



Item Number: {{item.number}}

City Council / Board of Directors

Consent Calendar

Meeting of: January 21, 2025

Submitted By:

Jenele Davidson, Deputy City Manager

Subject:

Annual AB 1600 Development Impact Fee Report for Fiscal Year 2023-2024

Recommendation:

That the Honorable City Council adopt Resolution No. 25-004 approving the annual AB 1600 Development Impact Fee Report for Fiscal Year 2023-2024

Fiscal Impact:

There is no fiscal impact associated with adoption of this resolution.

Strategic Plan Goal:

The City of Victorville Strategic Plan 2023-2026 identifies multi-year strategic goals and various strategies to work toward achieving those goals. Goal A, Financial Sustainability, focuses on fostering fiscal health through disciplined long-term planning, cost control, increased revenues and cost recovery. The annual AB 1600 report is a component of the City's Development Impact Fees (DIF) program, as required by the Mitigation Fee Act. DIF fees are one-time charges levied on new development to fund infrastructure, as indicated in the report. DIF fees help fund needed infrastructure associated with new development which also ties into Goal E, Invest in Infrastructure, by assisting to create a healthy and livable community.

Background:

In 1987, the California Legislation passed Assembly Bill 1600 (AB 1600), also known as the Mitigation Fee Act (Government Code, Sections 66000 et seq.), which governs the establishment and administration of development impact fees. A DIF fee is a monetary exaction other than a tax or special assessment that is charged by a local agency to new development for the purposes of defraying costs of public facilities needed as a result of impacts created by the new development.

Government Code (GC) 66006(b) states the following requirements as pertains to Development Impact Fees:

For each separate account or fund established the local agency shall, within 180 days after the last day of each fiscal year, 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;
- (B) The amount of the fee;
- (C) The beginning and ending balance of the account or fund;
- (D) The amount of fees collected, and interest earned;
- (E) An identification of each public improvement on which fees were expended and the amount of 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 and the public improvement remains incomplete;
- (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; and
- (H) The amount of refunds made (as pursuant to GC 66001(e)) due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made (as pursuant to GC 66001(f)) due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

Additionally, fees for water or sewer connections and capacity charges are to be reported annually as per Government Code Section 66013 and have been included in the same report.

Government Code Section 66006(b)(2) requires the AB 1600 Report to be made public at least 15 days before the public meeting for adoption and within 180 days of the close of the fiscal year. To meet this requirement, the AB 1600 Report was posted on the City's website on December 31, 2024.

Discussion:

Resolution No. 25-004 (Attachment A) and Exhibit A thereto, the annual AB 1600 Report, have been prepared for the purpose of completing the required reporting for DIF and Capacity Charges for Fiscal Year 2023-2024. The AB 1600 report was prepared by NBS Government Finance Group and reviewed by City staff. It provides information which meets the annual reporting requirements described in the Government Code for each City development impact fee and capacity charge fund.

A summary of the City's DIF funds and the associated fund balances for the fiscal year ending June 30, 2024, are listed below:

DIF Fund	Amount
Fund 350 – Public Buildings	\$ (17,007,077)
Fund 351 – Fire Safety	664,159
Fund 352 – Roads	11,903,842
Fund 353 – Public Safety (Police)	1,966,072
Fund 354 – Parks and Recreation	21,745,101
Fund 357 – Storm Drain	5,581,457
Fund 414,415 – Water (Capacity Charge)	24,834,601
Fund 416 – Sewer (Capacity Charge)	4,548,276

Additionally, two inter-fund loans were paid off during Fiscal Year 2023-2024. These included a loan between Fund 358, Street Lighting, and Fund 350, Public Buildings, in the amount of \$254,817, as well as a loan between Fund 359, Fire Hydrant, and Fund 350, Public Buildings, in the amount of \$359,474. Both were repaid by DIF Fund 350 – Public Buildings on June 30, 2024.

Staff recommends that the City Council adopt Resolution No. 25-004 approving the annual AB 1600 Report for Fiscal Year 2023-2024.

Staff is available for any questions the City Council may have.

Attachments: A. Resolution No. 25-004