



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: January 5, 2016
Placement: Set Hearing
Estimated Time: 15 min on 1/19/16
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Mona Miyasato, County Executive Officer
Director(s) Robert W. Geis, CPA, Auditor – Controller

Staff: Martin Erickson, Deputy County Executive Officer
Katie Roth, CPA, Division Chief, Auditor-Controller

SUBJECT: **Set Hearing for AB1600 Mitigation Fee Act Annual Report**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Recommended Actions: That the Board of Supervisors set a hearing on January 19, 2016 to consider the following:

- A. Receive and review the Fiscal Year (FY) 2014-15 AB1600 Mitigation Fee Act Annual Report which includes the FY 2014-15 Annual Fund Account Activity Reports and the FY 2015-16 Mitigation Fees Matrix 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:

The Auditor-Controller’s Advanced & Specialty Accounting division has compiled the Fund Activity reports prepared by the various departments to prepare the required annual report for the Mitigation Fee Act program. Development 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.

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. Automatic annual fee adjustments are mandated by most adopted County ordinances beginning each fiscal year.

The existing County fee programs are listed in Table 1. Where applicable, Table 1 indicates the annual fee adjustment and reporting requirement for each program.

Table 1 – Existing County Fee Programs

Fund	Fee Program	Annual Adjustment	Annual Report	5 Year Report
Countywide				
1397	Quimby Fee (Ord. No. 4137; adopted June 16, 1998)	N/A	N/A	N/A
1512	Transportation Mitigation Fee (Ord. No. 4270; adopted June 16, 1998)	Yes	Yes	Yes
1130	Fire Mitigation Fee (Ord. No. 4902; adopted October 21, 2014)	Yes	Yes	Yes
1133	Fire Mitigation Fee (Ord. No. 4902; adopted October 12, 2014)	Yes	Yes	Yes
Orcutt Planning Area				
1394	Comm.Ind. Park Facility Fee (Ord. No. 4316; adopted June 16, 1998)	Yes	Yes	Yes
1398	Comm.Ind. Park Facility Fee (Ord. No. 4316; adopted June 16, 1998)	Yes	Yes	Yes
1128	Fire Facility Fee (Ord. No. 4902; adopted October 21, 2014)	Yes	Yes	Yes
1495	Library Facility Fee (ord. No. 4314; adopted June 16, 1998)	Yes	Yes	Yes
1497	Public Administration Facility Fee (Ord. No. 4315; adopted June 16, 1998)	Yes	Yes	Yes
2406	Regional Drainage Facility Fee (Ord. No. 4313; adopted June 16, 1998)	Yes	Yes	Yes
1570	Sheriff Facility Fee (Ord. No. 4312; adopted June 16, 1998)	Yes	Yes	Yes
1510	Transportation Mitigation Fee (Ord. No. 4270; adopted June 16, 1998)	Yes	Yes	Yes
Goleta Planning Area				
1396	Comm.Ind. Park Facility Fee (Ord. No. 4341; adopted November 3, 1998)	Yes	Yes	Yes
1129	Fire Facility Fee (Ord. No. 4902; adopted October 21, 2014)	Yes	Yes	Yes
1496	Library Facility Fee (ord. No. 4354; adopted March 23, 1999)	Yes	Yes	Yes
1498	Public Administration Facility Fee (Ord. No. 4355; adopted March 23, 1999)	Yes	Yes	Yes
1571	Sheriff Facility Fee (Ord. No. 4360; adopted May 25, 1999)	Yes	Yes	Yes
1511	Transportation Mitigation Fee (Ord. No. 4270; adopted June 16, 1998)	Yes	Yes	Yes
South Coast Planning Area				
1396	South Coast West Rec. Demand Area Fee 4348; adopted December 15, 1998)	Yes	Yes	Yes
1405	South Coast West Rec. Demand Area Fee 4348; adopted December 15, 1998)	Yes	Yes	Yes
1404	South Coast East Rec. Demand Area Fee 4348; adopted December 15, 1998)	Yes	Yes	Yes
Santa Ynez Planning Area				
1406	Recreational Demand Are Fee (Ord. No. 4348; adopted December 15, 1998)	Yes	Yes	Yes
Lompoc Planning Area				
1407	Recreational Demand Are Fee (Ord. No. 4348; adopted December 15, 1998)	Yes	Yes	Yes
Santa Maria Planning Area				
1408	Recreational Demand Are Fee (Ord. No. 4348; adopted December 15, 1998)	Yes	Yes	Yes

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

Annual Report

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 and the public improvement remains incomplete.
- 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.

Automatic Annual Fee Adjustments

Except for the Quimby fees all of the County development impacts fees require that the fees be adjusted automatically based upon the Engineering News Record (ENR) Construction Cost Index (CCI). Each year the ENR CCI for the month of May is used to calculate the County development impact fees for the following fiscal year. The CCI for May 2015 was 0%, therefore the fee adjustment for fiscal year 2015-16 was 0% for all County mitigation fees.

Mandates and Service Levels

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. As part of this, the Government Code requires that the County shall make certain information available to the public within 180 days following the end of the fiscal year. Ordinances adopted by the County to implement the development impact 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. County fee ordinances mandate automatic annual fee adjustments to keep pace with the cost of constructing public facilities.

Fiscal and Facilities Impacts: Individual Annual Reports provide information on the amount of fees collected historically including total project costs, fees collected the past fiscal year, and amount expended to date. No fiscal or facility impacts are anticipated with the annual fee report and adjustments.

Attachments:

AB 1600 Mitigation Fee Act Annual Report