

12. Annual Development Impact Fee Report for Fiscal Year 2023-2024

Department(s):

Recommended Action: Receive and File.



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 17, 2024

TOPIC: Development Impact Fee Annual Report

AGENDA TITLE

Annual Development Impact Fee Report for Fiscal Year 2023-2024

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 related to 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 the following: 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. Additionally, 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.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Fiscal Year 2023-2024 development fee expenditures totaled \$5,328,678 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 2023-2024

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

Approved By: Alvaro Nuñez, City Manager

**City of Santa Ana's Public Works Agency
Assembly Bill 1600 Development Fee Report
Fiscal Year 2023-2024**

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 Fees

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 Fees

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 Fees

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 Fees

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 Fees

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.

Transit Zoning Code Fees

The transit zoning code fees provide a transit-supportive, pedestrian-oriented development framework to reduce vehicle trips, reduce greenhouse gas emissions, and support the addition of new transit infrastructure.

Harbor Specific Plan Fees

The Harbor Specific Plan fees support improvements made to increase safety along Harbor Boulevard.

List the amount of the fee.

Drainage Assessment Fee Schedule

Areas	Effective 7/1/2023
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 7/1/2023
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 7/1/2023
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 7/1/2023
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 7/1/2023
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

Transit Zoning Code Fee Schedule

Non-Residential Areas	Effective 7/1/2023
Civic	\$ 2.91 / sq. ft.
Commercial	\$ 3.64 / sq. ft.
Industrial	\$ 2.37 / sq. ft.
Retail	\$ 9.11 / sq. ft.

Residential	Effective 7/1/2023
High-Rise Tower	\$ 856.56 / sq. ft.
Multi-Family	\$ 1,270.04 / sq. ft.
Single-Family	\$ 2,467.60 / sq. ft.

Harbor Specific Plan Fee Schedule

Non-Residential	Effective 7/1/2023
Other Use	\$ 1,098.14 / 1,000 sq. ft.
Retail/Restaurant	\$ 5,279.40 / 1,000 sq. ft.

Residential	Effective 7/1/2023
Single Family/Multi-Family	\$ 850.00 / unit

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

DEVELOPMENT IMPACT FEES – FY 2023/2024	BEGINNING BALANCE <i>As of 07/01/23</i>	ENDING BALANCE
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		<i>As of 06/30/24</i>
PUBLIC WORKS AGENCY		
New Transportation System Improvement Area Fee - Area B (Fund 033)	\$581,819.03	\$589,580.44
New Transportation System Improvement Area Fee - Area E (Fund 034)	\$1,731,199.88	\$1,797,695.89
New Transportation System Improvement Area Fee - Area F (Fund 035)	\$1,851,251.60	\$2,289,392.30
Transportation System Improvement Area Fee - Area A-2 (Fund 041)	\$707,557.25	\$716,996.00
Transportation System Improvement Area Fee - Area B (Fund 042)	\$9,688.09	\$9,817.32
Transportation System Improvement Area Fee - Area C (Fund 043)	\$0.00	\$74,043.75
Transportation System Improvement Area Fee - Area D (Fund 044)	\$0.00	\$798.64
Transit Zoning Code (Fund 048)	\$216,390.17	\$219,276.80
Harbor Specific Plan (Fund 049)	\$99,737.80	\$101,068.31
Sewer Connection Fee (Fund 055)	\$4,160,736.41	\$4,521,526.48
Water Connection Fee (Fund 060)	\$10,513,003.08	-\$13,214,500.75
Drainage Assessment Fee - Area 1 (Fund 221)	\$1,084,926.79	\$1,152,838.17
Drainage Assessment Fee - Area 2 (Fund 222)	\$285,860.36	\$571,780.19
Drainage Assessment Fee - Area 3 (Fund 223)	\$426,873.63	\$213,539.26
Drainage Assessment Fee - Area 4 (Fund 224)	\$517,354.29	\$654,252.99
Drainage Assessment Fee - Area 5 (Fund 225)	\$284,996.20	\$408,502.27
Drainage Assessment Fee - Area 6 (Fund 226)	\$388,047.87	\$351,719.24
Transportation System Improvement JPA Area A (Fund 991)	\$2,634,847.41	\$3,193,027.94
Transportation System Improvement JPA Area B (Fund 992)	\$11,013,559.30	\$10,002,922.22
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Residential Development District 1 (Fund 311)	\$989,473.70	\$905,871.72
Residential Development District 2 (Fund 312)	\$3,397,203.90	\$6,163,665.60
Residential Development District 3 (Fund 313)	\$11,677,281.45	\$12,424,790.81
Residential Development District 4 (Fund 314)	\$370,570.44	\$544,951.27
Residential Development District 5 (Fund 315)	\$1,492,453.54	\$896,519.29

List the amount of fees collected and the interest earned.

DEVELOPMENT IMPACT FEES – FY 2023/2024	FEES COLLECTED	INTEREST EARNED
PUBLIC WORKS AGENCY		
New Transportation System Improvement Area Fee - Area B (Fund 033)	\$0.00	\$7,761.41
New Transportation System Improvement Area Fee - Area E (Fund 034)	\$45,852.12	\$23,260.99
New Transportation System Improvement Area Fee - Area F (Fund 035)	\$625,915.83	\$31,386.02
Transportation System Improvement Area Fee - Area A-2 (Fund 041)	\$0.00	\$9,438.75
Transportation System Improvement Area Fee - Area B (Fund 042)	\$0.00	\$129.23
Transportation System Improvement Area Fee - Area C (Fund 043)	\$73,743.14	\$300.61
Transportation System Improvement Area Fee - Area D (Fund 044)	\$794.40	\$4.24
Transit Zoning Code (Fund 048)	\$0.00	\$2,886.63
Harbor Specific Plan (Fund 049)	\$0.00	\$1,330.51
Sewer Connection Fee (Fund 055)	\$1,119,314.73	\$64,780.54
Water Connection Fee (Fund 060)	\$916,166.25	\$1,688.52
Drainage Assessment Fee - Area 1 (Fund 221)	\$52,933.94	\$14,977.44
Drainage Assessment Fee - Area 2 (Fund 222)	\$7,039.02	\$3,852.86
Drainage Assessment Fee - Area 3 (Fund 223)	\$0.00	\$4,219.96
Drainage Assessment Fee - Area 4 (Fund 224)	\$130,646.00	\$8,298.70
Drainage Assessment Fee - Area 5 (Fund 225)	\$118,706.79	\$4,799.28
Drainage Assessment Fee - Area 6 (Fund 226)	\$69,492.79	\$5,506.30
Transportation System Improvement JPA Area A (Fund 991)	\$534,992.69	\$40,012.12
Transportation System Improvement JPA Area B (Fund 992)	\$100,819.29	\$143,415.35
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Residential Development District 1 (Fund 311)	\$200,820.80	\$15,577.22
Residential Development District 2 (Fund 312)	\$3,126,454.56	\$76,198.54
Residential Development District 3 (Fund 313)	\$1,997,672.59	\$186,746.37
Residential Development District 4 (Fund 314)	\$167,460.76	\$6,920.07
Residential Development District 5 (Fund 315)	\$60,483.00	\$14,562.45

Identify 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 2023/2024	TOTAL EXPENDITURE	PERCENT FUNDED BY FEE
PUBLIC WORKS AGENCY		
Transportation System Improvement Area Fee – Area E (Fund 034)		

PUBLIC IMPROVEMENT EXPENDITURES – FY 2023/2024	TOTAL EXPENDITURE	PERCENT FUNDED BY FEE
Project No. 20-6971 Warner Protection Bike Lane: Oak to Grand	\$2,617.10	100%
Transportation System Improvement Area Fee – Area F (Fund 035)		
Project No. 13-6792 Bristol Widening: Civic Center to Washington Phase III A	\$90,745.22	46%
Project No. 14-6802 Warner Avenue Widening: Main to Oak Phase I	\$2,446,003.43	0.33%
Project No. 15-6827 Fairview Bridge & Street Improvements	\$174,693.94	4%
Project No. 17-6883 Bristol Street & Memory Lane Intersection Widening	\$652,183.75	25%
Sewer Connection Fee (Fund 055)		
Project No. 06-3510 Segerstrom/San Lorenzo S Lift	\$1,038,381.21	78%
Project No. 18-6616 Flower Street Sewer Main Improvements	\$349,242.78	3%
Project No. 19-6430 Wright Street Sewer Main Improvements	\$20,389.65	13%
Project No. 21-6619 North East Annexation Sewer Improvements	\$414,735.72	1%
Drainage Assessment Fee – Area 3 (Fund 223)		
Project No. 23-6907 Loc Street Preventative Maintenance	\$3,576,813.43	6%
Drainage Assessment Fee – Area 4 (Fund 224)		
Project No. 20-6618 Warner Storm Drain Improvements: Phase 1	\$2,046.00	100%
Drainage Assessment Fee – Area 6 (Fund 226)		
Project No. 23-6459 Miscellaneous Storm Drain Repairs	\$189,477.02	59%
Transportation System Improvement JPA Area A (Fund 991)		
Project No. 23-6999 Traffic Signal Installation Chestnut/Zoo	\$16,824.28	100%
Transportation System Improvement JPA Area B (Fund 992)		
Project No. 14-6802 Warner Avenue Widening: Main to Oak Phase 1	\$2,446,003.43	23%
Project No. 18-6901 Warner Avenue Improvements Phase 2: Oak to Grand	\$624,803.72	15%
PARKS, RECREATION & COMMUNITY SERVICES AGENCY		
Parks Acquisition & Development – District 1 (Fund 311)		
Project No. 23-6625 King Street Urban Greening Project	\$1,870,757.20	16%
Parks Acquisition & Development – District 2 (Fund 312-13260)		
Project No. 15-2645 Santiago Park Gas House Area Improvements	\$220,916.90	44%
Project No. 20-2731 Santiago Main Street Entrance Construction	\$150,971.00	77%
Project No. 22-2752 Stadium Synthetic Turf	\$27,138.98	100%
Project No. 22-2753 Stadium Scoreboard	\$4,925.43	100%
Project No. 22-2765 Santiago Nat Center Renovation	\$181,000	100%
Parks Acquisition & Development – District 2 (Fund 312-13261)		
Project No. 15-2645 Santiago Park Gas House Area Improvements	\$220,916.90	4%
Parks Acquisition & Development – District 3 (Fund 313)		
Project No. 16-2658 Santa Ana Zoo Giant River Otter Habitat	\$1,645,711.44	64%
Project No. 20-2729 Standard & McFadden New Park	\$2,716,866.25	6%
Project No. 21-2726 Pacific Electric Bike Trail Lighting Phase II	\$4,171.72	100%
Project No. 21-2728 Sandpointe Park Security Lighting	\$694.53	100%
Project No. 21-2740 Flower Street Bike Trail Renovation	\$249,005.68	100%
Project No. 22-2769 Memorial Park Lighting Project	\$631,563.60	66%
Parks Acquisition & Development – District HSP (Fund 315)		

PUBLIC IMPROVEMENT EXPENDITURES – FY 2023/2024	TOTAL EXPENDITURE	PERCENT FUNDED BY FEE
Project No. 19-7527 Santa Anita Park Renovation	\$670,979.70	100%

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 2023/2024 STATUS	PROJECT STATUS
Transportation System Improvement Area Fee – Area E (Fund 034)	
Project No. 20-6971 Warner Protection Bike Lane: Oak to Grand	IN PROGRESS
Transportation System Improvement Area Fee – Area F (Fund 035)	
Project No. 13-6792 Bristol Widening: Civic Center to Washington Phase III A	IN PROGRESS
Project No. 14-6802 Warner Avenue Widening: Main to Oak Phase I	IN PROGRESS
Project No. 15-6827 Fairview Bridge & Street Improvements	IN PROGRESS
Project No. 17-6883 Bristol Street & Memory Lane Intersection 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 3 (Fund 223)	
Project No. 23-6907 Local Street Preventative Maintenance	COMPLETED
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. 23-6625 King Street Urban Greening Project	IN PROGRESS
Parks Acquisition & Development – District 2 (Fund 312)	
Project No. 15-2645 Santiago Park Gas House Area Improvements	COMPLETED – OCTOBER 2023
Project No. 20-2731 Santiago Main Street Entrance Construction	
Project No. 22-2752 Stadium Synthetic Turf	COMPLETED – SEPTEMBER 2022
Project No. 22-2753 Stadium Scoreboard	COMPLETED – SEPTEMBER 2023
Project No. 22-2765 Santiago Nat Center Renovation	IN PROGRESS
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

PUBLIC IMPROVEMENT PROJECTS EXPENDITURES – FY 2023/2024 STATUS	PROJECT STATUS
Project No. 21-2728 Sandpointe Park Security Lighting	ON HOLD
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 HSP (Fund 315)	
Project No. 19-7527 Santa Anita Park Renovation	IN PROGRESS

Identify each public improvement that is anticipated to be undertaken in the following fiscal year.

BUDGETED PUBLIC IMPROVEMENT PROJECTS – FY 2024/2025
Transportation System Improvement Area Fee – Area E (Fund 034)
Warner Ave Improvements Phase 2: Oak to Grand
Transportation System Improvement Area Fee – Area F (Fund 035)
Bristol Street Improvements & Widening: Phase 4 - Warner to Saint Andrew
Drainage Assessment Fee – Area 1 (Fund 221)
Bristol Street Improvements & Widening: Phase 4 - Warner to Saint Andrew

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 2023/2024	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	
Residential Development District 1 (Fund 311)	NONE
Residential Development District 2 (Fund 312)	NONE

DEVELOPMENT IMPACT FEES – FY 2023/2024	INTERFUND TRANSFER OR LOAN AMOUNT
Residential Development District 3 (Fund 313)	NONE
Residential Development District 4 (Fund 314)	NONE
Residential Development District HSP (Fund 315)	NONE