



Agenda Item

City Council

Item #: 3.23.

1/10/2023

File #: 22-0728

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, Interim City Manager

FROM: Susan Galvan, Assistant City Manager

1. SUBJECT

Submittal of annual financial reports for development impact fees for Fiscal Year 2021-2022.

2. SUMMARY

In accordance with Section 66006 of California Government Code, the City is required to annually report on the status of Development Impact Fees, including the collection of revenue and expenditures of these funds. This report summarizes the required financial information for Fiscal Year 2021-2022. All reported funds are in compliance and no refunds are required.

3. RECOMMENDED ACTION

Receive and file the annual financial reports relating to Transportation System Improvement Program Fees, Park Infill Fees, Fire Protection Facility Fees, Police Facility Development Fees, and Library Facilities Development Fees.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

d: Effectively manage and develop City assets.

6. DISCUSSION AND BACKGROUND

The California Government Code Sections 66000 through 66006 contain certain procedural requirements that apply to the collection of development impact fees and the expenditure of these revenues. Section 66006 of the California Government Code specifies accountability and annual reporting requirements pertaining to development impact fees. SB 1693 modified this government code section as of January 1, 1997. The report must include a description of the fee type in the account, the amount of the fee, beginning and ending balances, fee and interest income, expenditures by improvement, a description of interfund loans or transfers, including purpose, interest rate and term, and any refunds. The report must also determine whether funds are available to construct improvements while also identifying construction dates for projects with adequate funding.

This report presents a review only of the development impact fee activity, by account, for the fiscal

year. It does not include any recommendations for any fee changes. However, any fee changes that have occurred during the year have been incorporated into this report.

This report is analyzing unexpended revenues, i.e. fund balances, to determine if more than the prior five years of collections have been exceeded. If the analysis shows that the balance on hand exceeds five years of collections less costs of projects identified in the 5-year Capital Improvement Program (CIP) Budget, then per the California Government Code Section 66001 (d), the City is required to refund the "excess".

The report must be made available within 180 days after the end of the current fiscal year and it must be reviewed at the next regularly scheduled public meeting, but not less than 15 days after the information becomes available.

All reported funds, which include fees for Transportation System Improvement Program, Park Infill, Fire Protection Facilities, Police Facilities Development, and Library Facilities Development, are in compliance and no refunds are required.

7. ATTACHMENTS

- Attachment A - Annual Report for Transportation System Improvement Program Fees
- Attachment B - Annual Report for Park Infill Fees
- Attachment C - Annual Report for Fire Protection Facility Fees
- Attachment D - Annual Report for Police Facility Development Fees
- Attachment E - Annual Report for Library Facilities Development Fees

City of Orange
Annual Report for Transportation System Improvement Program (TSIP) Fees
For The Year Ended June 30, 2022

I. Findings:

The fee provides for the construction of the traffic circulation system improvements identified by the City Council and made necessary by increased transportation demands in the City. In September 2020, the City consolidated three existing program areas to establish a single citywide fee. The relationship between the fee and the purpose for which it is charged is described in the 2020 TSIP fee study, with amendments, which is incorporated by reference herein. The City's 5-Year Capital Improvement Plan adopted in June 2020 identifies all sources of funding anticipated to complete financing of incomplete improvements and designates approximate dates on which the funding is expected to be deposited into the fund. Per the California Government Code Section 66001 (d), the City is required to refund the unexpended revenues that are more than the revenues collected in the prior five years less the projected expenditures of future projects. All the TSIP funds are in compliance and no refunds need to be made. All documents and amendments incorporated by reference herein are on file with the City Clerk's Office. The purpose and authorization to impose the fees are described in Orange Municipal Code Section 15.41.010.

II. TSIP Fee Schedule:

	Fund 287
	<u>City-Wide TSIP</u>
Fees:	
Residential - Single-Family (per unit)	\$1,260.72
Residential - Apartments/Multi-Family (per unit)	\$867.88
Hotel/ Motel (per room/ per unit)	\$1,233.35
General Office (per sq. ft)	\$1.50
Medical Office (per sq. ft.)	\$5.24
Industrial (per sq. ft.)	\$0.81
Retail / Commercial (per sq. ft.)	\$4.02
Atypical Uses (per trip end-daily)	\$149.13

III. Summary of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	FY 2021-22	
	Fund 287	
	City-Wide TSIP	
	Budget	Actual
Revenues and Transfers In		
Interest on Investments	22,850	(132,761)
TSIP Fees	697,977	781,578
Sale of Real & Personal Property	-	-
Transfers from Other Funds (284, 285, 286 Fund Consolidation)	-	5,134,067
Total Revenues	720,827	5,782,884
Expenditures and Transfers Out		
G & A Overhead Allocation	20,736	20,736
TSIP Fee Study	8,722	-
13115 Pavement Management Program Survey (ongoing)	47,160	8,680
13120 Pavement Management Program (ongoing)	400,000	365,735
13228 Chapman/Tustin Critical Intersection (completed, some cost items remaining)	5,871	12,014
16469 Traffic Signal Equipment Painting (ongoing)	59,851	-
20191 Main St Signal Synchronization (12/2023)	180,000	-
20351 Tustin & La Veta Traffic Signal Upgrade (12/2022)	107,410	759
20353 Chapman & Grand Left Turn Signal Modification (6/2024)	450,000	-
20354 Chapman & Cambridge Left Turn Signal Modification (6/2024)	425,000	-
20376 Garden Grove Blvd Signal Synchronization (9/2023)	7,000	-
20377 Katella/Struck Traffic Signal Modification (completed, some cost items remaining)	19,843	135
20380 Glassell Street Signal Network Extension (7/2024)	130,000	-
20381 Katella Signal Synchronization (9/2023)	250,000	-
20382 Katella Signal Network Extension (7/2023)	950,000	-
20383 Cannon & Serrano Intersectio Modification (12/2023)	231,207	4,480
20425 Tustin St Signal Synchronization (6/2025)	264,685	60,791
20458 Prospect & Spring Right Turn Lane Modification (12/2022)	1,114,399	1,002,154
30025 Tustin/Meats Ave Right Turn Lane (completed, some cost items remaining)	99,749	93,371
30029 Glassell & Walnut Left Turn Signal Modification (completed)	9,676	-
30141 Glassell St Signal Synchronization (completed)	60,000	-
30162 Bus Stop Enhancements at Various Locations (12/2022)	9,830	-
30174 Cannon Street Widening (6/2023)	206,250	3,834
Total Expenditures	5,057,389	1,572,688
Net Increase(Decrease)		4,210,196
Beginning Fund Balance		(542,870)
Ending Fund Balance		<u>\$ 3,667,326</u>

Projected future projects:

	Estimated Expenditures
13115 Pavement Management Program Survey (ongoing)	38,480
13120 Pavement Management Program (ongoing)	34,265
16469 Traffic Signal Equipment Painting (ongoing)	59,851
20191 Main St Signal Synchronization (12/2023)	180,000
20351 Tustin & La Veta Traffic Signal Upgrade (12/2022)	126,651
20353 Chapman & Grand Left Turn Signal Modification (6/2024)	450,000
20354 Chapman & Cambridge Left Turn Signal Modification (6/2024)	425,000
20376 Garden Grove Blvd Signal Synchronization (9/2023)	7,000
20377 Katella/Struck Traffic Signal Modification (completed, some cost items remaining)	4,634
20380 Glassell Street Signal Network Extension (7/2024)	130,000
20381 Katella Signal Synchronization (9/2023)	250,000
20382 Katella Signal Network Extension (7/2023)	1,400,000
20383 Cannon & Serrano intersection Modification (12/2023)	226,727
20425 Tustin St Signal Synchronization (6/2025)	203,894
20458 Prospect & Spring Right Turn Lane (12/2022)	112,244
30162 Citywide Bus Stop Enhancements (12/2022)	9,830
30174 Cannon Street Widening (6/2023)	202,416
Total Estimated Expenditures	<u><u>\$ 3,860,993</u></u>

**City of Orange
Annual Report for Park Infill Fees
For The Year Ended June 30, 2022**

I. Findings:

The fee provides for residential development projects to finance the cost of park facilities and improvements required by new residential development. The relationship between the fee and the purpose for which it is charged is described in the April 2000 City of Orange Quimby Ordinance Background Report, with amendments, which is incorporated herein by reference. The City's 5-year Capital Improvement Plan adopted in June 2020 identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements and designates approximate dates on which the funding is expected to be deposited into the fund. Per the California Government Code Section 66001 (d), the City is required to refund the unexpended revenues that are more than the revenues collected in the prior five years less the projected expenditures of future projects. Fund 510 Park Acquisition - Infill is in compliance and no refunds need to be made. All documents and amendments incorporated herein by reference are on file with the City Clerk's Office. The purpose of this fee is described in Orange Municipal Code Section 3.40.010.

II. Park Infill Fee Schedule:

Fees:

Residential

**Fund 510
Park Acquisition Infill**

\$14,479/unit

III. Summary of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	FY 2021-22 Fund 510 Park Acquisition Infill <u>Budget</u>	FY 2021-22 Fund 510 Park Acquisition Infill <u>Actual</u>
Revenues and Transfers In		
Interest on Investments	41,803	(265,399)
Park Acquisition Fees	2,654,660	1,380,102
Admin Fee	65,039	32,116
Total Revenues	<u>2,761,502</u>	<u>1,146,820</u>
Expenditures and Transfers Out		
20059 Lot Shade Sails (6/2025)	423,272	165,177
20266 Park Video Surveillance & Security (ongoing)	90,157	24,828
20315 Hart Park Pickleball and Fitness Circuit (6/2024)	550,000	-
20321 Grijalva Park Master Plan Update (6/2023)	104,198	-
20347 Enterprise Access System (6/2023)	45,000	-
20370 Handy Park Maintenance Renovation (completed)	813,555	755,693
20401 El Camino Tennis Court Lighting Improvements (6/2023)	227,600	-
20435 Olive Park Kitchen Update (6/2023)	49,780	306
20437 Park Signage Installation (6/2023)	570,787	6,000
20440 Rubberized Tot Lot Surface Replacement (6/2024)	47,750	-
20448 Restroom Interior Upgrades (6/2024)	50,000	-
20457 HVAC Installation at Killefer Park (completed)	76,252	42,145
20475 Resurfacing Bike Trails and Walking Paths (6/2023)	226,800	17,902
20477 Area Lighting Replacement at Grijalva Park (6/2023)	351,714	23
20478 Evaluation of Synthetic Turf Installation at Grijalva Park (6/2024)	164,770	-
20479 Hart and Handy Parks Land Acquisition (6/2023)	716,000	317,300
20480 Hart Park Pool Drain Pipe Replacement (completed)	20,000	9,352
20481 Park Facility Roof Evaluation (completed)	16,370	4,960
30041 HVAC Delta Control Systems (completed)	20,000	-
30047 CalSense Installation (6/2023)	119,462	82,190
30053 Parking Lot Pavement Rehabilitation (ongoing)	504,637	12,503
30054 Electric Panel Replacement (completed)	11,505	-
30133 Hart Park Field Improvements (6/2023)	250,000	-
	<u>5,449,609</u>	<u>1,438,380</u>
Net Increase(Decrease)		(291,560)
Beginning Fund Balance		<u>8,063,394</u>
Ending Fund Balance		<u><u>7,771,834</u></u>

Projected future projects:

	Estimated Expenditures
20059 Tot Lot Shade Sails (6/2025)	481,095
20266 Park Video Surveillance & Security (ongoing)	130,999
20315 Hart Park Pickleball and Fitness Circuit (6/2024)	550,000
20321 Grijalva Park Master Plan Update (6/2023)	104,198
20347 Enterprise Access System (6/2023)	45,000
20401 El Camino Tennis Court Lighting Improvements (6/2023)	227,600
20435 Olive Park Kitchen Update (6/2023)	49,474
20437 Park Signage (6/2023)	564,787
20440 Rubberized Tot Lot Surface Replacement (6/2024)	47,750
20448 Restroom Interior Upgrades (6/2024)	50,000
20475 Resurfacing Bike Trails and Walking Paths (6/2023)	208,898
20476 El Modena Basin Area Lighting and Irrigation (6/2023)	200,000
20477 Area Lighting Replacement at Grijalva (6/2023)	351,691
20478 Evaluation of Synthetic Turf at Grijalva Park (6/2024)	164,770
20479 Hart and Handy Park Land Acquisition (6/2023)	401,700
20506 Ball Field Netting (6/2023)	1,420,900
20507 Park Facility Roof Repairs (6/2023)	322,710
20508 Irrigation Booster Pump Replacement (6/2023)	120,680
20513 New Park in West Orange (6/2027)	4,800

20514 Mural at El Camino Real Park (6/2027)	2,500
30047 CalSense Installation (6/2023)	37,272
30053 Parking Lot Pavement Rehabilitation (ongoing)	612,934
30133 Hart Park Ball Field Netting (6/2023)	<u>250,000</u>
Total Estimated Expenditures	<u><u>6,349,758</u></u>

City of Orange
Annual Report For Fire Protection Facilities Fees
For The Year Ended June 30, 2022

I. Findings:

The fee provides for fire facility construction and improvements to existing fire facilities. The relationship between the fee and the purpose for which it is charged is described in the 1988 Fire Protection Facilities Fee Study, with amendments, which is incorporated herein by reference. The City's 5-Year Capital Improvement Plan adopted in June 2020 identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements and designates approximate dates on which the funding is expected to be deposited into the fund. Per the California Government Code Section 66001 (d), the City is required to refund the unexpended revenues that are more than the revenues collected in the prior five years less the projected expenditures of future projects. Fund 560 Fire Facilities Fees is in compliance and no refunds need to be made. All documents and amendments incorporated herein by reference are on file with the City Clerk's Office. The purpose of this fee is described in Orange Municipal Code Section 15.38.010.

II. Fire Protection Facilities Fee Schedule:**FIRE****Fees:**

Residential (Single Family/Multi-Family)	\$1,278/unit
Dormitory	\$1,024/unit
Commercial/Industrial	\$0.929/sq. ft.
Hospital	\$1.434/sq. ft.

III. Summary of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	FY 2021-22 Fund 560 Fire <u>Budget</u>	FY 2021-22 Fund 560 Fire <u>Actual</u>
Revenues and Transfers In		
Interest on Investments	10,289	(36,965)
Fire Facilities & Equipment Fees	368,170	432,569
Admin Fee	9,020	10,402
Total Revenues	<u>387,479</u>	<u>406,006</u>
Expenditures and Transfers Out		
12406 Signal Pre-emption Installation (ongoing)	35,000	30,315
12540 Thermal Image Cameras (ongoing)	77,347	5,370
20104 S.C.B.A. Retrofit and Replacement (ongoing)	201,669	-
20107 Fire Station 2 Apparatus Bay (completed)	5,974	5,974
20124 Turnout Replacement 1851 Cleaning (ongoing)	140,000	99,311
20171 EPCR Replacement Program (ongoing)	55,035	16,918
20239 Records Management System (ongoing)	26,723	-
20332 Fire Station 2, 3, and 4 Kitchen Renovations (2/2023)	48,163	504
20334 Fire Station Maintenance (ongoing)	205,994	154,228
20347 Enterprise Access System (6/2023)	25,000	-
20384 Vehicle Extrication Tool (ongoing)	3,829	1,459
20393 Defibrillator, AED & Battery Replacement (ongoing)	980,610	980,610
20465 Fire Station Flooring Improvements (ongoing)	133,870	84,191
30032 Wellness Exercise Equipment Replacement (ongoing)	36,534	35,924
Total Expenditures	<u>1,975,749</u>	<u>1,414,805</u>
Net Increase(Decrease)		(1,008,799)
Beginning Fund Balance		<u>1,935,725</u>
Ending Fund Balance		<u><u>926,926</u></u>

Projected future projects:

	Estimated Expenditures
12406 Signal Pre-emption Installation (ongoing)	44,685
12540 Thermal Image Cameras (ongoing)	71,977
20104 S.C.B.A. Retrofit and Replacement (ongoing)	201,669
20124 Turnout Replacement & NFPA 1851 Maintenance (ongoing)	130,689
20171 EPCR Replacement Program (ongoing)	38,117
20239 Records Management System (ongoing)	26,723
20332 Fire Station 2, 3, and 4 Kitchen Renovations (2/2023)	47,659
20334 Fire Station Maintenance (ongoing)	101,766
20347 Enterprise Access System (6/2023)	25,000
20384 Vehicle Extrication Tool (ongoing)	2,370
20465 Fire Station Flooring Improvements (ongoing)	137,300
20504 Fire Station 3 Building Addition (6/2024)	250,000
30032 Wellness Exercise Equipment Replacement (ongoing)	45,610
Total Estimated Expenditures	<u><u>1,123,565</u></u>

City of Orange
Annual Report for Police Facility Development Fees
For The Year Ended June 30, 2022

I. Findings:

The fee provides for the acquisition and development of the new police headquarters and improvements to existing Civic Center Facilities. The relationship between the fee and the purpose for which it is charged is described in the August 1989 Police Facility Fee Study, with amendments, which is incorporated herein by reference. The City's 5-Year Capital Improvement Plan adopted in June 2020 identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements and designates approximate dates on which the funding is expected to be deposited into the fund. Per the California Government Code Section 66001 (d), the City is required to refund the unexpended revenues that are more than the revenues collected in the prior five years less the projected expenditures of future projects. Fund 570 Police Facility Fees is in compliance and no refunds need to be made. All documents and amendments incorporated herein by reference are on file with at the City Clerk's Office. The purpose of this fee is described in Orange Municipal Code Section 3.13.060.

II. Police Facility Protection Fee Schedule:

	Fund 570
	<u>POLICE</u>
<u>Fees:</u>	
Residential (Single Family/Multi-Family)	\$633.56/unit
Non-Residential	\$0.252/sq. ft.

III. Summary of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	FY 2021-22 Fund 570 Police <u>Budget</u>	FY 2021-22 Fund 570 Police <u>Actual</u>
Revenues and Transfers In		
Interest on Investments	2,562	(23,368)
Police Facility Fees	163,553 #	144,947
Admin Fee	4,007	3,457
Total Revenues	<u>170,122</u>	<u>125,037</u>
Expenditures and Transfers Out		
Repairs to Buildings & Fixed Equipment	20,000	9,689
20347 Enterprise Access System (6/2023)	45,000	-
20386 PD Rack Infrastructure Update (completed)	26,612	-
20483 Police Facility Improvements (ongoing)	300,000	-
Total Expenditures	<u>391,612</u>	<u>9,689</u>
Net Increase(Decrease)		115,347
Beginning Fund Balance		<u>563,679</u>
Ending Fund Balance		<u><u>679,027</u></u>
Projected future projects:		
	Estimated Expenditures	
20347 Enterprise Access System (6/2023)	45,000	
20483 Police Facility Improvements (ongoing)	300,000	
Total Estimated Expenditures	<u><u>345,000</u></u>	

City of Orange
Annual Report for Library Facilities Development Fees
For The Year Ended June 30, 2022

I. Findings:

The fee provides for new library facilities and other capital acquisition costs required, incrementally, by new residential development within the City of Orange. The relationship between the fee and the purpose for which it is charged is described in the "City of Orange Library Impact Fee Study", dated April 2, 2003, prepared by Maximus, Inc. The City's 5-year Capital Improvement Plan adopted in June 2020 identifies all sources and amounts of funding anticipated to complete financing of incomplete improvements and designates approximate dates on which the funding is expected to be deposited into the fund. Per the California Government Code Section 66001 (d), the City is required to refund the unexpended revenues that are more than the revenues collected in the prior five years less the projected expenditures of future projects. Fund 573 Library Facilities Fees is in compliance and no refunds need to be made. All documents and amendments incorporated herein by reference are on file with the City Clerk's Office. The purpose of this fee is described in Orange Municipal Code Section 3.50.010.

II. Library Facilities Fee Schedule:

	Fund 573
	<u>Library Facility Fees</u>
<u>Fees:</u>	
Residential	\$1,194/unit
Commercial	\$0.072/sq. ft.

III. Summary of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	FY 2021-22	FY 2021-22
	Fund 573	Fund 573
	<u>Library</u>	<u>Library</u>
	<u>Budget</u>	<u>Actual</u>
Revenues and Transfers In		
Interest on Investments	3,873	(31,636)
Library Impact Fees	216,430	137,740
Admin Fee	5,303	3,235
Total Revenues	<u>225,606</u>	<u>109,340</u>
Expenditures and Transfers Out		
20347 Enterprise Access System (6/2023)	45,000	-
20358 Carpeting - Orange Public Library (project to be consolidated into 20461 Main Library Improvements in Fiscal Year 23)	65,355	-
20445 Study Room Soundproofing (project to be consolidated into 20461 Main Library Improvements in Fiscal Year 23)	35,000	-
20446 Children's Courtyard Rehabilitation Support (completed)	8,447	8,447
20461 Main Library Improvements (ongoing)	149,491	6,706
20462 Taft Library Improvements (ongoing)	214,532	58,205
20463 El Modena Library Improvements (ongoing)	155,844	434
30055 Painting - Library Buildings (project to be consolidated into 20461 Main Library Improvements in Fiscal Year 23)	190,900	-
30056 HVAC Replacement - Library (6/2026)	283,835	-
Total Expenditures	<u>1,148,404</u>	<u>73,791</u>
Net Increase(Decrease)		35,549
Beginning Fund Balance		888,205
Ending Fund Balance		<u>923,753</u>

Projected future projects:

	Estimated Expenditures
20347 Enterprise Access System (6/2023)	45,000
20461 Main Library Facility Improvement (ongoing)	257,785
20462 Taft Library Facility Improvement (ongoing)	156,327
20463 El Modena Facility Improvement (ongoing)	155,410
30056 HVAC Replacement - Library (6/2026)	<u>283,835</u>
Total Estimated Expenditures	<u><u>898,357</u></u>