



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: 10/27/2009
Placement: Set Hearing
Estimated Tme: 15 min. on 11/10/2009
Continued Item: No
If Yes, date from:
Vote Required:

TO: Board of Supervisors

FROM: Department Robert W. Geis, Auditor-Controller
Director(s)
Contact Info: Mark Paul, Division Chief, 568-2141

SUBJECT: **Set Hearing for Mitigation Fee Act Program: Annual Reports and Five Year Report**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors set a hearing on November 10, 2009 to consider the following:

- a) Receive the 2008-2009 combined annual and five year reports for the Countywide, Orcutt, and Goleta development impact fee programs including five-year collection schedule (Attachment A) and
- b) Adopt a Resolution Making Findings Required by Government Code 66001(d) (Attachment B)

Summary Text:

The Auditor-Controller's Advanced Accounting division along with the County Executive Office has coordinated with the various departments and prepared the required annual reports for the Mitigation Fee Act program. Development Impact Fees ("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.

The existing County fee programs are listed below in Table 1. Automatic annual fee adjustments are mandated by most adopted County ordinances beginning each fiscal year.

Where applicable, Table 1 indicates whether an annual report, and/or an annual fee adjustment is included as part of this report for each fee program. Table 1 also indicates that a Five Year Report is due this year.

Table 1
Existing County Fee Programs

<u>Fee Program</u>	<u>Annual Report</u>	<u>Annual Adjustment</u>	<u>5 Year Report Due</u>
<u>Countywide</u>			
Quimby Fee ¹ (Ord. No. 4317; adopted June 16, 1998)	N/A	N/A	N/A
Park Development Mitigation Fee (Ord. No. 4348; adopted June 16, 1998)	Yes	Yes	2009
Transportation Mitigation Fee (Ord. No. 4270; adopted June 16, 1998)	Yes	Yes	2009
Fire Mitigation Fee (Ord. No. 4236; adopted July 30, 1996)	Yes	N/A	2009
<u>Orcutt Planning Area</u>			
Comm./Ind. Park Facility Fee (Ord. No. 4316; adopted June 16, 1998)	Yes	Yes	2009
Fire Facility Fee (Ord. No. 4311; adopted June 16, 1998)	Yes	Yes	2009
Library Facility Fee (Ord. No. 4314; adopted June 16, 1998)	Yes	Yes	,2009
Public Administration Facility Fee (Ord. No. 4315; adopted June 16, 1998)	Yes	Yes	2009
Regional Drainage Facility Fee (Ord. No. 4313; adopted June 16, 1998)	Yes	Yes	2009
Sheriff Facility Fee (Ord. No. 4312; adopted June 16, 1998)	Yes	Yes	2009
<u>Goleta Planning Area</u>			
Comm./Ind. Park Facility Fee (Ord. No. 4341; adopted November 3, 1998)	Yes	Yes	2009
Fire Facility Fee (Ord. No. 4353; adopted March 23, 1999)	Yes	Yes	,2009
Library Facility Fee (Ord. No. 4354; adopted March 23, 1999)	Yes	Yes	2009
Public Administration Facility Fee (Ord.No.4355;adopted March 23, 1999)	Yes	Yes	2009
Sheriff Facility Fee (Ord. No. 4360; adopted May 25, 1999)	Yes	Yes	2009

¹ Quimby Fees are not subject to the AB 1600 Fee reporting requirements. Prior to expending of Quimby Fees, projects are brought before the Board on an individual basis to receive approval.

The following discussion addresses the reporting requirements for the annual reports, and the automatic annual fee adjustments for each of the fee programs as indicated in Table 1. Attachments A and C contain the required reporting information for each of the applicable fee programs.

Discussion: 1. Annual Reports

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 prepare an annual report, which includes the following information:

- 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 were 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 improvement and the public improvement remains incomplete.
- A description of each interfund 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 interfund loan, the date on which the loan will be repaid, and the rate of interest that the account of fund will receive on the loan.

Attachment A provides detailed information of the fee program accounts for the last fiscal year. Total estimated costs for construction of projects and fees expended to date for the identified public improvements are shown for each fee program.

All affected departments prepared reports that provide the required information for each fee account for the last fiscal year (Attachment A). The projects identified in the reports are consistent with those found in the County's 5-Year Capital Improvement Program (CIP), Goleta Transportation Improvement Program (GTIP), Orcutt Transportation Improvement Program (OTIP), and Fee Justification studies. The reports contain an accounting of the monies and the projects for which the fees have been collected during the last fiscal year.

2. Five Year Reports and Finding

Section 66001(d)(1) of the Government Code requires that for each separate account or fund established pursuant to AB 1600, the local agency shall make the following findings:

- 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 financing incomplete identified improvements.
- Designate the approximate dates on which the funding from other sources is to be deposited into the appropriate account or fund.

Information in Attachment A provides background for these findings which are set forth in the resolution (Attachment B).

3. Automatic Annual Fee Adjustments

Except for the Fire Mitigation Fees and Quimby fees all of the County development impacts fees require that the fees be adjusted automatically based upon the Engineering Construction Cost index. Attachment C lists the current fees for this fiscal year.

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. Government Code requires that a report shall be submitted to the Board 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 a report 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.

Performance Measure: The recommendation(s) are primarily aligned with Goal No. 1 An Efficient Government Able to Respond Effectively to the Needs of the Community, Goal No. 2 A Safe and Healthy Community in Which to Live, Work, and Visit, Goal No. 5. A High Quality of Life for All Residents, and are aligned with actions required by law or by routine business necessity.

Fiscal Analysis:

Individual Annual Reports provide information on the amount of fees collected historically including total cost projects, 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.

Special Instructions: Please forward one copy of the minute order to the County Executive Office, Planning & Development, Public Works, Fire, Sheriff, General Services, Park, Auditor-Controller's Office, and County Counsel Departments. In addition, please provide full 10-day and 5-day noticing.

Attachments:

- Attachment A – Annual Fund Account Activity and Five year Report for Fiscal Year 2008-2009
- Attachment B – Resolution Making Findings Required by Government Code 66001(d)
- Attachment C – Fee Schedule for Fiscal Year 2009-2010

Authored by:

Mark Paul, Division Chief - Advanced Accounting

John Jayasinghe, CEO Fiscal and Policy Analyst