



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: January 21, 2025
SUBJECT: FY2023-2024 Annual AB 1600 Compliance Report

Description Government Code Section 66006 requires cities that impose impact fees to render an annual accounting of the fees and to provide findings that support the retention of any fees that have been held more than five years and remain unexpended or have not been committed to projects. Government Code Section 66001 requires that cities that impose impact fees must make certain findings described in section 66001(d)(1) every five years as a component of the annual report.

Background and Analysis:

To ensure that mitigation fees associated with development are spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB 1600 (the Mitigation Fee Act). This bill applies to developer fees which were increased or imposed on or after January 1, 1989.

The Mitigation Fee Act (California Government Code, Section 66000 et seq.) requires local agencies that impose Development Impact Fees to present an annual, consolidated report showing the receipt and use of those fees. The Annual Status Report (Attachment A) must be available for public review within 180 days after the last day of each fiscal year and must be present at the next regularly scheduled meeting no less than 15 days after the information is made to the public. This report was posted to the City's website on December 16, 2024, and is intended to satisfy the requirements for Fiscal Year 2023-2024 as well as the five-year reporting requirements:

Specifically, the City must make available the following information for the prior fiscal year, as specified in Code Section 66006(b)(1):

1. A brief description of the type of fee in the account or fund.
2. The amount of the fee.
3. The beginning and ending balance of the account or fund.
4. The amount of the fees collected, and the interest earned.

5. An identification of each public 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 fees.
6. 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.
7. 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 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
8. The amount of refunds made pursuant to subdivision (e) of Section 66001 of the Code and any allocations pursuant to subdivision (f) of Section 66001 of the Code.

In addition, pursuant to Code Section 66001(d)(1), for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the account, regardless of whether those funds are committed or uncommitted:

1. Identification of the purpose to which the fees are to be put.
2. Demonstration of a reasonable relationship between the fee and the purpose for which it is charged.
3. Identification of all sources and amounts of funding anticipated to complete financing in incomplete improvements identified as part of the City's annual report.
4. Identification of the approximate dates on which the funding referred to in requirement 3 is expected to be deposited into the appropriate account or fund.

Included as Attachment B is a Resolution of the City Council of the City of Beaumont making findings for unexpended development fees in accordance with Government Code Section 66000 and reviewing and accepting annual development fee disclosure information.

Fiscal Impact:

There is no fiscal impact with this report.

The estimated cost to prepare this report is \$1,580.

Recommended Action:

Waive the full reading and adopt by title only, “A Resolution of the City Council of the City of Beaumont Making Findings for Unexpended Development Fees in Accordance with Government Code Section 6600 and Reviewing and Accepting Annual Development Fee Disclosure Information”.

Attachments:

- A. Annual Status Report on Receipt and Use of Development Impact Fees for FY 2023-24
- B. Resolution