



AGENDA REPORT

Department: Finance
Prepared by: Sean Pfeifer, Management Analyst
Meeting Date: Tuesday, November 19, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

FY 2023-24 Development Impact Fees Annual Report

RECOMMENDATION:

Accept and File the Report.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The City of National City requires the payment of development impact fees on new development as authorized by State of California Government Code Section 66000 et seq., which is known as the Mitigation Fee Act. The Mitigation Fee Act requires that an annual report and five-year reports be prepared regarding the collection and use of the Development Impact Fees (DIF fees). Fees collected must be spent in a timely manner. If fees are not spent within a period of 5 years, the report must provide an expenditure plan that justifies keeping the revenues for a longer period. The attached report provides revenue and expenditure information since the inception of the DIFs, fulfills the annual reporting requirements, and addresses future spending plans for the unspent balances.

The development impact fees for Parks and Recreation, Police, Fire, and Library were established in 2005 and have not been updated since that time. The transportation fees were established in 2008 based on a fee study conducted by the San Diego Association of Governments (SANDAG) and have been adjusted annually for inflation based on direction from SANDAG. A consultant has been engaged to assist in reexamining these impact fees to ensure that they continue to reflect the impacts of new development on public facilities as the general plan evolves and the development of the City progresses. Recommendations to adjust the development impact fees will be brought to City Council during calendar year 2025.

FINANCIAL STATEMENT:

Since inception, the City has collected approximately \$4.3 million in development impact fees for Parks, Police, Fire and Library facilities and approximately \$3.7 million in transportation development impact fees. See the attached report for details.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBIT:

Exhibit A – Development Impact Fees Annual Report for Fiscal Year 2023-24