



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/7/2021

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office

Staff Name and Phone Number: Michelle Arellano 707-565-3776, Katherine DiPasqua 707-565-3779

Vote Requirement: Majority

Supervisorial District(s): All

Title:

AB 1600 Development Fees Annual Reports for FY 2020-21

Recommended Action:

Adopt a Resolution approving and making findings related to the AB 1600 Development Fees Annual Reports for FY 2020-2021 for the Regional Parks Department and the Department of Transportation and Public Works.

Executive Summary:

AB 1600 enacted Government Codes Sections 66000-66008, requiring that local agencies prepare annual reports on all development impact fees collected on new developments to finance construction costs associated with public facilities, if those fees were established, increased, or imposed on or after January 1, 1989. Reporting is applicable to the development impact fees collected by the Regional Parks Department and the Department of Transportation and Public Works. Among other fee and project information, balances of any fee deposits that are five or more years old are required to be reported in the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter.

Separately, and in consideration of the Board's interest in staggering development fees so that smaller fees apply to smaller housing units, Permit Sonoma is in the process of updating the General Plan Housing Element. The update, which will need to be adopted by the Board by the end of 2022, will include an analysis of governmental constraints to housing, including development fees. The Board will have an opportunity to consider adjustments to development fees upon completion of the comprehensive review.

Additionally, the Community Development Commission (CDC) is seeking authority on today's consent agenda to lead a study to review options to stagger affordable housing in-lieu fees for new construction of residential and non-residential structures. In-lieu fees may be paid in place of construction of affordable units on-site, and fund affordable housing development through the County Fund for Housing, administered by the CDC.

Discussion:

Annually, the Regional Parks Department and the Department of Transportation and Public Works provides reports on fee programs under its jurisdiction in compliance with AB 1600, as well as applicable County Code sections. It does not include fees charged for processing development applications, development agreements, or reimbursement agreements. The report is due 180 days (6 months) after the close of each

fiscal year and requires that a report concerning each fee fund be made available to the public.

Each agency's report includes the following components:

1. A narrative summary of the financial statement.
2. A brief project status statement for each capital project referenced in the financial statement.
3. The financial statement.

Regional Parks

The Regional Parks Department's report covers Park Mitigation fees under Chapter 20, Article X - Development Fees for Parks and Chapter 25, Article VI - Public Improvements of the [Sonoma County Code](http://library.municode.com/index.aspx?clientId=16331) [<http://library.municode.com/index.aspx?clientId=16331>](http://library.municode.com/index.aspx?clientId=16331). First established in 1986, the purpose of the Ordinance is to assist the County in acquiring and developing parks to meet the growing population as a direct correlation to the development and construction of new homes. The Sonoma County Code and Government Code Section 66006 requires the Director of Regional Parks to report to the Board annually on the income and appropriations in each of the seven areas covered by the Park Mitigation Fee Ordinance. This information is contained in the attached report. In addition, Government Codes Sections 66006 requires an annual report be made available to the public with specific information about the fee - the amount of the fee, the purpose of the fee, the projects that were funded by the fee, etc.

The Permit Sonoma permit fee schedule Regional Park Mitigation rate for FY 2020-21 was \$3,678.00 per developed unit. The FY 2020-21 beginning fund balance in the Park Mitigation Fund (seven areas) was \$1,353,969.37. Total fees collected and miscellaneous revenue were \$648,021.89. Interest earned was \$10,148.85. Thus, the total fees plus interest earned in the Park Mitigation Fee Fund in FY 2020-21 was \$658,170.74.

A total of \$685,884.00 was transferred to 27 Capital Projects for the planning, acquisition, design and construction of new and expanded park facilities. The year's ending fund balance was \$1,324,417.11. The attached report includes a full breakdown of fees collected and funds appropriated for each of the seven areas.

Park Mitigation Fees were used to leverage grants and other matching contributions at an approximate ratio of 7 to 1. This means that each dollar generated by mitigation fees helps generate about \$7 in additional funding for Park acquisitions and development, which was primarily from State and Federal sources. No funding collected on or before FY 2015-16 remains unspent in any of the seven Park Mitigation Fee Trust Accounts as of June 30, 2021.

Transportation and Public Works (TPW)

In order to implement the goals and objectives of the general plan, including the Circulation and Transit Element of the General Plan, and to mitigate the traffic impacts caused by new development in Sonoma County, certain public roadway improvements must be constructed to ensure a safe and efficient level of service. The purpose of the traffic mitigation fees adopted by [ordinance](http://library.municode.com/HTML/16331/level2/CH26SOCOZORE_ART98DEFE.html) [<http://library.municode.com/HTML/16331/level2/CH26SOCOZORE_ART98DEFE.html>](http://library.municode.com/HTML/16331/level2/CH26SOCOZORE_ART98DEFE.html) (Section 26-98 of the [Sonoma County Code](http://library.municode.com/index.aspx?clientId=16331) [<http://library.municode.com/index.aspx?clientId=16331>](http://library.municode.com/index.aspx?clientId=16331)) is to pay the costs of roadway facilities and improvements in accordance with the provisions of the General Plan. Per the Sonoma

County Code the Board of Supervisors shall review the adequacy of the development fees established at least once every three years or, if required or appropriate, more often than once every three (3) years. This review is achieved through the AB 1600 Development Fees Annual Report. Under AB 1600 and the Sonoma County Code, TPW reports on the following traffic mitigation fee programs:

1. Countywide Traffic Mitigation - In May 1990, the Board established the Countywide Development Fees ([Sec. 26-98-605 <https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-605CODEFEIMAR>](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-605CODEFEIMAR)), which apply to all unincorporated lands within the boundary of the county except for those lying within the boundaries of the Sonoma Valley development fee impact area. The FY 2020-21 beginning balance was \$10,339,812. Collected fees and interest earnings total \$1,104,534. Funds expended during the FY 2020-21 total \$1,007,779 for an ending balance, as of June 30, 2021 \$10,436,567.

California Government Code 66001 requires that a local agency shall make findings for funds remaining unexpended, whether committed or uncommitted in the fifth fiscal year following the first deposit into the fund, and every five years thereafter. A finding was provided for the FY 2018-19 report and therefore, no findings are required for FY 2020-21.

2. Sonoma Valley Traffic Mitigation - In 1989, the Board adopted Ordinance No. 4073 ([Sec. 26-98-010 <https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-070ANADREFE>](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-070ANADREFE)) establishing development fees to finance the improvements of certain public facilities and services within the Sonoma Valley area. The FY 2020-21 beginning balance was \$545,230. Collected fees and interest earnings total \$41,853. Funds expended during the FY 2020-21 total \$226,495 for an ending balance, as of June 30, 2021, of \$360,588. California Government Code 66001 requires that a local agency shall make findings for funds remaining unexpended, whether committed or uncommitted in the fifth fiscal year following the first deposit into the fund, and every five years thereafter. No fees remain unexpended for five years within the Sonoma Valley Traffic Mitigation fund.

Automatic Annual Fee Adjustments

County Codes Sections [26-98-070](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-070ANADREFE)

[26-98-070](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-070ANADREFE) and [26-98-650](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-650ANADREFE)

[26-98-650](https://www.municode.com/library/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH26SOCOZORE_ART98DEFE_S26-98-650ANADREFE) require traffic development fees be adjusted

automatically based upon the Engineering News Record (ENR) Construction Cost Index (CCI). In January, the

fees for Countywide Traffic Mitigation and the Sonoma Valley Traffic Mitigation programs are adjusted annually by a percentage amount equivalent to the change in the ENR CCI for the preceding twelve-month period. Fees are collected by the Permit Sonoma as part of the permitting process. Effective January 1, 2021, the increase was 2.1% and are as follows:

Fee Type*	January 2020	2.1% Increase	January 2021
Residential Fee	\$839	X 1.021 =	\$857
Commercial Fee	\$257	X 1.021 =	\$262

Industrial Fee	\$234	X 1.021 =	\$239
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*Traffic Mitigation fees are published to the Permit Sonoma website and updated annually each December for the following calendar year. Permit fees are calculated by applying the Average Daily Trip (ADT) rate based on the type of development and as determined by the Institute of Engineers Manual (ITE), to the annual rate. Using the Single Family Dwelling rate as an example, the ADT (9.44) is multiplied by the annual rate (\$857), resulting in a permit fee of \$8,090 (9.44 x \$857 = \$8,090). Commercial and Industrial fees are not posted online due to the complexity and variability of the project and are provided to the applicant upon after the size and scope of the project has been submitted to Permit Sonoma.

The requested Board action includes the adoption of the attached resolution approving and making findings related to the AB 1600 Development Fees Annual Reports for the Regional Parks and the Department of Transportation and Public Works.

Strategic Plan:

N/A

Prior Board Actions:

The Board has annually approved AB 1600 Development Fee Reports, with the most recent report approved on 12/15/20.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There is no impact to the FY 2021-22 budget associated with the AB 1600 Development Fees Annual Report. This report is administrative and intended to document development impact fees accumulated and investment activities completed in FY 2020-21.

STAFFING IMPACTS

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
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Narrative Explanation of Staffing Impacts (If Required):

Attachments:

1. Resolution
2. AB 1600 Development Fees Annual Report

Related Items “On File” with the Clerk of the Board: