

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: December 16, 2025

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

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**RECOMMENDATION:**

Staff recommends that the Council adopt the Annual AB 1600 Report for Fiscal Year 2024-25, as required under Government Code Subsection 66006.

**EXECUTIVE SUMMARY:**

This item is to request the City Council approve the the Annual AB 1600 Report for Fiscal Year 2024–25. The report fulfills the statutory requirement to disclose the collection and use of Development Impact Fees, also known as Developer Fees, and is typically presented to Council in December following the close of the fiscal year.

**BACKGROUND:**

Development Impact Fees are charges imposed on new development projects to fund public infrastructure, amenities, and services necessary to support growth. Common examples include fees for traffic mitigation, parks, fire facilities, stormwater systems, and general government facilities. In 1989, the California Legislature enacted Assembly Bill 1600 (AB 1600), which added Sections 66000–66003 to the Government Code. These provisions establish the legal framework for collecting and using impact fees, requiring local agencies to demonstrate a reasonable relationship—or “nexus”—between the fee and the public improvement it funds.

To comply with these regulations, cities must prepare and adopt an annual report within 180 days of the fiscal year’s end. The report must detail the amount of fees collected, the improvements funded, and the timing and amount of expenditures. For Fiscal Year 2024–25, the deadline for adoption is December 31, 2025.

**DISCUSSION:**

The City of Sebastopol collects several Development Impact Fees, including:

- Art In-Lieu Fee
- Park In-Lieu Fee
- Traffic Impact Fee
- Fire Facilities Fee
- General Government Facilities Fee
- Stormwater Facilities Fee

These fees are maintained in Special Revenue Funds, separate from the General Fund, and are reported annually in the City’s adopted budget. Per Government Code Section 66001, the City must disclose specific financial and project-related information for each fund. If any fee remains unspent for five years or more, the City must make findings each year to justify its continued retention. If such findings cannot be made, the City is required to refund the fee.

**STAFF ANALYSIS:**

Staff has reviewed the Development Impact Fees collected and expended during Fiscal Year 2024–25 and notes that these funds appear to be actively utilized or committed to eligible public improvement projects in alignment with AB 1600 requirements.

The CIP is adopted annually and included in the City’s budget, which is publicly available on the City’s website. The AB 1600 Report, prepared by the Administrative Services Department, is attached to this agenda item and provides detailed accounting for each Development Impact Fee fund.

Staff has verified that no unspent developer fees have exceeded the five-year threshold without being committed to a project. Therefore, no additional findings or refund procedures are required at this time. Three of the fees have been only been collected four years ago: Fire facilities fees, government facilities fee, and stormwater facilities fees. Staff will be including projects using the government facilities fees and the stormwater facilities fees. For the Fire facilities fee, since the Gold Ridge Fire District is now responsible for the building and fire protection services, the City will be looking into transferring those fees to the District for their use.

**BUDGET COMMITTEE REVIEW:**

Not Applicable

**CITY COUNCIL GOALS / PRIORITIES / GENERAL PLAN CONSISTENCY:**

This item advances Goal: Not Applicable

*Action Plan:* Not Applicable

General Plan consistency: Not applicable.

**FISCAL IMPACT:**

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

**COMMUNITY OUTREACH**

This agenda item was noticed in compliance with the Ralph M. Brown Act and made available to the public at least 72 hours in advance of the meeting. The City also promoted the agenda on social media. As of the preparation of this report, no public comments have been received. Any comments submitted after publication will be provided to the Council as supplemental materials prior to or during the meeting.

**RESTATED RECOMMENDATION:**

It is recommended that Council adopts the Annual AB 1600 Report for Fiscal Year 2024-25 prepared to satisfy Government Code Subsection 66006.

**CITY COUNCIL OPTIONS:**

1. Not Applicable

**ATTACHMENTS:**

1. AB 1600 Report

**APPROVALS:**

Department Head Approval: Approval Date: 11/1/25

CEQA Determination (Planning): Approval Date: \_\_\_\_\_

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines.

Administrative Services (Financial):      Approval Date:11/1/25

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

Account Code (if applicable)		
City Attorney Approval	Approval Date:	<u>12/10/25</u>
City Manager Approval:	Approval Date:	<u>12/10/25</u>

**City of Sebastopol**  
**Annual AB 1600 Report**  
**November 1, 2025**

		<b>Developer Fee Fund</b>					
		Art in-Lieu	Park In-Lieu	Traffic Impact	General Government Facilities Fee Fund	Fire Facilities Fee Fund	Stormwater Facilities Fee Fund
		203	212	213	219	220	221
FY20-21 (see Note 2)	Revenue	\$ 983	\$ 214,799	\$ 59,739	\$ -	\$ -	\$ -
	Expenditures	\$ 17,765	\$ 175,141	\$ 47,593	\$ -	\$ -	\$ -
	Ending Balance	\$ 126,159	\$ 29,122	\$ 379,483	\$ -	\$ -	\$ -
FY21-22 (see Note 2)	Revenue	\$ (2,327)	\$ 11,065	\$ 9,891	\$ 2,988	\$ 990	\$ 5,486
	Expenditures	\$ 16,680	\$ 36,617	\$ 177,428	\$ -	\$ -	\$ -
	Ending Balance	\$ 107,152	\$ 3,570	\$ 211,946	\$ 2,988	\$ 990	\$ 5,486
FY22-23 (see Note 2)	Revenue	\$ 897	\$ 99,981	\$ 1,935	\$ (16)	\$ (5)	\$ 848
	Expenditures	\$ 9,453	\$ 87,172	\$ 37,838			
	Ending Balance	\$ 98,596	\$ 16,379	\$ 176,043	\$ 2,972	\$ 985	\$ 6,334
FY23-24 (see Note 2)	Revenue	\$ 3,313	\$ 90,607	\$ 19,638	\$ 3,091	\$ 2,011	\$ 9,553
	Expenditures	\$ 44,884	\$ 114,548	\$ 112,816	\$ -	\$ -	\$ -
	Ending Balance	\$ 57,026	\$ (7,563)	\$ 82,865	\$ 6,063	\$ 2,996	\$ 15,887
FY24-25 (see Note 2)	Revenue	\$ 3,190	\$ 160,080	\$ 145,421	\$ 1,848	\$ 1,150	\$ 9,022
	Expenditures	\$ 35,699	\$ 60,077	\$ 54,037	\$ -	\$ -	\$ -
	Ending Balance	\$ 24,517	\$ 92,440	\$ 174,248	\$ 7,911	\$ 4,146	\$ 24,909

Notes:

1. Source: City of Sebastopol Audited Financial Statements
2. Audited figures