

City of Sierra Madre

Development Impact Fees
Five-Year Report
For the City of Sierra Madre
For Fiscal Year Ending June 30, 2023



Introduction

The City of Sierra Madre imposes fees under Government Code Sections 66000 through 66008. These fees, known as “Public Facility Fees” or “Development Impact Fees”, are charged to mitigate the effects of development on the city’s public facilities. The fees were based on a Nexus Study performed by MuniFinancial Services in 2006 and are periodically updated based on the Construction Cost Index. California Government Code Section 66001 defines the specific reporting requirements for local agencies that impose impact fees as a conditional of approval of a development project.

California Government Code Section 66001 (d)

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

- “(A) Identify the purpose to which the fee is to be put.
- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- (D) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund”

City Council adopted Ordinance No. 1251 in July 2006, which sets forth public facilities fees. The fees are imposed upon development projects to defray all or a portion of the costs of public facilities (including public improvements and public amenities) related to development projects. The fees ensure that any new development will fund the expansion or improvement of existing facilities thereby ensuring that new developments are not subsidized by existing development. Fees will be used for the sole propose established in the above Government Code section 66001(d)(A) above. The Nexus Study, prepared by MuniFinancial, developed the relationship between the fees and the purposes for which it is charged. The study provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of in each facility category chapter.

MuniFinancial’s Nexus Study can be accessed at the City’s webpage:

<https://www.cityofsierramadre.com/cityhall/finances/fees/ab1600>

The City has six categories of Public Facilities Fees. They include General Government, Library, Public Safety, Traffic, Water and Sewer fees. Below are descriptions of the purpose for each fee:

General Government

- The purpose of the General Government Public Facility Fee is to ensure that new development funds its fair share of general government facilities. Revenues are used to expand general facilities and for other projects to accommodate new development. General government facilities include, but are not limited to, government administrative offices, city-owned vehicles, and city storage facilities.
- As of June 30, 2023, the balance in this account was \$55,318.
- The portions of the fee that was collected more than five years ago and that remains unexpended is to be used to fund a city vehicle.

FY2022/23	
Fund Balance, Beginning	41,954
REVENUES	
Fees	11,279
Interest	2,084
Total Revenues	<u>13,364</u>
EXPENDITURES	
Capital Outlay	-
Transfer Out	-
Total Expenditures	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>13,364</u>
Fund Balance, Ending	<u>55,318</u>
Five-Year Revenue Test Using First in First Out Method	
Current Fiscal Year	13,364
FY2021-22 (2-yr Old Funds)	41,954
FY2020-21 (3-yr Old Funds)	-
FY2019-20 (4-yr Old Funds)	-
In Excess of Five Prior Fiscal Years	-
Total Revenue Available	<u>55,318</u>

Library

- The purpose of the Library Public Facility Fee is to ensure that new development funds its fair share of library facilities. Revenue is used to help fund expanded library facilities and for other projects to serve new development.
- As of June 30, 2023, the balance in this account was \$20,640.
- The portions of the fee that was collected more than five years ago and that remains unexpended is to be used to fund furniture and fixtures for the renovated Library building.

FY2022/23	
Fund Balance, Beginning	13,732
REVENUES	
Fees	6,530
Interest	378
Total Revenues	<u>6,908</u>
EXPENDITURES	
Capital Outlay	-
Transfer Out	-
Total Expenditures	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,908</u>
Fund Balance, Ending	<u>20,640</u>
Five-Year Revenue Test Using First in First Out Method	
Current Fiscal Year	6,908
FY2021-22 (2-yr Old Funds)	11,738
FY2020-21 (3-yr Old Funds)	-
FY2019-20 (4-yr Old Funds)	-
In Excess of Five Prior Fiscal Years	1,994
Total Revenue Available	<u>20,640</u>

Public Safety

- The purpose of the Public Safety Facility Fee is to ensure that new development funds its fair share of public safety facilities. Facilities include both police and fire facilities. Revenue is used to expand public safety facilities including fire suppression apparatus, police vehicles, public safety communication systems and for other projects to serve new development.
- As of June 30, 2023 the balance in this account was \$30,460.
- The fee will be used to fund the public safety facility improvement project for FY24/25.

FY2022/23	
Fund Balance, Beginning	21,077
REVENUES	
Fees	8,821
Interest	562
Total Revenues	<u>9,383</u>
EXPENDITURES	
Capital Outlay	-
Transfer Out	-
Total Expenditures	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,383</u>
Fund Balance, Ending	<u>30,460</u>
Five-Year Revenue Test Using First in First Out Method	
Current Fiscal Year	9,383
FY2021-22 (2-yr Old Funds)	15,867
FY2020-21 (3-yr Old Funds)	-
FY2019-20 (4-yr Old Funds)	-
In Excess of Five Prior Fiscal Years	5,210
Total Revenue Available	<u>30,460</u>

Transportation/Traffic

- The purpose of the Transportation Public Facility Fee is to ensure that new development funds its fair share of street and transportation facilities. Revenue is used to fund improvements to the street network, increase the number of local transit stops and for other projects to serve new development.
- As of June 30, 2023 the balance in this account was \$197,847.
- The fee will be used to fund street project for FY 24/25 as stated in the Capital improvement plan.

FY2022/23

Fund Balance, Beginning **169,757**

REVENUES

Fees 24,234

Interest 3,856

Total Revenues 28,090

EXPENDITURES

Capital Outlay -

Transfer Out -

Total Expenditures -

REVENUES OVER (UNDER) EXPENDITURES 28,090

Fund Balance, Ending **197,847**

Five-Year Revenue Test Using First in First Out Method

Current Fiscal Year 28,090

FY2021-22 (2-yr Old Funds) 47,918

FY2020-21 (3-yr Old Funds) -

FY2019-20 (4-yr Old Funds) -

In Excess of Five Prior Fiscal Years 121,839

Total Revenue Available **197,847**

Improvement Name	FY24-25	Total Project Cost
Street Rehabilitation Project	<u>197,847.00</u>	1,364,747.00
Capital Expenditures	<u><u>197,847.00</u></u>	

Water

- The purpose of the Water Public Facility Fee is to ensure that new development funds its fair share of the water facilities. Revenue is used to expand reservoir capacity, groundwater pumping capacity and pipeline size and for other projects to serve increased demand by new development.
- As of June 30, 2023 the balance in this account was \$155,755.
- The fee will be used to fund a portion of the water main replacement project for FY 24/25.

FY2022/23	
Fund Balance, Beginning	101,971
REVENUES	
Fees	50,916
Interest	2,868
Total Revenues	<u>53,784</u>
EXPENDITURES	
Capital Outlay	-
Transfer Out	-
Total Expenditures	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>53,784</u>
Fund Balance, Ending	<u>155,755</u>

Five-Year Revenue Test Using First in First Out Method	
Current Fiscal Year	53,784
FY2021-22 (2-yr Old Funds)	81,482
FY2020-21 (3-yr Old Funds)	-
FY2019-20 (4-yr Old Funds)	-
In Excess of Five Prior Fiscal Years	20,489
Total Revenue Available	<u>155,755</u>

<u>Improvement Name</u>	<u>FY24-25</u>	<u>Total Project Cost</u>
Water Main Replacement Project	<u>155,755.00</u>	1,300,555.00
Capital Expenditures	<u>155,755.00</u>	

Sewer

- The purpose of the Sewer Public Facility Fee is to ensure that new development funds its fair share of the sewer facilities. Revenue is used to increase the size of the current sewer lines and for other projects to serve increased demand by new development.
- As of June 30, 2023 the balance in this account was \$157,913.
- The fee will be used to fund the wastewater infrastructure repair project for FY 24/25.

FY2022/23	
Fund Balance, Beginning	99,386
REVENUES	
Fees	55,615
Interest	<u>2,912</u>
Total Revenues	<u><u>58,527</u></u>
EXPENDITURES	
Capital Outlay	-
Transfer Out	-
Total Expenditures	<u><u>-</u></u>
REVENUES OVER (UNDER) EXPENDITURES	<u>58,527</u>
Fund Balance, Ending	<u><u>157,913</u></u>

Five-Year Revenue Test Using First in First Out Method	
Current Fiscal Year	58,527
FY2021-22 (2-yr Old Funds)	79,189
FY2020-21 (3-yr Old Funds)	-
FY2019-20 (4-yr Old Funds)	-
In Excess of Five Prior Fiscal Years	<u>20,197</u>
Total Revenue Available	<u><u>157,913</u></u>

<u>Improvement Name</u>	<u>FY24-25</u>	<u>Total Project Cost</u>
Wastewater Infrastructure Repair	<u>157,913.00</u>	158,000.00
Capital Expenditures	<u>157,913.00</u>	