

**AGENDA
ITEM**

6



AGENDA STAFF REPORT

DATE: November 18, 2020

TO: Mayor and City Council

APPROVED BY: Miguel Figueroa, City Manager *MF*

PREPARED BY: Karla Lobatos, Finance Director *KL*

SUBJECT: Adopt Budget Amendment Resolution for Allocation of Resources of Development Impact Fee Funds

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Recommendation:

It is recommended that the City Council of the City of Calexico adopt the attached Budget Amendment Resolution for allocation of resources of development impact fee funds for Library, Parks/Recreation, Parking, General Government, Traffic and Police.

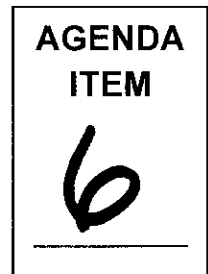
Background:

The City Council adopted the City's FY 2020-21 budget on June 3, 2020. A 1st Quarter Budget Report was provided on October 21, 2020 to update the General Fund's Fund Balance projection for preliminary FY 2019-20 (unaudited) results and to monitor budget compliance through the 1st quarter of FY 2020-21. A budget amendment is proposed to update scope of services through accrued development impact fees for capital projects.

Development impact fees support the cost of public improvements, public services and community amenities connected to new development pursuant to the State Mitigation Fee Act (Government Code section 66000) and the Calexico Municipal Code (Title 3 Chapter 32). Expenditures are limited to capital projects and cannot be used to fund operations or ongoing maintenance.

Discussion & Analysis:

Due to the nature of the City's Development Impact Fees Funds, City staff is developing projects to utilize such funds on Capital Projects throughout the City to improve quality of services provided to the community.



Fiscal Impact:

There is no general fund fiscal impact. Fiscal impact to development impact fee funds will be as follows:

Fund 430	Library	\$195,959.00
Fund 431	Parks/Recreation	\$167,751.00
Fund 432	Parking	\$259,984.00
Fund 433	General Government	\$182,937.00
Fund 434	Traffic	\$1,783,740.00
Fund 435	Police	\$86,714.00

Coordinated With:

City Manager's Office, Public Works Department, Police Department and Library.

Attachments:

1. Resolution of the City Council of the City of Calexico
2. Government Section Code 66000
3. Calexico Municipal Code Title 3 Chapter 32



BUDGET AMENDMENT RESOLUTION NO. _____
 BUDGET AMENDMENT RESOLUTION OF THE CITY COUNCIL
 OF THE CITY OF CALEXICO AUTHORIZING AN AMENDMENT
 TO THE FINAL BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, the Final Budget for Fiscal Year 2020-21 was adopted by Resolution No. 2020-32 of the City Council on June 3, 2020; and

WHEREAS, the City Council has authorized the amendment of the Final Budget, in accordance with proper governmental accounting and financial reporting practices; and

NOW THEREFORE, the City Council of the City of Calexico hereby resolves and authorizes the following action(s)

AMENDMENTS TO ADOPTED BUDGET:

1) Record Revenue Estimates(s)

Fund No.	Department	Division	Account	Sub-Account	Amount
Total					\$ -

2) Record Appropriation(s)

Fund No.	Department	Division	Account	Sub-Account	Amount
430	90		56000		\$ 195,959.00
431	90		56000		\$ 167,751.00
432	90		56000		\$ 259,984.00
433	90		56000		\$ 182,937.00
434	90		56000		\$ 1,783,740.00
435	90		56000		\$ 86,714.00
Total					\$ 2,677,085.00

3) Record Transfer of Funds:

FROM:

Fund No.	Department	Division	Account	Sub-Account	Amount
Total					\$ -

TO:

Fund No.	Department	Division	Account	Sub-Account	Amount
Total					\$ -

5)Purpose of Budget Amendment:

Allocation of resources to Development Impact Fees Funds.

FINANCE DIRECTOR APPROVAL:

KARLA E. LOBATOS, FINANCE DIRECTOR

PASSED, APPROVED AND ADOPTED by the City Council of the City of Calexico at the regular meeting this 18th day of November, 2020.

Rosie Arreola-Fernandez, Mayor

ATTEST:

GABRIELA T. GARCIA, City Clerk

APPROVED AS TO FORM:

CARLOS CAMPOS, City Attorney

STATE OF CALIFORNIA)
CITY OF CALEXICO) ss.
COUNTY OF IMPERIAL)

I, Gabriela T. Garcia, City Clerk of the City of Calexico, do hereby certify under the penalty of perjury, that the foregoing Resolution No. 2020-___, was duly adopted by the City Council at a meeting of said City Council held on the 18th day of November, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

GABRIELA T. GARCIA, City Clerk
City of Calexico

California Government Code

§ 66000

As used in this chapter, the following terms have the following meanings:

- (a) “Development project” means any project undertaken for the purpose of development. “Development project” includes a project involving the issuance of a permit for construction or reconstruction, but not a permit to operate.
- (b) “Fee” means a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees specified in Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 (commencing with Section 65864) of Chapter 4, or fees collected pursuant to agreements with redevelopment agencies that provide for the redevelopment of property in furtherance or for the benefit of a redevelopment project for which a redevelopment plan has been adopted pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).
- (c) “Local agency” means a county, city, whether general law or chartered, city and county, school district, special district, authority, agency, any other municipal public corporation or district, or other political subdivision of the state.
- (d) “Public facilities” includes public improvements, public services, and community amenities.

Location: https://california.public.law/codes/ca_gov't_code_section_66000.

Original Source: § 66000, https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=66000. (last accessed Jun. 6, 2016).

Chapter 3.32 - DEVELOPMENT IMPACT FEES*

3.32.010 - Short title.

This chapter shall be known as the city of Calexico development impact fees ordinance.

(Ord. 1036 § 3 (part), 2006)

3.32.020 - Purpose.

The purpose of this chapter is to make provision for assessing and collecting fees at the time of issuance of a building permit, reasonably necessary to finance the actual or estimated costs of public improvements, public services and community amenities required by new development.

(Ord. 1036 § 3 (part), 2006)

3.32.030 - Definitions.

Whenever the following words are used in this chapter, they shall have the meaning ascribed to them in this section.

- A. "Clerk" means the city clerk.
- B. "Construction Cost Index" means the Construction Cost Index set forth in the Engineering News Record published by McGraw Hill and Associates. In the event the Engineering News Record ceases to calculate and publish this index, then the city manager may designate a comparable, alternative index to serve as the Construction Cost Index.
- C. "Corporate facilities" means the city's city hall, corporation yard and vehicles (other than police and fire vehicles).
- D. "Director" means the director of development services, or his or her designee.
- E. "Facilities" means and includes public improvements, public services and public amenities. Facilities include, but is not limited to, library books and equipment and vehicles.
- F. "Fees" means the fees imposed pursuant to Section 3.32.040 and any resolution approved by the city council setting such fees.
- G. "New development" means the construction of new structures and additions to existing structures in the city except that, with respect to residential development, "new development" means any development project that creates additional residential dwelling units. "New development" shall not include the replacement or expansion of an existing residential dwelling unit.

(Ord. 1036 § 3 (part), 2006)

3.32.040 - Categories of fees imposed.

The following categories of fees are hereby imposed as a condition of the issuance of any building permit or other permit for new development, unless expressly exempted by this chapter. The actual fee amount will be adopted via city council resolution, and may be modified by resolution of the city council from time to time.

- A. Corporate facilities fee;
- B. Library facilities fee;
- C. Police facilities fee;
- D. Fire facilities fee;
- E. Transportation facilities fee;
- F. Water and sewer facilities fee;
- G. Administrative fee.

(Ord. 1036 § 3 (part), 2006)

3.32.050 - Exemptions.

Any claim of exemption with respect to any one or more of the fees identified in Section 3.32.040 of this chapter must be made no later than the time of application for a building permit. The following shall be exempted from payment of the development impact fees of this chapter:

- A. City buildings or structures;
- B. The replacement on the same parcel of a dwelling or dwellings destroyed by fire or other calamity, provided that the application for a building permit to replace such dwelling is filed with the inspector within six months after destruction of the dwelling.

(Ord. 1036 § 3 (part), 2006)

3.32.060 - Timing of payment.

- A. Prior to the issuance of any building permit or any discretionary land use permit for development the applicant shall pay to the director the fees prescribed by this chapter. Except where in conflict with state laws, the amount of fees will be determined based upon the type of project and the stage of approval of such project when the application for the building permit or discretionary land use permit is made.
- B. No permits or extension of permits for the activities referenced in subsection A of this section shall be granted unless and until the appropriate development impact fees hereby required have been paid to the city. If a previously issued permit or discretionary approval has expired, the applicant will be required to pay the amount of development impact fees in effect at the time of issuance of the building permit, as a condition of the granting of any extension of time for such approval. In such cases wherein the permit or discretionary approval has expired, if the applicant has already paid an amount for development impact fees which is not the same as the current rate of development impact fees, the applicant will only be required to pay the difference in the amount of development impact fees between the old rate and the new rate of fees in order to get the extension of the permit.
- C. In the event that subsequent development occurs with respect to property for which fees have been paid,

additional fees shall be required only for additional square footage of development, which was not included in computing the prior fee.

- D. Payment of the fees may be deferred, for residential new development only, to the date of final building inspection approval for each unit of the new development, or the date the certificate of occupancy for a unit is issued, whichever occurs first, provided the owner of the real property for which the fees are required enters into a recordable agreement with the city prior to issuance of the initial building permit for the new development, which from the date of recordation, shall constitute a lien on the property and shall be enforceable against successors in interest to the property owner. The agreement shall provide that final occupancy approval shall not be given until the fees are paid. The agreement shall also provide that, in any action to collect the fees or any portion thereof, the city shall be entitled to all of its costs of enforcement and collection, including reasonable attorney's fees. The city manager may execute the agreement on behalf of the city in a form acceptable to the city attorney. Any deferral granted pursuant to this paragraph shall be consistent with the requirements of Government Code Section 66007.

(Ord. 1036 § 3 (part), 2006)

3.32.070 - Automatic rate adjustment.

Beginning July 1, 2007, and on each July 1st thereafter, the rate of the fee shall be automatically adjusted according to the following formula:

Council-Approved Rate * Most Recent ENR
ENR at Council-Approval

Where the "Council-Approved Rate" is the rate most recently set by resolution or ordinance of the city council, "Most Recent ENR" is the most recently published Construction Cost Index when the calculation is made and "ENR at Council-Approval" is the Construction Cost Index published for the month in which the council approved the "Council-Approved Rate."

(Ord. 1036 § 3 (part), 2006)

3.32.080 - Special funds.

- A. There are hereby established special funds entitled corporate facilities fee fund, library facilities fee fund, police facilities fee fund, fire facilities fee fund, transportation facilities fee fund, and water and sewer facilities fee fund into which all proceeds of the corporate facilities fee, library facilities fee, police facilities fee, fire facilities fee, transportation facilities fee, water and sewer facilities fee and administrative fee (and any interest thereon) shall be respectively deposited. Each fund shall be maintained as required by Government Code Section 66006.
- B. Moneys in each fund respectively, shall be expended only on corporate facilities, library facilities, police facilities, fire facilities, transportation facilities, and water and sewer facilities. Expenditures must be for facilities that serve new development.
- C. There is hereby established a special fund entitled development fees administrative fund into which all proceeds of the administrative fee, and any interest thereon, shall be deposited. Proceeds of this fund shall be expended only on costs associated with the administration of this chapter.

(Ord. 1036 § 3 (part), 2006)

3.32.090 - Accountability measures.

- A. At least annually and as required by Government Code Section 66006, the city manager, or his or her designee, shall review the estimated cost of the public improvements to be funded by the fees, the continued need for those improvements and the reasonable relationship between such need and the impacts of pending or anticipated new developments. The city manager, or his or her designee, shall report his or her findings to the city council at a noticed public hearing and recommend any adjustment to the fees or other action as may be needed.
- B. The city council shall review such report in the manner required by Government Code Section 66006(b) (2).
- C. To the extent required by Government Code Section 66001(d), the city council shall make the findings required by that section.

(Ord. 1036 § 3 (part), 2006)

3.32.100 - Fee adjustments.

- A. A developer of any project subject to the fees described herein may apply to the city council for a reduction, adjustment, or waiver of any one or more of the fees, based upon the absence of any reasonable relationship or nexus between the impacts of that new development and either the amount of the fee(s) charged or the type of facilities to be financed. The application shall be made in writing and filed with the city clerk not later than: (1) ten days prior to the public hearing on the development permit application for the project; or (2) if no development permit is required, at the time of the filing of the request for a building permit.
- B. The application shall state in detail the factual basis for the claim of waiver, reduction or adjustment.
- C. The city council shall consider the application at the public hearing on the permit application or at a separate public hearing held within sixty days after the filing of the fee adjustment application, whichever is later. The hearing shall be noticed and conducted in the same fashion and manner as prescribed by the laws of the city for hearing on development permits. The decision of the city council shall be final.
- D.
 1. If a reduction, adjustment or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment or reduction of the fee if such change in use would render the same inappropriate.
 2. The city council may, from time to time, and as the need may arise, set forth, by council resolution, specific limitations which will apply to reductions, adjustments or waivers of development impact fees which may be made pursuant to this section. In this regard, this chapter shall be considered enabling and directory.

(Ord. 1036 § 3 (part), 2006)

3.32.110 - California state law.

The provisions of this chapter and any resolution adopted pursuant hereto, shall at all times be subject and subordinate to the provisions of Chapter 5 (commencing with Section 66000), Division 1, of Title 7 of the California Government Code, as the same presently exist or may hereafter be amended from time to time, to the extent the same are applicable. In the event of any conflict between the provisions of this chapter and the state law, the latter shall control.

(Ord. 1036 § 3 (part), 2006)

3.32.120 - Severability.

If any section, phrase, sentence or portion of this chapter is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision; and such holding shall not affect the validity of the remaining portions hereof.

(Ord. 1036 § 3 (part), 2006)