



# City of Culver City

## Staff Report

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**File #:** 24-617, **Version:** 1

**Item #:** C-12.

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CC - CONSENT ITEM: (1) Receipt and Acceptance of the Fiscal Year 2022-2023 Annual Reporting of Development Impact Fees per the State of California Mitigation Fee Act; and (2) Adoption of a Resolution Making the Necessary Five-Year Findings.

Meeting Date: January 22, 2024

**Contact Person/Dept:** Michael Towler / Finance Department

**Phone Number:** (310) 253-5842

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Attachments:** Yes  No

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (01/17/2024)

**Department Approval:** Lisa Soghor, Chief Financial Officer (01/09/2024)

### **RECOMMENDATION**

Staff recommends the City Council (1) receive and accept the Fiscal Year 2022-2023 Annual Reporting of Development Impact Fees per the State of California Mitigation Fee Act; and (2) adopt the proposed resolution making the necessary five-year findings for the New Development Impact Fee, Art in Public Places Program In-Lieu Fee, and the Residential Development Park Dedication In-Lieu Fee.

### **BACKGROUND**

In 1987, the California State Legislature adopted AB1600, codified as California Government Code Sections 66000-66025 ("Mitigation Fee Act"), which sets certain legal and procedural parameters for the charging of development impact fees. This legislation went into effect January 1, 1989. A development fee is a monetary exaction, other than a tax or special assessment, that an applicant of an approved development project pays to defray a portion of all the cost of public facilities related to the project. The Mitigation Fee Act defines public facilities broadly to include public improvements, public services, and community amenities. Under the Mitigation Fee Act, local agencies that impose mitigation fees are required to prepare an annual Development Impact Fee Report as well as make certain findings every five years.

Culver City collects City Council authorized fees from developments to mitigate increased demands on public improvements, public services, and community amenities. This report transmits the attached Fiscal Year 2022-2023 Development Impact Fees Reports on the status of funds collected from the City's development impact fees, including investments made in the last fiscal year, that qualify under the California Mitigation Fee Act. The California Government Code also requires the City Council to make findings every five years after a development fee is established. Three of the five development impact fees are due to be reported under the five-year requirement. Staff recommends that City Council receive and accept the report, as well as adopt the proposed resolution formally making the necessary five-year findings in compliance with State of California Mitigation Fee Act.

**DISCUSSION**

Per Government Code Section 66006, collection of these fees requires separate funds or accounts to avoid any commingling of the fees with other revenues and funds of the local agency. Additionally, the local agency shall make the annual report available to the public within 180 days after fiscal year-end. The City properly posted the annual Mitigation Fee Act Report, as required by AB1600, on the City's website <<https://www.culvercity.org/City-Hall/Departments/General-Info-Finance/AB1600-Reports>> on December 28, 2023 for the following fees:

1. New Development Impact Fee - the purpose of this fee is to provide a method for the financing of public works capital improvements made necessary by permitting new development for nonresidential use. Fees from each new development shall be appropriated and disbursed only for street improvements, traffic controls, and traffic management projects which are made necessary by the development. Fiscal Year 2022-2023 activity included the annual street pavement rehabilitation project that addressed various residential and arterial streets, including Sepulveda Boulevard from Venice Boulevard to Franklin Avenue. Remaining funds available are programmed in the Fiscal Year 2023-2024 CIP budget and will be used for the continuation of the annual street pavement rehabilitation project including Washington Boulevard from Ince Boulevard to National Boulevard, an update to the Pavement Management Master Plan, and for traffic engineering data collection, analysis, studies, and tools for the Neighborhood Traffic Management Plan.

FY 2022-2023 New Development Impact Fees Fund #417				
Beginning Balance	Fees Collected	Interest Earned	Expenditures	Ending Balance
\$982,401	\$1,690	\$11,684	\$33,689	\$962,086

2.

FY 2022-2023 Art in Public Places Fee

Art in Public Places Fee - the purpose of this fee is to ensure that the development of cultural and artistic assets is financed by those whose development and revitalization diminishes the availability of the community's resources and contributes to community urbanization. Fiscal Year 2022-2023 activity included public art installations for Washington Boulevard and National Boulevard Transit Oriented Development (TOD) District, and ongoing projects focused on performing art grant awards. Remaining funds available are programmed for various eligible projects including the continuation the public art installations for the TOD District, grants for the performing arts, retrofitting of Tree of Life sculptures, restoration of

Hanging Gardens and La Ballona, temporary or permanent art installations in anticipation of the 2028 Olympics.

Fund #413				
Beginning Balance	Fees Collected	Interest Earned	Expenditures	Ending Balance
\$3,919,828	\$529,314	\$40,555	\$443,243	\$4,046,454

3. Residential Development Park Dedication and In-Lieu Fee - the purpose of this fee is to mitigate the impact of development activity and ensure that the required three acres of community parks or recreation facilities for each 1,000 persons within the City is maintained. The fee shall be used solely for the acquisition of new and rehabilitation of existing community parks and recreation facilities. Fiscal Year 2022-2023 included ongoing repairs to facilities at all parks, upgrades at Lindberg Park, repairs and upgrades for sports areas and equipment, and ongoing park irrigation system repairs. Remaining funds available are programmed in the Fiscal Year 2023-2024 CIP Budget and will be used for the continuation of ongoing repairs to facilities at all parks including the upgrade of Veterans Memorial Park ballfield lighting.

FY 2022-2023 Residential Development Park Dedication In-Lieu Fee Fund #419				
Beginning Balance	Fees Collected	Interest Earned	Expenditures	Ending Balance
\$1,170,578	\$167,242	\$13,297	\$136,792	\$1,214,325

4. Mobility Improvement Fee - the purpose of this fee is to provide a method for new development projects to pay their fair share towards the funding of the City's identified mobility infrastructure and programs, intended to reduce vehicles miles traveled, and needed to support projected jobs and housing growth. The fee was established in 2021. First year revenue collections were \$0.4 million in Fiscal Year 2022-2023. There were no expenditures made in Fiscal Year 2022-2023. The City

will initiate eligible projects once sufficient funds have been collected.

FY 2022-2023 Mobility Improvement Fee Fund #437				
Beginning Balance	Fees Collected	Interest Earned	Expenditures	Ending Balance
\$0	\$399,052	\$0	\$0	\$399,052

- 5. Affordable Housing Linkage Fee - the purpose of this fee is to facilitate the development and availability of affordable housing to a range of households with varying income levels within the City through creation and imposition of a fee on new commercial development. This fee will partially fund the need for affordable housing created by the workforce of this new commercial development. The fee was established in 2022. There have been no revenues collected through June 30, 2023, so no public improvements are scheduled.

FY 2022-2023 Affordable Housing Linkage Fee				
Beginning Balance	Fees Collected	Interest Earned	Expenditures	Ending Balance
n/a	n/a	n/a	n/a	n/a

**FISCAL ANALYSIS**

There is no fiscal impact associated with the receipt and filing of the attached reports and adoption of the proposed resolution.

**ATTACHMENTS**

1. 2024-01-21\_ATT1\_Resolution Adopting Five-Year Findings As To The New Development Impact Fee, Art In Public Places Program In-Lieu Fee, And The Residential Development Park Dedication In-Lieu Fee
2. 2024-01-22\_ATT2\_FY 2022-23 New Development Impact Fee Report
3. 2024-01-22\_ATT3\_FY 2022-23 Art in Public Places Fee Report
4. 2024-01-22\_ATT4\_FY 2022-23 Park Dedication In-Lieu Fee Report
5. 2024-01-22\_ATT5\_FY 2022-23 Mobility Improvement Fee Report
6. 2024-01-22\_ATT6\_FY 2022-23 Affordable Housing Linkage Fee Report

**MOTION**

That the City Council:

1. Receive and accept the Fiscal Year 2022-2023 Annual Reporting of Development Impact Fees per the State of California Mitigation Fee Act; and
2. Adopt the proposed resolution making the necessary five-year findings for the New Development Impact Fee, Art in Public Places Program In-Lieu Fee, and the Residential Development Park Dedication In-Lieu Fee.