

CITY OF HEALDSBURG

RESOLUTION NO. 186-2022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG ACCEPTING THE FISCAL YEAR 2021-22 ANNUAL REPORT OF DEVELOPER DEPOSITS (AB 1600 REPORT)

WHEREAS, the City of Healdsburg imposes fees to mitigate the impact of development pursuant to Government Code section 66000 et seq.; and

WHEREAS, said fees collected are deposited into a special segregated account for each type of development fees; and

WHEREAS, the City maintains separate funds for fire facilities, streets/traffic, water, sewer, drainage, electric and park development fees; and

WHEREAS, the City is required within 180 days after the last day of each fiscal year to make available to the public information for the fiscal year regarding these fees under Government Code sections 66001 and 66006; and

WHEREAS, City staff has prepared a report ("AB 1600 Report") that contains the information required by Government Code sections 66001 and 66006; and

WHEREAS, no interfund transfers or loans were made from any of the accounts identified in the AB 1600 Report; and

WHEREAS, there were no refunds of development impact fees collected pursuant to Government Code §66001(e), nor were there any allocations of unexpended revenues collected pursuant to Government Code §66001(f); and

WHEREAS, the AB 1600 Report was made available for review on November 28, 2022, more than fifteen (15) days prior to the date that the Council considered the AB 1600 Report; and

WHEREAS, one interested persons has requested notice of the AB 1600 Report; and one notice of the availability of the AB 1600 Report was mailed.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEALDSBURG FINDS AND RESOLVES AS FOLLOWS:

Section 1.

- A. In accordance with Government Code section 66006, the City has conducted an annual review of its development impact fees and capital infrastructure programs and the City Council has

reviewed the AB 1600 Report attached hereto as Exhibit A and incorporated herein by this reference.

B. The City Council hereby approves, accepts and adopts the AB 1600 Report.

Section 2. That the following findings are made as required under the Government Code Section 66006:

- A. The fire facilities impact fee has accumulated \$42,273 that has remained unexpended for a period beyond five years. The purpose of this fee is to purchase an aerial ladder truck. A reasonable relationship exists between the need for an aerial ladder truck and future commercial and residential development due to the increased risk of loss of life and property damage that can occur when a ladder truck is not available in a response area. An aerial ladder truck has been acquired for \$1,475,115.33 and has been financed through a three-year lease agreement. Additional fire facility impact fee revenues in the amount of \$152,203 and direct developer contributions of \$696,666 are anticipated to complete repayment of the aerial ladder truck over the course of the next two years.
- B. The sewer development impact fee has accumulated \$71,136 that has remained unexpended for a period beyond five years. The purpose of this fee is to support the acquisition and construction costs of the existing water and sewer systems, cost of financing system improvements and existing capital reserves. A reasonable relationship exists between the sewer development impact fee and the cost of providing sewer services to new developments. The fee was established with the buy-in methodology assuring new developments pay estimated reasonable costs associated with the use of existing capacity in the City's sewer system. The adopted fiscal year 2022-2023 budget includes \$528,590 in sewer system improvements including centrifuge rotating assemblies and blower reconditioning that requires no additional funding and will be completed within the next fiscal year.
- C. The drainage development impact fee has accumulated \$469,120 that has remained unexpended for a period beyond five years. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of storm drain infrastructure and facilities necessary to serve new development. There is a reasonable relationship between the demand for additional facilities from new development and the calculated storm drainage development impact fee. The adopted fiscal year 2022-2027 capital improvement plan includes the Healdsburg Avenue Utility Replacement Project that will use \$660,000 of drainage development impact fees. Additional funds including \$359,333 in water capital funds, \$449,167 in water development impact fee funds, \$687,500 in sewer capital funds, and \$302,500 in sewer development impact fee funds may be supplement the costs of completing the project. Project design is scheduled to begin in fiscal year 2023-2024.
- D. The park development impact fee has accumulated \$432,338 that has remained unexpended for a period beyond five years. The purpose of this fee is to fund the design and construction of park and park improvements required to mitigate the impact of new development. There is a reasonable relationship between the demand for parks caused by new development and the calculated fee. The adopted fiscal year 2022-2023 budget includes the Fitch Mountain Park

and Open Space Preserve Improvements Project that will use \$561,569 of park development impact fees. Additional funds including \$1,650,000 in coastal conservancy grants, \$185,530 in prop 68 per capita grants, and \$380,000 in measure m parks funding may supplement the cost of completing the project. Project construction is anticipated to begin in the fiscal year 2022-2023.

Section 3. Effective Date. The resolution shall take effect immediately upon adoption.

Section 4. Severability. If any section, subsection, sentence, clause, phase or portion of this Resolution is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution.

The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phase thereof irrespective of the fact that any one of or more sections, subsections, clauses or phases be declared unconstitutional on their face or as applied.

PASSED, APPROVED AND ADOPTED, this 19th day of December 2022, by the following vote:

AYES: Councilmembers: (5) Edwards, Hagele, Herrod, Mitchell and Mayor Kelley

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:

  
Ariel Kelley, Mayor

  
Raina Allan, City Clerk

Resolution No. 186-2022

Page 4

I, RAINA ALLAN, City Clerk of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 186-2022 adopted by the City Council of the City of Healdsburg on the 19th day of December, 2022.

  
Raina Allan, City Clerk

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**City of Healdsburg  
Development Impact Fee Descriptions**

**Fire Facilities Development Impact**

City Council Resolution 129-2002 established the Fire Facilities Impact Fee for development within the City of Healdsburg. The fee applies to all commercial and residential development regardless of size of the proposed structure. The fee revenues will be used only for the replacement and maintenance costs of the fire department aerial ladder truck.

**Streets Development Impact**

City Council Resolution 2-2021 updated the Streets/Traffic Impact Fee for new and expanded development within the City of Healdsburg incorporating an alternative fee schedule effective upon the closure of the City emergency declaration for COVID-19. Fee revenues will only be used to pay for the portion of various streets facilities that support new development within the City.

**Water Development Impact**

City Council Resolution 98-2013 established the current Water Capacity Charges for development within the City of Healdsburg. The Water Capacity Charges are based on a system buy-in methodology that assures new developments pay estimated reasonable costs associated with the use of existing capacity in the City's water system. Fee revenues will be used for the fair share of the City's acquisition and construction costs of the existing water systems, costs of financing system improvements, and existing capital reserves.

**Sewer Development Impact**

City Council Resolution 98-2013 established the current Sewer Capacity Charges for development within the City of Healdsburg. The Sewer Capacity Charges are based on a system buy-in methodology that assures new developments pay estimated reasonable costs associated with the use of existing capacity in the City's sewer system. Fee revenues will be used for the fair share of the City's acquisition and construction costs of the existing sewer systems, costs of financing system improvements, and existing capital reserves.

**Drainage Development Impact**

City Council Resolution 2-2021 updated the Drainage Impact Fee for new and expanded development within the City of Healdsburg incorporating an alternative fee schedule effective upon the closure of the City emergency declaration for COVID-19. Fee revenues will only be used to pay for the portion of various drainage facilities that support new development within the City.

**Electric Development Impact**

City Council Resolution 75-1997 updated the Electric Impact Fee for development within the City of Healdsburg. The fee is assessed on new development initial connections to the City's electric system and existing development service upgrades. Fee revenues will be used to fund system expansions that support new development and costs of prior oversizing providing services to new development.

**Park Development Impact**

City Council Resolution 74-1997 updated the Park Development Impact Fee for development within the City of Healdsburg. The fee is assessed on new commercial, industrial and residential units to mitigate the impact of development on park facilities. Fee revenues will be used to fund the expansion and improvement of park facilities.

Resolution No. 186-2022  
Exhibit A

**City of Healdsburg  
Development Impact Fees Schedule**

**Infrastructure Development Impact Charges - Single Family Residential Dwelling**

Water System	6,829.47	per unit
Sewer System	11,326.97	per unit
Park System	2,057.00	per unit
Electrical Development Fees		
Up to 125 amps	975.00	per unit
Up to 200 amps	1,473.00	per unit
Up to 400 amps	2,925.00	per unit
Fire Facilities Impact Fees	193.00	per unit
Traffic Facilities	3,206.00	per unit
Storm Drain Facilities	4,293.00	per unit

**Infrastructure Development Impact Charges - Secondary Residential Dwelling Unit**

Tier 2, between 851 and 1200 square feet		
Electrical Development Fees	487.00	
Park System	1,028.00	
Wastewater System Capacity	5,663.49	
Water System	3,414.73	

**Infrastructure Development Impact Charges - Commercial & Industrial**

Water System	11,404.57	water meter size 1" or smaller (rate varies for larger meter sizes) water meter size 1" or smaller with low sewer strength (rate varies for larger meter sizes and increased sewer strenghts)
Sewer System	18,917.09	
Park System	0.35	per sq-ft of gross floor area
Electrical Development Fees	Varies	
Fire Facilities Impact Fees	0.15	per sq-ft of gross floor area
Traffic Facilities		
Commercial	4,022.00	per 1,000 Building Sq. Ft. or Hotel Room
Office	5,118.00	per 1,000 Building Sq. Ft. or Hotel Room
Industrial	3,037.00	per 1,000 Building Sq. Ft. or Hotel Room
Hotel Room	1,884.00	per 1,000 Building Sq. Ft. or Hotel Room
Storm Drain Facilities		
Commercial	1,202.00	per 1,000 Building Sq. Ft. or Hotel Room
Office	1,932.00	per 1,000 Building Sq. Ft. or Hotel Room
Industrial	1,846.00	per 1,000 Building Sq. Ft. or Hotel Room
Hotel Room	1,417.00	per 1,000 Building Sq. Ft. or Hotel Room

**Infrastructure Development Impact Charges - Multi-Family Residential Dwelling Units**

Water System	4,096.25	per dwelling unit
Sewer System	10,193.66	per dwelling unit
Park System	2,057.00	per dwelling unit
Electrical Development Fees		
2 to 8 Units	975.00	per dwelling unit
9 to 50 Units	780.00	per dwelling unit
Fire Facilities Impact Fees	193.00	per dwelling unit
Traffic Facilities	2,138.00	per dwelling unit
Storm Drain System	1,718.00	per sq-ft of hard surface

Resolution No. 186-2022  
Exhibit A

**Annual Report on Developers' Funds Per GC 66000**  
**Analysis of Changes in Fund Balance /Working Capital including beginning and ending balances, fees collected and interest earned**

	<b>FIRE FACILITIES DEVELOPMENT IMPACT</b>	<b>STREETS DEVELOPMENT IMPACT</b>	<b>WATER DEVELOPMENT IMPACT</b>	<b>SEWER DEVELOPMENT IMPACT</b>	<b>DRAINAGE DEVELOPMENT IMPACT</b>	<b>ELECTRIC DEVELOPMENT IMPACT</b>	<b>PARK DEVELOPMENT IMPACT</b>
Beginning Fund Balance 07/01/21 per 2020-21 Developer Report	\$ 268,544	\$ 408,789	\$ 1,418,606	\$ 1,458,419	\$ 766,595	\$ 628,020	\$ 615,788
<b>Adjusted beginning fund balance after 2020-21 fiscal year end audit</b>	<b>268,544</b>	<b>408,789</b>	<b>1,418,606</b>	<b>1,458,419</b>	<b>766,595</b>	<b>628,020</b>	<b>615,788</b>
<b>REVENUE</b>							
Fees collected	11,026	828,537	986,241	2,225,454	494,143	33,659	503,517
Interest earned	(1,771)	(17,731)	(32,414)	(52,974)	(18,116)	(9,642)	(15,624)
Rent received	-	-	-	-	-	-	246
	<u>9,255</u>	<u>810,806</u>	<u>953,827</u>	<u>2,172,480</u>	<u>476,028</u>	<u>24,017</u>	<u>488,139</u>
<b>EXPENDITURES</b>							
Projects	143,334	-	1,138,761	788,822	-	544,543	105,524
Audit Adjustment	-	-	-	-	-	-	-
	<u>143,334</u>	<u>-</u>	<u>1,138,761</u>	<u>788,822</u>	<u>-</u>	<u>544,543</u>	<u>105,524</u>
Excess of Revenue Over/(Under) Expenditures	(134,079)	810,806	(184,934)	1,383,658	476,028	(520,526)	382,615
<b>Ending Fund Balance 06/30/22</b>	<b><u>\$ 134,465</u></b>	<b><u>\$ 1,219,595</u></b>	<b><u>\$ 1,233,672</u></b>	<b><u>\$ 2,842,077</u></b>	<b><u>\$ 1,242,623</u></b>	<b><u>\$ 107,493</u></b>	<b><u>\$ 998,404</u></b>

Resolution No. 186-2022  
Exhibit A

Annual Report on Developers' Funds Per GC 66000  
Expenditures By Project

	FY 2021-22	% Funded with AB 1600 Fee	Balance of Project Funding
<b>FIRE FACILITIES DEVELOPMENT IMPACT</b>			
Aerial Ladder Truck	143,334	29%	Developer Contribution
Total	<u>143,334</u>		
<b>STREET DEVELOPMENT IMPACT</b>			
Total	<u>\$ -</u>		
<b>WATER DEVELOPMENT IMPACT</b>			
Water Capital Reserve	1,000,000	100%	
Groundwater Supply Wells / ASR	126,836	21%	Grants
Water & Wastewater Rate Study	11,925	50%	Wastewater Development Impact
Total	<u>\$ 1,138,761</u>		
<b>SEWER DEVELOPMENT IMPACT</b>			
Sewer Capital Reserve	500,000	50%	Sewer Fund
Biosolids Removal and Disposal	276,897	72%	Sewer Fund
Water & Wastewater Rate Study	11,925	50%	Water Development Impact
Total	<u>\$ 788,822</u>		
<b>DRAINAGE DEVELOPMENT IMPACT</b>			
Total	<u>\$ -</u>		
<b>ELECTRIC DEVELOPMENT IMPACT</b>			
Badger Substation Reconstruction	544,543	17%	Electric Fund
Total	<u>\$ 544,543</u>		
<b>PARK DEVELOPMENT IMPACT</b>			
Badger Park Redevelopment	27,941	4%	Park Dedication, Measure M Parks, Bond Proceeds, Open Space Grant
Fitch Mountain Park	77,583	23%	Coastal Conservancy Grant, Prop 68 Grant, Measure M Parks
Total	<u>\$ 105,524</u>		

Resolution No. 186-2022  
Exhibit A

**Annual Report on Developers' Funds Per GC 66000  
Planned Usage of Developer Impact Fees As Per Ordinances Establishing The Impact Fees**

	<b>Anticipated Start of Project</b>		
<b>FIRE FACILITIES DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 134,465
Aerial Ladder Truck	7/1/2023	286,668	
Total		<u>\$ 286,668</u>	
<b>STREETS DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 1,219,595
US-101 and Dry Creek Road Interchange	7/1/2024	1,422,500	
Total		<u>\$ 1,422,500</u>	
<b>WATER DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 1,233,672
System Improvements	7/1/2022	844,324	
Healdsburg Avenue Utility Replacements	7/1/2023	449,167	
Groundwater Supply Wells / Aquifer Storage Recovery	7/1/2024	1,931,200	
Total		<u>\$ 3,224,691</u>	
<b>SEWER DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 2,842,077
System Improvements	7/1/2022	528,590	
Healdsburg Avenue Utility Replacements	7/1/2023	302,500	
Grove Street and Vine Street Trunk Main Replacement	7/1/2025	3,575,000	
Total		<u>\$ 4,406,090</u>	
<b>DRAINAGE DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 1,242,623
Healdsburg Avenue Utility Replacements	7/1/2023	660,000	
Storm Drain Facility Expansion	7/1/2027	600,000	
Total		<u>\$ 1,260,000</u>	
<b>ELECTRIC DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 107,493
Badger Substation Bank Replacement	7/1/2026	1,960,000	
Total		<u>\$ 1,960,000</u>	
<b>PARK DEVELOPMENT IMPACT</b>			
Estimated Balance at 06/30/2022			\$ 998,404
Badger Park Redevelopment	7/1/2019	437,042	
Fitch Mountain Park and Open Space Preserve	7/1/2021	561,569	
Total		<u>\$ 998,611</u>	

Resolution No. 186-2022  
Exhibit A

Annual Report on Developers' Funds Per GC 66000  
Five Year Expenditure Test

	<b>FIRE FACILITIES DEVELOPMENT IMPACT</b>	<b>STREETS DEVELOPMENT IMPACT</b>	<b>WATER DEVELOPMENT IMPACT</b>	<b>SEWER DEVELOPMENT IMPACT</b>	<b>DRAINAGE DEVELOPMENT IMPACT</b>	<b>ELECTRIC DEVELOPMENT IMPACT</b>	<b>PARK DEVELOPMENT IMPACT</b>
<b>Beginning Fund Balance 2017-18</b>	<b>\$ 185,607</b>	<b>\$ 752,889</b>	<b>\$ 2,287,960</b>	<b>\$ 4,154,229</b>	<b>\$ 2,674,424</b>	<b>\$ 1,784,416</b>	<b>\$ 432,338</b>
<b>Expenditures</b>							
FY 2017-18	-	871,982	1,410,500	542,601	119,971	912,370	1,073
FY 2018-19	-	-	1,410,500	542,601	119,971	912,370	1,073
FY 2019-20	-	10,217	583	50,000	772,835	232,744	2,008
FY 2020-21	-	184,783	337,478	2,159,070	1,192,528	175,457	617
FY 2021-22	143,334	-	1,138,761	788,822	-	544,543	105,524
<b>Total Expenditures</b>	<b>143,334</b>	<b>1,066,982</b>	<b>4,297,821</b>	<b>4,083,093</b>	<b>2,205,304</b>	<b>2,777,485</b>	<b>110,295</b>
<b>Unexpended Fund Balance</b>	<b>\$ 42,273</b>	<b>\$ (314,093)</b>	<b>\$ (2,009,861)</b>	<b>\$ 71,136</b>	<b>\$ 469,120</b>	<b>\$ (993,069)</b>	<b>\$ 322,043</b>
	Findings	No Findings	No Findings	Findings	Findings	No Findings	Findings