City Council Report

Item: 9
Category: CONSENT CALENDAR
Meeting Date: December 3, 2024

TITLE: **Resolution Reviewing and Accepting the Annual Developer Fee Disclosure Information for the Environmental Services Fee, Parkland Dedication Fee, and Vehicle Impact Fee and Making Five-Year Findings for the Parkland Dedication Fee and Vehicle Impact Fee for the Fiscal Year Ended June 30, 2024 Pursuant to California Government Code (GC) Section 66001 (Resolution/Roll Call Vote)**

RECOMMENDED ACTION

That the City Council adopt a resolution consistent with the Mitigation Fee Act (AB-1600) to review and accept the annual developer fee disclosure information for the Environmental Services Fee, Parkland Dedication Fee, and Vehicle Impact Fee and make five-year findings for the Parkland Dedication Fee and Vehicle Impact Fee for the Fiscal Year ended June 30, 2024 pursuant to California Government Code (GC) Section 66001.

BACKGROUND

California Government Code Section 66000 et seq. ("Mitigation Fee Act") requires local agencies to provide an accounting of fees charged for development projects. Effective January 1, 1989, AB-1600 required new accounting guidelines for 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. If the required findings are not made, the unexpended funds shall be refunded to the current property owners.

These five-year findings must:

1. Identify the purpose of 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; and
4. Designate the approximate dates on which these funding sources can be

expected to be deposited into the appropriate account or fund.

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.

For the Fiscal Year ended June 30, 2024 (FY 2024), the City needs to make five-year findings for the remaining unexpended fee proceeds for the Parkland Dedication Fee and the Vehicle Impact Fee. Five-year findings are not required under the Government Code for the Environmental Services Fee. The second requirement set forth under Government Code Section 66006(b)(1) provides that each local agency is required on an annual basis, for each separate account, to make available to the public the following information:

1. 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;
8. The amount of any refunds made pursuant to Code Section 66001.

The City deposits impact fees subject to the above disclosure in the Environmental Services Fund (209), the Parkland Dedication Fund (295), and the Vehicle Impact Fund (202) to track these development related fees. Interest income is allocated to each fund based on their respective monthly cash balances. Expenditures from these funds were in the form of capital improvement projects to either renovate existing facilities or maintain the existing level of service, consistent with the General Plan and approved Capital Improvement Plan, due to increased demand related to development projects.

DISCUSSION

Annual reports, which are shown as Exhibits to the resolution accompanying this staff report ***(Attachment A)***, summarize the FY 2024 fund activity for the Environmental Services Fee ***(Exhibit 1)***, the Parkland Dedication Fee ***(Exhibit 2)***, and the Vehicle Impact Fee ***(Exhibit 3)***. The reports show the amount of fees collected in FY 2024, interest income, the percentage of the projects funded by the development fees, and the beginning and ending balance of the funds. The purpose of each fee is noted below:

- **Environmental Services Fee** - Fees paid by developers to design, install and improve storm drains for new storm drain projects throughout the City.

- **Parkland Dedication Fee** - Fees paid by developers in accordance with the Quimby Act and utilized for acquisition, development and improvements to community and neighborhood parks in accordance with the Open Space Element.

- **Vehicle Impact Fee** - Fees paid by developers to fund the cost of street replacement and maintenance due to the cumulative impact of construction and other commercial vehicles at development sites.

Table 1 below also shows the beginning fund balance, revenues received, expenditures, and ending fund balance for each impact fee for FY 2024. The plan to expend the available ending fund balances for the various fees is outlined in the attached reports.

Table 1 – Fund Balance Summary

FY 2024	**Environmental Services (209)***	**Parkland Dedication (295)**	**Vehicle Impact (202)**
Beg. Fund Balance	$346,593	$3,432,945	$548,636
Revenues	46,287	790,910	302,009
Expenditures	(50,000)	(260,035)	(850,645)
End. Fund Balance	$342,880	$3,963,820	$0

** Annual reporting for the Environmental Services Fee is subject to Government Code Section 66013, however those reporting requirements are substantially similar to the annual reporting requirements under Government code section 66006 and are referred to collectively here for convenience.*

Additional reports, which are also shown as Exhibits to the resolution accompanying this staff report ***(Attachment A)***, include Five-Year Findings Reports for the Parkland Dedication Fee ***(Exhibit 4)*** and the Vehicle Impact Fee ***(Exhibit 5)***. These reports identify the purpose of each fee, demonstrate the reasonable relationship between the fee and the purpose for which the fee was charged, identify the sources and amounts of funding anticipated to complete financing of improvements and designate approximate dates on which these funding sources can be expected. Again, five-year findings are not required under the Government Code for the Environmental Services Fee and have not been provided.

FISCAL IMPACT

There is no fiscal impact for reviewing and accepting this report and approving the resolution and related exhibits. The preparation of this report and resolution is an annual recurring process that is included within current City services and whose time and costs have been built into the FY 2025 Operating Budget.

Prepared by: 

Will Fuentes, Finance Director

Approved by: 

Brian Loventhal, City Manager

Attachment:

a. Resolution AB-1600 FY 2024

RESOLUTION NO. 13233

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL REVIEWING AND ACCEPTING ANNUAL DEVELOPMENT FEE DISCLOSURE INFORMATION FOR THE ENVIRONMENTAL SERVICES FEE, PARKLAND DEDICATION FEE, AND VEHICLE IMPACT FEE AND MAKING FIVE-YEAR FINDINGS FOR THE PARKLAND DEDICATION FEE AND VEHICLE IMPACT FEE FOR THE FISCAL YEAR ENDED JUNE 30, 2024 PURSUANT TO CALIFORNIA GOVERNMENT CODE (GC) SECTION 66001

WHEREAS, the Mitigation Fee Act, Government Code Section 66000 et seq., authorizes the City of Campbell ("City") to impose, collect, and expend mitigation fees to offset the impacts of development within the City; and

WHEREAS, pursuant to its authority under the Mitigation Fee Act (Government Code §§ 66000 et seq.) the City Council established, adopted, and imposed an Environmental Services Fee, a Parkland Dedication Fee, and a Vehicle Impact Fee (collectively, the "Fees"); and

WHEREAS, the City has deposited all Fees in separate non-commingled funds ("Funds") established for such a purpose; and

WHEREAS, the City has made available to the public within one hundred eighty (180) days following the last day of the fiscal year the annual accounting information ("Annual Report") required by the Mitigation Fee Act related to each of the Fees and Five Year Reports with respect to the Parkland Dedication Fee and Vehicle Impact Fee; and

WHEREAS, the City has mailed notice at least fifteen (15) days prior to this meeting to all interested parties who have requested notice of any meeting relative to the City's imposition of the Fees and has held a duly noticed, regularly scheduled public meeting at which oral and written testimony was received regarding the Annual Reports and the Five Year Reports not less than fifteen (15) days after the City made this information publicly available.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Campbell hereby finds and determines as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. In accordance with Government Code Section 66006(b), the City Council has reviewed and approves the Annual Reports for each of the Fees, which are attached to this Resolution as Exhibits 1-3, and are also placed on file with the City Clerk. The Council, based upon the information contained in the Annual Report and the remaining need for the unexpended funds, finds as follows:

    a. That each of the Annual Reports describe the types of Fees contained in each Funds, including the amount of the fees, the beginning and ending balance of the Funds, as well as the amount of fees collected, and the interest earned thereon.

    b. That each of the Annual Reports identifies each public improvement on which the

Fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the Fees.

c. That there were interfund transfers or loans made from the Funds, as noted.

d. That sufficient funds have not been collected to complete the financing of any incomplete public improvement, and that there were no refunds or allocations made of the Fees.

3. In accordance with Government Code Section 66001(d), the City Council has reviewed the Five-Year Report for the Parkland Dedication Fee which is attached to this Resolution as Exhibit 4 and also on file with the City Clerk. The City Council finds, based on the information in the Five-Year Report, as follows:

   a. Pursuant to Government Code Subsection 66001(d)(1)(A), the Five- Year Report identifies, by reference to City of Campbell Parks and Recreation Quimby Act Fee Update dated December 9, 2019 and the City's Capital Improvement Program 2024-2028, the purpose to which all unexpended fees, whether committed or uncommitted, contained in the Parkland Dedication Fund will be put; and

   b. Pursuant to Government Code Subsection 66001(d)(1)(B), the Five- Year Report demonstrates, by reference to the City of Campbell Parks and Recreation Quimby Act Fee Update dated December 9, 2019, a reasonable relationship between the unexpended fees contained in the Parkland Dedication Fund and the purposes to which such fees will be put; and

   c. Pursuant to Government Code Subsection 66001(d)(1)(C), the Five-Year Report identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements or projects; and

   d. Pursuant to Government Code Subsection 66001(d)(1)(D), the Five-Year Report identifies that the approximate dates upon which the funding for such incomplete improvements or projects will be deposited in the Parkland Dedication Fund account are unknown; and

   e. There remain unexpended funds from the Parkland Dedication Fee which are still necessary to complete the purposes for which they were collected.

4. In accordance with Government Code Section 66001(d), the City Council has reviewed the Five-Year Report for the Vehicle Impact Fee which is attached to this Resolution as Exhibit 5 and also on file with the City Clerk. The City Council finds, based on the information in the Five-Year Report, as follows:

   a. Pursuant to Government Code Subsection 66001(d)(1)(A), the Five Year Report identifies, by reference to the City of Campbell Road Maintenance Fees Analysis, dated June 2007, the purpose to which all unexpended fees, whether committed or

uncommitted, contained in the Vehicle Impact Fund will be put; and

b. Pursuant to Government Code Subsection 66001(d)(1)(B), the Five- Year Report demonstrates, by reference to the City of Campbell Road Maintenance Fees Analysis, dated June 2007, a reasonable relationship between the unexpended fees contained in the Vehicle Impact Fund and the purposes to which such fees will be put; and

c. Pursuant to Government Code Subsection 66001(d)(1)(C), the Five- Year Report identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements or projects; and

d. Pursuant to Government Code Subsection 66001(d)(1)(D), the Five- Year Report identifies that the approximate dates upon which the funding for such incomplete improvements or projects will be deposited in the Vehicle Impact Fund account are unknown; and

e. There remain unexpended funds from the Vehicle Impact Fee which are still necessary to complete the purposes for which they were collected.

5. Pursuant to these findings, and at this time, there shall not be a refund of any unexpended Fees.

PASSED and ADOPTED this 3rd day of December, 2024, by the following roll call vote:

AYES: Councilmembers: Bybee, Furtado, Scozzola, Lopez, Landry
NOES: Councilmembers: None
ABSENT: Councilmembers: None

APPROVED:

Susan M. Landry, Mayor

ATTEST:

Andrea Sanders, City Clerk

Exhibit 1
City of Campbell

Annual Report of Development Fees and Expenditures for the
Fiscal Year ended June 30, 2024

Environmental Services Fee

Description:

Fees paid by developers to design, install and improve storm drains for new storm drain projects throughout the City.

Fee:

The amount of the fee as of June 30, 2024:

Area Covered	Type of Use	Fee
Citywide	R-1 Land Use	$2,120 per acre
	Multi-Family Residential Land Use	$2,385 per acre
	All Other Land Use	$2,650 per acre

Exhibit 1 - continued

Environmental Services Fund (209)
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year (FY) 2024

Fees collected and interest earned:	
Revenues	
Storm drain fees	$14,813
Investment income	30,161
Unrealized Gains/Losses	1,313
Total Revenues	46,287
Fee expended on public improvement:	
Expenditures	
21SS – Camden Avenue Resurfacing	50,000
Total Expenditures	50,000
Excess/(deficiency) of revenues over/(under) expenditures	(3,713)
Beginning and ending balance:	
Fund balance, beginning of year	346,593
Fund balance, end of year	**$342,880**

CIP# and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
21SS – Camden Avenue Resurfacing	Resurface pavement on Camden Ave south of Winchester Blvd.	3%	2021

Inter-fund transfer or loan made description:
None. However, transferred funds to Capital Improvement Fund (435) to actually expend funds on projects listed.

Refunds made from surplus fees and amount of any allocations made:
None.

Exhibit 2
City of Campbell

Annual Report of Development Fees and Expenditures for the
Fiscal Year ended June 30, 2024

Parkland Dedication Fee

Description:

Fees paid by developers in accordance with the Quimby Act and utilized for acquisition, development and improvements to community and neighborhood parks in accordance with the Open Space Element.

Fee:

The amount of the fee as of June 30, 2024:

Area Covered	Type of Use	Fee
Citywide	Single-family	$30,340 per unit
	Multi-family	$21,460 per unit
	Secondary / Accessory Dwelling Unit (750sf or Larger)	$8,570 per unit
	Junior Accessory Dwelling Unit	$0 per unit

Exhibit 2 - continued
Parkland Dedication Fund (295)
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year (FY) 2024

Fees collected and interest earned:	
Revenues	
Park dedication fees	$581,630
Investment income	157,274
Unrealized Gains/Losses	52,006
Total Revenues	790,910
Fee expended on public improvement:	
Expenditures	
17DD – Campbell Park Improvements	28,005
20QQ – Virginia Park Improvement	108,375
21KK – Campbell Park Bike Pathway	25,346
23DD – JDM Park Parking Lots	64,564
24DD – JDM Restrooms Improvement - Budd	33,745
Total Expenditures	260,035
Excess/(deficiency) of revenues over/(under) expenditures	530,875
Beginning and ending balance:	
Fund balance, beginning of year	3,432,945
Fund balance, end of year	**$3,963,820**

CIP# and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
17DD – Campbell Park Improvements	Enhanced and expanded amenities at Campbell Park.	92%	2017
20QQ – Virginia Park Improvement	Enhance and expand play amenities locatedd at Virginia Park.	100%	2024
21KK – Campbell Park Bike Pathway	Construct a bicycle pathway at Campbell Park between East Campbell Ave and the Los Gatos Creek Trail.	100%	2021

CIP# and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
23DD – JDM Park Parking Lots	Resurface and restripe three parking lots at John D. Morgan Park.	100%	2023
24DD – JDM Restrooms Improvement - Budd	Replace restroom building located on Budd Avenue side of John D. Morgan Park.	100%	2024

Inter-fund transfer or loan made description:
None. However, transferred funds to Capital Improvement Fund (435) to actually expend funds on projects listed.

Refunds made from surplus fees and amount of any allocations made:
None.

Exhibit 3
City of Campbell

Annual Report of Development Fees and Expenditures for the
Fiscal Year ended June 30, 2024

Vehicle Impact Fee

Description:

Fees paid by developers to fund the cost of street replacement and maintenance due to the cumulative impact of construction and other commercial vehicles at development sites.

Fee:

The amount of the fee as of June 30, 2024:

Area Covered	Fee
Citywide	0.32% of building permit valuation

Exhibit 3 - continued
Vehicle Impact Fund (202)
Statement of Revenues, Expenditures, and Changes in Fund Balances for
Fiscal Year (FY) 2024

Fees collected and interest earned:	
Revenues	
Vehicle impact fees	$275,710
Investment income	20,776
Unrealized Gains/Losses	5,523
Total Revenues	302,009
Fee expended on public improvement:	
Expenditures	
21SS – Camden Avenue Resurfacing	850,645
Total Expenditures	850,645
Excess/(deficiency) of revenues over/(under) expenditures	(548,636)
Beginning and ending balance:	
Fund balance, beginning of year	548,636
Fund balance, end of year	**$0**

CIP# and Title	Project Description	% of the project funded with development fees	Construction Commencement Date
21SS – Camden Ave Resurfacing	Resurface pavement on Camden Ave south of Winchester Blvd.	56%	2021

Inter-fund transfer or loan made description:
None. However, transferred funds to Capital Improvement Fund (435) to actually expend funds on projects listed.

Refunds made from surplus fees and amount of any allocations made:
None.

Exhibit 4

Five-Year Report of City of Campbell Parkland Dedication Fee for the Fiscal Year ended June 30, 2024

Summary: This Five-Year Report provides information and findings on unexpended funds in the Parkland Dedication Fee account as of June 30, 2024 pursuant to Government Code section 66001(d).

Fund Information: The Parkland Dedication Fund (295) currently contains Three Million Nine Hundred Sixty-Three Thousand Eight Hundred Twenty Dollars ($3,963,820) in unexpended Parkland Dedication Fees for acquisition, development and improvements to community and neighborhood parks in accordance with the Open Space Element ("Unexpended Fee").

Pursuant to Government Code section 66001(d)(1):

A. **Purpose.** The Unexpended Parkland Dedication Fees will be used to fund acquisition, development and improvements to community and neighborhood parks in accordance with the Open Space Element as identified in the City of Campbell Parks and Recreation Quimby Act Fee Update dated December 9, 2019 and the City's Capital Improvement Program 2024-2029. The projects include:

   a. 23DD – JDM Park Parking Lots
   b. 24DD – JDM Restrooms Improvement – Budd
   c. 24WW – Los Gatos Creek County Park – Dog Park Renovations
   d. 25AA – JDM Improvements – Rincon – Design
   e. 25LL – Renovate E-Wing and Relocate Adult Center
   f. 26CC – Community Center Skate Park Renovation
   g. 26DD – Virginia Park Landscape Improvements

B. **Relationship between the fee and the purpose for which it is charged.** There exists a reasonable relationship between the Unexpended Fee described above and the purpose for which it was charged because the improvements will acquire, develop and improve community and neighborhood parks in accordance with the Open Space Element and as set forth in the City of Campbell Parks and Recreation Quimby Act Fee Update dated December 9, 2019. The Fee is a means of ensuring that new developments construct their own parks or provide the City a means for acquisition, development and improvements to community and neighborhood parks in accordance with the Open Space Element.

C. **Sources of funding anticipated to complete financing of incomplete improvements.** Based on the City of Campbell Parks and Recreation Quimby Act Fee Update dated December 9, 2019, the weighted average of fair market value for parkland acquisition is Three Million Seven Hundred Twenty-One Thousand Eight Hundred Seventy-Three Dollars ($3,721,873) per acre. On November 5, 2019, the City Council approved a reduced valuation of Three Million ($3,000,000) per acre for calculating in-lieu fees for parkland acquisition. According to Section 66477(a)(2) of the Government Code, the amount of land to be dedicated or in-lieu fees to be imposed shall not exceed the amount necessary to

provide three (3) acres of parkland per 1,000 residents, unless certain criteria is met. The City General Plan Policy to use the Quimby Act to provide three (3) acres of community, neighborhood, and passive parks per 1,000 residents is consistent with this statutory requirement. Since the City currently provides fewer than three (3) acres per 1,000 residents, the City cannot impose a higher standard through the Quimby Program. All other costs that cannot be funded by the Parkland Dedication Fee are expected to be funded by outside grants.

D. **Approximate dates on which the funding will be deposited.** Parkland Dedication Fees are required to be deposited as developers obtain building permits; the dates on which future Fees will be collected is unknown.

Exhibit 5

Five-Year Report of City of Campbell Vehicle Impact Fee for the Fiscal Year ended June 30, 2024

Summary: This Five-Year Report provides information and findings on unexpended funds in the Vehicle Impact Fee account as of June 30, 2024 pursuant to Government Code section 66001(d).

Fund Information: The Vehicle Impact Fund (202) does not currently contain any unexpended Vehicle Impact Fees to fund the cost of street replacement and maintenance due to the cumulative impact of construction and other commercial vehicles at development sites ("Unexpended Fee").

Pursuant to Government Code section 66001(d)(1):

A. **Purpose.** Future Unexpended Vehicle Impact Fees will be used to fund the cost of street replacement and maintenance due to the cumulative impact of construction and other commercial vehicles at development sites as identified in the City of Campbell Road Maintenance Fees Analysis, dated June 2007 and the City's Capital Improvement Program 2024-2029. The projects include:

   a. 23BB – Annual Street Maintenance
   b. 27BB – Annual Street Maintenance
   c. 28BB – Annual Street Maintenance
   d. 29BB – Annual Street Maintenance

B. **Relationship between the fee and the purpose for which it is charged.** There exists a reasonable relationship between the Unexpended Fee described above and the purpose for which it was charged because the improvements will fund the cost of street replacement and maintenance due to the cumulative impact of construction and other commercial vehicles at development sites as set forth in the City of Campbell Road Maintenance Fees Analysis, dated June 2007. The Fee is a means of ensuring that new developments mitigate the impacts of vehicles to streets and roadways as a result of their developments.

C. **Sources of funding anticipated to complete financing of incomplete improvements.** Based on the City of Campbell Road Maintenance Fees Analysis, dated June 2007, the rate of 0.32% of building permit valuation was established due to related estimated annual street maintenance costs of $244,292 caused by construction vehicles. All other costs that cannot be funded by the Vehicle Impact Fee are expected to be funded by state, county, and federal transportation allocations to the City as well as garage and permit fees.

D. **Approximate dates on which the funding will be deposited.** Vehicle Impact Fees are required to be deposited as developers obtain building permits; the dates on which future Fees will be collected is unknown.