



Agenda Report

21-1200

Agenda Date: 2/9/2021

REPORT TO COUNCIL

SUBJECT

Action on the Adoption of a Resolution Accepting the AB1600 Report on Development Impact Fees for Fiscal Year Ended June 30, 2020

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, with certain exceptions (Gov. Code § 66006(b)). The legal requirements for enactment of a development impact fee program are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act"), the bulk of which were adopted as 1987's AB 1600 and thus are commonly referred to as "AB 1600 requirements." AB 1600 fees must be reasonably related to the cost of the service provided by the local agency.

DISCUSSION

Attached is the AB1600 Report on Development Impact Fees for the fiscal year ended June 30, 2020. This report is supplied pursuant to Government Code Section 66006(b). Staff has also determined that the City has Traffic Mitigation funds of \$3,912,522, Sanitary Sewer Conveyance Fees of \$1,298,366, and Storm Drain Impact funds of \$226,974 exceeding the five-year limit. However, as these funds have been budgeted to fund future projects, the City does not have any refund exposure. Therefore, Staff is submitting the attached Resolution to accept the AB1600 Report and make findings that there is a continuing need for these unexpended balances of impact fees.

On January 21, 2021, the City posted notice and made copies of the report available for public review in the City Clerk's Office, the Finance Department, and online at www.Santaclaraca.gov/Finance. In addition, written notice of the time and place of the regularly scheduled City Council meeting on February 9, 2021, along with a copy of the AB1600 Report, were sent to interested parties as requested.

Staff has scheduled a review of this report for the regularly scheduled City Council meeting on February 9, 2021. More than 15 days will have elapsed as of the date of Council review since the report was made available to the public, as required by applicable state law.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a

fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is no cost to the City other than administrative staff time and expense to develop the report and resolution. There is no economic/fiscal impact since all qualified impact fees held by the City for over five years are either spent or committed, thus eliminating the need to refund any fees to developers according to the Government Code Sections 66000-66003.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Adopt a Resolution accepting the status report on the receipt and use of AB1600 Development Impact Fees during fiscal year ending June 30, 2020.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. AB1600 Report on Development Impact Fees
2. AB1600 Resolution