



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: December 3, 2024
Placement: Administrative
Estimated Time:
Continued Item: Select_Continued
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Betsy M. Schaffer, CPA, CPFO, Auditor-Controller
Director(s)
Contact Info: Juan Izquierdo, CPA, Auditor-Controller Division Chief, 805-568-2141

SUBJECT: AB1600 Mitigation Fee Annual Report FY 23-24

County Counsel Concurrence

As to form: Yes

Other Concurrence: County Executive Office

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors considers the following:

- A. Receive and review the Fiscal Year (FY) 2023-24 AB1600 Mitigation Fee Annual Report which includes the mitigation fee financial activity for FY 2023-24 and the fee schedules for the Countywide, Orcutt, Goleta, South Coast, Santa Ynez, Lompoc and Santa Maria development impact fee programs.
- B. Determine that the above actions are not a “project” under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, because they consist of administrative activities of government that will not result in direct or indirect physical changes in the environment.

Background:

Under the authority of Government Code § 66000 et seq. (AB 1600/Mitigation Fee Act), which allows local jurisdictions to establish development impact fees, the County of Santa Barbara has adopted several fee programs to fund needed public infrastructure. Some of the established fee programs are imposed Countywide, while others apply to specific geographical areas (e.g., community planning areas) within the County. Mitigation Impact Fees are fees imposed on new development to pay for their “fair share” of the construction costs associated with new public infrastructure (e.g., roads, parks, library, etc.) necessary to serve the new development.

The following discussion addresses the automatic annual fee adjustment and the annual reporting requirements for each of the fee programs as indicated in Table 1.

Table 1 – Existing County Fee Programs

Department / Area	Fund	Mitigation Fee	Annual Fee Adjustment	Annual Report	5 Year Report
Transportation					
Countywide	1512	Ord. No. 4270 Transportation Mitigation Fee - June 16, 1998	Yes	Yes	Yes
Orcutt	1510	Ord. No. 4270 Transportation Mitigation Fee - June 16, 1998	Yes	Yes	Yes
Goleta	1511	Ord. No. 4270 Transportation Mitigation Fee - June 16, 1998	Yes	Yes	Yes
Parks					
Orcutt	0031.6105	Ord. No. 4316 Parks Comm. Ind. Facility Fee - June 16, 1998	Yes	Yes	Yes
Orcutt	0031.6105	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Goleta	0031.6113	Ord. No. 4341 Parks Comm. Ind. Facility Fee - November 3, 1998	Yes	Yes	Yes
South Coast West	0031.6113	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
South Coast East	0031.6112	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Santa Ynez Area	0031.6109	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Lompoc	0031.6108	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Santa Maria Area	0031.6107	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Fire					
Orcutt	1128	Ord. No. 4902 Fire Mitigation Fee - October 21, 2014	No	Yes	Yes
Goleta	1129	Ord. No. 4902 Fire Mitigation Fee - October 21, 2014	No	Yes	Yes
Countywide	1130	Ord. No. 4902 Fire Mitigation Fee - October 21, 2014	No	Yes	Yes
Countywide	1133	Ord. No. 4902 Fire Mitigation Fee - October 21, 2014	No	Yes	Yes
Sheriff					
Goleta	0074.1600 G	Ord. No. 4360 - Sheriff Facility Fee - May 25, 1999	Yes	Yes	Yes
Orcutt	0074.1600 O	Ord. No. 4312 - Sheriff Facility Fee - June 16, 1998	Yes	Yes	Yes
General Services					
Goleta	0030.1496	Ord. No. 4354 - Library Facility Fee - March 23, 1999	Yes	Yes	Yes
Orcutt	0030.1495	Ord. No. 4314 - Library Facility Fee - June 16, 1998	Yes	Yes	Yes
Goleta	0030.1498	Ord. No. 4355 - Public Administration Facility Fee - March 23, 1999	Yes	Yes	Yes
Orcutt	0030.1497	Ord. No. 4315 - Public Administration Facility Fee - June 16, 1998	Yes	Yes	Yes

The County Executive Office is currently working with Willdan Financial Services to prepare an updated AB 1600 Development Impact Fee Study for the County. The process began in 2022 and was put on hold in 2023 until the County’s Housing Element was adopted to ensure alignment with the growth projections laid out in the Housing Element. The project resumed in early 2024 and a draft impact fee study is expected to be reviewed by the Board this year. Additionally, the impact fee study will be consistent with the Mitigation Fee Act and other applicable laws. The study summarizes an analysis of development impact fee and capacity charges needed to support specific

types of County-selected capital facilities and future development to serve new growth in Santa Barbara County through 2050. The study is now scheduled to be completed by Summer 2025.

Automatic Annual Fee Adjustments

Automatic annual fee adjustments are mandated by the adopted County ordinances, except for the Quimby and Fire fees. For the mitigation fees that do require a fee adjustment, those fees are adjusted automatically on July 1st of each fiscal year, by a percentage equal to the appropriate engineering Construction Cost Index (CCI) as published by Engineering News Record (ENR) for the preceding twelve months. The ENR CCI for the month of June was 1.2% and it was used to calculate the fee adjustment for fiscal year 2024-25.

Annual Reporting Requirements

Government Code Section 66000 et seq. mandates that any fees imposed by a local agency as a condition of approving a development project must be reviewed annually and every five years by the local agency at a noticed public meeting. Section 66006(b)(1) of the Government Code requires that for each separate account or fund established pursuant to AB 1600, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and the interest earned.
- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
 - An identification of each public improvement identified in a previous report pursuant to clause (i) and whether construction began on the approximate date noted in the previous report.
 - For a project identified pursuant to clause (ii) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction.
- A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- The amount of refunds made pursuant to subdivision (e) of § 66001 and any allocations pursuant to subdivision (f) of § 66001.

The AB1600 Mitigation Fee report includes the required information to meet the requirements for the annual report. The report contains the accounting of the monies and the projects for which the fees have been collected during the last fiscal year. All affected departments provided the required information including the project descriptions, total estimated costs, beginning and end date of each project, and the fees expended to date for the identified projects in each fee program. The five-year report was last made available to the public and reviewed at a noticed public meeting on December 22, 2020 and January 12, 2021 respectively.

Mandates and Service Levels:

County fee ordinances mandate an automatic annual fee adjustment to keep pace with the cost of constructing public facilities. County ordinances adopted to implement the mitigation fee programs require that each department's director prepare a report that shall be submitted to the Board within 60 days following the end of the fiscal year.

Government Code requires that the County shall make certain information available to the public within 180 days following the end of the fiscal year. The County shall review the information made available to the public at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

Fiscal and Facilities Impacts: No fiscal or facility impacts are anticipated with the annual fee report and fee adjustments.

Special Instructions:

Per Government Code § 66006(b)(2), the required AB1600 Mitigation Fee Annual Report FY 2023-24 will be available to the public on or before December 3, 2024 via postings within and outside of, the County Administration Building at 105 East Anapamu Street, Santa Barbara and online via the Auditor-Controller's internet website.

Attachments:

Attachment: AB 1600 Mitigation Fee Annual Report

Authored by:

Juan Izquierdo, Advanced Accounting Division ext. 82141