

2017-2018 Mitigation Fee Act Annual Report of Development Fees June 30, 2018



City of Pacifica 170 Santa Maria Avenue Pacifica, CA 94044

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CITY OF PACIFICA

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

John Keener

MAYOR PRO TEM Sue Vaterlaus

COUNCIL

Sue Digre Mike O'Neill Deirdre Martin

Scenic Pacifica Incorporated Nov. 22, 1957

December 10, 2018

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, 2018.

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. A draft of this report was filed with the City Clerk's office and available for public review on November 15, 2018. Subsequent to filing this report 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 made available for public review on November 20, 2018.

Respectfully submitted,

Lorenzo Hines Jr.

Lorenzo Hines Jr. Assistant City Manager



2017/2018 Mitigation Fee Act Annual Report of Development Fees

CITY OF PACIFICA, CALIFORNIA

JOHN KEENER Mayor

SUE VATERLAUS Mayor Pro Tem

SUE DIGRE MICHAEL O'NEILL DEIRDRE MARTIN Members of City Council

> KEVIN WOODHOUSE City Manager

MICHELLE MARCHETTA KENYON

City Attorney

OTHER ADMINISTRATIVE OFFICERS

LORENZO HINES JR. Assistant City Manager

DAN STEIDLE Police Chief RON MYERS Fire Chief

TINA WEHRMEISTER Director of Planning

VAN OCAMPO Director of Public Works/Wastewater

Collection and Plant Operation

MICHAEL PEREZ Director of Parks, Beaches & Recreation

SARAH COFFEY 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 2017-2018 fiscal year the City did not provide any refunds of development fees.
- A transfer of \$17.6M was made from Fund 34, Sewer Facility Construction Fund to Fund 18, Sewer Charge Fund (asset transfer) to reflect completed capital projects. No developer fees were used in this transfer.
- For the 2017-2018 fiscal year the City did not provide any loans from funds that utilize development fees.

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 2018, 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.

<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,</u> <u>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.

<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.

<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.



Development Impact Fees

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

Description	lmp	lighway 1 provements Fund 12	Av	r Drive/Palmetto enue/Oceana Boulevard Fund 14	Fee	nned Drainage Facilities s/Reserve For iinage Facility Fund 19	С	apital Projects Funds Fund 22	kaway Beach In- Lieu Parking Fund 25	 cations/Fees For And Recreational Fund 26	Cor (Se	ewer Facility estruction Fund wer Connection erges), Fund 34
REVENUES												
Fees	\$	59,844	\$	361	\$	7,742	\$	20,677	\$ -	\$ 134,399	\$	40,651
Interest		1,457		3,852		2,560		1,046	488	808		44,602
Other Revenues		238,796		-		-		1,647,438	=	49,839		11,012,730
Total Revenues		\$300,097		\$4,213		\$10,302		\$1,669,161	\$488	\$185,046		\$11,097,983
EXPENDITURES												
Expenditures		97,237		-		-		3,419,995	-	80,096		433,425
Total Expenditures	\$	97,237	\$	-	\$	-	\$	3,419,995	\$ -	\$ 80,096	\$	433,425
REVENUES OVER (UNDER) EXPENDITURES		202,860		4,213		10,302		(1,750,834)	488	104,950		10,664,558
Fund Balance, Beginning of Year		236,366		967,416		641,863		(433,587)	123,300	140,832		6,982,546
Fund Balance, End of Year	\$	439,226	\$	971,629	\$	652,165	\$	(2,184,421)	\$ 123,788	\$ 245,782	\$	17,647,104



Highway 1 Improvements - Fund 12

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

Description	Т	otal Funds	Dev. Fees	% FROM FEES	Commencement Year
REVENUES		otal i aliao	DCV. 1 CCC	70 T TOM T EEO	ı cai
Improvement fees		59,844	59,844	100%	
Interest		1,457	-	0%	
Other Revenues		238,797	-	0%	
Total Revenues	\$	300,098 \$	59,844		
EXPENDITURES					
Engineering Services		21,593	15,547	72%	Ongoing
Highway 1 Transportation		69,600	-	0%	Ongoing
San Pedro Creek Bridge		6,044	-	0%	2014
Total Expenditures	\$	97,237 \$	15,547		
REVENUES OVER (UNDER)					
EXPENDITURES	\$	202,861			
Fund Balance, Beginning of Year		236,366			
Fund Balance, End of Year	\$	439,227			

Fee Schedule:

(a) Primary Impacting Area (as defined in Municipal Code Section 8-15.03)		
(1) Per new residential unit	\$4,932	
(2) Per new second residential unit	\$2,432	
(3) Per new commercial unit (per square foot		
of gross floor area)	\$1.99	
(b) Secondary Impacting Area (as defined in Municipal Code Section 8-15.03)		
(1) Per new residential unit	\$1,647	
(2) Per new second residential unit	\$839	
(3) Per new commercial unit (per square foot		
of gross floor area)	\$0.63	

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 2017-2018

FY 2017-18

						Commencement
Description		Total Funds			% FROM FEES	Year
REVENUES						
Improvement fees		361		361	100%	
Interest		3,852		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	4,213 \$		361		
EXPENDITURES						
Engineering Services		-		-	100%	Ongoing
Manor Drive O/P Improvements		-		-	100%	2021
Milagra - Highway 1 On-Ramp		-		-	100%	2018
Total Expenditures	\$	- \$)	-		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	4,213				
Fund Balance, Beginning of Year		967,416				
Fund Balance, End of Year	\$	971,629				

Fee Schedule:

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

(1) Per daily trip generated. \$342



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

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

-			1120			Commencement
Description	To	otal Funds	Dev	. Fees	% FROM FEES	Year
REVENUES						
Improvement fees		7,742		7,742	100%	
Interest		2,560		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	10,302	\$	7,742		
EXPENDITURES						
Drainage Master Plan		-		-	100%	Completed
Total Expenditures	\$	-	\$	-		·
REVENUES OVER (UNDER)						
EXPENDITURES	\$	10,302				
Fund Balance, Beginning of Year		641,863				
Fund Balance, End of Year	\$	652,165				

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	\$5,354
3	Pacific Manor	\$4,679
4	Salada Beach	\$4,679
5	Brighton	\$5,584
6	Fairway Park	\$10,437
7	Vallemar	\$7,395
8	Rockaway Beach	\$13,774
9	Lower Linda Mar	\$0
10	Linda Mar	\$4,938
11	San Pedro Terrace	\$17,477

Capital Projects Fund - Fund 22

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

		FT 2017-10		
	Total Funds	Dev. Fees	% FROM FEES	Commencement
Description				Year
REVENUES				
Improvement fees	20,677	20,677	100%	
Interest	1,046	-	0%	
Other Revenues	1,647,438	-	0%	
Total Revenues	\$ 1,669,161 \$	20,677		
EXPENDITURES				
Engineering Services	61,340	6,134	10%	Ongoing
Frontierland Remediation	4,880	-	0%	2017
Frontierland Parking	17,885	-	0%	
Pier Rehabilitation	131,394	6,570	5%	Completed
Devil's Slide Headlands Trail	-	-	10%	Completed
IT Infrastructure Replacement	-	-	15%	Completed
Beach Blvd. Project	-	-	15%	Completed
Library Needs Assesment	-	-	15%	TBD
Palmetto Streetscape	1,865,091	-	0%	2017
Snowy Plover Fence and Sign	1,900	-	0%	Completed
Palmetto Streetscape	1,341,172	-	0%	2017
Esplanade Trail	(3,667)	-	0%	2017
Interest Expense		-	0%	N/A
Transfer Out to Frontierland Remediation	-	-	0%	N/A
Transfer Out to Street Construction	-	-	0%	N/A
Transfer Out Debt	-	-	0%	N/A
Total Expenditures	\$ 3,419,995 \$	12,704		

REVENUES OVER (UNDER)

EXPENDITURES \$ (1,750,834)

Fund Balance, End of Year \$\ (433,587)\$
Fund Balance, End of Year \$\ (2,184,421)\$

Fee Schedule:

(a) Primary Impacting Area (as defined in Municipal Code Article 2, Chapter 4, Title 7)

(1) Per bedroom in a dwelling unit \$253

(2) Per hotel or motel unit \$126

(3) each other new structure (except accessory buildings and buildings or structures primarily used for Boys' or Girls' Clubs, Boy or Girl Scouts, or other nonprofit activities for which the Council may waive the fee), .

1.47% of the valuation



Rockaway Beach In-Lieu Parking Facilities Fee - Fund 25

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

Description		Total Funds		Dev. Fees	% FROM FEES	Commencement Year
REVENUES						
Improvement fees		0		-	100%	
Interest		488		-	0%	
Other Revenues		-		-	0%	
Total Revenues	\$	488	\$	-		
EXPENDITURES						
No Project(s) in FY 2017-18*		-		-	0%	No Projects Planned at this time
Total Expenditures	\$	-	\$	-		
REVENUES OVER (UNDER)						
EXPENDITURES	\$	488	\$	-		
Fund Balance, Beginning of Year		123,300				
Fund Balance, End of Year		123,788	_			

^{*}Parking Assessment Study was 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



Dedications/Fees For Park And Recreational - Fund 26

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

	Total Funds	Dev. Fees	% FROM FEES	Commencement
Description				Year
REVENUES				
Improvement fees	134,399	134,399	100%	
Interest	808	-	0%	
Other Revenues	49,839	-	0%	
Total Revenues	\$ 185,046 \$	134,399		
EXPENDITURES				
Engineering Services		0	0%	Ongoing
To General Fund		-	0%	N/A
Sanchez Dog Park	4,985	272	5%	2011
Headlands Trail	75,111	_	5%	Completed
Park 12 Improvements	· -	-	5%	Completed
Total Expenditures	\$ 80,096 \$	272		•
REVENUES OVER (UNDER)				
· · ·	\$ 104,950			
Fund Balance, Beginning of Year _	140,832			
Fund Balance, End of Year	\$ 245,781			

Fee Schedule:

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

Parkland Dedication In-Lieu Fee (Quimby Act)

Bedrooms	lotal Fee
<u>Zero</u>	\$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	\$2,148
One	\$3,224
Two	\$4,512
Three	\$5,587
Four	\$6,877
Five	\$7,951
Each after Five	\$1,290

2017/2018 Mitigation Fee Act Annual Report of Development Fees

Sewer Connection Charges - Fund 34

Statement of Revenues, Expenditures and Changes in Fund Balance FY 2017-2018

FY 2017-18

Description	Total Funds	Dev. Fees	% FROM FEES	Commencement Year
REVENUES	Total Fullus	Dev. 1 ees	70 T ROWITELS	i Gai
Improvement fees	40,651	40,651	100%	
Interest	44,602	-	0%	
Other Revenues	11,012,730	_	0%	
Total Revenues	\$ 11,097,983 \$	40,651	5 ,0	
EXPENDITURES	_			
Regional Board Fines		_	0%	N/A
Digesters	223,801		0%	N/A
Odor Control System	33,426	_	0%	Ongoing
Pump Replacements	2,598		0%	Ongoing
Meter & Probe Replacements	2,390	-	0%	N/A
Centrifuges	22,761	-	0%	2015
	22,701	-	20%	2015
Scada & PLC System	10.464	-		2016
NPDES Permit & Compliance	10,464	-	0%	
Ultraviolet Disinfection	4.474	-	0%	N/A
Laboratory Room Improvement	4,174		5 0/	NI/A
Security & Gate System	04.040	-	5%	N/A
Secondary System Blowers	31,243	-	0%	N/A
Fuel Tank	0.007	-	5%	N/A
WWTP Rate Study	9,007	9,007	100%	2017
WWTP Condition Assessment	179,611			
San Pedro Creek TMDL	10,525	-	0%	N/A
CCWRP Projects	10,329			
Brighton Pump Station	84,412	-	0%	2016
Anza Pump Station	4,333	-	0%	Completed
Linda Mar Pump Station	17,214	861	5%	2016
Collection System	2,361,988	23,620	1%	N/A
Rockaway Pump Station	2,755	-	0%	Completed
Sewer System Master Plan		-	5%	N/A
Sharp Park Pump Station	65,689	-	0%	2016
Skyridge Pump Station	218	11	5%	Completed
OCE Settlement	25,200		0%	
Linda Mar Generator		-	5%	Completed
Linda Mar Roof Repair	29,773			
Smoke Testing		-	5%	N/A
Root Foaming	17,666	-	0%	Completed
Capacity Improv Projects		-	50%	2012
Equalization Basin Project	13,491,481	-	0%	2017
Repair and Rehab	1,385,607	-	0%	2012
Lateral Grant Assistance	50,000	-	0%	Completed
Transfers Out:	,		- · •	L
To Sewer Charge Fund 18			0%	
To NPDES Stormwater Fund			0%	
To General Fund		_	0%	N/A
Asset Transfer to Fund 18	(17,640,850)	_	NA	N/A
Total Expenditures	\$ 433,425 \$	33,498	14/1	

REVENUES OVER (UNDER)

EXPENDITURES \$ 10,664,558

Fund Balance, Beginning of Year 6,982,546
Fund Balance, End of Year \$ 17,647,104



Sewer Facility Construction Fund (Sewer Connection Charges), Fund 34

Fee Schedule:

CONNECTION FEES (SEC. 6-11.102)	
a) Residential Units: Single, Townhouse, or Condominium dwelling unit	\$1,271
b) Second Unit Unit	\$636
c) Multi-Family Dwellings	\$963
d) Commercial Units (= # fixture units/12)	\$1,271
TRUNK LINE FEES (SEC. 6-11.103)	
a) Residential	COE 4
Per unit: Single, Townhouse, Condominium, or multi-family Per acre	\$954 \$1,906
b) Second Unit Unit	φ1,900
1) Per unit	\$954
2) Per acre	\$1,842
c) Commercial Units (= # fixture units/12)	
Per commercial unit (= # fixture units/12)	\$954
2) Per acre	\$1,906
INFLOW/INFILTRATION FEES (SEC. 6-11.104)	
a) Residential	
Per unit: Single, Townhouse, Condominium, or multi-family	\$696
2) Per acre	\$1,482
b) Second Unit Unit	#240
Per unit Per acre	\$348 \$741
c) Commercial Units (= # fixture units/12)	Ψ7 4 1
1) Per commercial unit (= # fixture units/12)	\$696
2) Per acre	\$1,482

