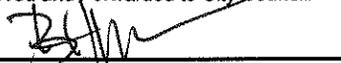




## STAFF REPORT

Date: December 9, 2014  
To: Bryan H. Montgomery, City Manager  
From: Paul Abelson, Finance Director  
SUBJECT: Development Impact Fee Five Year Report

Approved and Forwarded to City Council:

  
Bryan Montgomery, City Manager

### Background and Analysis

State law allows the City to charge fees to offset impacts associated with new development. Along with requirements related to the amount of the fees, nexus to impacts, and specifications for use of the fees, the Law requires that the City prepare annual and five year reports for each fee program. The annual report must include a fee schedule, beginning and ending fund balances, revenues, expenditures and project information. The five year report must include information showing the fees are being spent timely and include supporting information about each program's projects that support making a number of required findings. Once prepared and made available to the Public, it must also be presented to the City Council. The attached report is the City's Five Year Report for the period ending June 30, 2014 containing the prescribed information for each of the City's Impact Fee Programs.

The attached Five Year Report was prepared in accordance with Government Code sections 66000 et seq. and made available to the public on November 24, 2014. The law requires the report be presented to the City Council at the next regular meeting not less than 15 days after it is made available to the public.

### Fiscal Impact

None.

### Recommendation

Staff recommends that City Council approve the Resolution accepting the attached Report and making the required findings pursuant to Government Code Sections 66000 et seq.

### Attachments

1. Resolution
2. Five Year Report

## RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ACCEPTING  
THE FIVE YEAR DEVELOPMENT IMPACT FEE REPORT FOR THE PERIOD  
ENDING JUNE 30, 2014 AND MAKING REQUIRED FINDINGS AS REQUIRED BY  
GOVERNMENT CODE SECTIONS 66000 ET SEQ.**

**WHEREAS**, State Law allows Cities to establish development impact fees to mitigate the impacts of new development on growing communities; and

**WHEREAS**, the City of Oakley did, in 2003, adopt its existing development impact fee programs; and

**WHEREAS**, Sections 66000 et seq. of the California Government Code contains the provisions defining parameters of development impact fees, as well as reporting and maintenance requirements to ensure the ongoing appropriateness of the fees charged; and

**WHEREAS**, the attached Five Year Report contains information that meets both the annual and five year reporting requirements described in the Code; and

**WHEREAS**, State Law also requires that every five years the Council make the following specific findings for each fee program related to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- a) Identify the purpose to which the fee is to be put;
- b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- c) Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements identified in the program;
- d) Designate the approximate dates on which the funding referred to in c) is expected to be deposited into the appropriate account or fund; and

**WHEREAS**, Staff recommends the City Council accept the attached report and incorporate it herein in order to make the required findings.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Oakley accepts the attached Five Year Report, and makes the following required findings for each of the City's Development Impact Fee Programs, incorporating the information from the report into this resolution.

1. The report includes the stated purpose for each fee;
2. The report includes the amount of fees unexpended in each Fund at June 30, 2014 and sufficient detail regarding the expected use of the fees to demonstrate a reasonable relationship between the fee and the purpose for which it is charged;

3. The report includes the sources and amounts of funding anticipated to complete financing of incomplete improvements identified in each program;
4. The report includes the approximate dates on which the funding is expected to be deposited into the appropriate account or fund to finance the incomplete improvements noted.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 9<sup>th</sup> day of December 2014 and adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED: \_\_\_\_\_, MAYOR

ATTEST:

\_\_\_\_\_  
Libby Vreonis, CITY CLERK

**Five Year Report  
Development Impact Fees  
For the City of Oakley  
For Fiscal Year Ending June 30, 2014**

Government Code Sections 66000 et seq. require local agencies to submit annual and five-year reports detailing the status of development impact fees. The annual report must be made available to the public no later than 180 days after the end of the fiscal year, and must be presented to the City Council at least fifteen days after it is made available to the public. The five year report must be made available to the public following the fifth year the fees are collected and each five years thereafter. This report is the City's Five Year Report for the period ended June 30, 2014.

This report includes all of the Annual Report required data, and data that supports the findings required by the Code for the five year period. Below, and on the following pages you will find for each fee program:

1. A brief description of the program.
2. Beginning and ending balances for the year.
3. Amount of fees collected and the interest earned during the year.
4. Total Expenditures for the year.
5. A summary of fund balances and five year test.
6. A detailed list of current year disbursements by project, including the percentages funded by fees, including operating transfers.
7. Information listing the programs' projects expected to be funded with fees that have been collected but unspent, whether committed or not yet committed, including data from the City's most current Capital Improvement Plan.
8. A current schedule of fees.

The fee programs included in this report are the following:

Section A – Traffic Impact Fee Program

Section B – Park Impact Fee Program

Section C – Child Care Facilities Impact Fee Program

## Section D - Public Facilities Impact Fee Program

## Section E – Fire Facilities Impact Fee Program

### **Program Descriptions**

#### **A. Traffic Impact Fee Program**

The Traffic Impact Fee Program was established by the City on incorporation in 1999, and included separate Area of Benefit and Median Island Fees. In 2003, all of these programs were rolled up into a broader Traffic Impact Fee Program. The Program's stated purpose is to finance roadway improvements to reduce the impacts caused by future development in the City. The City accounts for the program in its Traffic Impact Fee Fund.

#### **B. Park Impact Fee Program**

In 2003, the City amended its existing Park Impact Fee Program. The stated purpose for the program is to acquire property and develop city parks to reduce the impacts caused by future development in the City. The City accounts for the program in its Park Impact Fee Fund.

#### **C. Child Care Facilities Impact Fee Program**

The Child Care Facilities Impact Fee Program was established by the County and subsequently adopted by the City to finance the acquisition, or design, engineering, construction and other costs related to child care facilities in order to reduce the impacts caused by future development in the City. The City accounts for the program in its Child Care Facilities Impact Fee Fund.

#### **D. Public Facilities Impact Fee Program**

The Public Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, or design, engineering, construction and other costs related to the purchase or construction of the Civic Center, Community Center, and Corporation Yard detailed in the resolution establishing the fee. These facilities were identified as necessary to reduce the impacts caused by future development in the City. The City accounts for the program in its Public Facilities Impact Fee Fund.

#### **E. Fire Facilities Impact Fee Program**

The Fire Facilities Impact Fee Program was established by the City in 2003 to finance the acquisition, design, engineering, construction, upgrade and or other costs related to

the improved fire facilities in Oakley and Knightsen. Specific projects were identified in the enabling legislation, although subject to revision by the City Council.

### **Attached Supporting Documentation**

The pages following include the supporting documentation required to meet the annual program reporting requirements and to support the Council's ability to make the findings they are required to make for each program as part of this five year report.

The City's Capital Improvement Plan (CIP) is updated annually and provides a longer-term view of the City's plan for public improvements. The Fee Program revenues are budgeted and allocated through the annual CIP and City Budget process. References to CIP project numbers in the attachments have been provided where they are part of the adopted CIP.

## TRAFFIC IMPACT FEES

### Section A Summary of Annual Activity

Fund Balance 6/30/13	Fee Income 13/14	Interest & Misc Inc 13/14	Expenditures 13/14	Fund Balance 06/30/14
\$ 6,756,570	1,415,372	21,718	3,153,910	\$ 5,039,749 ***

\*\*\* Above includes \$681,028 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

### Section B Summary of Fund Balance

**Five Year Revenue Test**  
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 09/10	\$ -
Revenues Collected from FY 10/11	284,983
Revenues Collected from FY 11/12	1,369,792
Revenues Collected from FY 12/13	1,266,857
Revenues Collected from FY 13/14	1,437,090
<b>Total Ending Fund Balance</b>	<b>\$ 4,358,721</b>

### Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 13/14	Future Traffic Fee Appropriations 14/15 - 18/19+	Future Add'l Appropriations & Other Funding Sources	Future Funding & Construction
Administrative & Operating Expenditures			100%	\$ 47,989	\$ -		
Main Street Alignment	11	95%	89%	33,102	2,387		
Main Street Median-Bridgehead to Vintage	23	100%	100%	3,133			
Main Street Widening-Hwy 160 to Big Break	69				935,622	Gas Tax, Gen Cap Proj, Main St Gen Capital Project	
O'Hara Widening- Cypress to Laurel	96	95%	99%	1,588,369	6,734		
Downtown Realignment-Vintage/Norcross	103	100%	99%	462,842			
O'Hara Widening-Carpenter to Vintage	113	100%	85%	288,167			
Laurel Road Widening-O'Hara to Laurel Ballfields	124	25%	59%	721,488	1,570,978		
Traffic Signal Modernization	142				70,000	Gas Tax, Meas J	
Laurel/Rose Signalization	143	25%	100%	8,822	215,726		
East Cypress Road Widening and Median	147	0%	100%		420,000		
Street Repair and Resurfacing	151				150,000	Gas Tax, Meas J, Gen Cap Proj Grant	
Cypress, Big Break, & Rose Pavement Rehabilitation	163				260,000	Meas J, Gen Cap Proj	
Main Street Resurfacing (Bridgehead to Big Break)	164				1,648,052		
				<u>\$ 3,153,910</u>	<u>\$ 5,279,499</u>		

## PARK IMPACT FEES

### Section A Summary of Annual Activity

Fund Balance 6/30/13	Fee Income 13/14	Interest & Misc Inc 13/14	Expenditures 13/14	Fund Balance 06/30/14	
\$ (34,418)	\$0	\$533,414	\$18,527	\$ 480,469	***

\*\*\* Above includes \$504,914 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate. The deficit Fund Balance is expected to be eliminated from future Fee Revenues.

### Section B Summary of Fund Balance

**Five Year Revenue Test**  
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 09/10	\$ -
Revenues Collected from FY 10/11	-
Revenues Collected from FY 11/12	-
Revenues Collected from FY 12/13	-
Revenues Collected from FY 13/14	-
<b>Total Ending Fund Balance</b>	<b>\$ -</b>

### Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 13/14	Future Park Fee Appropriations 14/15-18/19+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees & Expenses			100%	\$ 3,253			
Marsh Creek Restoration at Creekside Park	116	99%	100%	15,366	\$19		
Crocket Park Restroom Project	146	100%	100%	(92)			
Civic Center Amphitheater Project	150	50%	7%		\$45,000	Main St Fund, Grant	
				<u>\$18,527</u>	<u>\$45,019</u>		

## CHILD CARE IMPACT FEES

### Section A Summary of Annual Activity

Fund Balance 6/30/13	Fee Income 13/14	Interest & Misc Inc 13/14	Expenditures 13/14	Fund Balance 06/30/14
\$950,613		847	359,648	\$591,812 *

### Section B Summary of Fund Balance

**Five Year Revenue Test**  
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 09/10 and Prior	\$ 582,079.00
Revenues Collected from FY 10/11	4,607
Revenues Collected from FY 11/12	2,852
Revenues Collected from FY 12/13	1,427
Revenues Collected from FY 13/14	847
Total Ending Fund Balance	\$ 591,812 *

\* A \$925,000 grant towards construction of a new child care facility was approved by the City Council in June 2013 and obligated by contract. In the fiscal year 2013-14, \$350,090 was disbursed. The remainder is expected to be disbursed in 14-15 as the grantee meets development related performance requirements.

### Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 13/14	Future Child Care Fee Appropriations 14/15 - 18/19+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees			100%	\$9,558			
Grant - New Child Care Facility		40%	100%	\$350,090	575,000		
				\$359,648	\$575,000		

**PUBLIC FACILITIES IMPACT FEES**

**Section A Summary of Annual Activity**

Fund Balance 6/30/13	Fee Income 13/14	Interest & Misc Inc 13/14	Expenditures 13/14	Fund Balance 06/30/14
\$64,120	\$513,805	(\$198)	\$586,720	(\$8,993) ***

\*\*\* Above includes \$161,613 in deferred impact fees receivable from the Successor Agency to the Oakley Redevelopment Agency for a prior housing project. The balance is due on or before December 2063 at variable interest rate.

**Section B Summary of Fund Balance**

**Five Year Revenue Test**  
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 09/10 and Prior	\$ -
Revenues Collected from FY 10/11	-
Revenues Collected from FY 11/12	-
Revenues Collected from FY 12/13	-
Revenues Collected from FY 13/14	-
<b>Total Ending Fund Balance</b>	<b>\$ -</b>

**Section C Summary of Expenditures**

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 13/14	Future Public Fac. Fee Appropriations 14/15 - 18/19	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees				17,041	TBD		
Transfer to Fund 351 2006 COP Debt Service Fund			100%	\$569,679	\$2,780,575		
				<u>\$586,720</u>	<u>\$2,780,575</u>		

## FIRE PROTECTION FACILITIES IMPACT FEES

### Section A Summary of Annual Activity

Fund Balance 6/30/13	Fee Income 13/14	Interest & Misc Inc 13/14	Expenditures 13/14	Fund Balance 06/30/14
<u>\$82,737</u>	<u>\$0</u>	<u>\$108</u>	<u>\$1,104</u>	<u>\$81,742 *</u>

\* The City continues to hold this balance in order to accumulate an amount sufficient to fund a fire facility project.

### Section B Summary of Fund Balance

Five Year Revenue Test  
Using First In First Out Method

Unspent Funds Representing Ending Fund Balance:	Amount
Revenues Collected from FY 09/10 and Prior	\$ -
Revenues Collected from FY 10/11	59,517
Revenues Collected from FY 11/12	21,983
Revenues Collected from FY 12/13	134
Revenues Collected from FY 13/14	<u>108</u>
Total Ending Fund Balance	<u>\$ 81,742</u>

### Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 13/14	Future Fire Fac. Fee Appropriations 14/15 - 18/19+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees				\$1,104			
				<u>\$1,104</u>	<u>\$0</u>		

**City of Oakley Development Impact Fees**  
**Current as of July 1, 2014**  
(Includes Reduced Impact Fees and Non-Reduced Impact Fees)

<b>Reduced Impact Fees (through June 2015)</b>									
<b>Fee Type</b>	<b>SF / DU</b>	<b>MF / DU</b>	<b>Secondary DU</b>	<b>Commercial / 1,000 SF</b>	<b>Commercial Recreation / 1,000 SF</b>	<b>Bus. Park LD and HD / 1,000 SF</b>	<b>Light Ind. and Utility Energy / 1,000 SF</b>	<b>Age Restricted Senior / DU</b>	<b>Other</b>
<b>Oakley Traffic</b>	\$8,216.20	\$5,012.08	\$2,355.68	\$3,398.02	\$3,398.02	\$5,060.09	\$3,398.02	\$0	\$8,216.20 / peak hour trip
<b>Regional Traffic</b>	\$12,498.33	\$7,672.20	\$3,605.94	\$1,676.60	\$1,676.60	\$1,464.50	\$1,464.50	\$3,572.18	\$20,158.59 / peak hour trip
<b>Park Acquisition</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Park Improvement</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Public Facilities</b>	\$3,068.80	\$2,005.21	\$942.45	\$452.21	\$361.47	\$902.94	\$383.79	\$0	--
<b>General Plan</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>So. Oakley Inf.</b>	--	--	--	--	--	--	--	--	\$352 / gross acre
<b>Total</b>	<b>\$23,783.33</b>	<b>\$14,689.49</b>	<b>\$6,904.07</b>	<b>\$5,526.83</b>	<b>\$5,436.09</b>	<b>\$7,427.53</b>	<b>\$5,246.31</b>	<b>\$3,572.18</b>	<b>--</b>

City of Oakley Development Impact Fees

<b>Non-Reduced Impact Fees (Regular Fees)</b>									
<b>Fee Type</b>	<b>SF / DU</b>	<b>MF / DU</b>	<b>Secondary DU</b>	<b>Commercial / 1,000 SF</b>	<b>Commercial Recreation / 1,000 SF</b>	<b>Bus. Park LD and HD / 1,000 SF</b>	<b>Light Ind. and Utility Energy / 1,000 SF</b>	<b>- Age Restricted Senior / DU</b>	<b>Other</b>
<b>Oakley Traffic</b>	\$13,693.66	\$8,353.47	\$3,926.13	\$5,663.37	\$5,663.37	\$8,433.49	\$5,663.37	\$0.00	\$13,693.66 / peak hour trip
<b>Regional Traffic</b>	\$20,158.59	\$12,374.52	\$5,816.02	\$1,676.60	\$1,676.60	\$1,464.50	\$1,464.50	\$5,761.58	\$20,158.59 / peak hour trip
<b>Park Acquisition</b>	\$3,578.67	\$2,338.42	\$1,099.06	\$631.29	\$505.44	\$1,264.61	\$537.92	\$0	--
<b>Park Improvement</b>	\$5,703.05	\$3,726.60	\$1,751.50	\$839.07	\$671.55	\$1,679.62	\$714.17	\$0	--
<b>Public Facilities</b>	\$3,068.80	\$2,005.21	\$942.45	\$452.21	\$361.47	\$902.94	\$538.79	\$0	--
<b>General Plan</b>	--	--	--	--	--	--	--	--	\$300 / gross acre
<b>So. Oakley Inf.</b>	--	--	--	--	--	--	--	--	\$352 / gross acre
<b>Total</b>	<b>\$46,202.77</b>	<b>\$28,798.22</b>	<b>\$13,535.16</b>	<b>\$9,262.54</b>	<b>\$8,878.43</b>	<b>\$13,745.16</b>	<b>\$8,918.75</b>	<b>\$5,761.58</b>	--

Ironhouse Sanitary District: (925) 625-2279  
 Diablo Water District: (925) 625-3798  
 Oakley Union Elementary School District: (925) 625-0700  
 Liberty Union High School District: (925) 634-2166  
 Antioch Unified School District: (925) 706-4100