

11. Annual Development Impact Fee Report for Fiscal Year 2022-2023

Department(s):

Recommended Action: Receive and file.



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 19, 2023

TOPIC: Development Impact Fee Report

AGENDA TITLE

Annual Development Impact Fee Report for Fiscal Year 2022-2023

RECOMMENDED ACTION

Receive and file.

GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

Following the passage of Proposition 13 in 1978, many cities began charging fees on new development to fund public improvements and services such as streets, public utilities, and parks. These fees are commonly known as development impact fees. To ensure these fees were spent in a timely manner and on projects for which they were being collected, the State Legislature passed Assembly Bill 1600, known as the Mitigation Fee Act.

In accordance with Government Code Sections 66001 and 66006, the City is required to publish an annual report (Exhibit 1) for each fund established to account for development impact fees. The report must include: a brief description of the type of fee; fee amount; beginning and ending balance of the account or fund; amount of fees collected and interest earned; identification of each public improvement on which fees were expended and the amount expended; an estimated date construction will commence; and descriptions of each inter-fund transfer or loan.

California Government Code Section 66006 requires an annual accounting of development impact fees be made available to the public within 180 days of the end of the City's fiscal year. In addition, this information must be presented to the City Council at least 15 days after it is made available to the public.

The City collects the following development impact fees: Transportation System Improvement Area, Transit Zoning Code Traffic Impact Mitigation Fair Share, Harbor Specific Plan Mitigation Fair Share, Drainage Assessment Fee, Sewer Connection Fee, Park Acquisition, and Development Fees. The fees are collected prior to the issuance of building permits for new residential and commercial construction. The impact fees are

established by City Council resolution and are deposited into the designated impact fee fund.

FISCAL IMPACT

Fiscal Year 2022-2023 development fee expenditures totaled \$13,994,181 and were used for streets improvements, public utilities improvements, and parks improvements.

EXHIBIT(S)

1. City of Santa Ana Assembly Bill 1600 Development Fee Report Fiscal Year 2022-2023

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Tom Hatch, Interim City Manager

**City of Santa Ana's Public Works Agency
Assembly Bill 1600 Development Fee Report
Fiscal Year 2022-2023**

Government Code Section 66006 requires local agencies that collect development impact fees to submit an annual notice detailing the status of those fees within 180 days after the last day of the fiscal year. The annual report must be made available to the public and then presented to the public agency (City Council) at least 15 days after it is made available to the public.

The following is the annual report for the City's development impact fees.

Provide a brief description of the type of fee in the account or fund.

Drainage Assessment Fee

The drainage assessment fees are established in the Santa Ana Municipal Code. The City has six "local drainage areas," each with its own fee schedule. Payment of the fee is required as a condition to the City's approval of a subdivision or parcel map. The City is required to maintain a separate fund for the fee revenues of each such area. Expenditures from each such fund are limited solely to the construction of drainage facilities within the area from which the fund revenues were collected.

Sewer Connection Fee

The sewer connection fees are established in the Santa Ana Municipal Code. No person shall make any sewer connection unless a permit is issued by Public Works. No permit for such connection shall be issued unless the application is accompanied by the payment of a fee to the City in an amount which shall determine the applicant's proportionate share of the cost of construction of such public sewer.

Water Connection Fee

The water connection fees are established in the Santa Ana Municipal Code. Water connection fees are used to establish water service. All applicants prior to connecting to a water main or prior to an increase in size of an existing water meter or service, shall apply and obtain a permit to do so and pay the water connection fees.

Transportation System Improvement Area Fee

The transportation system improvement areas fees are established in the Santa Ana Municipal Code. The purpose of a transportation system improvement program is to identify and designate those areas where the transportation system may experience a significant reduction in the level of service unless corrective measures are instituted concurrent with increased transportation demands. Fees collected for building projects and improvements on properties in a transportation systems improvement program area shall be used to improve the transportation system within such area when such improvements will substantially benefit the transportation system within the area.

Residential Development Fee

The residential development fees are established in the Santa Ana Municipal Code. The fees are served for the purpose of preserving an appropriate balance between the demand by residents for use of park and recreational facilities and the availability of such park and recreational facilities and to preclude residential development which would create an excess demand on such facilities. Fees paid shall be placed in a special fund known as the "Park Acquisition and Development Fund," which will be used for the acquisition, construction and renovation of park and recreation facilities.

List the amount of the fee.

Drainage Assessment Fee Schedule

Areas	Effective 7/1/2022
Area 1	\$ 8,372.00
Area 2	\$ 10,092.00
Area 3	\$ 5,433.00
Area 4	\$ 8,019.00
Area 5	\$ 9,136.00
Area 6	\$ 8,985.00

Sewer Connection Fee Schedule: \$51.00 per plumbing fixture unit.

Water Connection Fee Schedule

Meters	Effective 7/1/2022
5/8" Meter	\$ 465.00
3/4" Meter	\$ 465.00
1" Meter	\$ 465.00
1 1/2" Meter	\$ 496.00
2" Meter	\$ 560.00
3" Meter	\$ 1,886.00
4" Meter	\$ 2,815.00
6" Meter	\$ 4,533.00

Transportation System Improvement Area Fee Schedule

Non-Residential Areas	Effective 7/1/2022
Area A	\$ 5.15 / sq. ft.
Area B	\$ 1.81 / sq. ft.
Area C	\$ 5.53 / sq. ft.
Area D	\$ 3.31 / sq. ft.
Area E	\$ 2.01 / sq. ft.
Area F	\$ 1.81 / sq. ft.

Residential*	Effective 7/1/2022
Area A	\$ 5.15 / sq. ft.
Area B	\$ 1.81 / sq. ft.
Area C	\$ 5.53 / sq. ft.
Area D	\$ 3.31 / sq. ft.
Area E	\$ 2.01 / sq. ft.
Area F	\$ 1.81 / sq. ft.

*Applies only for projects with 5 or more dwelling units on the entire project.

Residential Development Fee Schedule

Bedrooms	Effective 7/1/2022
5 Bedrooms	\$ 8,179.00
4 Bedrooms	\$ 7,352.00
3 Bedrooms	\$ 6,640.00
2 Bedrooms	\$ 4,948.00
1 or less	\$ 3,714.00

List the beginning and ending balance of the account or fund.

DEVELOPMENT IMPACT FEES – FY 2022/2023	BEGINNING BALANCE <i>As of 07/01/22</i>	ENDING BALANCE <i>As of 06/30/23</i>
PUBLIC WORKS AGENCY		
New Transportation System Improvement Area Fee - Area B (Fund 033)	\$575,521.51	\$581,819.03
New Transportation System Improvement Area Fee - Area E (Fund 034)	\$1,496,062.45	\$1,731,199.88
New Transportation System Improvement Area Fee - Area F (Fund 035)	\$1,878,238.51	\$1,851,251.60
Transportation System Improvement Area Fee - Area A (Fund 041)	\$700,551.81	\$707,557.25
Transportation System Improvement Area Fee - Area B (Fund 042)	\$9,592.17	\$9,688.09
Transportation System Improvement Area Fee - Area C-2 (Fund 048)	\$214,247.74	\$216,390.17
Transportation System Improvement Area Fee - Area G (Fund 049)	\$98,750.31	\$99,737.80
Sewer Connection Fee (Fund 055)	\$7,644,012.85	\$4,160,736.41
Water Connection Fee (Fund 060)	\$33,112,526.15	\$10,513,003.08
Drainage Assessment Fee - Area 1 (Fund 221)	\$1,020,497.88	\$1,084,926.79
Drainage Assessment Fee - Area 2 (Fund 222)	\$273,895.45	\$285,860.36
Drainage Assessment Fee - Area 3 (Fund 223)	\$421,886.72	\$426,873.63
Drainage Assessment Fee - Area 4 (Fund 224)	\$419,915.30	\$517,354.29
Drainage Assessment Fee - Area 5 (Fund 225)	\$282,170.25	\$284,996.20
Drainage Assessment Fee - Area 6 (Fund 226)	\$381,053.23	\$388,047.87
Transportation System Improvement JPA Area A (Fund 991)	\$2,611,036.54	\$2,634,847.41
Transportation System Improvement JPA Area B (Fund 992)	\$10,641,688.00	\$11,013,559.30
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Residential Development District 1 (Fund 311)	\$3,288,547.02	\$989,473.70
Residential Development District 2 (Fund 312)	\$5,412,407.50	\$3,397,203.90
Residential Development District 3 (Fund 313)	\$12,257,284.97	\$11,677,281.45
Residential Development District 4 (Fund 314)	\$652,880.73	\$370,570.44
Residential Development District 5 (Fund 315)	\$0.00	\$1,492,453.54

List the amount of fees collected and the interest earned.

DEVELOPMENT IMPACT FEES – FY 2022/2023	FEES COLLECTED	INTEREST EARNED
PUBLIC WORKS AGENCY		
New Transportation System Improvement Area Fee - Area B (Fund 033)	\$539.38	\$5,758.14
New Transportation System Improvement Area Fee - Area E (Fund 034)	\$172,122.33	\$15,752.92
New Transportation System Improvement Area Fee - Area F (Fund 035)	\$147,277.76	\$17,952.97
Transportation System Improvement Area Fee - Area A (Fund 041)	\$0.00	\$7,005.44
Transportation System Improvement Area Fee - Area B (Fund 042)	\$0.00	\$95.92
Transportation System Improvement Area Fee - Area C-2 (Fund 048)	\$0.00	\$2,142.43
Transportation System Improvement Area Fee - Area G (Fund 049)	\$0.00	\$987.49
Sewer Connection Fee (Fund 055)	\$1,225,447.49	\$57,145.10
Water Connection Fee (Fund 060)	\$803,195.52	\$3,849.04

DEVELOPMENT IMPACT FEES – FY 2022/2023	FEES COLLECTED	INTEREST EARNED
Drainage Assessment Fee - Area 1 (Fund 221)	\$53,915.68	\$10,513.23
Drainage Assessment Fee - Area 2 (Fund 222)	\$9,183.72	\$2,781.19
Drainage Assessment Fee - Area 3 (Fund 223)	\$760.62	\$4,226.29
Drainage Assessment Fee - Area 4 (Fund 224)	\$94,944.96	\$4,785.00
Drainage Assessment Fee - Area 5 (Fund 225)	\$0.00	\$2,825.95
Drainage Assessment Fee - Area 6 (Fund 226)	\$3,054.90	\$3,939.74
Transportation System Improvement JPA Area A (Fund 991)	\$0.00	\$23,810.87
Transportation System Improvement JPA Area B (Fund 992)	\$742,832.68	\$99,219.99
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Residential Development District 1 (Fund 311)	\$78,827.00	\$12,081.99
Residential Development District 2 (Fund 312)	\$584,945.30	\$41,073.01
Residential Development District 3 (Fund 313)	\$4,562,310.00	\$141,143.78
Residential Development District 4 (Fund 314)	\$265,252.00	\$2,796.71
Residential Development District 5 (Fund 315)	\$35,336.00	\$23,635.69

Identify 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 the fees.

PUBLIC IMPROVEMENT EXPENDITURES – FY 2022/2023	TOTAL EXPENDITURE	PERCENT FUNDED BY FEE
PUBLIC WORKS AGENCY		
Transportation System Improvement Area Fee – Area E (Fund 034)		
Project No. 18-6901 Warner Ave Improvements Phase 2: Oak-Grand	\$6,942,796.36	0.06%
Project No. 20-6971 Warner Protection Bike Lane: Oak-Grand	\$87,320.48	3.92%
Transportation System Improvement Area Fee – Area E (Fund 035)		
Project No. 13-6792 Bristol Widening: CC-Washington IIIA	\$1,326,958.34	0.93%
Project No. 14-6802 Warner Avenue Widening: Main-Oak Phase I	\$1,820,344.98	3.08%
Project No. 15-6827 Fairview Bridge & Street Improvements	\$1,537,270.74	0.15%
Project No. 17-6883 Bristol Street & Memory Lane Inter Widening	\$176,551.44	49.71%
Sewer Connection Fee (Fund 055)		
Project No. 06-3510 Segerstrom/San Lorenzo S Lift	\$3,722,050.31	95.00%
Project No. 18-6616 Flower Street Sewer Main Improvements	\$1,218,137.28	35.08%
Project No. 19-6430 Wright Street Sewer Main Improvements	\$3,472,925.53	61.62%
Project No. 21-6619 North East Annexation Sewer Improvements	\$3,504.76	100.00%
Drainage Assessment Fee – Area 4 (Fund 224)		
Project No. 20-6618 Warner Storm Drain Improvements: Phase 1	\$19,361.62	11.83 %
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Parks Acquisition & Development – District 1 (Fund 311)		
Project No. 20-2714 El Salvador Basketball Court & Lighting	\$6,008.31	100.00%
Parks Acquisition & Development – District 2 (Fund 312-13260)		
Project No. 15-2645 Santiago Park Gas House Area Improvements	\$1,359,644.78	57.68%
Project No. 21-2727 Cabrillo Park Irrigation Renovation	\$502,407.89	100.00%
Project No. 22-2752 Stadium Synthetic Turf	\$593,664.32	100.00%

PUBLIC IMPROVEMENT EXPENDITURES – FY 2022/2023	TOTAL EXPENDITURE	PERCENT FUNDED BY FEE
Project No. 22-2753 Stadium Scoreboard	\$331,665.22	83.72%
Parks Acquisition & Development – District 2 (Fund 312-13261)		
Project No. 15-2645 Santiago Park Gas House Area Improvements	\$1,359,644.78	31.57%
Project No. 22-2753 Stadium Scoreboard	\$331,665.22	16.28%
Parks Acquisition & Development – District 3 (Fund 313)		
Project No. 16-2658 Santa Ana Zoo Giant River Otter Habitat	\$3,228,949.64	98.67%
Project No. 20-2729 Standard & McFadden New Park	\$218,896.97	31.62%
Project No. 21-2726 Pacific Electric Bike Trail Lighting Phase II	\$41,713.43	100.00%
Project No. 21-2728 Sandpointe Park Security Lighting	\$17,888.60	100.00%
Project No. 21-2740 Flower Street Bike Trail Renovation	\$995,089.35	100.00%
Project No. 22-2769 Memorial Park Lighting Project	\$612,761.40	98.37%
Parks Acquisition & Development – District 4 (Fund 314)		
Project No. 18-2681 Centennial Lake Renovation	\$43,426.48	51.40%
Parks Acquisition & Development – District HSP (Fund 315)		
Project No. 19-7527 Santa Anita Park Renovation	\$3,166,782.64	46.69%

Provide the approximate date by which the construction of the public improvements will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in the City’s master plans, and the public improvement remains incomplete.

PUBLIC IMPROVEMENT PROJECTS EXPENDITURES – FY 2022/2023 STATUS	PROJECT STATUS
Transportation System Improvement Area Fee – Area E (Fund 034)	
Project No. 18-6901 Warner Ave Improvements Phase 2: Oak-Grand	IN PROGRESS
Project No. 20-6971 Warner Protection Bike Lane: Oak-Grand	IN PROGRESS
Transportation System Improvement Area Fee – Area E (Fund 035)	
Project No. 13-6792 Bristol Widening: CC-Washington IIIA	IN PROGRESS
Project No. 14-6802 Warner Avenue Widening: Main-Oak Phase I	IN PROGRESS
Project No. 15-6827 Fairview Bridge & Street Improvements	IN PROGRESS
Project No. 17-6883 Bristol Street & Memory Lane Inter Widening	IN PROGRESS
Sewer Connection Fee (Fund 055)	
Project No. 06-3510 Segerstrom/San Lorenzo S Lift	COMPLETED – OCTOBER 2023
Project No. 18-6616 Flower Street Sewer Main Improvements	COMPLETED – OCTOBER 2022
Project No. 19-6430 Wright Street Sewer Main Improvements	IN PROGRESS
Project No. 21-6619 North East Annexation Sewer Improvements	IN PROGRESS
Drainage Assessment Fee – Area 4 (Fund 224)	
Project No. 20-6618 Warner Storm Drain Improvements: Phase 1	COMPLETED – AUGUST 2023
Parks Acquisition & Development – District 1 (Fund 311)	
Project No. 20-2714 El Salvador Park Basketball Court & Lighting	COMPLETED – JULY 2022
Parks Acquisition & Development – District 2 (Fund 312)	
Project No. 15-2645 Santiago Park Gas House Area Improvements	COMPLETED – OCTOBER 2023

PUBLIC IMPROVEMENT PROJECTS EXPENDITURES – FY 2022/2023 STATUS	PROJECT STATUS
Project No. 21-2727 Cabrillo Park Irrigation Renovation	COMPLETED – JANUARY 2023
Project No. 22-2752 Stadium Synthetic Turf	COMPLETED – SEPTEMBER 2022
Project No. 22-2753 Stadium Scoreboard	COMPLETED – SEPTEMBER 2023
Parks Acquisition & Development – District 3 (Fund 313)	
Project No. 16-2658 Santa Ana Zoo Giant River Otter Habitat	COMPLETED - 2021
Project No. 20-2729 Standard & McFadden New Park	IN PROGRESS
Project No. 21-2726 Pacific Electric Bike Trail Lighting Phase II	IN PROGRESS
Project No. 21-2728 Sandpointe Park Security Lighting	IN PROGRESS
Project No. 21-2740 Flower Street Bike Trail Renovation	IN PROGRESS
Project No. 22-2769 Memorial Park Lighting Project	COMPLETED – JUNE 2023
Parks Acquisition & Development – District 4 (Fund 314)	
Project No. 18-2681 Centennial Lake Renovation	TBD
Parks Acquisition & Development – District HSP (Fund 315)	
Project No. 19-7527 Santa Anita Park Renovation	TBD

Provide 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.

DEVELOPMENT IMPACT FEES – FY 2022/2023	INTERFUND TRANSFER OR LOAN AMOUNT
PUBLIC WORKS AGENCY	
New Transportation System Improvement Area Fee - Area B (Fund 033)	NONE
New Transportation System Improvement Area Fee - Area E (Fund 034)	NONE
New Transportation System Improvement Area Fee - Area F (Fund 035)	NONE
Transportation System Improvement Area Fee - Area A (Fund 041)	NONE
Transportation System Improvement Area Fee - Area B (Fund 042)	NONE
Transportation System Improvement Area Fee - Area C-2 (Fund 048)	NONE
Transportation System Improvement Area Fee - Area G (Fund 049)	NONE
Sewer Connection Fee (Fund 055)	NONE
Water Connection Fee (Fund 060)	NONE
Drainage Assessment Fee - Area 1 (Fund 221)	NONE
Drainage Assessment Fee - Area 2 (Fund 222)	NONE
Drainage Assessment Fee - Area 3 (Fund 223)	NONE
Drainage Assessment Fee - Area 4 (Fund 224)	NONE
Drainage Assessment Fee - Area 5 (Fund 225)	NONE
Drainage Assessment Fee - Area 6 (Fund 226)	NONE
Transportation System Improvement JPA Area A (Fund 991)	NONE
Transportation System Improvement JPA Area B (Fund 992)	NONE
PARKS, RECREATION & COMMUNITY SERVICES	

DEVELOPMENT IMPACT FEES – FY 2022/2023	INTERFUND TRANSFER OR LOAN AMOUNT
Residential Development District 1 (Fund 311)	\$2,383,974.00
Residential Development District 2 (Fund 312)	NONE
Residential Development District 3 (Fund 313)	NONE
Residential Development District 4 (Fund 314)	\$528,039.00
Residential Development District HSP (Fund 315)	\$2,912,013.00

Fund 315 was created for the Harbor Specific Plan (HSP) development Area. The HSP area overlays District 1 and District 4. The transfer represents the funds related to the HSP area and were held in Fund 311 and 314 until Fund 315 was established.