

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 1/5/2016	(3) CONTACT/PHONE James A. Bergman, Planning Director / (805)781-5708	
(4) SUBJECT Receive and file: 1) FY 2014-15 annual report for the Public Facilities Fees Program and 2) the five-year report for the Public Facilities Fees Program, and 3) consider a resolution adopting findings in accordance with Government Code Sections 66001 and 66006 with respect to the San Luis Obispo County Public Facilities Fees Program. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board 1) receive and file the FY 2014-15 annual report for the Public Facilities Fees Program, 2) receive and file the five-year report for the Public Facilities Fees Program, and 3) instruct the Chairperson to sign the attached resolution adopting findings in accordance with Government Code Sections 66001 and 66006 with respect to the San Luis Obispo County Public Facilities Fees Program.			
(6) FUNDING SOURCE(S) Existing Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30 minutes</u> )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A   Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / James A. Bergman, Planning Director

DATE: 1/5/2016

SUBJECT: Receive and file: 1) FY 2014-15 annual report for the Public Facilities Fees Program, and 2) the five-year report for the Public Facilities Fees Program, and 3) consider a resolution adopting findings in accordance with Government Code Sections 66001 and 66006 with respect to the San Luis Obispo County Public Facilities Fees Program. All Districts.

## **RECOMMENDATION**

It is recommended that the Board 1) receive and file the FY 2014-15 annual report for the Public Facilities Fees Program, 2) receive and file the five-year report for the Public Facilities Fees Program, and 3) instruct the Chairperson to sign the attached resolution adopting findings in accordance with Government Code Sections 66001 and 66006 with respect to the San Luis Obispo County Public Facilities Fees Program.

## **DISCUSSION**

### **Background**

In August of 1991, the Board of Supervisors adopted Title 18 of the County Code and established the framework for setting and collecting fees from new development projects to finance and construct public facilities. The key premises of Title 18 are:

1. New development projects cause the need for construction, expansion or improvement of Public Facilities within the County of San Luis Obispo, and
2. Funds for construction, expansion or improvement of Public Facilities are not available to accommodate the needs caused by development projects; which will result in inadequate Public Facilities within San Luis Obispo County.

Title 18 was last amended by the Board on July 26, 2011, and is fully consistent with California Government Code 66000 et seq., which is known as the Mitigation Fee Act.

In addition to the framework established in Title 18 and complying with California law, the Board has adopted a *Public Facilities Financing Plan for Unincorporated Area Facilities*. This plan estimates the amount and cost of new capital facilities required to serve new development in unincorporated areas through the year 2025 and establishes the maximum justified level of those fees. This plan was last revised by the Board on July 26, 2011.

The current amount of Public Facilities Fees collected from new residential and commercial projects are illustrated in the table below:

Facility	Residential (Per dwelling unit)		Non-residential (Per 1,000 square feet)		
	Single Family	Multi-Family	Office	Retail	Industrial
Parks	\$2,303	\$1,753			
Sheriff	\$280	\$213	\$378	\$226	\$163
General Government	\$533	\$406	\$719	\$432	\$309
Fire*	\$1,994	\$902	\$902	\$902	\$902
Library	\$454	\$345	\$239	\$143	\$103
Subtotal	\$5,564	\$3,619	\$2,238	\$1,703	\$1,477
Administration Fee	\$111	\$72	\$45	\$34	\$29
Total	\$5,675	\$3,691	\$2,283	\$1,737	\$1,506

\*Note: Fire fees are 90 cents per square foot for residential units and the amounts shown illustrate a typical 2,210 square foot single family unit and a typical 1,000 square foot multi-family unit.

The purpose of this staff report is to comply with annual reporting requirements and five-year review of program findings established in Title 18 and California Government Code 66000 et seq. No fee changes or amendments to the plan are proposed as part of this review.

### Annual Review of Public Facilities Fees

Government Code 66000 et seq. establishes the requirements for implementation of development fees and the requirements for an annual review. Section 66006(b)(1) specifies that the annual report address the following:

1. A brief description of the type of fee in the account or fund.
2. The amount of the fee.
3. The beginning and ending balance of the account or fund.
4. The amount of the fees collected and the interest earned.
5. 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.
6. 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...and the improvement remains incomplete.
7. 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.

Exhibit A is a series of spreadsheets that provide the data for the accounts that existed for Fiscal Year 2014-15. The projects identified in Exhibit A are consistent with those found in the Public Facilities Plan. The spreadsheets contain an accounting of the funds and the projects for which facilities fees have been collected during the past fiscal year per Title 18 and the Government Code 66000 et seq.

### Five-Year Review of the Public Facilities Fees Program

Government Code section 66001(d) requires the following actions:

For the fifth fiscal year following the first deposit into the account or funds, and every five years thereafter, the local agency shall make all the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- (1) Identify the purpose to which the fee is to be put.
- (2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (3) Identify all sources and amounts of funding anticipated to complete financing...incomplete improvements...

- (4) Designate the approximate dates on which the funding ... is expected to be deposited into the appropriate account or fund.

Exhibit B is a series of spreadsheets, prepared by the operating departments in coordination with the County Auditor-Controller, for the public facilities fee accounts. The projects identified in Exhibit B are those found in the adopted Facilities Plan. The spreadsheets contain an accounting of the funds and the projects for which facilities fees have been collected during the period from FY 2010-11 through FY 2014-15. The spreadsheets show which projects have been undertaken, which ones have been completed, and the status of funds for those projects that are not yet completed, including an estimate of when the projects can be expected to be completed. These spreadsheets comprise the required five-year review of the public facilities fees program in accordance with the provisions of the Government Code.

### **Reporting History**

In preparing this report, staff has attempted to address past reporting practices, specifically:

- The last annual report was presented to the Board on July 12, 2012, and covered FY 2010-11.
- The most recent five-year report was presented to the Board on May 12, 2009, and covered FY2003-04 through FY 2007-08.

Staff acknowledges the intent and importance of open public access to information related to the collection and use of public facilities fees. Staff has included data from FY 2008-09 through FY 2014-15 in the current five-year report. Staff has found that fees have been collected and assigned to facilities in accordance with the *Public Facilities Financing Plan for Unincorporated Area Facilities*, as shown by the annual and five-year report attachments. Staff will establish new processes, including better coordination between various departments, to ensure reporting precisely as directed in Title 18 and Government Code 66000 et seq.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

This report has been prepared in consultation and coordination with the Auditor-Controller, the Administrative Office, the Department of Public Works, Parks, County Libraries, Sheriff, CAL FIRE, the Community Service Districts of Oceano and San Miguel, and the Fire Protection Districts of Santa Margarita and Cayucos. County Counsel reviewed and approved the attached resolution as to form and legal effect.

### **FINANCIAL CONSIDERATIONS**

Fees are collected for the purpose of mitigating the impacts caused by new development on certain public facilities. These fees are used to finance the acquisition, construction and improvement of the public facilities needed as a result of this new development. Public review of how these fees are determined, collected and is expended is necessary to ensure that proper public oversight is maintained - as without these fees - future service levels to constituents will become inadequate.

### **RESULTS**

The Department of Planning and Building has made the information in the reports covering Fiscal Year 2014-15 and Fiscal Years 2010-11 through 2014-15 available to the public and has presented the reports to the Board of Supervisors as required by Government Code sections 66001 and 66006. If the Board of Supervisors makes the findings required by Government Code section 66001 and shown in the attached resolution the reporting requirements will be up to date and the County's Public Facilities Fees Program will be in compliance with Government Code section 66000 et seq.

### **ATTACHMENTS**

1. Resolution Adopting Findings for Approval
2. Exhibit A: Annual Report for the Public Facilities Fees Program for FY 2014-15.
3. Exhibit B: Five-Year Report of Public Facilities Fees Program for FY 2010-11 through FY 2014-15