City Council Report

Item: 4.
Category: Consent Calendar
Date: January 6, 2015

TITLE: Annual Status Report on Project Development Fees (AB-1600)

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution as compliance with AB-1600's annual reporting requirement for the fiscal year ending June 30, 2014.

BACKGROUND

Attached is the annual status report, for the 5-year period ending June 30, 2014, of developers' fees collected by the City for public facilities including public improvements, public services and community amenities.

Government Code Section 66000 et seq. requires local agencies to provide an accounting of fees charged for development projects. Effective January 1, 1989, AB-1600 required new accounting guidelines with respect to the imposition and use of such fees. Effective January 1, 1997, SB-1693 further amended and expanded the provisions of the Code with respect to the accounting and reporting requirements.

The City has two basic accounting and reporting responsibilities under the Government Code. Section 66001(d) requires that, five years after collecting a development fee subject to this code section and every five years thereafter, the local agency shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. These findings must:

1. Identify the purpose for the fee;
2. Demonstrate a reasonable relationship between the fee and the purpose for which it was charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements;
4. Designate the approximate dates on which these funding sources can be expected to be deposited into the appropriate account or fund.

If the required findings are not made, the unexpended funds shall be refunded.

When sufficient funds have been collected to complete financing on incomplete public improvements, the local agency has 180 days to identify an approximate date by which the construction of the public improvement will begin or else is required to refund the unexpended fees, including accrued interest, to the current owner of lots or units of the development project.

The second requirement set forth under Government Code Section 66006 provides that the City shall establish separate capital facility accounts for each improvement funded by project development fees. Any interest income earned by funds in such an account shall be deposited in that account. Each local agency is required, within 180 days after the last day of each fiscal year, for each established separate account, to make available to the public the following information: (1) a brief description of the type of fee in the account; (2) the amount of the fee; (3) the account's beginning and ending balance; (4) the amount of fees collected and the interest earned; (5) a description of the improvements on which the funds were expended and the amount expended on each improvement including the percentage of the improvement funded with development fees; (6) an approximate date by which the construction of a public improvement will begin if the local agency determines that sufficient funds have been collected to complete financing on the incomplete improvement; (7) a description of each inter-fund transfer or loan made from the account; and (8) the amount of any refunds made pursuant to Code Section 66001.

DISCUSSION

Attached to this staff report is the financial information (see Appendices A-C) required by Government Code Section 66006(a)-(b) as of June 30, 2014. The information consists of beginning and ending fund balances for each fee charged by the City, including interest earned, and details of all expenditures made from these sources. Fiscal year 2014-15 reflects estimates. Pursuant to Government Code Section 66006(a)-(b), this report is for review purposes only. Any changes to committed funds will be made through the normal procedures for the adoption of the City's Five-Year Capital Improvement Program.

The City utilizes the following funds to track development related fees:

* Environmental Services (Fund 209)

  A storm drain reserve account within this fund is utilized to track fees paid by developers to design, install and improve storm drains for new storm drain projects throughout the City.

* Parkland Dedication (Fund 295)

  This fund is utilized to track the receipt of Parkland Dedication Fees. In accordance with the Quimby Act, these funds are utilized only for acquisition, development or improvements to community or neighborhood parks in accordance with the Open Space Element.

* Vehicle Impact (Fund 202)

  This fund tracks the receipt of funds collected from development projects designed to fund the cost of street replacement due to the cumulative impact of construction and other commercial vehicles at development sites.

The City utilizes fund accounting to segregate development related fees from other City revenues. Although the City pools its cash for investment purposes, interest income is allocated to the Parkland Dedication and the Environmental Services Funds based on their respective cash balances.

Staff examined the accounts to determine if any development fees collected between January 1, 1989 (the date AB-1600 became effective) and June 30, 2009 remain unexpended. It was determined that all such fees were expended within the five year period. Therefore, no additional findings are required under Code Section 66001(d).

Appendix A contains a five year history for fiscal years 2009-10 through fiscal year 2013-14, and an estimate for the current fiscal year for the Storm Drain Reserve Account activity; the Parkland Dedication Fund and the Vehicle Impact Fund. Appendix B contains fiscal year 2014-15 five-year Capital Improvement Plan cash flow worksheets for the Storm Drain Reserve Account, Parkland Dedication Fund and Vehicle Impact Fund. Estimated cash flows may differ from Appendices A which represent revised estimates based on the latest information available. Appendix C, which the Government Code does not require to be presented, summarizes the fees received and expended for all accounts since January 1, 1989 demonstrating that there are no fees collected more than five years ago that remain unexpended at June 30, 2014.

FISCAL IMPACT

None.

Prepared by: _____
Sharif Etman, Finance Manager

Reviewed by: _____
Jesse Takahashi, Finance Director

Reviewed by: _____
Paul Kermoyan, Community Development Director

Reviewed by: _____
Todd Capurso, Public Works Director

Approved by: _____
Mark Linder, City Manager

Attachments:
1. Resolution
2. Appendices A, B, C

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL ACCEPTING THE ANNUAL STATUS REPORT ON PROJECT DEVELOPMENT FEES (AB-1600)

WHEREAS, Government Code Section 66001(d) requires the City to make findings once every five fiscal years with respect to any portion of a fee remaining unexpended in its account five or more years after deposit of the fee, and to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged; and

WHEREAS, the City of Campbell elects to do an annual AB-1600 status report; and

WHEREAS, staff, under Government Code Section 66001(d), has reviewed the development fees collected between January 1, 1989 (the date when this requirement became effective) and June 30, 2009 to determine if any such development fees remain unexpended; and

WHEREAS, staff has found that no project development fees collected between January 1, 1989 and June 30, 2009 remain unexpended; and

WHEREAS, staff has set forth the information required by California Government Code Section 66006 in the report and attachments accompanying this resolution.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Campbell that Council review, accept and file this Annual Status Report on project development fees as stipulated under Government Code Section 66000 et seq.

PASSED and ADOPTED this 6th day of January, 2015, by the following roll call vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

APPROVED:

_____
Jeffrey R. Cristina, Mayor

ATTEST:

_____
Anne Bybee, City Clerk

Appendix A

CITY OF CAMPBELL, CALIFORNIA
Environmental Services Fund (Storm Drain Reserve Account)
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2010-2014
With Estimates for Fiscal Year 2014-2015

	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Estimated
Revenues:						
Storm drain fees	$ 9,376	$ 17,308	$ 21,292	$ 29,563	$ 30,105	$ 20,000
Investment income	4,144	2,618	2,971	2,180	1,847	541
Total revenues	**13,520**	**19,926**	**24,263**	**31,743**	**31,952**	**20,541**
Other financing uses:						
Operating/capital transfers out	(10,000)	(25,232)	(47,269)	(972)	(10,075)	(50,000)
Excess (deficiency) of revenues over (under) other financing sources (uses)	3,520	(5,306)	(23,006)	30,771	21,877	(29,459)
Fund balance, beginning of year	155,450	158,970	153,664	130,658	161,429	183,306
Fund balance, end of year	**$ 158,970**	**$ 153,664**	**$ 130,658**	**$ 161,429**	**$ 183,306**	**$ 153,847**
Recap of transfers-out (% funded by development fees):						
Misc. Storm Drain Improvements (100%)	$ -	$ 25,232	$ 47,269	$ 972	$ 10,075	$ 50,000
Total transfers-out	$ -	$ 25,232	$ 47,269	$ 972	$ 10,075	$ 50,000

CITY OF CAMPBELL, CALIFORNIA
Vehicle Impact Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2010-2014
With Estimates for Fiscal Year 2014-2015

	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Estimated
Revenues:						
Vehicle Impact Fees	$ 49,194	$ 140,141	$ 127,022	$ 129,509	$ 247,354	$ 140,000
Investment income	-	-	-	-	-	278
Total revenues	**49,194**	**140,141**	**127,022**	**129,509**	**247,354**	**140,278**
Other financing uses:						
Operating/capital transfers out	-	-	(139,067)	(212,175)	(298,832)	(554,026)
Excess (deficiency) of revenues over (under) other financing sources (uses)	49,194	140,141	(12,045)	(82,666)	(51,478)	(413,748)
Fund balance, beginning of year	109,726	158,920	299,061	287,016	204,350	152,872
Fund balance, end of year	**$ 158,920**	**$ 299,061**	**$ 287,016**	**$ 204,350**	**$ 152,872**	**$ (260,876)**
Recap of transfers-out (% funded by development fees):						
Street Maintenance Project 13BB(32%)	-	-	-	$ 31,168	$ 298,832	$ -
Hacienda Avenue Project 0804 (10%)	-	-	$ 14,067	181,007	-	336,293
Street Maintenance Project 10AA(6%)	-	-	125,000	-	-	-
Street Maintenance Project 11AA (12%)	-	-	-	-	-	-
Street Maintenance 12BB (42%)						77,733
Street Maintenance Project 15AA (17%)						140,000
Total transfers-out	$ -	$ -	$ 139,067	$ 212,175	$ 298,832	$ 554,026

CITY OF CAMPBELL, CALIFORNIA
Parkland Dedication Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2010-2014
With Estimates for Fiscal Year 2014-2015

	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Estimated
Revenues:						
Park dedication fees	$ 112,904	$ 540,453	$ 447,462	$ 701,114	$ 1,800,324	$ 834,562
Investment income	9,465	6,100	6,131	4,856	11,071	41,850
Total revenues	**122,369**	**546,553**	**453,593**	**705,970**	**1,811,395**	**876,412**
Other financing sources (uses):						
Operating/capital transfers out	(754,593)	(157,560)	(1,023,635)	(30,913)	(26,443)	(1,411,327)
Excess (deficiency) of revenues over (under) other financing sources (uses)	(632,224)	388,993	(570,042)	675,057	1,784,952	(534,915)
Fund balance, beginning of year	1,109,696	477,473	866,466	296,424	971,481	2,756,433
Fund balance, end of year	**$ 477,473**	**$ 866,466**	**$ 296,424**	**$ 971,481**	**$ 2,756,433**	**$ 2,221,518**
Recap of transfers-out (% funded by development fees):						
Stojanovich Park Land & Improvements (98%)	754,593	157,559	1,023,635	30,913	26,000	121,770
Park Improvement Master Plan (100%)	-	-	-	-	443	89,557
Park System Improvements (100%)	-	-	-	-	-	1,200,000
Total transfers-out	$ 754,593	$ 157,559	$ 1,023,635	$ 30,913	$ 26,443	$ 1,411,327

CIP Five Year Cash Flow Analysis
FY 14-15 Through FY 18-19

Appendix B

Environmental Services Storm Drain Reserves - Fund Balance - Fund 209

	FY 14-15 Environ. Svcs. Storm Drain Res Fund Balance FD 209	FY 15-16 Environ. Svcs. Storm Drain Res Fund Balance FD 209	FY 16-17 Environ. Svcs. Storm Drain Res Fund Balance FD 209	FY 17-18 Environ. Svcs. Storm Drain Res Fund Balance FD 209	FY 18-19 Environ. Svcs. Storm Drain Res Fund Balance FD 209	Total FY15 to 19 Environ Svcs. Storm Drain Res Fund Balance FD 209
Available Reserve--July 1	$ 49,154	$ 19,695	$ 40,195	$ 10,695	$ 31,195	$ 49,154
Add Projected Revenues:						
Storm Drain Fees	20,000	20,000	20,000	20,000	20,000	100,000
Investment income	541	500	500	500	500	2,541
Total Projected Revenues	20,541	20,500	20,500	20,500	20,500	102,541
Less Projected Expenditures:						
Five Year CIP Proposed	50,000	-	50,000	-	50,000	150,000
Sub-Total Expenditures	50,000	-	50,000	-	50,000	150,000
Projected Available Reserve	$ 19,695	$ 40,195	$ 10,695	$ 31,195	$ 1,695	$ 1,695

Vehicle Impact - Fund Balance - Fund 202

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total FY15 to 19
Available Reserve--July 1,2012	$ 38,200	$ 38,478	$ 38,761	$ 39,044	$ 39,327	$ 38,200
Add Projected Revenues:						
Vehicle Impact Fees	140,000	140,000	140,000	140,000	140,000	700,000
Solid Waste Vehicle Impact Fees	225,000	230,000	234,000	238,000	244,000	1,171,000
Investment income	278	283	283	283	283	1,410
Total Projected Revenues	365,278	370,283	374,283	378,283	384,283	1,872,410
Less Projected Expenditures:						
Carryforward from prior years	-					-
						-
Five Yr. CIP Proposed	365,000	370,000	374,000	378,000	384,000	1,871,000
Sub-Total Expenditures	365,000	370,000	374,000	378,000	384,000	1,871,000
Projected Available Fund Balance	$ 38,478	$ 38,761	$ 39,044	$ 39,327	$ 39,610	$ 39,610

CIP Five Year Cash Flow Analysis
FY 14-15 Through FY 18-19

Parkland Dedication - Undesignated Fund Balance - Fund 295

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total FY15 to 19
	Parkland Ded. Undesignated Fund Balance FD 295	Parkland Ded. Undesignated Fund Balance FD 295	Parkland Ded. Undesignated Fund Balance FD 295	Parkland Ded. Undesignated Fund Balance FD 295	Parkland Ded. Undesignated Fund Balance FD 295	Parkland Ded. Undesignated Fund Balance FD 295
Cash - Liabilities Balance--July 1	$ 2,790,017	$ 2,466,430	$ 2,090,282	$ 1,921,636	$ 2,350,461	$ 2,790,017
Add: Projected Revenues:						
Investment Income	41,850	36,996	31,354	28,825	35,257	174,282
Parkland Ded. Fees	834,562	306,856	400,000	400,000	400,000	2,341,418
Total Projected Revenues	876,412	343,852	431,354	428,825	435,257	2,515,700
Less Projected Expenditures:						
Five Yr. CIP Proposed	1,200,000	720,000	600,000	-	-	2,520,000
Sub-Total Expenditures	1,200,000	720,000	600,000	-	-	2,520,000
Projected Available Fund Balance	$ 2,466,430	$ 2,090,282	$ 1,921,636	$ 2,350,461	$ 2,785,718	$ 2,785,718

City of Campbell
Summary of Development Fees and Related Expenditures
January 1, 1989 through June 30, 2014

Storm Drain Reserve Account

Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cummulative Fees	Cummulative Expenditures	Fees Over (Under) Expenditures	Cummulative Percent of Fees Expended
FYE 1989*	$ 6,994	$ 11,653	$ (4,659)	$ 6,994	$ 11,653	$ (4,659)	100%
FYE 1990	31,634	16,000	15,634	38,628	27,653	10,975	100%
FYE 1991	11,562	50,000	(38,438)	50,190	77,653	(27,463)	100%
FYE 1992	36,804	55,235	(18,431)	86,994	132,888	(45,894)	100%
FYE 1993	20,879	11,164	9,715	107,873	144,052	(36,179)	100%
FYE 1994	10,216	16,500	(6,284)	118,089	160,552	(42,463)	100%
FYE 1995	71,703	-	71,703	189,792	160,552	29,240	100%
FYE 1996	56,511	-	56,511	246,303	160,552	85,751	100%
FYE 1997	13,659	-	13,659	259,962	160,552	99,410	100%
FYE 1998	24,766	63,600	(38,834)	284,728	224,152	60,576	100%
FYE 1999	72,822	-	72,822	357,550	224,152	133,398	100%
FYE 2000	24,539	-	24,539	382,089	224,152	157,937	100%
FYE 2001	29,669	-	29,669	411,758	224,152	187,606	100%
FYE 2002	25,034	173,314	(148,280)	436,792	397,466	39,326	100%
FYE 2003	34,642	95	34,547	471,434	397,561	73,873	100%
FYE 2004	11,342	90,000	(78,658)	482,776	487,561	(4,785)	100%
FYE 2005	31,055	323,470	(292,415)	513,831	811,031	(297,200)	100%
FYE 2006	75,757	4,280	71,477	589,588	815,311	(225,723)	100%
FYE 2007	28,048	10,000	18,048	617,636	825,311	(207,675)	100%
FYE 2008	26,513	30,737	(4,224)	644,149	856,048	(211,899)	100%
FYE 2009	10,013	27,084	(17,071)	654,161	883,132	(228,971)	100%
FYE 2010	9,376	-	9,376	663,537	883,132	(219,595)	100%
FYE 2011	17,308	25,232	(7,924)	680,845	908,364	(227,519)	100%
FYE 2012	21,292	47,269	(25,977)	702,137	955,633	(253,496)	100%
FYE 2013	29,563	972	28,591	731,700	956,605	(224,905)	100%
FYE 2014	30,105	10,075	20,030	761,805	966,680	(204,875)	100%
	$ 761,805	$ 966,680	$ (204,875)				

Parkland Dedication Fund

Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cummulative Fees	Cummulative Expenditures	Fees Over (Under) Expenditures	Cummulative Percent of Fees Expended
FYE 1989*	$ 69,052	$ 69,052	$ -	$ 69,052	$ 69,052	$ -	100%
FYE 1990	221,209	80,000	141,209	290,261	149,052	141,209	100%
FYE 1991	72,926	15,208	57,718	363,187	164,260	198,927	100%
FYE 1992	49,879	385,420	(335,541)	413,066	549,680	(136,614)	100%
FYE 1993	130,146	-	130,146	543,212	549,680	(6,468)	100%
FYE 1994	186,891	(70,000)	256,891	730,103	479,680	250,423	100%
FYE 1995	827,876	560,073	267,803	1,557,979	1,039,753	518,226	100%
FYE 1996	956,354	194,099	762,255	2,514,333	1,233,852	1,280,481	100%
FYE 1997	299,801	420,902	(121,101)	2,814,134	1,654,754	1,159,380	100%
FYE 1998	573,787	422,778	151,009	3,387,921	2,077,532	1,310,389	100%
FYE 1999	392,192	-	392,192	3,780,113	2,077,532	1,702,581	100%
FYE 2000	561,634	100,000	461,634	4,341,747	2,177,532	2,164,215	100%
FYE 2001	153,402	2,205	151,197	4,495,149	2,179,737	2,315,412	100%
FYE 2002	179,383	724,218	(544,835)	4,674,532	2,903,955	1,770,577	100%
FYE 2003	420,076	677,578	(257,502)	5,094,608	3,581,533	1,513,075	100%
FYE 2004	193,340	2,075,781	(1,882,441)	5,287,948	5,657,314	(369,366)	100%
FYE 2005	637,021	278,840	358,181	5,924,969	5,936,154	(11,185)	100%
FYE 2006	322,825	410,431	(87,606)	6,247,794	6,346,585	(98,791)	100%
FYE 2007	301,602	221,679	79,923	6,549,396	6,568,264	(18,868)	100%
FYE 2008	413,130	1,029,357	(616,227)	6,962,526	7,597,621	(635,095)	100%
FYE 2009	39,648	753,430	(713,782)	7,002,174	8,351,051	(1,348,877)	100%
FYE 2010	122,370	754,593	(632,223)	7,124,544	9,105,644	(1,981,100)	100%
FYE 2011	540,453	157,559	382,894	7,664,997	9,263,203	(1,598,206)	100%
FYE 2012	447,462	1,023,635	(576,173)	8,112,459	10,286,838	(2,174,379)	100%
FYE 2013	701,114	30,913	670,201	8,813,573	10,317,751	(1,504,178)	100%
FYE 2014	1,800,324	26,443	1,773,881	10,613,897	10,344,194	269,703	97%
	$ 10,613,897	$ 10,344,194	$ 269,703				

* Represents 6 month period from January 1 - June 30, 1989

Vehicle Impact Fund

Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cummulative Fees	Cummulative Expenditures	Fees Over (Under) Expenditures	Cummulative Percent of Fees Expended
FYE 2009	109,726	0	109,726	109,726	0	109,726	100%
FYE 2010	49,194	0	49,194	158,920	0	158,920	100%
FYE 2011	140,141	0	140,141	299,061	0	299,061	100%
FYE 2012	127,022	139,067	(12,045)	426,083	139,067	287,016	32.6%
FYE 2013	129,509	212,175	(82,666)	555,592	351,242	204,350	63.2%
FYE 2014	247,354	298,832	(51,478)	802,946	650,074	152,872	81.0%
	802,946	650,074	152,872				