



# STAFF REPORT

## CITY of YORBA LINDA

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### FINANCE DEPARTMENT

**DATE:** NOVEMBER 15, 2022

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** DIANNA HONEYWELL, FINANCE DIRECTOR / CITY TREASURER

**SUBJECT:** MASTER PLAN OF DRAINAGE DEVELOPMENT IMPACT FEES ANNUAL REPORT FOR FISCAL YEAR 2021/22

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### **RECOMMENDATION**

It is recommended that the City Council receive and file the annual report of Master Plan of Drainage development impact fees for the fiscal year ended June 30, 2022, as required by the Mitigation Fee Act.

### **BACKGROUND**

State law (Government Code Section 66006) requires each local agency that imposes development impact fees to follow certain accounting procedures for tracking fee revenue received and to prepare an annual report providing specific information about those fees. These requirements are part of the law commonly referred to as AB 1600 or the Mitigation Fee Act ("The Act"). The annual report must be reviewed by the City Council at a regularly scheduled meeting not less than 15 days after the information is made available to the public. In addition, notice of the time and place of the meeting must be mailed at least 15 days prior to the meeting to any interested party who files a written request with the City for such a mailed notice. A copy of this staff report was made available at the Clerk's office and on the City website on October 27, 2022, in compliance with the Act. Although the Master Plan of Drainage development impact fee is potentially not subject to the requirements of the Act, the City is following these requirements out of an abundance of caution.

### **DISCUSSION**

City Council Resolution No. 2000-3339, adopted by the City Council on March 7, 2000, most recently updated the fee schedule for Master Plan of Drainage development impact fees, which are assessed on new development to fund construction of storm drainage infrastructure contemplated in the City's storm drainage master plan. The fees are levied pursuant to Section 17.12.100 of the Yorba Linda Municipal Code and were originally set by City Council Resolution No. 75, adopted by the City Council on July 1, 1968.

State law requires that certain content be included in the annual report, which is provided below:

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- A) **A brief description of the type of fee** – The purpose of the fee is to fund the construction of facilities contemplated in the City’s master plan for storm drain infrastructure to accommodate storm run-off in accordance with the current version of the County’s hydrology manuals, including the 1986 Orange County Hydrology and Design Manuals and 1996 Addendum No. 1.
- B) **The amount of the fee** – The fee is \$14,000 per acre.
- C) **The beginning and ending balance of the funds** – See D below.
- D) **The amount of the fees collected and the interest earned** – The table below summarizes the activity for the fiscal year ended June 30, 2022.

Item	Amount
Balance as of July 1, 2021	\$7,350,521.84
Fees/Interest Received	(151,358.86) <sup>1</sup>
<b>Total Available Resources</b>	<b>\$7,199,162.98</b>
Expenditures	(149,493.80)
<b>Balance as of June 30, 2021</b>	<b>\$7,049,669.18</b>

<sup>1</sup> Negative investment earnings recorded at 6/30/2022 in accordance with GASB 31 due to market value dropping below book value. This entry is reversed on 7/1/2022 and no actual investment loss is realized.

- E) **An identification of each 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 the fees** – Funds were expended during fiscal year 2021/22 for the following projects:

Project	Total Project Cost	Percentage Funded <sup>2</sup>
Storm Drain Master Plan	\$149,493.80	100%
<b>Total</b>	<b>\$149,493.80</b>	

<sup>2</sup> This is the amount of the project funded with impact fee revenue.

- F) **An identification of an approximate date by which the construction of the public improvement will commence if determined that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete** – The City has not determined that sufficient funds have been collected to complete financing of incomplete public improvements other than any improvements that were completed during the current fiscal year.

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G) A description of each interfund transfer or loan made from the funds – None.

H) The amount of refunds made pursuant to Section 66001(e) – None.

**FISCAL IMPACT**

There is no direct fiscal impact associated with this report.

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