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Title: CONSIDER THE INTERIM DEVELOPMENT IMPACT FEE ANNUAL AND FIVE-YEAR REPORT FOR FISCAL YEAR 2021-2022, PURSUANT TO GOVERNMENT CODE SECTION 66006 (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 - Draft IDIF Program FY 2021-2022 Annual and Five-Year Report

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, January 03, 2023

Consent

SUBJECT:

CONSIDER THE INTERIM DEVELOPMENT IMPACT FEE ANNUAL AND FIVE-YEAR REPORT FOR FISCAL YEAR 2021-2022, PURSUANT TO GOVERNMENT CODE SECTION 66006 (CITY COUNCIL)

I. SUMMARY

State Law (Government Code §66006) requires any local agency that imposes development impact fees to prepare an annual and five-year report providing specific information about those fees. The City’s Interim Development Impact Fee Program (“IDIF Program”) adopted in April 2019 also incorporates the same reporting requirements under Chapter 6 of Article XI of the Carson Municipal Code (under Ordinance No. 19-1931). In accordance with these reporting requirements, the Interim Development Impact Fee Annual and Five-Year Report for Fiscal Year 2021-2022 (“Annual and Five-Year Report”) is prepared for City Council review.

II. RECOMMENDATION

TAKE the following action:

- 1. RECEIVE and FILE.**

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Development impact fees are charged by local governmental agencies in connection with approval of development projects. The purpose of these fees is to collect a proportional share of funds from new development projects to mitigate impacts on infrastructure improvements or other public facilities. The legal requirements for enactment of an impact fee program are set forth in Government Code §§ 66000 - 66025 (the "Mitigation Fee Act").

The Annual and Five-Year Report (Exhibit No. 1) provides revenue and expenditure information through June 30, 2022. Six types of fees are collected under the IDIF Program including: (1) *Traffic*, (2) *Parks*, (3) *Beautification*, (4) *General Government Facilities*, (5) *Transportation Infrastructure*, and (6) *Utilities and Sustainability*. These fees are generally collected in one lump sum fee ("IDIF Amount") and distributed into the six fee categories in accordance with the respective percentages provided by the IDIF Program Ordinance. In addition to the six categories above, an administration fee is included to offset the cost of managing the IDIF Program. This year's report includes a Five-Year Report section which makes certain findings with respect to applicable IDIF account that remains unexpended, whether committed or uncommitted.

Prior to adoption of IDIF Program, City had been charging development projects a "Short-Term Interim Development Impact Fee" of \$2.00 per building square foot for industrial, \$807.56 per truck parking space for truck yards, and/or \$10,000 per residential unit in matters which have either been negotiated through Development Agreements and/or had been subject to the City's Moratorium on certain types of developments. Because Short Term Interim Development Impact Fees were collected prior to the adoption of the IDIF Program, the collected fees are converted in proportion to the fee type category based on the current IDIF Program as presented in this Annual and Five-Year Report.

Revenue

In summary, the following two tables summarize the preliminary unaudited collected amounts, as of June 30, 2022, for the six categories as well as the administration fee. The amounts below include both collected IDIF and Short Term IDIF:

Fiscal Year	Administration	Traffic	Parks
FY 17-18	\$ 36,828.69	\$ 170,177.40	\$ 114,295.81
FY 18-19	\$ 110,263.95	\$ 273,446.36	\$ 323,276.19
FY 19-20	\$ 2,251.77	\$ -	\$ -
FY 20-21	\$ 162,364.29	\$ 302,909.67	\$ 759,750.27
FY 21-22	\$ 374,097.28	\$ 400,643.10	\$ 2,070,934.93
TOTAL	\$ 685,805.98	\$ 1,147,176.53	\$ 3,268,257.20

Fiscal Year	Beautification	Gov. Facilities	Transportation	Utilities & Sustainability
FY 17-18	\$ 3,049.95	\$ 21,861.81	\$ 44,533.70	\$ 28,121.64
FY 18-19	\$ 10,089.51	\$ 72,273.85	\$ 147,224.51	\$ 92,967.64
FY 19-20	\$ -	\$ -	\$ 120,000.00	\$ -
FY 20-21	\$ 7,480.02	\$ 53,774.70	\$ 194,552.39	\$ 69,149.99
FY 21-22	\$ 19,388.52	\$ 139,099.05	\$ 258,380.89	\$ 178,493.59
TOTAL	\$ 40,008.00	\$ 287,009.41	\$ 764,691.48	\$ 368,732.86

Fiscal Year	Total Collected
FY 17-18	\$ 418,869.00
FY 18-19	\$ 1,029,542.00
FY 19-20	\$ 122,251.77
FY 20-21	\$ 1,549,981.33
FY 21-22	\$ 3,441,037.36
TOTAL	\$ 6,561,681.46

The City has also collected impact fees that are separate from the IDIF and Short Term IDIF. These fees are restricted and designated for specific public improvement projects as established by their individual project agreements, adopted City resolutions, and/or conditions of approval. Fees under this category are included in this Annual and Five-Year Report under the Other Fees (Restricted) category separate from the six fee categories of the IDIF Program.

Based on preliminary unaudited activities, as of June 30, 2022, the total balance of the "Restricted" category is as follows:

Fiscal Year	Other Fees (Restricted)	Notes
FY 2017-2018	\$ -	
FY 2018-2019	\$ 961,619.74	Collected from MBK Homes project for Shuttle Service, Public Art, and Traffic.
FY 2019-2020	\$ 858,951.00	Collected from MBK Homes for library infrastructure. Fees collected on behalf of LA County Library for use towards improvements to the library facilities in Carson.
FY 2020-2021	\$ -	
FY 2021-2022	\$ -	
TOTAL	\$ 1,820,570.74	

As presented in the table above, restricted revenue collected may also be set aside for external public entities. For example, the \$858,951.00 amount collected in FY 19-20 is reserved for the Los Angeles County Library District for their use towards improvements to the MLK Library in Carson.

Expenditure

As of June 30, 2022, \$24,227.46 of Parks & Related Facilities Fees were expended for park upgrades and improvements at Mills and Anderson Park. There are no other expenditures.

Public Notice

City staff has prepared the attached Annual and Five-Year Report and made it available to the public at least 15 days in advance of this meeting as required by State law and recommends that the City Council receive and file the attached report.

V. FISCAL IMPACT

None. There are no fiscal impacts associated with the receiving and filing of this Annual and Five-Year Report.

VI. EXHIBITS

Interim Development Impact Fee Annual and Five-Year Report for FY 21-22 (pgs. 5-19)

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