



CITY OF MENIFEE

SUBJECT: Assembly Bill 1600 Annual Report

MEETING DATE: January 18, 2023

TO: Mayor and City Council

PREPARED BY: Ann-Marie Etienne, Finance Manager

REVIEWED BY: Margarita Cornejo, Deputy Finance Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Receive and file the Fiscal Year (FY) 2021/2022 annual report on receipt and use of AB 1600 Development Fees.

DISCUSSION

The Mitigation Fee Act (hereafter the “Act”) is contained in the California State Government Code Section 66000 and governs the establishment and administration of Development Impact Fees (DIF). The Act requires that local agencies, within 180 days after the last day of each fiscal year, make available to the public an accounting review of these fees. This review summarizes each fee and includes the beginning balance, annual revenues and expenditures, interest earned, the ending balance and any refunds. Further, Section 66006(b)(2) requires that the local agency governing board review the information made available to the public pursuant to Section 66006(b)(1).

The fees are required to be used for new public capital facilities, which are necessitated by new development. The Act also requires that every five years, the City identify any fee revenue that has been held for more than five years without being expended.

Fiscal Year 2021/2022 Reporting:

The FY 2021/2022 Annual Reporting consists of the following attachments:

1. Description of Fees
2. Summary of Impact Fee
3. Summary of Fee Activity
4. Summary of Fee Expenditures

The reported period covers the period of July 1, 2021 through June 30, 2022.

Included with this staff report are schedules for the Road and Bridge Benefit Areas, the Local Park DIF, the Paloma Wash DIF, Area Plan 16, Area Plan 17 and the corresponding adopted citywide fees, summarized as follows:

TABLE 1: Summary of DIF Fees

Impact Fee Name/Title	Resolution/Ordinance Number
Menifee Road & Bridge Area (RBBD)	County Ordinance No. 659/ City Ordinance 2008-01
Scott Road & Bridge Area (RBBD)	County Ordinance No. 659/ City Ordinance 2008-01
Local Park DIF (Quimby)	County Ordinance No. 659/ City Ordinance 2008-01
Paloma Wash DIF	County Ordinance No. 659/ City Ordinance 2008-01
Area Plan 16: Highway 74/79*	County Ordinance No. 659/ City Ordinance 2008-01
Area Plan 17: Sun City/Menifee Valley*	County Ordinance No. 659/ City Ordinance 2008-01
City Wide DIF (<i>separate funds</i>): <ul style="list-style-type: none"> - Law Enforcement - Fire - Circulation - Storm Drainage - General Government - Public Use Facilities - Parks (Land Acquisition) - Parks (Improvements) - Master Planning and Nexus Analysis - Library Facilities 	Ordinance 2017-232

*These two area plans are now only available to previously approved development agreements.

On December 20, 2017 City Council adopted Ordinance 2017-232 adding Chapter 8.02 to the Menifee Municipal Code adopting updated citywide DIF in accordance with the Act. These new citywide DIF were to replace the existing fee schedule and be effective July 1, 2018 with the phasing in of the non-residential fees over a two year period.

The studies and supporting documentation presented or adopted as part of the established DIF identify the public improvements that the specific fees will be used towards. These studies also show that there is a reasonable relationship: a) between the fees used and the type of development project on which the fee is imposed.

Historically in the City of Menifee, the required governing board review of the annual report of the development impact fees has been achieved through the City Council's acceptance of a report containing the required information.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

FISCAL IMPACT

There is no fiscal impact associated with this report. If reporting is not completed pursuant to the Act as noted above, the City may be required to refund fees collected.

ATTACHMENTS

1. Description of Fees
2. Summary of Impact Fee
3. Summary of Fee Activity
4. Summary of Fee Expenditures