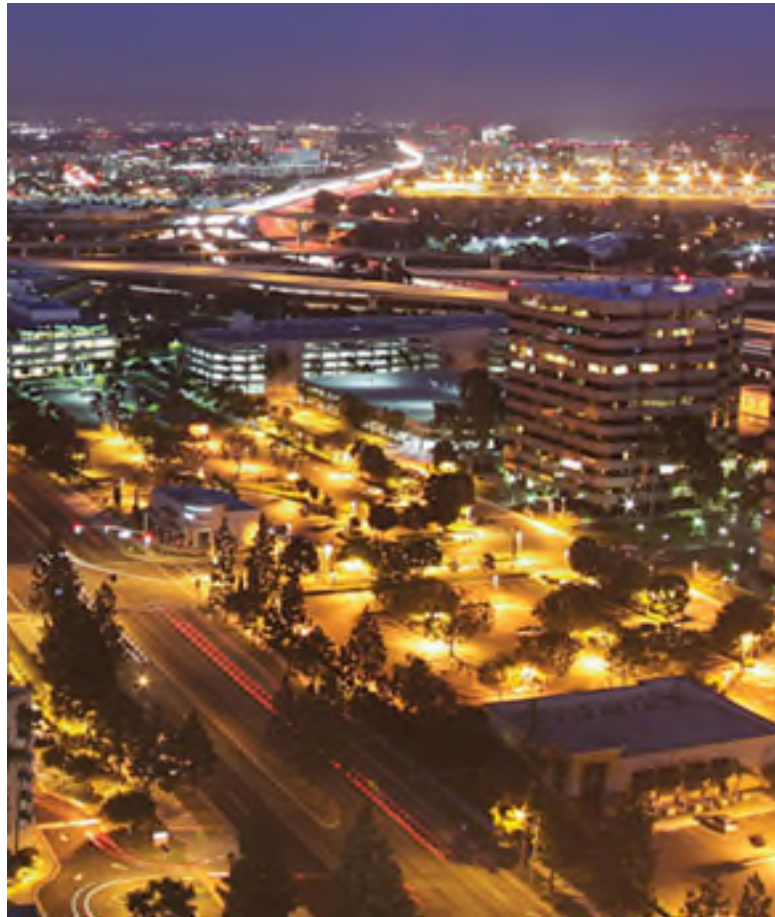


City of Costa Mesa Development Impact Fee Report



Fiscal Year End June 30, 2021

Legal Requirements for Development Impact Fee Reporting

California Government Code Section 66006 (b)

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 DIFs on new development. Annually, for each separate fund established for the collection and expenditure of DIFs, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- a) A brief description of the type of fee in the account or fund.
- b) The amount of the fee.
- c) The beginning and ending balance of the account or fund.
- d) The amount of the fees collected and interest earned.
- e) An identification of 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 fees.
- f) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
- g) A description of each inter-fund 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 inter-fund 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.
- h) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

California Government Code Section 66001 (d)

For all funds established for the collection and expenditure of DIFs, California Government Code Section 66001 (d) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- a) Identify the purpose to which the fee is to be put.
- b) Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- c) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- d) Designate the approximate dates on which the funding referred to in subparagraph (c) is expected to be deposited into the appropriate account or fund.

California Government Code Section 66002

The State of California Government Code Section 66002 states that:

- a) Any local agency, which levies a fee subject to Section 66001, may adopt a capital improvement plan, which shall indicate the approximate location, size, time of availability, and estimates of cost for all facilities or improvements to be financed with the fees.
- b) The capital improvement plan shall be adopted by, and shall be annually updated by, a resolution of the governing body of the local agency adopted at a noticed public hearing. Notice of the hearing shall be given pursuant to Section 65090. In addition, mailed notice shall be given to any city or county, which may be significantly affected by the capital improvement plan. This notice shall be given no later than the date the local agency notices the public hearing pursuant to Section 65090. The information in the notice shall be not less than the information contained in the notice of public hearing and shall be given by first-class mail or personal delivery.
- c) "Facility" or "improvement," as used in this section, means any of the following:
 - 1) Public buildings, including schools and related facilities; provided that school facilities shall not be included if Senate Bill 97 of the 1987-88 Regular Session is enacted and becomes effective on or before January 1, 1988.
 - 2) Facilities for the storage, treatment, and distribution of nonagricultural water.
 - 3) Facilities for the collection, treatment, reclamation, and disposal of sewage.
 - 4) Facilities for the collection and disposal of storm waters and for flood control purposes.
 - 5) Facilities for the generation of electricity and the distribution of gas and electricity.
 - 6) Transportation and transit facilities, including but not limited to streets and supporting improvements, roads, overpasses, bridges, harbors, ports, airports, and related facilities.
 - 7) Parks and recreation facilities.
 - 8) Any other capital project identified in the capital facilities plan adopted pursuant to Section 66002.

Description of Development Impact Fees

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.

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.

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.

Fire System Development Fees

This fee provides funding for additional fire protection facilities, equipment, and paramedic support 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.

Development Impact Fee Schedule

The amounts of development impact fees are described below:

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.

Development	Fee per Unit
Single-family Dwelling Unit	\$13,572.00
Multi-family Dwelling Unit	\$13,829.00
Apartment Dwelling Unit	\$5,000.00

Drainage Fees

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

Traffic Impact Fees

The citywide Traffic Impact Fee is assessed on the increased number of average daily

Development Type	Fee per Acre
Low Density Residential Use	\$6,283
Medium Density Residential Use	\$7,539
High Density Residential Use	\$10,052
Commercial / Industrial Use	\$11,309

trips generated by the proposed project. The City Council adopted a fee of \$235 per daily drip on November 13, 2018. On December 17, 2020, the City Council voted to continue the Traffic Impact fees at \$235 per daily trip.

Fire System Development Fees

The fee is \$0.285 per square foot of new commercial, industrial or residential development.

Development Impact Fee Report

A summary of activities in each type of development impact fee for fiscal year ended June 30, 2021 is described below:

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021*
Development Impact Fees

	Park Development Fees	Drainage Fees	Traffic Impact Fees	Fire System Development Fees
Revenues				
Fees	766,372	433,328	1,212,500	-
Investment Earnings	8,022	2,100	(9,496)	23
Other	106,966		1,855	
Total Revenues	881,360	435,428	1,204,859	23
Expenditures				
Expenditures	1,523,232	593,405	404,704	-
Other	229,923			
Transfers in/(out)				
Total Expenditures	1,753,155	593,405	404,704	-
Rev Over/(Under) Exp			800,155	23
Beginning Fund Balance	5,523,251	2,254,368	4,690,058	340,994
Ending Fund Balance	4,651,456	2,096,391	5,490,213	341,017

**Unaudited actual*

Financial Summary Report

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:

Park Development Fees (Quimby Act Fees)

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Revenues						
Fees	1,952,014	1,541,038	4,657,896	2,299,373	1,049,018	766,372
Investment Earnings	33,218			254,347	223,902	
Other						106,966
Total Revenues	1,985,232	1,588,078	4,649,586	2,553,720	1,272,920	881,360
Expenditures						
Expenditures	92,473	25,491	2,569,276	1,913,105	1,589,954	1,523,232
Transfers in/(out)						
Other						229,923
Total Expenditures	92,473	25,491	2,569,276	1,913,105	1,589,954	1,753,155
Rev Over(Under) Exp	1,892,759	1,562,587	2,080,310	640,615		
Beginning Fund Balance	(335,985)	1,556,774	3,119,361	5,199,671	5,840,286	5,523,252
Ending Fund Balance	1,556,774	3,119,361	5,199,671	5,840,286	5,523,252	4,651,457

**Unaudited actual*

The Park Development Fees (Quimby Act Fees) of \$766,372 and a \$114,988 investment and other earnings were posted in FY 2020-21. The expenditure incurred in FY 2020-21 of \$1,753,155 include the following capital project expenditures.

Capital Projects	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Fairview Park Improvements	12,068	13,456	3,455	198,810		
Brentwood Park Expansion						
Pk Security Lighting Replace		156	11			86,983
Fairview Chnl Trail (Area)						
Parsons School Field Light	15,000					
Jack Hammett Field Upgrade			55,000	63,634	3,300	8,796
Davis Synthetic Turf	15,000					
Kaiser Synthetic Turf/Light	15,000					
CMHS Stadium Bleachers	15,000					
Fairview Pk MstrPl HabRst PkPr				54,854		
FaiNew Park Bluffs				151,406		
NCC - Library Development			2,500,000	1,430,824	1,282,483	1,427,452
Total Capital Projects	72,068	13,612	2,558,466	1,899,528	1,285,783	1,523,232

**Unaudited actual*

No Park Development Fees (Quimby Act Fees) were loaned during this reporting period. No refunds were made due to protests during this reporting period.

The Park Development Fees (Quimby Act Fees) reports funds being held past the fifth year and first deposit. These funds are intended to fund additional or improved park and/

or recreation facility improvements for which the needs is generated by new development within the City.

Construction Commencement Date for Incomplete Improvements

Not applicable at this time.

Inter-fund Transfers and Loans

Not applicable at this time.

Amount of Refunds

No refunds of any of these funds were made or required in FY 2020-21.

Drainage Fees

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Revenues						
Fees	636,820	549,871	113,610	268,800	898,498	433,328
Investment Earnings	16,034	18,965	9,519	57,203	78,484	2,100
Other Reimbursement		117,373				
Total Revenues	652,854	686,209	123,129	326,003	976,982	435,428
Expenditures						
Expenditures	245,701	66,950	1,101,378	56,980	194,127	593,405
Transfers In/(Out)						
Total Expenditures	245,701	66,950	1,101,378	56,980	194,127	593,405
Rev Over/(Under) Exp	407,153	619,259	(978,249)	269,023	782,855	(157,977)
Beginning Fund Balance	1,154,326	1,561,479	2,180,738	1,202,489	1,471,512	2,254,367
Ending Fund Balance	1,561,479	2,180,738	1,202,489	1,471,512	2,254,367	2,096,390

*Unaudited actual

The Drainage Fees of \$433,328 and a \$2,100 investment earnings were posted in FY 2020-21. The expenditure incurred in FY 2020-21 of \$593,405 include the following capital project expenditures.

Capital Projects	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Catch Basin Inserts-Var Location			10,886		9,966	169,750
Citywide Storm Drain Improvement	170,287	66,950	740,492	56,980	184,161	332,976
Pomona/Industrial WQ&Storm Impv	75,413					
NCC - Library Development			350,000			90,679
Total Capital Projects	245,701	66,950	1,101,378	56,980	194,127	593,405

*Unaudited actual

No Drainage Fees were loaned during this reporting period. No refunds were made due to protests during this reporting period.

The Drainage Fees reports funds being held past the fifth year and first deposit. These funds are intended to fund additional construction and maintenance of the City's drainage system for which the need is generated by new development or redevelopment within the City.

Construction Commencement Date for Incomplete Improvements

Not applicable at this time.

Inter-fund Transfers and Loans

Not applicable at this time.

Amount of Refunds

No refunds of any of these funds were made or required in fiscal year FY 2020-21

Traffic Impact Fees

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
<u>Revenues</u>						
Fees	445,356	99,416	878,865	182,166	259,298	1,212,500
Investment Earnings	35,481	30,967	4,203	177,173	174,805	(9,496)
Other Reimbursement						1,855
Total Revenues	480,837	130,383	883,068	359,339	434,103	1,204,859
<u>Expenditures</u>						
Expenditures	176,372	62,148	1,227	67,090	295,544	404,704
Transfers in/(out)						
Total Expenditures	176,372	62,148	1,227	67,090	295,544	404,704
Rev Over/(Under) Exp	304,465	68,235	881,841	292,249	138,559	800,155
Beginning Fund Balance	3,004,709	3,309,174	3,377,409	4,259,250	4,551,499	4,690,058
Ending Fund Balance	3,309,174	3,377,409	4,259,250	4,551,499	4,690,058	5,490,213

**Unaudited actual*

The Traffic Impact Fees of \$1,212,500 and (\$7,641) investment and other earnings were posted in FY 2020-21.

The expenditure incurred in FY 2020-21 of \$404,704 include the following capital project expenditures.

Capital Projects	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20.	FY 20/21
Merrimac Way Bicycle Facility						181,847
Adams Av Bicycle Facility						5,715
Harbor/Adams Insectn Improvmts	92					
Harbor Widen-Law Ct-Sunflower	153,580					
Fairview Road/Wilson St Improv	3,962	2,726				
Bicycle Racks Citywide						35,031
Hyland/MacArthur Intersct Impr				58,148	23,224	
East 17th St. Landscape Enhanc	18,737	52,211				
Fairview Traffic Signal Sync					10,457	174,575
Sunflower Traff Signal Sync					93,407	
W 17th Design Newport Westside		7,211	1,227	5,842	48,992	
Newport Blvd Wide 19th to 17th				3,100	43,751	5,731
Class II and III Bicycle Proj					712	1,805
Total Capital Projects	176,372	62,148	1,227	67,090	220,544	404,704

**Unaudited actual*

No Traffic Impact Fees were loaned during this reporting period. No refunds were made due to protests during this reporting period.

The Traffic Impact Fees reports funds being held passed the fifth year and first deposit. These funds are intended to fund additional or improved traffic signal, operation, and infrastructure improvements for which the need is generated by new or expanding development within the City.

Construction Commencement Date for Incomplete Improvements

Not applicable at this time.

Inter-fund Transfers and Loans

Not applicable at this time.

Amount of Refunds

No refunds of any of these funds were made or required in fiscal year 2020/21.

Fire System Development Fees

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Revenues						
Fees					167,540	
Investment Earnings	3,416	3,309	1,061	5,865	16,608	23
Other Reimbursement						
Total Revenues	3,416	3,309	1,061	5,865	184,148	23
Expenditures						
Expenditures			82,735			
Transfers in/(out)	400,000		125,000			
Total Expenditures	400,000	-	207,735	-	-	-
Rev Over/(Under) Exp	(396,584)	3,309	(206,674)	5,865	184,148	23
Beginning Fund Balance	750,931	354,347	357,656	150,982	156,847	340,995
Ending Fund Balance	354,347	357,656	150,982	156,847	340,995	341,018

*Unaudited actual

The Fire System Development Fees of \$0 and a \$23 investment earnings were posted in FY 2020-21. There were no expenditures during the FY 2020/21 to the Fire System Development Fees fund. Prior capital project expenditure is listed below.

Capital Projects	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21*
Corp Yard Exhaust System		82,735			
Total Capital Projects		82,735			

*Unaudited actual

No Fire System Development Fees were loaned during this reporting period. No refunds were made due to protests during this reporting period.

The Fire System Development Fees reports funds being held past the fifth year and first deposit. These funds are intended to fund additional fire protection facilities, equipment, and paramedic support for which the need is generated by future development within the North Costa Mesa area.

Construction Commencement Date for Incomplete Improvements

Not applicable at this time.

Inter-fund Transfers and Loans

Not applicable at this time.

Amount of Refunds

No refunds of any of these funds were made or required in fiscal year 2020/21.

Development Impact Fee Project Identification

The City's current, Adopted Budget 2020-2021, which includes the Five-Year Capital Improvement Plan (CIP) 2020/21 — 2024/25 can be found on the City's website at: <https://www.costamesacamov/home/showpublisheddocument?id=45701>

Funding of Infrastructure

The FY 2020/21 — FY 2024/25 CIP identifies all funding sources and amounts for individual projects through FY 2024/25. The CIP is updated annually to reflect the current City's infrastructure needs. As a CIP is identified, the project is evaluated to determine the portion of the project that will service existing residents and businesses versus new development. Once the determination of use is made, the percentage of use attributed to new development is then funded by the appropriate development fee based on the type of project. The percentage of use associated with existing residents or businesses are funded from other appropriate sources. Estimated construction start dates for projects are adjusted, as needed, to reflect the needs of the community.

CURRENT MAJOR CIP PROJECTS

Park Development Fees (Quimby Act Fees)

Project Title	FY 21/22
Costa Mesa Skate Park Expansion	100,000
Jack Hammett Sport Park Expansion	350,000
Parks, Recreation and Open Space Master Plan Updates	75,000
Tanager Park Playground, Exercise Equipment Replacement	156,000
TeWinkle Park-Lakes Repairs and Upgrades	50,000
Westside Park Development	250,000
Total	\$981,000

Drainage Fees

Project Title	FY 21/22
Citywide Catch Basin Insert and Water Quality Improvement Project	25,000
Westside Storm Drain Improvements	550,000
Total	\$575,000

Fire System Development Fees

No current projects to report.

Traffic Impact Fees

Project Title	FY 21/22
Baker, Placentia, 19th, Victoria Traffic Signal Synchronization	243,000
Bicycle and Pedestrian Infrastructure Improvements	100,000
Citywide Class II, III, IV Bicycle Projects	200,000
Mesa Del Mar Multi-Modal Access and Circulation Improvements	100,000
Mesa Drive and Santa Ana Ave Bicycle Facility Improvement	100,000
Mesa Verde Drive East/ Peterson Place Class II Bicycle Facility	100,000
Randolph Avenue Parking and Pedestrian Improvements	150,000
West 18th Street and Wilson Street Crosswalks	300,000
Total	\$1,293,000
