



CONSENT CALENDAR

Agenda Item # 3

AGENDA REPORT SUMMARY

Meeting Date: January 22, 2019

Subject: Annual Report on the Park in-Lieu Fee and Traffic Impact Fee for Fiscal Year 2018

Prepared by: Sarina Revillar, Financial Services Manager

Reviewed by: Sharif Etman, Administrative Services Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Annual Report on the Traffic Impact Fee and the Park in-Lieu Fee for Fiscal Year 2018

Initiated by:

Staff

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- None

Summary:

- Receive and approve Annual Report for Park in-Lieu Fee and Traffic Impact Fee for Fiscal Year 2018

Staff Recommendation:

Receive and approve the Annual Report on the Traffic Impact Fee and the Park in-Lieu Fee for Fiscal Year 2018

City Manager

Reviewed By:

City Attorney

Finance Director



Subject: Annual Report on the Park in-Lieu Fee and Traffic Impact Fee for Fiscal Year 2018

Purpose

State law requires the City to make this report available for public inspection at least 15 days before the City Council accepts the report and 180 days after the last day of the fiscal year.

Background

Development impact fees are fees charged by local governmental agencies in connection with development projects. The Mitigation Fee Act (California Government Code §66000 et seq.) regulates how public agencies collect, maintain and spend development impact fees imposed on developers for the purpose of defraying costs of public facilities. The Act includes requirements for accounting, expending and reporting impact fees and related interest earning.

Government Code Section 66006 requires that the City make available to the public the following information regarding development impact fees for each development impact fee fund within 180 days after the end of each fiscal year:

- A brief description of the fee and the fund into which the fee was deposited;
- The amount of the fee;
- The associated fund's beginning and ending balances for the fiscal year;
- The total amount of fees collected, and interest earned;
- Identification of each public improvement on which impact fees were expended and the amount of expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with impact fees;
- Identification of the approximate date by which construction of a public improvement will commence if the local agency determined that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete;
- A description of each interfund transfer or loan made from an account or fund; and
- The amount of refunds made and any allocations pursuant to subdivision (f) of Section 66001.

Separately, Government Code Section 66001(d) requires that findings describing the continuing need for impact fees be made every five years specifying the intended use of any unexpended impact fees, regardless of whether the fees are committed or uncommitted. Based on the year the development impact fee accounts were created, no Section 66001(d) findings are required for this fiscal year.

Discussion/Analysis

The City of Los Altos collects a Park in-Lieu Fee and a Traffic Impact Fee in connection with development.



Subject: Annual Report on the Park in-Lieu Fee and Traffic Impact Fee for Fiscal Year 2018

Fund balances at the end of June 30, 2018 are:

Fund	Beginning Fund Balance	FY17/18 Revenues Collected	FY17/18 Expenditures	Ending Fund Balance
Park in-Lieu Fee	\$4,403,862	\$1,117,075	\$ 267,602	\$5,253,335
Traffic Impact Fee	\$1,256,171	\$ 110,524	\$ 786,463	\$ 580,232

As explained further below, annual reporting under Section 66006 is only legally required for the Traffic Impact Fee.

For the traffic impact fee, the City requires developers to pay a fee when a new development generates traffic and meets other requirements described in Section 3.48.040 of the City's Municipal Code. The fees collected are to be used for transportation improvements that are identified in the City's Capital Improvement Program and/or in the Traffic Impact Fee report in effect at the time the traffic impact fee is enacted or as subsequently amended.

The City's Park in-Lieu Fee (Los Altos Municipal Code, Ch. 13.24) is authorized by the Quimby Act (Cal. Government Code §66477), which allows cities to require developers to dedicate community parkland or pay a fee in-lieu thereof. Because the Park in-Lieu fee was established under the Quimby Act it is expressly excluded from the requirements of the Mitigation Fee Act pursuant to Government Code Section 66000(b). Thus, the Park in-Lieu fee is not subject to annual reporting under the Mitigation Fee Act. However, for purposes of completeness and public transparency, both the Park in-Lieu Fee and the Traffic Impact Fee are included in this report.

This Annual Report must be reviewed by the City Council at a regularly scheduled public meeting. In addition, notice of the time and place of the meeting shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the local agency. No such requests were made at the time of this report. The attached Annual Report presents the revenues, expenditures, and fund balances for the Traffic Impact Fee, and on a voluntary basis, for the Park in-Lieu Fee.

Options

- 1) Receive and approve the Annual Report for the Traffic Impact Fee and the Park in-Lieu Fee for the Fiscal Year ended June 30, 2018

Advantages: To meet the state law requirement to make this report available to public

Disadvantages: None

The staff recommends Option 1.



City of Los Altos

**Annual Report
on
the Traffic Impact Fee and the Park in-Lieu Fee
for
Fiscal Year Ended
June 30, 2018**

City of Los Altos
Park in-Lieu Fees and Traffic Impact Fees
For Year Ended June 30, 2018

Schedule of Park-in-Lieu Fees

Pursuant to City of Los Altos Municipal Code Chapter 13.24
Per City Council Adopted Resolution No. 2017-32

New Single-family Residential Home	\$ 56,500 per Home
New Multiple-family Unit	\$ 35,500 per Unit

Schedule of Traffic Impact Fees

Pursuant to City of Los Altos Municipal Code Chapter 3.48
Per City Council Adopted Resolution No. 2017-32

Single-family Housing	\$ 6,152 per Residential Unit
Multiple-family Housing	\$ 3,777 per Residential Unit
Senior Housing	\$ 1,584 per Residential Unit
Commercial	\$ 11,269 per One Thousand Gross Square Feet
Office	\$ 9,076 per One Thousand Gross Square Feet

City of Los Altos
Park in-Lieu Fees
For Year Ended June 30, 2018

Fiscal Year	Beg Bal	Fees Collected	Interest Income	Transfers In	FY17/18 Expenditures	Transfers Out	End Bal
2005	\$0	\$ 30,000	\$ 670		\$ 6,500		\$ 24,170
2006	24,170	60,000	2,757		-		86,927
2007	86,927	243,000	7,705		-		337,632
2008	337,632	867,000	23,890		211,780		1,016,742
2009	1,016,742	-	19,684		73,046		963,380
2010	963,380	468,000	7,868		154,257		1,284,991
2011	1,284,991	132,000	7,784		1,136,867		287,908
2012	287,908	756,000	6,027		100,185		949,750
2013	949,750	3636000	4640				4,590,390
2014	4,590,390	1,260,000	21,574				5,871,964
2015	5,871,964	62,708	24,420			56,773	5,902,319
2016	5,902,319	198,500	56,633		145,102	467,476	5,544,874
2017	5,544,874	-	12,414		1,152,527	899	4,403,862
2018	4,403,862	1,092,500	24,575		267,602		5,253,335

City of Los Altos
Traffic Impact Fees
For Year Ended June 30, 2018

Fiscal Year	Beg Bal	Fees Collected	Interest Income	Transfers In	FY17/18 Expenditures	Transfers Out	End Bal
2006	\$0	\$ 84,796	\$ 960				\$ 85,756
2007	85,756	-	4,467				90,223
2008	90,223	285,018	7,785				383,026
2009	383,026	24,842	8,974				416,842
2010	416,842	154,644	3,372				574,858
2011	574,858	185,795	5,935		47,793		718,795
2012	718,795	59,964	5,108		23,402		760,465
2013	760,465	651,705	1,758		18,336		1,395,592
2014	1,395,592	692,408	8,083		1,684	95,357	1,999,042
2015	1,999,042	249,589	8,819		320,225		1,937,224
2016	1,937,224	41,531	18,924		7,014	518,398	1,472,267
2017	1,472,267	-	3,867		105,434	114,529	1,256,171
2018	1,256,171	105,359	5,165		346,463	440,000	580,232

**City of Los Altos
Park in-Lieu Funds Expended
For Year Ended June 30, 2018**

Project		Amount of Impact Fees Expended on Project	Amount of All Funds Expended on Project	Percent Share of Impact Fees
CF01008 Grant Park Comm Ctr Improve	Park-in-Lieu	\$ 142,053	\$ 142,053	100%
CF01009 Annual Pathway Rehab	Park-in-Lieu	\$ 53,665	\$ 53,665	100%
CF01017 Annual Park Improvement	Park-in-Lieu	\$ 71,884	\$ 71,884	100%
Total		<u>\$ 267,602</u>	<u>\$ 267,602</u>	100%

As June 30, 2018, there were no loans made by the Fund

For fiscal year ending June 30, 2018, there were no fee refunds issued by the Fund

As of June 30, 2018, there were no incomplete public improvements for which sufficient funds have been collected.
No approximate construction date can be identified at this time for incomplete public improvements.

**City of Los Altos
Traffic Impact Fee Funds Expended
For Year Ended June 30, 2018**

Project		Amount of Impact Fees Expended on Project	Amount of All Funds Expended on Project	Percent Share of Impact Fees
15-26 Foothill Expressway Improvement	Traffic Impact	\$ 440,000	\$ 512,282	86%
TS01031 Illuminated Crosswalk Replace	Traffic Impact	\$ 344,945	\$ 345,189	100%
TS01007 Neighborhood Traffic Mgmt	Traffic Impact	\$ 1,518	\$ 1,518	100%
Total		<u>\$ 786,463</u>	<u>\$ 858,989</u>	92%

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