

2016-2017 Mitigation Fee Act Annual Report of Development Fees June 30, 2017

REVISED 11/22/2017



City of Pacifica 170 Santa Maria Avenue Pacifica, CA 94044

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Scenic Pacifica Incorporated Nov. 22, 1957 **CITY OF PACIFICA**

170 Santa Maria Avenue • Pacifica, California 94044-2506 www.cityofpacifica.org MAYOR Mike O'Neill

MAYOR PRO TEM John Keener

COUNCIL Sue Digre Sue Vaterlaus Deirdre Martin

November 27, 2017 December 11, 2017

The Honorable Mayor, Members of the City Council and Citizens of Pacifica

Dear Mayor, Members of the City Council and Citizens of Pacifica:

State law requires any local agency that imposes development impact fees to prepare an annual report providing specific information about those fees. Therefore, in accordance with the provisions of the California Government Code Section 66006(b) and 66001(d), as amended by Assembly Bill (AB) 518 and Senate Bill (SB) 1693, I hereby submit the Development Impact Fee Report (formerly the Public Facilities Fee Report) for the City of Pacifica, California for the fiscal year (FY) ended June 30, 2017.

Development impact fees are charged by local governmental agencies in connection with approval of development projects. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a development impact fee program are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act"), the bulk of which was adopted as 1987's AB 1600 and thus commonly referred to as "AB 1600 requirements".

In Pacifica, development impact fees are collected at the time a building permit is issued for the purpose of mitigating the impacts caused by new development on the City's infrastructure. Fees are used to finance the acquisition, construction and improvement of public facilities needed as a result of this new development.

State law requires the City prepare and make available to the public the Development Impact Fee Report within 180 days after the last day of each fiscal year. The City Council must review the annual report at a regularly scheduled public meeting not less than fifteen days after the information is made available to the public. Subsequent to the posting of this report on November 9, 2017 staff modified the report to correct a small number of errors. A **revised** draft of this report was refiled with the City Clerk's office and available for public review on **November 22, 2017**.

i

Respectfully submitted,

Lorenzo Hines Ir.

Lorenzo Hines Jr. Assistant City Manager

CITY OF PACIFICA, CALIFORNIA

MICHAEL O'NEILL Mayor

JOHN KEENER Mayor Pro Tem

SUE DIGRE SUE VATERLAUS DEIRDRE MARTIN Members of City Council

> KEVIN WOODHOUSE City Manager

MICHELLE MARCHETTA KENYON

City Attorney

OTHER ADMINISTRATIVE OFFICERS

LORENZO HINES JR. DAN STEIDLE RON MYERS TINA WEHRMEISTER VAN OCAMPO

MICHAEL PEREZ KATHY O'CONNELL Assistant City Manager Police Chief Fire Chief Director of Planning Director of Public Works/Wastewater Collection and Plant Operation Director of Parks, Beaches & Recreation City Clerk

* * * * *

OFFICIAL COMMISSIONS AND COMMITTEES

BEAUTIFICATION ADVISORY COMMITTEE

ECONOMIC DEVELOPMENT COMMITTEE

EMERGENCY PREPAREDNESS & SAFETY COMMISSION

OPEN SPACE AND PARKLAND ADVISORY COMMITTEE

PARKS, BEACHES AND RECREATION COMMISSION

PLANNING COMMISSION

INTRODUCTION

LEGAL REQUIREMENTS FOR DEVELOPMENT IMPACT FEE REPORTING

A. CALIFORNIA GOVERNMENT CODE SECTION 66006(b)

California Government Code Section 66006(b) defines the specific reporting requirements for local agencies that impose AB 1600 development impact fees on new development. Annually, for each separate fund established for the collection and expenditure of development impact fees, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the information shown below for the most recent fiscal year. The applicable page numbers for the location where each item can be found in the report are provided for reference.

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and interest earned.
- 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.
- 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.
- 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.
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

City Actions Regarding this Section:

- For the 2016-2017 fiscal year the City did not provide any refunds of development fees.
- The following transfers were made from Fund 34, Sewer Facility Construction Fund: Fund 01, General Fund (\$0.8M) for departmental overhead; Fund 18, Sewer Charge Fund for general support (\$1.5M) and asset transfer (\$1.4M) to reflect completed capital projects. The following transfers were made from Fund 22, Capital Projects Funds: Fund 40, Debt Services Fund for debt payments; Fund 23, Frontier Remediation to reflect the establishment of the Frontier Remediation Fund; and Fund 9, Street Construction Funds for related street construction expenditures. No developer fees were used in these transfers.
- Regarding loans, the adopted 2014-15 Budget authorized an inter-fund loan between Fund 34, Sewer Facility Construction Fund and Fund 01, General Fund to help smooth repayment of the 2010 Pension Obligation Bonds through 2020-21. The 2016-2017 adopted budget continues this loan. The General Fund will begin repaying this loan during 2017-2018. The loan will be repaid by June 30, 2021. No developer fees are used in this transaction.

B. CALIFORNIA GOVERNMENT CODE SECTION 66001(d)

For all funds established for the collection and expenditure of development impact fees, California Government Code Section 66001(d) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

City Actions Regarding this Section:

- For 2017, none of the funds used for collection and expenditure of development impact fees contain unexpended funds that are subject to this reporting requirement.
- For 2016, Council passed a Resolution granting authority to utilize the funds in Fund 14, the Manor Drive/Palmetto Avenue/Oceana Boulevard Intersections, which we have held for over 5 years.

C. DESCRIPTION OF DEVELOPMENT IMPACT FEES

<u>Highway 1 Improvements, Fund 12</u> – To provide for the construction of improvements to Highway One in the City from Westport Drive south to the southern City limits. 2015/16 2016/2017 Development Impact Fee Report Page 4. **Revised 11/22/17** to indicate that 72% or \$17,012 (of a total \$23,628) of 2016/2017 Engineering Services expenditures were supported by these funds.

Engineering Services activities include grant application preparation for bicycle/pedestrian trail amenities and safety/environmental improvements to the coastal trail along Highway 1; construction management for various projects including the installation of the Traffic Signal Adaptive System; and administrative activities including fee administration and report preparation.

<u>Manor Drive/Palmetto Avenue/Oceana Boulevard Intersections, Fund 14</u> – To provide for the construction of improvements to alleviate traffic congestion at the Manor Drive/Palmetto Avenue/Oceana Boulevard intersection.

<u>Planned Drainage Facilities Fees And Reserve For Drainage Facility Construction Funds, Fund 19</u> – To provide for the construction of drainage facilities to remove surface and storm drainage waters.

<u>Capital Projects Funds, Fund 22</u> – To provide for the construction of facilities that provide essential municipal services. **Revised 11/22/17** to reflect 0% developer fees used for the Transfer Out to Frontierland Remediation.

<u>Rockaway Beach In-Lieu Parking Facilities Fee, Fund 25</u> - The fee provides for the construction and renovation of public parking facilities in the Rockaway Beach Redevelopment Project Area.

<u>Dedications And Fees For Park And Recreational Purposes, Fund 26</u> – To provide for the development and rehabilitation of parks and recreational facilities.

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<u>Sewer Facility Construction Fund (Sewer Connection Charges), Fund 34</u> – To provide for the construction and expansion of the City's wastewater facilities, inclusive of the treatment plant, disposal system, main trunk interceptor, outfall sewers, inflow elimination facilities, and collection system trunk lines. **Revised 11/22/17** to reflect 0% developer fees used for the Transfer Out to General Fund.

Development Impact Fees

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2016-2017

Description	Imp	lighway 1 provements Fund 12	Av	r Drive/Palmetto enue/Oceana Boulevard Fund 14	Fee	ned Drainage Facilities s/Reserve For inage Facility Fund 19	Ca	pital Projects Funds Fund 22	away Beach In- ieu Parking Fund 25	ations/Fees For Park And Recreational Fund 26	Cons (Sew	ewer Facility struction Fund er Connection rges), Fund 34
REVENUES												
Fees	\$	117,544	\$	16,322	\$	-	\$	23,257	\$ 102,000	\$ 143,032	\$	112,385
Interest		328		1,956		1,306		3,853	214	208		10,637
Other Revenues		616,216		-		-		2,571,842	-	-		300
Total Revenues		\$734,088		\$18,278		\$1,306		\$2,598,952	\$102,214	\$143,240		\$123,322
EXPENDITURES												
Expenditures		463,709		2,000		-		2,528,098	-	42,126		2,575,928
Total Expenditures	\$	463,709	\$	2,000	\$	-	\$	2,528,098	\$ -	\$ 42,126	\$	2,575,928
REVENUES OVER (UNDER) EXPENDITURES		270,379		16,278		1,306		70,854	102,214	101,114		(2,452,606)
Fund Balance, Beginning of Year		(34,013)		951,138		640,558		(248,821)	21,086	39,719		9,435,151
Fund Balance, End of Year	\$	236,366	\$	967,416	\$	641,864	\$	(177,967)	\$ 123,300	\$ 140,833	\$	6,982,545

\$0.61

City of Pacifica

Highway 1 Improvements - Fund 12

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

			FY 2016-1	7		
Description	Тс	otal Funds	Dev. Fees		% FROM FEES	Commencement Year
REVENUES						
Improvement fees		117,544			100%	
Interest		328		-	0%	
Other Revenues		616,216		-	0%	
Total Revenues	\$	734,088	\$	-		
EXPENDITURES						
Engineering Services		23,628		17,012	72%	Ongoing
Highway 1 Transportation		-		-	0%	Ongoing
Calera Parkway		-		-	0%	TBD
San Pedro Creek Bridge		440,081		-	0%	2014
Total Expenditures	\$	463,709	\$	17,012		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	270,379				
Fund Balance, Beginning of Year Fund Balance, End of Year		(34,013) 236,366				
		Fee Sched	dule:			
(a) Primary Impacting Area (as defined in N	<i>l</i> unicipa	I Code Section	8-15.03 <u>)</u>			
(1) Per new residential unit					\$4,765	
(2) Per new second residential unit					\$2,349	
(3) Per new commercial unit (per square foot					<i>q</i> _ ,010	
of gross floor area)					\$1.92	
					¢	
(b) Secondary Impacting Area (as defined i		ipai Code Sectio	on 8-15.03)		¢1 500	
(1) Per new residential unit					\$1,592	
(2) Per new second residential unit					\$811	
(3) Per new commercial unit (per square foot						

(3) Per new commercial unit (per square foot of gross floor area)

Commencement Year Key:									
Ongoing -	Indicates the City's efforts are ongoing, and/or sufficient funds have not yet been collected to complete the financing of the project.								
Complete -	indicates that construction of a project has been completed.								
TBD -	City staff are still in the preliminary stages of project assessment and design and a commencement date has not been determined.								
Year -	Year of commencement								



Manor Drive/Palmetto Avenue/Oceana Boulevard - Fund 14

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

				FY 2016-17		
Description	Total Funds			Dev. Fees	% FROM FEES	Commencement Year
REVENUES						
Improvement fees		16,322		-	100%	
Interest		1,956		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	18,278	\$	-		
EXPENDITURES						
Engineering Services		2,000		2,000	100%	Ongoing
Manor Drive O/P Improvements		-		-	100%	2021
Milagra - Highway 1 On-Ramp		-		-	100%	2018
Total Expenditures	\$	2,000	\$	2,000		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	16,278				
Fund Balance, Beginning of Year		951,138	_			
Fund Balance, End of Year	\$	967,416	=			

Fee Schedule:

(a) Primary Impacting Area (as defined in Municipal Code Chapter 18, Title 8)

(1) Per daily trip generated.

\$331



Planned Drainage Facilities Fees/Reserve For Drainage Facility - Fund 19

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

				FY 2016-17		
Description	Total Funds			Dev. Fees	% FROM FEES	Commencement Year
REVENUES						
Improvement fees		-		-	100%	
Interest		1,306		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	1,306	\$	-		
EXPENDITURES						
Drainage Master Plan		-		-	100%	Completed
Total Expenditures	\$	-	\$	-		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	1,306				
Fund Balance, Beginning of Year		640,558				
Fund Balance, End of Year	\$	641,864				

Fee Schedule:

(a) Area Number (as defined in Municipal Code Section 7-4.101):

Area Number	Watershed Title	Fee per acre
1	Globe	\$0
2	Edgemar	\$5,172
3	Pacific Manor	\$4,521
4	Salada Beach	\$4,521
5	Brighton	\$5,395
6	Fairway Park	\$10,084
7	Vallemar	\$7,145
8	Rockaway Beach	\$13,308
9	Lower Linda Mar	\$0
10	Linda Mar	\$4,771
11	San Pedro Terrace	\$16,886



Capital Projects Fund - Fund 22

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

	-	FY 2016-17		0
Description	Total Funds	Dev. Fees	% FROM FEES	Commencemen Year
REVENUES				i cai
Improvement fees	23,257		100%	
Interest	3,853		0%	
Other Revenues	2,571,842	_	0%	
Total Revenues	\$ 2,598,952	\$ -	070	
	15 650	4 666	4.00/	Ongoing
Engineering Services	45,653	4,565	10%	Ongoing
Frontierland Remediation	-	-	0%	2017
Pier Rehabilitation	-	-	5%	Completed
Devil's Slide Headlands Trail	-	-	10%	Completed
IT Infrastructure Replacement	-	-	15%	Completed
Beach Blvd. Project	-	-	15%	Completed
Library Needs Assesment	-	-	15%	TBD
Capistrano Bridge Fish Passage	-	-	0%	Completed
Palmetto Streetscape	8,267	-	0%	2017
Snowy Plover Fence and Sign	36,100	-	0%	Completed
Palmetto Streetscape	326,552	-	0%	2017
Esplanade Trail	3,667	-	0%	2017
nterest Expense	630,919	-	0%	N/A
Transfer Out to Frontierland Remediation	1,289,566	-	0%	N/A
Transfer Out to Street Construction	44,374	-	0%	N/A
Transfer Out Debt	143,000	-	0%	N/A
Total Expenditures	\$ 2,528,098	\$ 4,565		
REVENUES OVER (UNDER)				
EXPENDITURES	\$ 70,854			
Fund Balance, Beginning of Year	(248,821)			
Fund Balance, End of Year				
, ,	<u> </u>			
	Fee Sche	dule:		
(a) Primary Impacting Area (as defined in N				
(1) Per bedroom in a dwelling unit		_	\$244	
(2) Per hotel or motel unit			\$122	
(3) each other new structure (except accessor				
used for Boys' or Girls' Clubs, Boy or Girl Sco	uts, or other nonprofit ac	tivities for which the	1.42% of the	

Council may waive the fee), .

valuation

Rockaway Beach In-Lieu Parking Facilities Fee - Fund 25

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

				FY 2016-17		
Description	Total Funds			Dev. Fees	% FROM FEES	Commencement Year
REVENUES						
Improvement fees		102,000		-	100%	
Interest		214		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	102,214	\$	-		
EXPENDITURES						
No Project(s) in FY 2016-17*		-		-	0%	No Projects Planned at this time
Total Expenditures	\$	-	\$	-		
REVENUES OVER (UNDER) EXPENDITURES	\$	102,214	\$	-		
Fund Balance, Beginning of Year Fund Balance, End of Year		21,086 123,300	-			

*Parking Assessment Study will be introduce in the FY 2018-23 Capital Improvement Program

Fee Schedule:

(a) Primary Impacting Area (as defined in Resolution No. 17-86)

(1) Fee per in-lieu parking space.

\$3,000



City of Pacifica Dedications/Fees For Park And Recreational - Fund 26

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

Description		Total Funds		Dev. Fees	% FROM FEES	Commencement Year
REVENUES						
Improvement fees		143,032		143,032	100%	
Interest		208		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	143,240	\$	143,032		
EXPENDITURES						
Engineering Services		3,900		0	0%	Ongoing
To General Fund		25,000		-	0%	Ň/A
Sanchez Dog Park		13,226		272.00	100%	2011
Headlands Trail		-		-	5%	Completed
Park 12 Improvements		-		-	5%	Completed
Total Expenditures	\$	42,126	\$	272		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	101,114				
Fund Balance, Beginning of Year		39,719				
Fund Balance, End of Year	\$	140,832	1			

Fee Schedule:

(a) Primary Impacting Area (as defined in Municipal Code Chapter 19, Title 8)

Parkland Dedication In-Lieu Fee (Quimby Act)

Bedrooms	Total Fee
Zero	\$759
One	\$1,136
Two	\$1,591
Three	\$1,971
Four	\$2,425
Five	\$2,804
Each after Five	\$454

Park Facilities Impact Fee (Mitigation Fee Act)

Bedrooms	Total Fee
Zero	\$2,076
One	\$3,115
Two	\$4,360
Three	\$5,398
Four	\$6,645
Five	\$7,682
Each after Five	\$1,247



Sewer Connection Charges - Fund 34

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2016-2017

	FY 2016-17					Commencement
Description	Total Funds			Dev. Fees	% FROM FEES	Year
REVENUES		110 005		110 205	1000/	
Improvement fees		112,385		112,385	100%	
nterest Other Revenues		10,637 300		-	0% 0%	
Total Revenues	¢		\$	- 112,385	0%	
Total Revenues	\$	123,322	Φ	112,365		
EXPENDITURES						
Regional Board Fines		12,000		-	0%	N/A
Digesters		49,427		-	0%	N/A
Odor Control System		306		-	0%	Ongoing
Pump Replacements		35,836		-	0%	Ongoing
Meter & Probe Replacements		14,318		-	0%	N/A
Centrifuges		-		-	10%	2015
Scada & PLC System		8,723		1,745	20%	2015
Calera Crk Wetlands Compliance				-	0%	N/A
NPDES Permit & Compliance		88,574		-	0%	2016
Ultraviolet Disinfection		-		-	0%	N/A
Security & Gate System		-		-	5%	N/A
Secondary System Blowers		147,840		-	0%	N/A
Fuel Tank				_	5%	N/A
WWTP Rate Study		53,363		53,363	100%	2017
San Pedro Creek TMDL				55,505	0%	N/A
		5,118 8,985		-	0%	2016
Brighton Pump Station				-		
Anza Pump Station		833		-	0%	Completed
Linda Mar Pump Station		99,195		4,960	5%	2016
Collection System		94,796		4,740	5%	N/A
Rockaway Pump Station		-		-	0%	Completed
Sewer System Master Plan		-		-	5%	N/A
Sharp Park Pump Station		37,227		-	0%	2016
Skyridge Pump Station		-		-	5%	Completed
Linda Mar Generator		-		-	5%	Completed
CCTV Software & Equip		13,365		-	0%	Completed
CMMS Maint Software		-		-	0%	N/A
SEP Lateral Program-CDO		-		-	0%	N/A
Smoke Testing		-		-	5%	N/A
Root Foaming		19,196		-	0%	Completed
Capacity Improv Projects		-		-	50%	2012
Equalization Basin Project		869,816		22,064	5%	2017
Repair and Rehab		82,034		12,627	5%	2012
Lateral Grant Assistance		46,000		-	0%	Completed
Forcemain Condition				-	0%	Completed
Transfers Out:					- / -	
To Sewer Charge Fund 18		1,506,000			0%	
To NPDES Stormwater Fund		24,500			0%	
To General Fund		794,000		-	0%	N/A
Asset Transfer to Fund 18		(1,435,524)		-	NA	N/A
	\$	2,575,928	\$	99,499	INC.	1 1/7 1
•		. , -	-	, -		
REVENUES OVER (UNDER) EXPENDITURES	\$	(2,452,606)				
Fund Balance, Beginning of Year		9,435,151				
Fund Balance, Beginning of fear Fund Balance, End of Year	\$	9,435,151 6,982,545	-			
Fund Datatice, End of Year	φ	0,302,343	:			



City of Pacifica Sewer Facility Construction Fund (Sewer Connection Charges), Fund 34

Fee Schedule:	
ree Schedule:	
CONNECTION FEES (SEC. 6-11.102)	
a) Residential Units: Single, Townhouse, or Condominium dwelling unit	\$1,228
b) Second Unit Unit	\$614
c) Multi-Family Dwellings	\$930
d) Commercial Units (= # fixture units/12)	\$1,228
TRUNK LINE FEES (SEC. 6-11.103)	
a) Residential	* ***
1) Per unit: Single, Townhouse, Condominium, or multi-family	\$922
2) Per acre	\$1,842
b) Second Unit Unit	¢022
1) Per unit 2) Per acre	\$922 \$1,842
c) Commercial Units (= # fixture units/12)	φ1,0 4 2
1) Per commercial unit (= # fixture units/12)	\$922
2) Per acre	\$922 \$1,842
	φ1,04Z
INFLOW/INFILTRATION FEES (SEC. 6-11.104)	
a) Residential	
1) Per unit: Single, Townhouse, Condominium, or multi-family	672
2) Per acre	\$1,432
b) Second Unit Unit	
1) Per unit	336
2) Per acre	\$716
c) Commercial Units (= # fixture units/12)	
1) Per commercial unit (= # fixture units/12)	672
2) Per acre	1432

