.00</u>

Operational intrafund transfer from Sewer system to General Fund for new development growth impact for the expansion of sewer facilities and oversized lines.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

STORM DRAIN SYSTEMS FUND 212-9100
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Beginning Fund Balance, July 1, 2017	\$16,649
adjustment to beg fund bal	\$ 1,630
	<u>\$ 18,279</u>
Revenues:	
Interest Earnings	\$585
Development Impact Fees	\$39,503
Total Revenue	<u>\$40,088</u>
Expenditures:	
Servicing Fees	
Interest	\$0
Capital Expenses	\$0
Total Expenditures	<u>\$0</u>
Ending Fund Balance, June 30, 2018	<u>\$ 58,367</u>

New development impact cost for the expansion of storm drain system facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

<p>TRAFFIC IMPACT ZONE FUND 216-9100</p>

Beginning Fund Balance, July 1, 2017	\$13,404.00
adjustment to beg fund bal	\$ -
	<u>\$13,404.00</u>
Revenues:	
Interest Earnings	\$4.00
Development Impact Fees	\$0.00
Total Revenue	<u>\$4.00</u>
Expenditures:	
Servicing Fees	\$0.00
Capital Expenses	\$0.00
Total Expenditures	<u>\$0.00</u>
Ending Fund Balance, June 30, 2018	<u>\$13,408.00</u>

New development impact cost for the expansion of streets, signals and ramps.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

PARK & RECREATION FUND
NEIGHBORHOOD PARK 214-8100
COMMUNITY 214-8200

Beginning Fund Balance, July 1, 2017	\$246,367.00
adjustment to beg fund bal	\$ -
	<u>\$246,367.00</u>
 Revenues:	
Interest Earnings	\$2,511.00
Development Impact Fees	\$22,692.00
Total Revenue	<u>\$25,203.00</u>
 Expenditures:	
Servicing Fees	\$0.00
Capital Expenses	\$0.00
Total Expenditures	<u>\$0.00</u>
 Ending Fund Balance, June 30, 2018	 <u>\$271,570.00</u>

New development impact cost for the expansion of parks, recreation and community facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

TRAFFIC CAPITAL FACILITY FEE FUND 210-9601

Beginning Fund Balance, July 1, 2018	\$ 870,134.00
adjustment to beg fund bal	\$ -
	\$ 870,134.00

Revenues:	
Interest Earnings	\$ 18,319.00
Development Impact Fees	\$ 73,987.00
Total Revenue	\$ 92,306.00

Expenditures:	
Professional Services	\$ 10,368.00
Transfer to Other Funds	\$ -
Capital Expenses	\$ 56,250.00
Total Expenditures	\$ 66,618.00

Ending Fund Balance, June 30, 2019	\$ 895,822.00
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Planning consultant fees for work on Sphere of Influence (analysis, maps, charts & building permits)
Engineering fees for update ADA transition plan.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

PUBLIC SAFETY FUND 210-9609
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Beginning Fund Balance, July 1, 2018	\$ (1,430,457.00)
Revenues:	
Interest Earnings	\$ -
Development Impact Fees	\$ 31,819.00
Total Revenue	<u>\$ 31,819.00</u>
Expenditures:	
Interest Payable	\$ -
Transfer to Other Funds	\$ -
Capital Expenses	\$ -
Total Expenditures	<u>\$ -</u>
Ending Fund Balance, June 30, 2019	<u>\$ (1,398,638.00)</u>

New development growth impact on Police and Fire services.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

SPECIALIZED RECREATION FUND 210-9606

Beginning Fund Balance, July 1, 2018	\$ 658,939.00
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Revenues:

Interest Earnings	\$ -
Development Impact Fees	<u>\$ 29,070.00</u>
Total Revenue	<u><u>\$ 29,070.00</u></u>

Expenditures:

Servicing Fees	\$ -
Transfer to Other Funds	\$ -
Capital Expenses	<u>\$ 22,977.00</u>
Total Expenditures	<u><u>\$ 22,977.00</u></u>

Ending Fund Balance, June 30, 2019	<u><u>\$ 665,032.00</u></u>
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Engineering design fees for Athwal recreation space.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

WATER SYSTEM FUND 210-9608

Beginning Fund Balance, July 1, 2018	\$ 777,101.00
adjustment to beg fund bal	\$ -
	<u>\$ 777,101.00</u>
Revenues:	
Interest Earnings	\$ -
Development Impact Fees	\$ 25,168.00
Total Revenue	<u>\$ 25,168.00</u>
Expenditures:	
Professional Services	\$ -
Transfer to Other Funds	\$ -
Capital Expenses	\$ -
Total Expenditures	<u>\$ -</u>
Ending Fund Balance, June 30, 2019	<u><u>\$ 802,269.00</u></u>

New development growth impact on the cost of new water facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

GENERAL GOVERNMENT FUND 210-9691

Beginning Fund Balance, July 1, 2018	\$ 716,233.00
adjustment to beg fund bal	\$ -
	<u>\$ 716,233.00</u>
 Revenues:	
Interest Earnings	\$ -
Development Impact Fees	\$ 28,850.00
Total Revenue	<u>\$ 28,850.00</u>
 Expenditures:	
Transfer to Other Funds	\$ -
Servicing Fees	\$ 11,922.00
Capital Expenses	\$ -
Total Expenditures	<u>\$ 11,922.00</u>
 Ending Fund Balance, June 30, 2019	 <u>\$ 733,161.00</u>

Fees for expansion of City Hall to accommodate new growth.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

SEWER CONNECTION SYSTEMS FUND 211-9100

Beginning Fund Balance, July 1, 2018	\$ 1,049,066.00
adjustment to beg fund bal	\$ -
	<u>\$ 1,049,066.00</u>
Revenues:	
Interest Earnings	\$ 10,764.00
Development Impact Fees	\$ 17,115.00
Total Revenue	<u>\$ 27,879.00</u>
Expenditures:	
Servicing Fees	\$ -
Transfer to Other Funds	\$ -
Capital Expenses	\$ -
Total Expenditures	<u>\$ -</u>
Ending Fund Balance, June 30, 2019	<u>\$ 1,076,945.00</u>

New development growth impact for the expansion of sewer facilities and oversized lines.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

STORM DRAIN SYSTEMS FUND 212-9100
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Beginning Fund Balance, July 1, 2018	\$ 58,367.00
adjustment to beg fund bal	\$ -
	<u>\$ 58,367.00</u>
Revenues:	
Interest Earnings	\$ 1,382.00
Development Impact Fees	\$ 109,344.00
Total Revenue	<u>\$ 110,726.00</u>
Expenditures:	
Servicing Fees	\$ -
Interest	\$ -
Capital Expenses	\$ -
Total Expenditures	<u>\$ -</u>
Ending Fund Balance, June 30, 2019	<u>\$ 169,093.00</u>

New development impact for the expansion of storm drain system facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

TRAFFIC IMPACT ZONE FUND 216-9100
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Beginning Fund Balance, July 1, 2018	\$13,408.00
adjustment to beg fund bal	\$ -
	<u>\$13,408.00</u>
Revenues:	
Interest Earnings	\$3.00
Development Impact Fees	\$0.00
Total Revenue	<u>\$3.00</u>
Expenditures:	
Servicing Fees	\$0.00
Capital Expenses	\$0.00
Total Expenditures	<u>\$0.00</u>
Ending Fund Balance, June 30, 2019	<u>\$13,411.00</u>

New development impact for the expansion of streets, signals and ramps.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

PARK & RECREATION FUND
NEIGHBORHOOD PARK 214-8100
COMMUNITY 214-8200

Beginning Fund Balance, July 1, 2018	\$251,570.00
adjustment to beg fund bal	\$ -
	<u>\$251,570.00</u>

Revenues:

Interest Earnings	\$2,305.00
Development Impact Fees	\$14,330.00
Total Revenue	<u>\$16,635.00</u>

Expenditures:

Servicing Fees	\$0.00
Capital Expenses	\$0.00
Total Expenditures	<u>\$0.00</u>

Ending Fund Balance, June 30, 2019	<u>\$268,205.00</u>
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New development impact for the expansion of parks, recreation and community facilities.