



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 12, 2017,
continued to January
9, 2018
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, CPA, CPFO, Auditor–Controller
Director(s) Mona Miyasato, County Executive Officer
Staff: Ed Price, CPA, Chief Deputy Controller
Dennis Bozanich, Deputy County Executive Officer

SUBJECT: AB1600 Mitigation Fee Annual Report

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following:

- A. Make available to the public the Fiscal Year (FY) 2016-17 AB1600 Mitigation Fee Annual Report which includes the mitigation fee financial activity and fee schedules for the Countywide, Orcutt, Goleta, South Coast, Santa Ynez, Lompoc and Santa Maria development impact fee programs.
- B. Continue the AB1600 Mitigation Fee Annual Report to the January 9, 2018 administrative agenda to receive and review the AB1600 Mitigation Fee Annual Report.
- C. 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	1394	Ord. No. 4316 Parks Comm. Ind. Facility Fee - June 16, 1998	Yes	Yes	Yes
Orcutt	1398	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Goleta	1396	Ord. No. 4341 Parks Comm. Ind. Facility Fee - November 3, 1998	Yes	Yes	Yes
South Coast West	1405	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
South Coast East	1404	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Santa Ynez Area	1406	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Lompoc	1407	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Santa Maria Area	1408	Ord. No. 4348 Parks Mitigation Fee Residential Development Projects Dec. 15, 1998	Yes	Yes	Yes
Countywide	1395	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	1571	No. 4360 - Sheriff Facility Fee - May 25,1999	Yes	Yes	Yes
Orcutt	1570	No. 4312 - Sheriff Facility Fee - June 16, 1998	Yes	Yes	Yes
General Services					
Goleta	1496	No. 4354 - Library Facility Fee - March 23, 1999	Yes	Yes	Yes
Orcutt	1495	No. 4314 - Library Facility Fee - June 16, 1998	Yes	Yes	Yes
Goleta	1498	No. 4355 - Public Administration Facility Fee - March 23, 1999	Yes	Yes	Yes
Orcutt	1497	No. 4315 - Public Administration Facility Fee - June 16, 1998	Yes	Yes	Yes
Flood Control					
Orcutt	2406	No. 4313 - Regional Drainage Facility Fee - June 16, 1998	Yes	Yes	Yes

Per Board Direction the County Executive Office is working with consultants David Taussig & Associates, Inc. to conduct a comprehensive study to prepare an updated AB 1600 Development Impact Fee Study for the County. This study will recommend the appropriate fee justification methodology and fee levels to support specific types of County-selected capital facilities to serve new growth. The Fee Study will also further the County’s goals, such as the fundamental goals related to environment, urbanization, agriculture and open lands per the land use element of the County’s General Plan. County Executive Office is coordinating countywide efforts to provide the David Taussig & Associates, Inc. the requested comprehensive data to complete the first phase of the study. We anticipate that we are on track to produce a Draft Report for review in February 2018, with the Final Report approved by the Board in March/April 2018.

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, the fees are 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 fee adjustment for the following fiscal year. The mitigation fees have been adjusted by 4.40% (ENR CCI May 2016) for fiscal year 2017-18.

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 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.

Mandates and Service Levels:

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:

No fiscal or facility impacts are anticipated with the annual fee report and fee adjustments.

Special Instructions:

Continue item to administrative agenda on January 9, 2018, which allows for the County to review the information at the next regularly scheduled public meeting not less than the 15 days after the information is made available to the public per Government Code § 66006(b)(2).

Attachments:

AB 1600 Mitigation Fee Annual Report

Authored by:

Jackie Salvador, Advanced & Specialty Accounting Division, ext. 2141