



CITY COUNCIL AGENDA REPORT

DATE: December 12, 2023

AGENDA OF: December 12, 2023
DEPARTMENT: Finance/Public Works
SUBJECT: FY 2023 Traffic Impact Fee Annual Report. (FN/PW)

RECOMMENDATION: Motion to accept and approve the attached FY 2023 Traffic Impact Fee Annual Report.

BACKGROUND: In April 2004, the City Council adopted the Beach /South of Laurel Traffic Impact Fee Ordinance and in June 2005, the City Council adopted the Citywide Traffic Impact Fee Ordinance. In November 2012, the City Council amended the Traffic Impact Fee Ordinances to combine the Beach/South of Laurel and Citywide areas resulting in a single Traffic Impact Fee as of FY2013 and basing it on PM peak hour trips rather than daily trips. In August 2021, the City Council amended the fee to address the cost of construction increases that occurred since the last revision. This fee complies with California Government Code Section 66006.

Section 66006 provides the annual reporting requirements for development impact fees. It requires that within 180 days after the close of the fiscal year the City shall produce a report on the developer impact fees and make it public at least 15 days prior to the regularly scheduled City Council meeting. In addition, for anyone who provided a written request to be notified, the City shall mail them notice of the time and place of the meeting at least 15 days prior to the meeting.

DISCUSSION: Staff has compiled the FY 2023 Traffic Impact Fee Annual Report, as Attachment I, and made it available at the Public Works Counter 15 days prior to the meeting. Staff recommends acceptance and approval of the report. The City began collecting Traffic Impact fees in FY 2006. The amount collected in FY 2023 is \$745,181 and is detailed in the report.

FISCAL IMPACT: The Traffic Impact Fee fund balance had increased by \$42,270 to \$1,145,877 with revenues exceeding expenditures. This was attributed to a higher number of fees being collected in the current fiscal year. There was no impact on the General Fund.

Prepared By:
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Senior Accountant

Submitted By:
Elizabeth Cabell
Director of Finance

Approved By:
Matt Huffaker
City Manager

Attachment:
2023 Traffic Impact Fee Annual Report – Development Impact Fees

City of Santa Cruz
2023 Traffic Impact Fee Annual Report
Development Impact Fees
For Fiscal Year Ending June 30, 2023

Government Code Sec. 66006(a) requires local agencies to produce an annual report, within 180 days of the fiscal year end. The annual report must be made available to the public and be presented to the public agency (City Council) at least fifteen days after it is made available to the public.

This report summarizes the following information for each of the development fee programs:

1. Description of fee
2. Amount of fee
3. Beginning and ending fund balances
4. Amount of fees collected, and interest earned.
5. Identification of projects on which fees were expended and the amount for each improvement that was expended.
6. The total percentage of the cost of the public improvement that was funded with fees.
7. The approximate date by which construction of the improvements will commence for any incomplete improvements for which sufficient funds to complete financing for the improvements have been collected.
8. The amount of refunds paid.
9. Description of each interfund transfer or loan made from the fund if any.

The following fee programs are included in this report:

Section A – Citywide Traffic Impact Fee

Section A – Citywide Traffic Impact Fee
For Fiscal Year Ending June 30, 2023

Description: A Traffic Impact Fee is assessed in connection with the issuance of any development permit for development in areas of the City designated by City Council Resolution NS-26,943 on June 28, 2005. In accordance with the General Plan, the Fee shall be used to pay costs associated with the mitigation of traffic impacts attributable to the development that is the subject of the permit. On November 27, 2012, the City Council adopted Resolution NS-28,574 rescinding Resolution NS-26,943, combining the Beach/South of Laurel and Citywide areas and revising the Traffic Impact Fee Estimate Form to include new uses and PM peak hour rates. On August 24, 2021, City Council adopted resolution NS-29,865 revising the Traffic Impact Fee per trip rate.

Amount of Fee: The Traffic Impact Fee in FY 2023 was defined to be \$4,928 per peak hour trip as determined on the Traffic Impact Fee Estimate Form.

Refund: The refund amount in FY 2023 was \$0.

| | | |
|--|-----------------------------------|------------|
| Beginning Balance, July 1, 2022 | 1,103,607 ¹ | |
| <u>Receipts</u> | | |
| Fees Collected | 723,881 | |
| Interest Earned | 20,320 | |
| Payment Holding | 980 | |
| Transfer-in | <u>0</u> | |
| Total | 745,181 | |
| <u>Disbursements</u> | | |
| C400805 – State Route 1/9 Intersection Improv. | (570,620) | <u>18%</u> |
| Admin Expenses | <u>(132,291)</u> | 100% |
| Total Disbursements | (702,911) | |
| Ending Balance, June 30, 2023 | <u>1,145,877^{2*}</u> | |

¹ Beginning fund balance does not include allowance for FV of invest w/City-cur unrstr.

² Ending fund balance does not include allowance for FV of invest w/City-cur unrstr.

* Ending Available Fund Balance is unaudited