



DEVELOPMENT IMPACT FEE ANNUAL REPORT

City of Artesia

For the Fiscal Year Ending June 30, 2020

EXECUTIVE SUMMARY

Development Impact Fees (DIFs) are fees imposed by a local government on new or proposed development projects to ensure public services and infrastructure will be sufficient to serve those new development projects. California state law requires local agencies, on an annual basis, to prepare a report on the status of their Development Impact Fee (DIF) program in accordance with California Assembly Bill 1600 (AB1600). This report will serve as the City of Artesia's AB1600 report for the fiscal year starting July 1, 2019 and ending June 30, 2020 (FY19-20).

The fees for Public Facilities, Traffic Facilities, Storm Drainage Facilities, Parks and Recreation Facilities, and Community Center Facilities were adopted in May 2020 by Resolution 19-2742 adopting the City of Artesia Development Impact Fee Study (May 2020).

Legal Requirements for Development Impact Fee Reporting

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 DIFs on new development. Annually, for each separate fund established for the collection and expenditure of DIFs, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- a) A brief description of the type of fee in the account or fund.
- b) The amount of the fee.
- c) The beginning and ending balance of the account or fund.
- d) The amount of the fees collected and interest earned.
- e) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- f) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
- g) A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- h) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

PUBLIC FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

See Exhibit A attached to this report.

(B) The amount of the fee.

See Exhibit B attached to this report.

(C) The beginning and ending balance of the account or fund.

Table 1 summarizes the beginning and ending fund balances for the Public Facilities Fee for FY 2019-2020.

(D) The amount of the fees collected and the interest earned.

Table 1 summarizes the fees collected and the interest earned for the Public Facilities Fee for FY 2019-2020.

Table 1: Public Facilities Fund		
Public Facilities Fee		
Beginning Fund Balance as of July 1, 2019	\$	-
Revenues		
Fees Collected	\$	2,271.00
Interest Earned	\$	-
Other Revenues	\$	-
Total Revenues	\$	2,271.00
Expenses		
Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2020	\$	2,271.00

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Public Facilities improvements were recorded for FY 2019-2020.

- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2019-2020.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2019-2020.

TRAFFIC FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

See Exhibit A attached to this report.

(B) The amount of the fee.

See Exhibit B attached to this report.

(C) The beginning and ending balance of the account or fund.

Table 2 summarizes the beginning and ending fund balances for the Traffic Facilities Fee for FY 2019-2020.

(D) The amount of the fees collected and the interest earned.

Table 2 summarizes the fees collected and the interest earned for the Traffic Facilities Fee for FY 2019-2020.

Table 2: Traffic Facilities Fund		
Public Facilities Fee		
Beginning Fund Balance as of July 1, 2019	\$	-
Revenues		
Fees Collected	\$	1,442.00
Interest Earned	\$	-
Other Revenues	\$	-
Total Revenues	\$	1,442.00
Expenses		
Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2020	\$	1,442.00

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Traffic Facilities improvements were recorded in FY 2019-2020.

- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2019-2020.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2019-2020.

STORM DRAIN FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

See Exhibit A attached to this report.

(B) The amount of the fee.

See Exhibit B attached to this report.

(C) The beginning and ending balance of the account or fund.

Table 3 summarizes the beginning and ending fund balances for the Storm Drain Facilities Fee for FY 2019-2020.

(D) The amount of the fees collected and the interest earned.

Table 3 summarizes the fees collected and the interest earned for the Storm Drain Facilities Fee for FY 2019-2020.

Table 3: Storm Drain Facilities Fund		
Storm Drain Facilities Fee		
Beginning Fund Balance as of July 1, 2019	\$	-
Revenues		
Fees Collected	\$	159.00
Interest Earned	\$	-
Other Revenues	\$	-
Total Revenues	\$	159.00
Expenses		
Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2020	\$	159.00

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No expenditures for Storm Drain Facilities improvements were recorded in FY 2019-2020.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

There were no transfers or loans from this fund in FY 2019-2020.

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

There were no refunds made from this fund in FY 2019-2020.

PARK AND RECREATION FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

See Exhibit A attached to this report.

(B) The amount of the fee.

See Exhibit B attached to this report.

(C) The beginning and ending balance of the account or fund.

Table 4 summarizes the beginning and ending fund balances for the Parks and Recreation Facilities Fee for FY 2019-2020.

(D) The amount of the fees collected and the interest earned.

Table 4 summarizes the fees collected and the interest earned for the Parks and Recreation Facilities Fee for FY 2019-2020.

Table 4: Parks and Recreation Facilities Fund		
Parks and Recreation Facilities Fee		
Beginning Fund Balance as of July 1, 2019	\$	-
Revenues		
Fees Collected	\$	4,981.00
Interest Earned	\$	-
Other Revenues	\$	-
Total Revenues	\$	4,981.00
Expenses		
Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2020	\$	4,981.00

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Parks and Recreation Facilities improvements were recorded in FY 2019-2020.

- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2019-2020.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2019-2020.

COMMUNITY CENTER FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

See Exhibit A attached to this report.

(B) The amount of the fee.

See Exhibit B attached to this report.

(C) The beginning and ending balance of the account or fund.

Table 5 summarizes the beginning and ending fund balances for the Community Center Facilities Fee for FY 2019-2020.

(D) The amount of the fees collected and the interest earned.

Table 5 summarizes the fees collected and the interest earned for the Community Center Facilities Fee for FY 2019-2020.

Table 5: Community Center Facilities Fund		
Communter Center Facilities Fee		
Beginning Fund Balance as of July 1, 2019	\$	-
Revenues		
Fees Collected	\$	2,989.00
Interest Earned	\$	-
Other Revenues	\$	-
Total Revenues	\$	2,989.00
Expenses		
Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2020	\$	2,989.00

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Community Center Facilities improvements were recorded in FY 2019-2020.

- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2019-2020.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2019-2020.

EXHIBIT A

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to: land acquisition, construction of buildings, construction of infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment. Expense categories eligible to be funded by Development Impact Fees are as follows: Public Facilities, Traffic Facilities, Storm Drain Facilities, Parks and Recreation Facilities, and Community Center Facilities.

Uses for Public Facilities Fund

Description	Value
New Financial Accounting System	\$ 275,000
Upgrade Telephone/911 System	493,000
New City Hall	20,000,000
WIFI and High-Speed Internet Upgrades	2,000,000
Upgrade Administrative Software	189,000
New City Fleet	620,000
New AV System for Council Chambers	175,000
Sheriff Substation	5,000,000
Sheriff Equipment Upgrades	80,000
Downtown Wayfinding Signage	800,000
City Server Upgrades	<u>25,000</u>
Total Cost of Planned Facilities	\$ 29,657,000

Uses for Traffic Facilities Fund

Description	Total Project Cost	Cost Allocation to New Development	Total Cost Allocated To New Development
Norwalk Blvd from Artesia to south city limits	\$3,250,000	30.66%	\$996,290
Traffic Signal Upgrade and Synchronization	825,000	30.66%	252,904
Safe Routes to School	390,000	30.66%	119,555
Pioneer Boulevard Pedestrian and Bicycle Improvements	2,750,000	30.66%	843,015
Historical District Recreational Trails	1,750,000	30.66%	536,464
Pioneer Boulevard Parking Structure	10,000,000	30.66%	3,065,508
City Electric Bus Service	1,700,000	30.66%	521,136
Electric Vehicle Charging Infrastructure	250,000	30.66%	76,638
City-Wide ADA Upgrades	2,500,000	30.66%	766,377
Artesia Boulevard Improvements	3,125,000	30.66%	957,971
City-Wide Alley Improvements	1,650,000	30.66%	505,809
West Santa Ana Transit Corridor Improvements	<u>2,190,000</u>	30.66%	<u>671,346</u>
Total	\$30,380,000		\$9,313,012

Uses for Storm Drain Facilities Fund

Description/Street	Total Project Cost Estimate	Allocation to New Development	Costs Allocated to New Development
Catch Basin - Pollution Control Filters	\$ 4,000,000	28.24%	\$ 1,129,435
Storm Drain Retrofit	<u>300,000</u>	28.24%	<u>84,708</u>
Total	\$ 4,300,000		\$ 1,214,143

Uses for Parks & Rec Facilities Fund

The City plans to use park and recreation facilities fee revenue to purchase parkland or construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide new facilities or to intensify usage of existing facilities needed to serve new development.

Uses for Community Center Facilities Fund

Description	Project Cost
New Community Center at Artesia Park	\$ 40,000,000
New Day Care Facility	1,000,000
New Workforce Development Center	200,000
Historical Society Building Upgrades	300,000
RTA Equipment Upgrade	<u>400,000</u>
Total Cost of Planned Facilities	\$ 41,900,000

EXHIBIT B

COMBINED DEVELOPMENT IMPACT FEE SCHEDULE

Development Impact Fee Schedule Summary⁽¹⁾

Land Use	Public Facilities	Traffic Facilities	Storm Drain Facilities	Parks and Recreation Facilities	Community Center Facilities	Total
<i>Residential - per Dwelling Unit</i>						
Single Family	\$ 5,495	\$ 3,020	\$ 548	\$ 12,052	\$ 7,231	\$ 28,346
Multifamily	4,087	2,024	159	8,965	5,378	20,613
Accessory Dwelling Unit ⁽²⁾	2,271	1,442	159	4,981	2,989	11,842
<i>Nonresidential - per 1,000 Sq. Ft.</i>						
Commercial	\$ 1,121	\$ 4,697	\$ 827	\$ -	\$ -	\$ 6,645
Office	1,464	4,714	115	-	-	6,293
Industrial	545	2,891	115	-	-	3,551

⁽¹⁾Fees are subject to a two percent (2%) administrative charge for legal, accounting, and administrative support.

⁽²⁾Accessory Dwelling Units applicable to the City's DIF will be imposed in compliance with California Government Code section 65852.2(f)(3).