

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: May 21, 2024

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To: Honorable Mayor and City Councilmembers
From: Ana Kwong, Administrative Services Director
Toni Bertolero, Engineering Consultant
Subject: AB 1600 Report on Developer Impact Fees

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RECOMMENDATIONS:

Accept and Approve the Annual AB 1600 Report for Fiscal Year 2022-23.

EXECUTIVE SUMMARY:

This item is to request the City Council accept and approve the annual Assembly Bill 1600 (AB 1600) Report for Fiscal Year 2022-2023. This report is typically presented to Council in December following the end of the fiscal year. The December 2023 due date was inadvertently missed and is being submitted at this time.

BACKGROUND AND DISCUSSION:

Cities and Counties normally charge fees on new development projects to fund public improvements, public amenities, and public services. For example, Traffic Mitigation Fees are used to fund transit facilities, streets, bike lanes and sidewalks. These fees are commonly known as “Development Impact Fees” (Developer Fees). In 1989, the State Legislature passed Assembly Bill 1600 (AB 1600) which added Section 66000 to the California Government Code. The chapter sets forth a number of requirements that local governments must follow if they are to collect fees from developers to offset the cost of the construction of public facilities related to development projects. Government Code Sections 66000-66003 apply to developer fees established, increased or imposed on or after January 1, 1989. An “AB 1600 Report” (also referred to as a “nexus” study) regarding the jurisdiction’s use of the Developer Fees that have been collected, and expended, must be prepared and approved within 180 days after the end of the fiscal year, i.e., by December 31, 2023. Unfortunately, the deadline date was inadvertently missed and is therefore being submitted at this time.

STAFF ANALYSIS:

The Art In-Lieu Fee, Park In-Lieu Fee, Traffic Impact Fee, Fire Facilities Fee, General Government Facilities Fee, and Stormwater Facilities Fee that the City of Sebastopol (City) collects qualify as Development Impact Fees and therefore must comply with the above referenced Government Code Sections. As required by law, these fees are segregated and accounted for as Special Revenue Funds and kept separate from the City General Fund. Three of the fees listed above (Fire Facilities, Government Facilities and Stormwater Facilities) were recently established in July 2021.

Government Code Section 66001 requires the City to make available to the public certain information regarding these fees for each fund within 180 days after the end of each fiscal year. Accordingly, this report is presented to the City Council for review and approval. If a local jurisdiction has had possession of a developer fee for five years or more and has not committed that money to a project or actually spent that money, then it must make findings describing the continuing need for that money each fiscal year after the five years have expired. If a local jurisdiction cannot make these required findings, then the city or county must go through a refund procedure. The activities in the above-listed Developer Fees across the most recent five fiscal years as documentation that these fees are being regularly utilized or committed to projects as required are shown in the attachment.

In addition to a report of expenditures, the AB 1600 also needs to identify each public improvement on which the fees were expended, when the 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. The City prepares a 5-year Capital Improvement Program (CIP) and adopts an annual CIP budget. The listing of the public improvements and expended impact fees (as well as future, programmed impact fees) can be found in the City's adopted CIP.

The AB 1600 report was prepared by the Administrative Services Department and is attached to this agenda report.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

FISCAL IMPACT:

Other than miscellaneous staff time, there is no cost to the City to approve this item.

OPTIONS:

This is a State-required report and therefore, therefore, no reasonable alternatives have been identified.

ATTACHMENT:

Annual AB 1600 Report Spreadsheet dated April 29, 2024

APPROVALS:

Department Head Approval:

Approval Date: 5/1/24

CEQA Determination (Planning):

Approval Date: 4/29/24

The proposed action is not a project under the California Environmental Quality Act (CEQA)

Administrative Services (Financial)

Approval Date: 5/1/24

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval:

Approval Date: 5/1/24

City Manager Approval:

Approval Date: 5/3/24

City of Sebastopol
Annual AB 1600 Report
April 29, 2024

		Developer Fee Fund (see Notes 1, 2)							(Note 4)			
		Art in-Lieu 203	Inclusionary & Linkage Housing (see Note 3) 204-205	Building Permit Technology (see Note 3) 122	Building Permit Incremental (see Note 3) 206	General Plan Update (see Note 3) 208	Park In-Lieu 212	Traffic Impact 213	Utility Undergrounding (see Note 3) 214	General Government Facilities Fee Fund 219	Fire Facilities Fee Fund 220	Stormwater Facilities Fee Fund 221
FY18-19	Revenue	\$ 6,770	\$ 14,320	\$ 9,790	\$ 9,311	\$ 7,440	\$ 23,754	\$ 107,850	\$ 5,582	\$ -	\$ -	\$ -
	Expenditures	\$ 2,000	\$ 147,707	\$ 4,651	\$ 7,435	\$ -	\$ 48,095	\$ 259,671	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ 131,196	\$ 131,301	\$ 44,462	\$ 23,964	\$ 76,359	\$ 141,304	\$ 366,566	\$ 237,754	\$ -	\$ -	\$ -
FY19-20	Revenue	\$ 18,745	\$ 13,369	\$ 13,029	\$ 12,592	\$ 14,145	\$ 51,307	\$ 53,423	\$ 5,236	\$ -	\$ -	\$ -
	Expenditures	\$ 7,000	\$ 12,065	\$ 4,490	\$ 1,507	\$ -	\$ 203,147	\$ 52,652	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ 142,941	\$ 132,605	\$ 53,001	\$ 35,049	\$ 90,504	\$ (10,536)	\$ 367,337	\$ 242,990	\$ -	\$ -	\$ -
FY20-21 (see Note 2)	Revenue	\$ 983	\$ 818	\$ 14,951	\$ 13,519	\$ 17,020	\$ 214,799	\$ 59,739	\$ 1,463	\$ -	\$ -	\$ -
	Expenditures	\$ 17,765	\$ 505	\$ -	\$ 180	\$ -	\$ 175,141	\$ 47,593	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ 126,159	\$ 132,918	\$ 67,952	\$ 48,388	\$ 107,524	\$ 29,122	\$ 379,483	\$ 244,453	\$ -	\$ -	\$ -
FY21-22 (see Note 2)	Revenue	\$ (2,327)	\$ (2,512)	\$ 13,581	\$ 11,264	\$ 4,157	\$ 11,065	\$ 9,891	\$ (4,813)	\$ 2,988	\$ 990	\$ 5,486
	Expenditures	\$ 16,680	\$ 6,527	\$ -	\$ -	\$ 90,171	\$ 36,617	\$ 177,428	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ 107,152	\$ 123,879	\$ 81,533	\$ 59,652	\$ 21,510	\$ 3,570	\$ 211,946	\$ 239,640	\$ 2,988	\$ 990	\$ 5,486
FY22-23 (see Note 2)	Revenue	\$ 897	\$ 609	\$ 48,300	\$ 48,380	\$ 137,662	\$ 99,981	\$ 1,935	\$ 1,177	\$ (16)	\$ (5)	\$ 848
	Expenditures	\$ 9,453	\$ 73	\$ 1,257	\$ -	\$ 44,559	\$ 87,172	\$ 37,838	\$ -			
	Ending Balance	\$ 98,596	\$ 124,415	\$ 128,576	\$ 108,032	\$ 114,613	\$ 16,379	\$ 176,043	\$ 240,817	\$ 2,972	\$ 985	\$ 6,334

Notes:

1. Source: City of Sebastopol Audited Financial Statements
2. Audited figures
3. Inclusionary Housing, Building Permit Technology, Building Permit Incremental, Geeral Plan Update, and Utility Undergrounding fees are not subject to the AB 1600 nexus study but are included for historical purposes.
4. Three new impact fees (General Government, Fire Facilities Stormwater Fee Fund) were established by the City in July 2021