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DATE: December 5, 2022

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Corey Garberolio, Deputy City Manager/Finance Director  
Janine Tedrow, Finance and Accounting Manager

SUBJECT: Resolution Accepting the Fiscal Year 2022 Annual Development Impact Fee Report Pursuant to Assembly Bill 1600 and Finding This Action is Not a “Project” Pursuant to Public Resources Code sections 21065 and 21080 and CEQA Guidelines Sections 15378 and 15061(b)(3)

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution Accepting the Fiscal Year 2022 Annual Development Impact Fee Report Pursuant to Assembly Bill (AB) 1600.

### **BACKGROUND**

The Mitigation Fee Act, Government Code §§66000 *et seq.* (the “Act”), governs the establishment and administration of development impact fees paid by development projects which defray all or a portion of the cost of public facilities related to those projects. Fees must be separately accounted for and used for the specific purpose for which they are imposed. Expenditures of collected fees are generally authorized through the annual Capital and Operating Budgets and the City's Capital Improvement Program. The annual adopted City Budget is on file with the City Clerk.

The Act requires the City to make two public reports – an annual report and a five-year report – which account for the fees held by the City. Pursuant to Government Code Section 66006(b), the City has prepared the Fiscal Year 2022 Annual Development Impact Fee Report, which details the account balances and other required information for all six of the City's development impact fees: the Parkland Acquisition Fee, the Parkland Development Impact Fee, the Open Space Acquisition Impact Fee, the City Facilities Development Impact Fee, the Storm Drainage Impact Fee, and the Traffic Development Impact Fee.

### **DISCUSSION**

Pursuant to Government Code section 66006(b), the City's annual impact fee report is required to contain the following information for each fee:

- A. A brief description of the type of fee;
- B. Amount of the fee;
- C. Beginning and ending balance of the fee account;
- D. Amount of fees collected and interest earned;
- E. 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. Identification of an approximate date by which the construction of the public improvement will commence if the City determines that sufficient funds have been collected to complete financing on an incomplete improvement;
- G. Description of each interfund transfer or loan, 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. Amount of refunds made pursuant to the Act's requirements.

The annual development impact fee report for the year ending June 30, 2022 provides this information and is included as Exhibit A to this agenda report.

### **PUBLIC OUTREACH**

The Act requires that the City Council review the annual development impact fee report at the next regular meeting that is no less than 15 days after the report is presented to the public. The FY 2021-2022 report was made available to the public on the City of Petaluma website on November 18, 2022, posted at City Hall, and a copy of the report also was mailed on November 18, 2022 to all persons who had requested mailed notice relating to City fees in accordance with Government Code Section 66006(b)(2). Additionally, this agenda item appeared on a tentative agenda in the previously-published agenda packet, which was publicly noticed through appropriate City communications channels.

### **ENVIRONMENTAL REVIEW**

The City's review and acceptance of the report is not a project under the California Environmental Quality Act pursuant to Public Resources Code sections 21065 and 21080 and CEQA Guidelines Sections 15378 and 15061(b)(3) as reviewing and accepting the report will not result in any direct or indirect physical change in the environment.

### **FINANCIAL IMPACTS**

There are no financial impacts directly related to the recommended action. Depending on development activities there may or may not be direct expenditures for some of these funds. There are, however, fixed costs related to the administration and accounting of the development fees, which have been reported as "City Administrative Costs" and which occur regardless of whether direct expenses have occurred. A summary of all impact fee expenditures during FY 2021-2022 is also included in Exhibit A.

## **ATTACHMENTS**

1. Resolution Accepting the Annual Development Impact Fee Report
  - a. FY21-22 Annual Development Impact Fee Report