



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 2, 2021
FROM: FINANCE DEPARTMENT WARDS: ALL
SUBJECT: LOCAL PARK DEVELOPMENT IMPACT FEE ACTIVITY STATUS REPORT

ISSUE:

Receive and file the status report on development impact fee activity for local parks.

RECOMMENDATION:

That the City Council receive and file the status report on development impact fee activity for local parks.

BACKGROUND:

Resolution No. 21307, adopted by the City Council on January 9, 2007, established a revised schedule of development impact for local parks. Pursuant to Government Code Section 66000 et al. when a local agency accepts development impact fees it is required to give an accounting to the general public for related receipts and expenses for which the fees were used during the fiscal year.

DISCUSSION:

The related activity for the local park impact fee for fiscal year 2019/20 and fiscal year 2020/21 is as follows:

	<u>2019/20</u>	<u>2020/21</u>
Beginning Balance	\$ 389,720.12	\$ 215,719.52
Fees Received	2,274,427.67	2,006,395.19
Interest Income	32,611.28	10,483.63
Subtotal	\$ 2,696,759.07	\$ 2,232,598.34
Expenditures	2,481,039.55	2,476,243.61
Ending Balance	<u>\$ 215,719.52</u>	<u>\$ (243,645.27) *</u>

* Expenditures are expected to decrease next year; thus, balance will return to positive

The above balance reflects only actual cash receipts and expenditures. Other commitments against the funds are not reflected (i.e., encumbrances and appropriations). The balance should therefore not be considered an available balance. A schedule listing the detailed expenditures during Fiscal Year 2019/20 and Fiscal Year 2020/21 is attached.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 1 – Arts, Culture and Recreation and Goal No. 1.3**, Improve parks, recreational amenities, open space, and trail development, and fulfill critical lifecycle and facility maintenance needs.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The status report on development impact fee activity for local parks enhances transparency regarding the fees and interest received and the amount of expenditures used from those revenue sources.
2. **Equity** – This report is neutral towards this cross-cutting thread.
3. **Fiscal Responsibility** – The development impact fee report provides fiscal responsibility and accountability to show funds collected are properly spent.
4. **Innovation** – This report is neutral towards this cross-cutting thread.
5. **Sustainability & Resiliency** – This report helps ensure impact fee revenues are spent in a sustainable way without compromising future needs.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by:	Nancy Garcia, Controller
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Kris Martinez, Interim Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment: Local Park Development Impact Fees – Expenditure Detail for FY 2019/20 and FY 2020/21