

AB 1600
Mitigation Impact Fees
Annual & Five Year Report

Prepared by
Auditor-Controller's Office
April 21, 2015

Overview

- Government Code allows local jurisdictions to establish mitigation development impact fees.
- Mitigation fees are imposed on new development to pay for construction costs associated with new public infrastructure necessary to serve the new development.
- Mitigation fee requirements:
 - Annual Report
 - Five Year Findings Report
 - Automatic Annual Fee Adjustment

County Mitigation Fees

- The County has adopted several mitigation fees to fund needed public infrastructure.
- Some fees are imposed countywide, while others apply to specific geographical areas within the County.
- County ordinance identifies the department's director to prepare the required reports.

Current Fee Balances

Area	Ord. No.	Ordinance Title	5 Yr Revenue	Balance
Fire				
Orcutt	4311	Fire Facility Fee	172,336	553,736
Goleta	4353	Fire Facility Fee	334,090	1,451,358
Countywide	4236	Fire Mitigation Fee	373,360	470,605
General Services				
Orcutt	4314	Library Facility Fee	433,402	45,425
Goleta	4354	Library Facility Fee	69,664	112,173
Orcutt	4315	Public Administration Facility Fee	116,010	40,359
Goleta	4355	Public Administration Facility Fee	294,557	665,621
Parks				
Orcutt	4316	Comm.Ind. Park Facility Fee	257,810	496,565
Goleta	4341	Comm.Ind. Park Facility Fee	1,017,580	1,005,635
South Coast	4348	South Coast East Rec. Demand Area Fee	66,792	36,343
Santa Ynez	4348	Recreational Demand Area Fee	36,775	106,941
Lompoc	4348	Recreational Demand Area Fee	13,694	257,406
Santa Maria	4348	Recreational Demand Area Fee	33,364	84,863
Sheriff				
Orcutt	4312	Sheriff Facility Fee	85,238	143,777
Goleta	4360	Sheriff Facility Fee	116,741	237,391
Public Works				
Orcutt	4270	Transportation Mitigation Fee	585,224	355,371
Goleta	4270	Transportation Mitigation Fee	1,418,260	1,519,262
Countywide	4270	Transportation Mitigation Fee	536,190	1,664,181
Orcutt	4313	Regional Drainage Facility Fee	213,966	170,722

Annual Reporting Requirement

- A brief description of the type of fee in the fund.
- The amount of the fee.
- The beginning and ending balance of the fund.
- The amount of the fees collected and the interest earned.
- Identify the improvements and expenditures, including the percentage funded by the fees.
- Identify an approximate begin date for construction *if* sufficient funds have been collected to complete the financing.
- A description of each inter-fund transfer or loan.
- The amount of refunds made and any allocations.

Five Year Findings Requirement

- The purpose to which the fee is to put.
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete the financing for incomplete improvements.
- Designate the approximate dates on which the funding from other sources is to be deposited into the fund.

Automatic Annual Fee Adjustment

- County ordinances require that mitigation fees be adjusted automatically on July 1st of each fiscal year by the Engineering Construction Cost Index as published by the Engineering News Record.
- The Engineering Construction Cost Index for May 2014 was 4.2% and it was used to calculate the automatic annual fee adjustment for FY 2014-15.

Automatic Annual Fee Adjustment

- All fees were automatically adjusted at the beginning of the year, with the exception of the following fees:
 - The Fire Mitigation Fees reflect the fees approved by the Board on 10/21/14.
 - The Orcutt Transportation Improvement Plan fees reflect the fees that were approved by the Board on 2/10/15.

Recommendations

- Receive and review the FY 2013-14 AB 1600 Mitigation Fee Act Annual & Five Year Report which includes the annual report, five year findings, and the automatic annual fee adjustment requirements.
- In future filings we recommend the five departments collecting fees participate in the presentation of the status of projects projected to utilize AB1600 fees.