


Agenda Report Reviewed by:
City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: December 20, 2022
To: Honorable Mayor and City Councilmembers
From: Toni Bertolero, Engineering Consultant
Subject: AB 1600 Report
Recommendation: Accept and Approve the Annual AB 1600 Report
Funding: Currently Budgeted: _____ Yes _____ No X N/A

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

INTRODUCTION/PURPOSE:

This item is to request the City Council accept and approve the annual Assembly Bill 1600 (AB 1600) Report for Fiscal Year 2021-2022.

BACKGROUND:

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, 2022.

DISCUSSION:

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.

GOALS:

This action supports the following City Council Goals and General Plan Actions:

- Goal 1 – Maintain the long-term financial stability and sustainability of the City of Sebastopol and operate City government in a fiscally responsible and responsive manner.

ENVIRONMENTAL REVIEW:

Council approval of the AB 1600 Report is not a project under the California Environmental Quality Act (CEQA) and is therefore Exempt from CEQA.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, a consent calendar item may be requested to be removed from the consent calendar if a member of the Council or public requests to provide public comment on this item.

PUBLIC NOTICE:

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

FISCAL IMPACT:

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

RECOMMENDATION:

By Minute Order, staff recommends the Sebastopol City Council accepting and approving the Annual AB 1600 Report for Fiscal Year 2021-2022.

Attachment:

Annual AB 1600 Report Spreadsheet dated December 5, 2022

City of Sebastopol
Annual AB 1600 Report
December 5, 2022

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	
FY17-18	Revenue	\$ 5,375	\$ 7,207	\$ 7,049	\$ 6,899	\$ 8,832	\$ 37,605	\$ 67,153	\$ 1,354	\$ -	\$ -	\$ -
	Expenditures	\$ -	\$ 98,145	\$ 2,853	\$ 7,807	\$ -	\$ 136,461	\$ 450,901	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ 126,426	\$ 264,688	\$ 39,323	\$ 22,088	\$ 68,919	\$ 165,645	\$ 518,387	\$ 232,172	\$ -	\$ -	\$ -
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	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

- Notes:
1. Source: City of Sebastopol Audited Financial Statements
 2. Preliminary, unaudited 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