



# City of Woodland

## REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: December 16, 2008

SUBJECT: AB1600 Development Fees Annual Report for the Fiscal Year Ended  
June 30, 2008

### **Report in Brief**

Government Code Section 66006 requires local agencies to submit an annual report detailing the status of development impact fees. The annual report must be made available to the public and presented to the public agency (City Council) within 180 days of the close of a fiscal year.

Staff recommends that the City Council review and accept the attached AB1600 Annual Report for the year ended June 30, 2008.

### **Background**

In 1978, following the passage of Proposition 13, many cities began charging fees on new development to fund public improvements and services such as streets, park facilities, sewers and storm drains. These fees are commonly known as development impact fees. In order to ensure that these fees were spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB1600 (Mitigation Fee Act). This bill applies to developer fees which were increased or imposed on or after January 1, 1989. AB1600 enacts Sections 66000-66008 of the Government Code which generally contain four requirements:

1. A local jurisdiction must follow the process set forth in the bill and make certain determinations regarding the purpose and use of the fees, and establish a “nexus” or connection between a development project or class of project and the public improvement.
2. The fee revenue must be segregated from the general fund in order to avoid commingling of public improvement fees and the general fund.
3. If a local jurisdiction has had possession of a developer fee for five or more years and has not committed that money to a project or spent that money, then it must make findings describing the continuing need for that money. In addition, an annual report must be made of fees collected, interest earned, projects on which fees were expended, and any transfers for loans

from the fee account. This report is to be reviewed by the local agency assessing the fees.

4. If a local jurisdiction cannot make the findings required under paragraph three (3), the City must refund the fees collected.

### **Discussion**

The City of Woodland development fees covered by AB1600, and documented in the attached report, include the following:

- General City impact fees
- Parks and Recreation impact fee
- Police impact fee
- Fire protection impact fee
- Library impact fee
- Storm Drainage impact fee
- Road impact fee
- Water impact fee
- Wastewater impact fee

Staff examined each of the funds for the impact fees listed above to determine if any development fees remain unexpended five years or more after receipt and are subject to refund. Based on our analysis, no refunds are due. Unexpended fund balances represent fees collected for respective Council approved projects which will be financed and implemented when financially feasible or practical.

### **Public Contact**

Posting of the City Council Agenda.

### **Recommendation for Action**

Staff recommends that the City Council review and accept the attached AB1600 Annual Report for the year ended June 30, 2008.

Prepared by: Kim McKinney  
Senior Accountant

Reviewed by: Sue Vannucci  
Director of  
Administrative Services

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Mark G. Deven  
City Manager

Attachment: AB1600 Annual Report

Attachment 1  
AB1600 Annual Report  
Development Impact Fees  
City of Woodland  
Fiscal Year Ended June 30, 2008

Government Code Section 66006 requires local agencies to submit an annual report detailing the status of development impact fees. The annual report must be made available to the public and presented to the public agency (City Council) within 180 days of the close of a fiscal year.

This report summarizes the following information for each of the development fee programs:

1. A brief description of the fee program.
2. Schedule of fees.
3. Beginning and ending balances of the fee program.
4. Disbursement information.

**ANALYSIS**

For the fiscal year ended June 30, 2008, fund revenues (development fees, interest income, bond proceeds, etc.) totaled \$10,819,972, while expenditures totaled \$8,064,911.

The table below summarizes annual fee revenues directly relating to impact fees and related project expenditures:

<b>Category</b>	<b>Revenues</b>	<b>Expenditures</b>
General City	\$ 611,286	\$ 491,929
Parks & Recreation	\$ 1,883,679	\$ 2,303,545
Police	\$ 492,932	\$ 40,354
Fire	\$ 674,164	\$ 252,542
Library	\$ 196,270	\$ 112,521
Storm Drainage	\$ 228,016	\$ 381,474
Roads	\$ 3,075,425	\$ 1,029,322
Water	\$ 980,703	\$ 713,668
Wastewater	\$ 2,677,497	\$ 2,739,554
<b>Total</b>	<b>\$ 10,819,972</b>	<b>\$ 8,064,911</b>