

OAKLEY

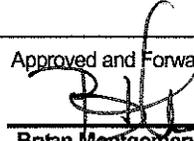


CALIFORNIA

STAFF REPORT

Date: December 13, 2016
To: Bryan H. Montgomery, City Manager
From: Deborah Sultan, 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, 2016 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 28, 2016. 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, 2016 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, 2016 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 13th day of December 2016 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, 2016**

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, 2016.

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 6/30/15	Fee Income 15/16	Interest & Misc Inc 15/16	Expenditures 15/16	Fund Balance 06/30/16
\$ 3,709,627	2,349,601	14,613	1,855,139	\$ 4,218,702 ***

Above includes \$552,606 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 11/12	\$ -
Revenues Collected from FY 12/13	-
Revenues Collected from FY 13/14	-
Revenues Collected from FY 14/15	1,301,882
Revenues Collected from FY 15/16	2,364,214
Total Ending Fund Balance	\$ 3,666,096

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 15/16	Future Traffic Fee Appropriations 16-17 - 20-21+	Future Add'l Appropriations & Other Funding Sources	Future Funding & Construction
Administrative & Operating Expenditures			100%	\$ 135,279	\$ -		
East Cypress Road Widening and Median Street Repair and Resurfacing	147	100%	100%	400,000	-		
Cypress, Big Break, & Rose Pavement Rehabilitation	151	100%	38%	-	-		
Main Street Resurfacing (Bridgehead to Big Break)	163	100%	15%	128,537	-		
Main Street Realignment Project	164	100%	70%	664,149	-		
FY 15-16 Frontage Gap Closure Improvements	165	???	25%	302,175	700,000	Gen Cap Proj, Main St, Stormwater, 2012 Bond Benefit	
FY 16-17 Street Repair and Resurfacing Project	170		50%	225,000			
FY 16-17 Traffic Calming Project	179		100%		700,000		
Laurel Rd/Rose Ave Intersection Improvement Project	184		100%		50,000		
FY 16-17 Traffic Signal Modernization Project	191		100%		150,000		
Laurel Rd Widening (Rose Ave to Mellowood Dr) Project	192		100%		175,000		
	196		100%		120,000		
				\$ 1,855,139	\$ 1,895,000		

PARK IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 6/30/15	Fee Income 15/16	Interest & Misc Inc 15/16	Expenditures 15/16	Fund Balance 06/30/16	
\$ 478,292	294,359	593	11,965	\$ 761,279	***

*** Above includes \$409,702 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 11/12	-
Revenues Collected from FY 12/13	-
Revenues Collected from FY 13/14	-
Revenues Collected from FY 14/15	68,590
Revenues Collected from FY 15/16	282,987
Total Ending Fund Balance	\$ 351,577

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 15/16	Future Park Fee Appropriations 16-17 - 20-21+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees & Expenses			100%	\$ 11,965	\$ -		
Oakley Community Dog Park at Nunn-Wilson Park Project	197		100%		\$ 414,485		
				<u>\$ 11,965</u>	<u>\$ 414,485</u>		

CHILD CARE IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/15	Fee Income 15/16	Interest & Misc Inc 15/16	Expenditures 15/16	Fund Balance 06/30/16
\$ 585,030	-	1,755	27,051	\$ 559,734 *

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 11/12 and Prior	\$ 554,477.00
Revenues Collected from FY 12/13	1,427
Revenues Collected from FY 13/14	847
Revenues Collected from FY 14/15	1,228
Revenues Collected from FY 15/16	1,755
Total Ending Fund Balance	\$ 559,734 *

* 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. \$360,090 was disbursed. The remainder is expected to be disbursed in 16-17.

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 15/16	Future Child Care Fee Appropriations 16-17 - 20-21+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees			100%	\$ 27,051			
Grant - New Child Care Facility			100%		\$ 575,000		
				<u>\$ 27,051</u>	<u>\$ 575,000</u>		

PUBLIC FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/15	Fee Income 15/16	Interest & Misc Inc 15/16	Expenditures 15/16	Fund Balance 06/30/16
\$ (116,715)	635,530	(133)	592,058	\$ (73,375) ***

*** Above includes \$131,137 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 11/12 and Prior	\$ -
Revenues Collected from FY 12/13	-
Revenues Collected from FY 13/14	-
Revenues Collected from FY 14/15	-
Revenues Collected from FY 15/16	-
Total Ending Fund Balance	\$ -

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 15/16	Future Public Fac. Fee Appropriations 16-17 - 20-21+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees				\$ 21,023	TBD		
Transfer to Fund 351 2006 COP Debt Service Fund			100%	571,035	\$2,810,775		
Public Works Operations Building Rehabilitation Project	193		100%		\$100,000		
				<u>\$ 592,058</u>	<u>\$ 2,910,775</u>		

FIRE PROTECTION FACILITIES IMPACT FEES

Section A Summary of Annual Activity

Fund Balance 06/30/15	Fee Income 15/16	Interest & Misc Inc 15/16	Expenditures 15/16	Fund Balance 06/30/16
\$ 81,027	84,637	312	3,450	\$ 162,526 *

* 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 11/12 and Prior	77,167
Revenues Collected from FY 12/13	134
Revenues Collected from FY 13/14	108
Revenues Collected from FY 14/15	168
Revenues Collected from FY 15/16	84,949
Total Ending Fund Balance	\$ 162,526

Section C Summary of Expenditures

Expenditure Detail:	CIP #	% Complete	% Funded by Fee	Expenditures 15/16	Future Fire Fac. Fee Appropriations 16-17 - 20-21+	Future Additional Appropriations & Other Funding Sources	Future Funding & Construction
Administrative Fees				\$ 3,450	\$ -		
				<u>\$ 3,450</u>	<u>\$ -</u>		

City of Oakley Development Impact Fees FY 16-17

(Includes Reduced and Non-Reduced Impact Fees)

Fee Type	Land Use Type									
	Single Family (per unit)	Multi-Family (per unit)	2nd Unit See Note	Commercial (per 1000 sq. ft.)	Commercial Recreation (per 1000 sq.	Business Park- Low Density (per 1000 sq.	Business Park- High Density (per 1000 sq.	Light Industrial (per 1000 sq. ft)	Utility Energy (per 1000 sq. ft.)	Other (as noted)
Current Fees Starting July 1, 2016. RTDIM adjustment on January 1, 2017. City fee reductions sunset on 6/30/2017.										
Oakley Traffic	\$14,345.19	\$8,750.92	\$4,112.93	\$3,559.70	\$3,559.70	\$5,300.85	\$5,300.85	\$3,559.70	\$3,559.70	\$14,345.19
Regional Transportation Development Impact Mitigation	\$16,099.40	\$9,882.85	\$4,644.94	\$1,717.00	\$1,717.00	\$1,494.80	\$1,494.80	\$1,494.80	\$1,494.80	\$20,640.36 per peak hour trip
Park Acquisition	\$3,578.67	\$2,338.42	\$1,099.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Park Improvement	\$6,027.45	\$3,938.57	\$1,851.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Facilities	\$3,235.68	\$2,114.25	\$993.70	\$476.80	\$381.13	\$952.04	\$952.04	\$404.66	\$404.66	\$0.00
General Plan			Not charged	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00 per gross acre
South Oakley Infrastructure Master Plan (1)			Not charged	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$352.00 per gross acre
East County Fire Protection District	\$749.00	\$468.00	\$219.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.00 per mobile home unit
	\$44,035.39	\$27,493.01	\$12,921.72	\$5,753.50	\$5,657.83	\$7,747.69	\$7,747.69	\$5,459.16	\$5,459.16	

The RTDIM fee includes the <i>Age - restricted, senior</i> category at the following:	\$5,899.36
The City of Oakley does not have this category.	