

## FISCAL YEAR 2018-19

### DEVELOPMENT IMPACT FEE ANNUAL REPORT

The City of Costa Mesa has adopted four types of development impact fees that it imposes on development projects: Park Development Fees, Drainage Impact Fees, Traffic Impact Fees and Fire System Development Fees. Pursuant to the Mitigation Fee Act, as provided in Section 66006 of the California Government Code, the City is required to make available for public review a summary of its development impact fees.

#### **Type of Development Impact Fees**

The City imposes the following four development impact fees:

1. *Park Development Impact Fees (Quimby Act Fees)*: This fee provides funding for additional or improved park and/or recreation facility improvements for which the need is generated by new development within the City.
2. *Drainage Impact Fees*: This fee provides funding for additional construction and maintenance of the City's drainage system for which the need is generated by new development or redevelopment within the City.
3. *Traffic Impact Fees*: This fee provides funding for additional or improved traffic signal, operation, and infrastructure improvements for which the need is generated by new or expanding development within the City.
4. *Fire System Development Fees*: This fee provides funding for additional fire protection facilities and equipment for which the need is generated by future development within the North Costa Mesa area. This fee is only levied against five identified developments: Home Ranch, South Coast Plaza Town Center, South Coast Metro Center, and Sakioka Farms' Lots 1 and 2.

#### **Amount of Fees**

The amounts of development impact fees are described below:

1. *Park Development Fees (Quimby Act Fees)*: The table below indicates the applicable park development fee per unit that will be applied to new residential projects based on the net increase in residential units.

<b>Development Type</b>	<b>Fee per Unit</b>
Single-family Dwelling Unit	\$13,572.00
Multi-family Dwelling Unit	\$13,829.00
Apartment Dwelling Unit	\$5,000.00

2. *Drainage Fees:* The table below indicates the applicable drainage impact fee per acre that will be applied to new or redeveloped projects.

<b>Development Type</b>	<b>Fee per Acre</b>
Low Density Residential Use	\$3,141.50
Medium Density Residential Use	\$3,769.50
High Density Residential Use	\$5,026.00
Commercial / Industrial Use	\$5,654.50

3. *Traffic Impact Fees:* The citywide Traffic Impact Fee is assessed on the increased number of average daily trips generated by the proposed project. The fee was \$181 per daily trip from November 21, 2017 to November 13, 2018 and increased to \$235 per daily trip beginning November 14, 2018.
4. *Fire System Development Fees:* The fee is \$0.285 per square foot of new commercial, industrial or residential development.

**Summary of Development Impact Fee Activities Including Fees Collected, Interest Earned and Beginning and Ending Fund Balances**

A summary of activities in each type of development impact fee for fiscal year ended June 30, 2019 is described below:

<b>Summary of Development Impact Fees for Fiscal Year Ended June 30, 2019</b>				
	<u>Park Development Fees</u>	<u>Drainage Fees</u>	<u>Traffic Impact Fees</u>	<u>Fire System Protection Fees</u>
Revenues				
Fees	\$ 2,299,373	\$ 268,800	\$ 182,166	\$ -
Investment Earnings	254,347	57,202	177,173	5,865
Revenue Subtotal	2,553,720	326,002	359,339	5,865
Expenditures	1,909,263	56,979	67,090	-
Transfers in/(out)	(3,842)	-	-	-
Change in Fund Balance	640,615	269,023	292,249	5,865
Beginning Fund Balance	5,199,671	1,202,490	4,259,249	150,981
Ending Fund Balance	<u>\$ 5,840,286</u>	<u>\$ 1,471,513</u>	<u>\$ 4,551,498</u>	<u>\$ 156,846</u>

## **Expenditures**

State law requires an identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the costs of the public improvement that was funded with fees. A summary of improvements is provided below:

<b>Expenditures by Improvements for Fiscal Year 2018-19</b>			
<b>Improvement</b>	<b>Fee Used</b>	<b>Amount of Fees Expended</b>	<b>% of Cost Funded by Fees</b>
Fairview Park Bluffs	Park Development Fees	151,406	100%
Fairview Park Improvements	Park Development Fees	198,810	100%
Fairview Park Master Plan Habitat Restoration	Park Development Fees	54,854	100%
Jack Hammett Field Upgrade	Park Development Fees	63,634	100%
Neighborhood Community Center - Library Development	Park Development Fees	1,430,824	100%
Citywide Storm Drain Improvements	Drainage Fees	56,979	100%
Hyland/MacArthur Intersection Improvements	Traffic Impact Fees	58,148	100%
West 17th Street Design Newport Westside	Traffic Impact Fees	5,842	100%
Newport Boulevard Widen 19th to 17th Street	Traffic Impact Fees	3,100	100%

## **Construction Commencement Date for Incomplete Improvements**

Not applicable at this time.

## **Interfund Transfers and Loans**

The Park Development Fees Fund transferred \$3,842 to the Capital Improvements Fund for Fairview Park Vernal Pool Watershed Restoration project.

## **Amount of Refunds**

No refunds of any of these funds were made or required in fiscal year 2018-19.