City Council Report

Item: 19.
Category: Consent Calendar
Date: December 6, 2016

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, 2016.

BACKGROUND

Attached is the annual status report, for the 5-year period ending June 30, 2016, 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 (Attachments 2 and 3) required by Government Code Section 66006(a)-(b) as of June 30, 2016. 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 2016-17 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, 2011 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).

Attachment 2 contains a five year history for fiscal years 2011-12 through fiscal year 2015-16, and an estimate for the current fiscal year for the Storm Drain Reserve Account activity; the Parkland Dedication Fund and the Vehicle Impact Fund. Attachment 3 contains fiscal year 2016-17 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 Attachment 2 which represents revised estimates based on the latest information available.

Attachment 4, 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, 2016.

FISCAL IMPACT

None.

Prepared 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. 5 year revenue and expenditure history
3. CIP 5 year cash flows
4. Summary of Development fees and expenditures

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, 2011 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, 2011 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 December, 2016, by the following roll call vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

APPROVED:

_____
Jason T. Baker, Mayor

ATTEST:

_____
Wendy Wood, City Clerk

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, 2012-2016
With Estimates for Fiscal Year 2016-2017

	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Estimated
Revenues:						
Storm drain fees	$ 21,292	$ 29,563	$ 30,105	$ 11,245	$ 51,055	$ 20,000
Investment income	2,971	2,180	1,847	1,916	317	500
Total revenues	**24,263**	**31,743**	**31,952**	**13,161**	**51,372**	**20,500**
Other financing uses:						
Operating/capital transfers out	(47,269)	(972)	(10,075)	$ -	$ -	$ (50,000)
Excess (deficiency) of revenues over (under) other financing sources (uses)	(23,006)	30,771	21,877	13,161	51,372	(29,500)
Fund balance, beginning of year	153,664	130,658	161,429	183,306	196,467	247,839
Fund balance, end of year	**$ 130,658**	**$ 161,429**	**$ 183,306**	**$ 196,467**	**$ 247,839**	**$ 218,339**
Recap of transfers-out (% funded by development fees):						
Misc. Storm Drain Improvements (100%)	$ 47,269	$ 972	$ 10,075	$ -	$ -	$ 50,000
Total transfers-out	$ 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, 2012-2016
With Estimates for Fiscal Year 2016-2017

	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Estimated
Revenues:						
Vehicle Impact Fees	$ 127,022	$ 129,509	$ 247,354	$ 136,919	$ 354,221	$ 300,000
Investment income	-	-	-	-	-	200
Total revenues	**127,022**	**129,509**	**247,354**	**136,919**	**354,221**	**300,200**
Other financing uses:						
Operating/capital transfers out	(139,067)	(212,175)	(298,832)	(289,791)	(181,367)	(669,931)
Excess (deficiency) of revenues over (under) other financing sources (uses)	(12,045)	(82,666)	(51,478)	(152,872)	172,854	(369,731)
Fund balance, beginning of year	299,061	287,016	204,350	152,872	-	172,854
Fund balance, end of year	**$ 287,016**	**$ 204,350**	**$ 152,872**	**$ -**	**$ 172,854**	**$ (196,877)**
Recap of transfers-out (% funded by development fees):						
Street Maintenance 13BB(32%)	-	$ 31,168	$ 298,832	-	-	-
Hacienda Avenue 0804 (10%)	$ 14,067	181,007	-	$ 155,554	180,000	-
Street Maintenance 10AA(6%)	125,000	-	-	-	-	-
Virginia Ave 14HH (100%)	-	-	-	35,773	1,367	-
Arterial Rehab 14NN (51%)	-	-	-	98,464	-	-
Street Maintenance 16BB (14%)	-	-	-	-		369,931
Street Maintenance 17BB (15%)	-	-	-	-	-	300,000
Total transfers-out	$ 139,067	$ 212,175	$ 298,832	$ 289,791	$ 181,367	$ 669,931

CITY OF CAMPBELL, CALIFORNIA
Parkland Dedication Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2012-2016
With Estimates for Fiscal Year 2016-2017

	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Estimated
Revenues:						
Park dedication fees	$ 447,462	$ 701,114	$1,800,324	$ 443,149	$2,009,861	$ 400,000
Investment income	6,131	4,856	11,071	17,377	19,112	51,511
Total revenues	**453,593**	**705,970**	**1,811,395**	**460,526**	**2,028,973**	**451,511**
Other financing sources (uses):						
Operating/capital transfers out	(1,023,635)	(30,913)	(26,443)	(22,975)	(50,451)	(1,069,549)
Excess (deficiency) of revenues over (under) other financing sources (uses)	(570,042)	675,057	1,784,952	437,551	1,978,522	(618,038)
Fund balance, beginning of year	866,466	296,424	971,481	2,756,433	3,193,984	5,172,506
Fund balance, end of year	**$ 296,424**	**$ 971,481**	**$2,756,433**	**$3,193,984**	**$5,172,506**	**$4,554,468**
Recap of transfers-out (% funded by development fees):						
Stojanovich Park Land & Improvements (98%)	1,023,635	30,913	26,000	19,500	-	-
Park Improvement Master Plan (100%)	-	-	443	-	-	-
Park System Improvements 15GG (100%)	-	-	-	3,475	-	500,000
Hard Court Resurfacing 16FF (100%)	-	-	-	-	31,668	43,332
Los Gatos Creek Trail Seal Coat 16GG (100%)	-	-	-	-	18,783	31,217
San Tomas Aquino Creek Trail 15NN (11%)	-	-	-	-	-	120,000
Campbell Park Improvements Design 17DD (100%)	-	-	-	-	-	50,000
Park Playground Renovations (100%)	-	-	-	-	-	100,000
Community Center Aquatic Feasibility (100%)	-	-	-	-	-	60,000
Community Center Outdoor Exercise Station (100%	-	-	-	-	-	115,000
Community Center Play Area Design (100%)	-	-	-			50,000
Total transfers-out	$1,023,635	$ 30,913	$ 26,443	$ 22,975	$ 50,451	$1,069,549

CIP Five Year Cash Flow Analysis
FY 16-17 Through FY 20-21

Attachment 3

Environmental Services Storm Drain Reserves - Fund Balance - Fund 209

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Total FY17 to 21
	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ Svcs. Storm Drain Res Fund Balance FD 209
Available Reserve--July 1	$ 163,032	$ 133,532	$ 104,032	$ 74,532	$ 95,032	$ 163,032
Add Projected Revenues:						
Storm Drain Fees	20,000	20,000	20,000	20,000	20,000	100,000
Investment income	500	500	500	500	500	2,500
Total Projected Revenues	20,500	20,500	20,500	20,500	20,500	102,500
Less Projected Expenditures:						
Five Year CIP Proposed	50,000	50,000	50,000	-	50,000	200,000
Projected Available Reserve	$ 133,532	$ 104,032	$ 74,532	$ 95,032	$ 65,532	$ 65,532

Vehicle Impact - Fund Balance - Fund 202

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Total FY 17 to 21
Available Reserve--July 1	$ 551,832	$ 552,082	$ 552,332	$ 552,582	$ 552,832	$ 551,832
Add Projected Revenues:						
Vehicle Impact Fees	300,000	300,000	280,000	280,000	280,000	1,440,000
Solid Waste Vehicle Impact Fees	330,000	330,000	250,000	250,000	250,000	1,410,000
Investment income	250	250	250	250	250	1,250
Total Projected Revenues	630,250	630,250	530,250	530,250	530,250	2,851,250
Five Yr. CIP Proposed	630,000	630,000	530,000	530,000	530,000	2,850,000
Projected Available Fund Balance	$ 552,082	$ 552,332	$ 552,582	$ 552,832	$ 553,082	$ 553,082

Parkland Dedication - Undesignated Fund Balance 295

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Total FY17 to 21
Cash - Liabilities Balance--July 1	$ 3,434,040	$ 3,510,551	$ 2,683,209	$ 2,923,457	$ 3,167,309	$ 3,434,040
Add: Projected Revenues:						
Investment Income	51,511	52,658	40,248	43,852	47,510	235,778
Parkland Ded. Fees	400,000	400,000	400,000	400,000	400,000	2,000,000
Total Projected Revenues	451,511	452,658	440,248	443,852	447,510	2,235,778
Less Projected Expenditures:						
Five Yr. CIP Proposed	375,000	1,280,000	200,000	200,000	200,000	2,255,000
Projected Available Fund Balance	$ 3,510,551	$ 2,683,209	$ 2,923,457	$ 3,167,309	$ 3,414,818	$ 3,414,818
Other Expenditures	1,253,498	1,278,568	1,304,139	1,330,222	-	6,269,947
Projected Available Fund Balance	$ 787,836	$ 803,592	$ 819,664	$ 836,057	$ -	$ 3,940,723

City of Campbell
Summary of Development Fees and Related Expenditures
January 1, 1989 through June 30, 2016

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%
FYE 2015	11,245	-	11,245	773,050	966,680	(193,630)	100%
FYE 2016	51,055	-	51,055	824,105	966,680	(142,575)	100%
	$ 824,105	$ 966,680	$ (142,575)				

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	98%
FYE 2015	443,149	22,975	420,174	11,057,046	10,367,169	689,877	94%
FYE 2016	2,009,861	50,451	1,959,410	13,066,907	10,417,620	2,649,287	80%
	$ 13,066,907	$ 10,417,620	$ 689,877				

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

City of Campbell
Summary of Development Fees and Related Expenditures
January 1, 1989 through June 30, 2016

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	$ -	$ 109,726	$ 109,726	$ -	$ 109,726	100%
FYE 2010	49,194	-	49,194	158,920	-	158,920	100%
FYE 2011	140,141	-	140,141	299,061	-	299,061	100%
FYE 2012	127,022	139,067	(12,045)	426,083	139,067	287,016	100%
FYE 2013	129,509	212,175	(82,666)	555,592	351,242	204,350	100%
FYE 2014	247,354	298,832	(51,478)	802,946	650,074	152,872	100%
FYE 2015	136,919	289,791	(152,872)	939,865	939,865	-	100%
FYE 2016	354,221	181,367	172,854	1,294,086	1,121,232	172,854	87%
	$ 1,294,086	$ 1,121,232	$ -				