



Legislation Text

File #: 19-0244, **Version:** 1

Recommendation to adopt resolution approving the Annual and Five-Year Reports for the Transportation Improvement Fee, Parks and Recreation Facilities Fee, the Fire Facilities Impact Fee, and Police Facilities Impact Fee. (Citywide)

New development affects the level of services provided through the City's facilities, infrastructure, land, and equipment. To accommodate the needs of the new residents and businesses, the City imposes impact fees to expand these resources as follows:

- Transportation Improvement Fee
- Parks and Recreation Facilities Fee
- Fire Facilities Impact Fee
- Police Facilities Impact Fee

The Annual and Five-Year Reports provide information to the City Council and the public and fulfill State Government Code and Long Beach Municipal Code (LBMC) mandated reporting and disclosure requirements. The attached Resolution contains the reports on each impact fee as Exhibits.

Annual Reports

The California Government Code requires that local agencies that impose fees in connection with the approval of development projects make information available to the public on an annual basis. The LBMC adds other elements to these requirements. Essentially, the reports provide what the fees are, the fund balance of each fund, and how the money was spent in the prior fiscal year.

Five-Year Reports

Government Code Section 66001 mandates additional disclosure requirements with respect to any fees collected and remaining unexpended in the fifth year after collection. To ensure the City Council is fully informed of the status of unexpended funds, five-year reports are submitted annually.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on February 15, 2019 and by Budget Analysis Officer Julissa José-Murray on February 7, 2019.

City Council action is requested on March 19, 2019, as State law requires the information contained in these reports be made available to the public within 180 days after the last day

of the fiscal year, or by March 29, 2019.

The amount of impact fees collected each year is dependent on the amount and type of new development and its relationship to the purpose of the fee. The impact fee revenue, including interest, for the fiscal year ending September 30, 2018 (FY 18), was \$606,336. Impact fee expenditures in FY 18 totaled \$1,623,469. These fees can only be used to offset the impact of the new development. The five-year reports provide information on revenue unexpended in the various impact fee funds during (FY 14 - FY 18).

Transportation Improvement Fee Report (Exhibit A to Resolution)

The Transportation Improvement Fee Report summarizes the status of implementation of the Citywide Traffic Mitigation Program (TMP). The TMP is the City's program for implementing the transportation improvements needed to meet increased traffic resulting from economic growth. Funding for the program is derived from a combination of public funds, such as Gas Tax, Federal grants, and impact fees from new development. The TMP was designed as the mechanism by which the City could implement its basic access strategy to support economic growth and maintain mobility.

In FY 18, the City issued building permits for 59,590 gross square feet of residential units and 104,227 gross square feet of commercial development, which generated an estimated 431 evening peak hour car trips each day. In FY 18, the fund had a beginning balance of \$1,956,365. A total of \$190,690 in Transportation Improvement Fund fee revenue, including interest, was received in FY 18 and \$456,395 was expended, leaving an ending fund balance of \$1,690,660. These funds may only be used to provide transportation improvements needed to serve new development. In FY 18, Transportation Improvement Fee funds were used on projects such as the improvements to the Shoemaker Bridge, Citywide Parking Guidance and Wayfinding Systems, I-710 Freeway Corridor, and Traffic Impact Analysis Guidelines studies. A summary of projects funded using Transportation Improvement Fee revenues is included in Exhibit A.

Parks and Recreation Facilities Fee Report (Exhibit B to Resolution)

In February 1989, the City Council established the Parks and Recreation Facilities Fee (PRFF). This fee on new development is designed to maintain the existing level of service for existing and new residents. New residential development increases the population of the City by providing more places to live. This adversely impacts parks and recreational resources through crowding and overuse, lowering the quality of life for all existing and new residents. The LBMC requires that the continued validity of the fee be evaluated every five years by a Nexus Study. Staff began the required evaluation in FY 17. The study and any recommended fee changes will be brought to the City Council in FY 19.

In FY 18, the fund had a beginning balance of \$1,772,250. A total of \$155,535 in Parks and Recreation Facilities Fee revenue, including interest, was received in FY 18 and \$448,803

was expended, leaving an ending fund balance of \$1,478,982 will be spent in future years on eligible projects. In FY 18, Parks and Recreation Facilities Fee funds were used for the Parks Impact Fee Nexus Study, the Davenport Park Expansion, the standalone restrooms at the Drake/Chavez Soccer Fields, the 14th Street Park Expansion, and for interest payments on the Open Space Bond. A summary of projects funded using Park and Recreation Facilities Fee revenues is included in Exhibit B.

Fire Facilities Impact Fee Report (Exhibit C to Resolution)

In April 2007, the City Council established the Fire Facilities Impact Fee, a fee imposed on new development to mitigate the impact of new development on fire facilities. New development increases the demand for public safety facilities and impact fees help defray the costs for these facilities.

In FY 18, the fund had a beginning balance of \$542,517. A total of \$103,766 in Fire Facilities Impact Fees were collected in FY 18, with \$264,797 expended on projects, leaving an ending fund balance of \$381,486. In FY 18, Fire Facilities Impact Fee funds were used to upgrade the Fire Department's fire station alerting system, support modifications to Fire Station 1 to accommodate increased staffing, purchase specialized, high-capacity fire hoses, and purchase of an Electronic Patient Care System that will improve patient care, data collection, and revenue recovery. A summary of projects funded using Fire Facilities Fee revenues is included in Exhibit C.

Police Facilities Impact Fee Report (Exhibit D to Resolution)

In April 2007, the City Council also established the Police Facilities Impact Fee to mitigate the impact of new development on police facilities. New development increases the demand for public safety facilities and impact fees help defray the costs for these facilities. Funds collected from the Police Facilities Impact Fee can be used to fund the acquisition of additional property for law enforcement facilities; construction of new buildings for law enforcement services; furnishing of new buildings or facilities for law enforcement services; purchasing of equipment and vehicles for law enforcement services; and funding of a master plan to identify capital facilities to serve new Police Department development.

In FY 18, the fund had a beginning balance of \$705,274. A total of \$156,345 in Police Facilities Impact Fees and interest were collected in FY 18, with \$453,475 expended on projects, leaving an ending fund balance of \$408,144. In FY 18, Police Facilities Impact Fee funds were used to support South Division restoration construction to accommodate additional staffing and to improve security fencing at the Property Warehouse. A summary of projects funded using Police Facilities Fee revenues is included in Exhibit D.

Approve recommendation.

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER