

CITY OF HEALDSBURG

RESOLUTION NO. 143-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEALDSBURG ACCEPTING THE FISCAL YEAR 2023-24
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 and separate capital account for each type of improvement funded by development fees; and

WHEREAS, the City maintains separate funds for fire facilities, streets/traffic, water, sewer, drainage, electric, park development fees, inclusionary housing in-lieu fees, parking in-lieu fees, and park dedication in-lieu 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 section 66006; and

WHEREAS, City staff has prepared a report ("AB 1600 Report") that contains the information required by Government Code sections 66001, 66006, and 66013; 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 makes the required findings on the account balance of all fees in the report; and

WHEREAS, the AB 1600 Report was made available for review on November 27, 2024, 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 sections 66001, 66006, and 66013, 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. Effective Date. The resolution shall take effect immediately upon adoption.

Section 3. 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, by the City Council of the City of Healdsburg this 16th day of December 2024, by the following vote:

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

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:



David Hagele, Mayor

ATTEST:



Raina Allan, City Clerk

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. 143-2024 adopted by the City Council of the City of Healdsburg on the 16th day of December 2024.


Raina Allan, City Clerk



City of Healdsburg
Annual Report on Developers' Funds Per GC 66000
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. The fee amount is based on the use by the respective development, measured by the number of units of the new development, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of fire facilities necessary to serve new development.

Traffic 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. The fee amount is based on the use of the respective development, measured by the number of units of the new development, and the new developments proportionate cost to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of traffic facilities necessary to serve new development.

Water Capacity Charge

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. The fee amount is based on the use of the respective development, measured by the number of units of the new development, and the new developments proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of Water facilities necessary to serve new development. The following projects were completed in Fiscal Year 2023-24: Furnish and Install Compressor #1 at the Water Treatment Plant totaling \$21,534.

Sewer Capacity Charge

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. The fee amount is based on the use by the respective development, measured by the number of units of the new development, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of Sewer facilities necessary to serve new development. The following projects were completed in Fiscal Year 2023-24: Replace Sewer Rotor for \$81,750 and replace Pump #2 at the Magnolia Lift Station for \$25,697.

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. The fee amount is based on the use of the respective development, measured by the number of units of the new development, and the new developments proportionate cost to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of drainage facilities necessary to serve new development.

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. The fee amount is based on the use by the respective development, measured by the number of units of the new development, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of Electric facilities necessary to serve 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. The fee amount is based on the use by the respective development, measured by the number of units of the new development, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of park facilities necessary to serve new development.

Inclusionary Housing In-Lieu

City Council Resolution 81-2019 established the current Inclusionary Housing In-Lieu fee for development within the City of Healdsburg. The fee is assessed on new residential developments to support the development of affordable housing in the City. Fee revenues will be used to provide affordable housing programs and services in the community, including acquisition of property, planning and design, construction costs, and program administration. The fee amount is based on the impact of the respective development, measured by the square foot, and the new development's proportionate costs to construct affordable housing required to serve the community. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of affordable housing necessary to serve the community.

Parking In-Lieu

City Council Resolution 87-2015 established the current Parking In-Lieu fee for development within the Downtown In-Lieu Fee Area. The fee is assessed on new construction and change of use projects that do not provide the required off-street parking in the in-lieu fee area. Fee revenues will be used to fund parking improvements and alternative transportation, including bicycle and pedestrian, and improvements designed to reduce parking requirements. The fee amount is based on the use by the respective development, measured by development type, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of parking facilities necessary to serve new development.

Park Dedication In-Lieu

City Council Ordinance 1085 established the current Quimby Park Dedication In-Lieu Fee for development within the City of Healdsburg. The fee is assessed on the development of new subdivisions in lieu of dedicating land as determined in Article VIII of the Ordinance. Fee revenues will be used to provide park or recreational facilities reasonably related to serving the subdivision by way of the purchase of necessary land or improving such land available to the subdivision for park and recreational purposes. The fee amount is based on the use by the respective development, and the new development's proportionate costs to construct the improvements required to serve the use generated by the new development. The purpose of this fee is to raise capital revenues necessary to mitigate the cost of park facilities necessary to serve new development.

**Annual Report on Developers' Funds Per GC 66000
Development Impact Fees Schedule**

Infrastructure Development Impact Charges - Single Family Residential Dwelling

Water System	7,744.62	per unit
Sewer System	12,844.79	per unit
Park Development	2,057.00	per unit
Electrical Development		
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 Development	193.00	per unit
Traffic Development	4,677.28	per unit
Drainage Development	6,262.63	per unit

Infrastructure Development Impact Charges - Secondary Residential Dwelling Unit

Tier 2, between 851 and 1200 square feet		
Electrical Development	487.00	
Park Development	1,028.00	
Sewer System	6,422.40	
Water System	3,872.31	

Infrastructure Development Impact Charges - Commercial & Industrial

Water System	12,932.78	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
Sewer System	21,451.98	larger meter sizes and increased sewer strengths)
Park Development	0.35	per sq-ft of gross floor area
Electrical Development	Varies	
Fire Facilities Development	0.15	per sq-ft of gross floor area
Traffic Development		
Commercial	5,866.56	per 1,000 Building Sq. Ft. or Hotel Room
Office	7,466.14	per 1,000 Building Sq. Ft. or Hotel Room
Industrial	4,430.01	per 1,000 Building Sq. Ft. or Hotel Room
Hotel Room	2,748.38	per 1,000 Building Sq. Ft. or Hotel Room
Drainage Development		
Commercial	1,752.75	per 1,000 Building Sq. Ft. or Hotel Room
Office	2,818.40	per 1,000 Building Sq. Ft. or Hotel Room
Industrial	2,692.58	per 1,000 Building Sq. Ft. or Hotel Room
Hotel Room	2,066.75	per 1,000 Building Sq. Ft. or Hotel Room

Infrastructure Development Impact Charges - Multi-Family Residential Dwelling Units

Water System	4,645.15	per dwelling unit
Sewer System	11,559.61	per dwelling unit
Park Development	2,057.00	per dwelling unit
Electrical Development		
2 to 8 Units	975.00	per dwelling unit
9 to 50 Units	780.00	per dwelling unit
Fire Facilities Development	193.00	per dwelling unit
Traffic Development	3,118.19	per dwelling unit
Drainage Development	2,505.49	per sq-ft of hard surface

In-Lieu Charges

Inclusionary Housing		
For Sale	19.66	per unit, per square foot
Rental	7.24	per unit, per square foot
Parking		
New Construction	17,864.74	
Change of Use	7,388.91	
Park Dedication		Fair market value of land dedication per Section 17.04

Annual Report on Developers' Funds Per GC 66000
Analysis of Changes in Fund Balance / Working Capital

	FIRE FACILITIES DEVELOPMENT IMPACT	TRAFFIC DEVELOPMENT IMPACT	WATER CAPACITY CHARGE	SEWER CAPACITY CHARGE	DRAINAGE DEVELOPMENT IMPACT	ELECTRIC DEVELOPMENT IMPACT	PARK DEVELOPMENT IMPACT	INCLUSIONARY HOUSING IN-LIEU	PARKING IN-LIEU	PARK DEDICATION IN-LIEU
Beginning Fund Balance 07/01/23 per 2021-22 Developer Report	\$ 9,764	\$ 1,422,782	\$ 1,344,154	\$ 3,387,526	\$ 1,405,295	\$ 126,741	\$ 1,114,033	\$ 319,142	\$ 410,878	\$ 576,626
Adjusted beginning fund balance after 2022-23 fiscal year end audit	9,764	\$ 1,422,782	\$ 1,344,154	\$ 3,387,526	\$ 1,405,295	\$ 126,741	\$ 1,114,033	\$ 319,142	\$ 410,878	\$ 576,626
REVENUE										
Fees collected	27,383	130,896	72,958	219,867	57,511	73,038	20,376	211,755	-	492,788
Interest earned	(1,306) *	69,506	64,251	163,157	67,023	6,634	52,794	-	19,658	41,466
Rent received	-	-	-	-	-	-	219	-	-	-
	<u>26,078</u>	<u>200,403</u>	<u>137,210</u>	<u>383,025</u>	<u>124,534</u>	<u>79,672</u>	<u>73,389</u>	<u>211,755</u>	<u>19,658</u>	<u>534,255</u>
EXPENDITURES										
Projects	138,372	-	32,180	114,544	15,969	-	671,569	319,142	-	60,000
Interfund Transfers/Loans	-	-	-	-	-	-	-	-	-	-
Refunds	-	-	-	-	-	-	-	-	-	-
Audit Adjustment	-	-	-	-	-	-	-	-	-	-
	<u>138,372</u>	<u>-</u>	<u>32,180</u>	<u>114,544</u>	<u>15,969</u>	<u>-</u>	<u>671,569</u>	<u>319,142</u>	<u>-</u>	<u>60,000</u>
Excess of Revenue Over/(Under) Expenditures	(112,294)	200,403	105,030	268,480	108,565	79,672	(598,180)	(107,387)	19,658	474,255
Ending Fund Balance 06/30/24	<u>\$ (102,530)</u>	<u>1,623,185</u>	<u>1,449,183</u>	<u>3,656,006</u>	<u>1,513,860</u>	<u>206,413</u>	<u>515,852</u>	<u>211,755</u>	<u>430,537</u>	<u>1,050,880</u>

* The City operates in a pooled cash environment. For fiscal year 2023-2024 the Fire Facilities Development Impact Fund had a negative balance and therefore earned negative interest.

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

	FY 2023-24	% Funded with AB 1600 Fee	Balance of Project Funding	Public Improvement Completion Date
FIRE FACILITIES DEVELOPMENT IMPACT				
Aerial Ladder Truck	138,372	28%	Developer Contribution	-
Total	<u>138,372</u>			
TRAFFIC DEVELOPMENT IMPACT				
Total	<u>\$ -</u>			-
WATER CAPACITY CHARGE				
Healdsburg Ave Utility Replacements-SE004	10,646	18%	Water Operations, Sewer Operations, Sewer Impact, Drainage Impact	-
Furnish & Install Compressor #1 at WTP	21,534	100%		6/30/2024
Total	<u>\$ 32,180</u>			
SEWER CAPACITY CHARGE				
Healdsburg Ave Utility Replacements-SE004	7,097	12%	Water Operations, Sewer Operations, Water Impact, Drainage Impact	-
Replace Sewer Rotor	81,750	100%		9/14/2023
Replace Pump#2 at Magnolia Lift Station	25,697	100%		1/4/2024
Total	<u>\$ 114,544</u>			-
DRAINAGE DEVELOPMENT IMPACT				
Healdsburg Ave Utility Replacements-SE004	15,969	27%	Water Operations, Sewer Operations, Water Impact, Sewer Impact	-
Total	<u>\$ 15,969</u>			-
ELECTRIC DEVELOPMENT IMPACT				
Total	<u>\$ -</u>			-
PARK DEVELOPMENT IMPACT				
Fitch Mountain Park and Open Space-CS001	671,569	22%	Grant, Bond Proceeds, Park Development, Measure M Parks	-
Total	<u>\$ 671,569</u>			-
INCLUSIONARY HOUSING IN-LIEU				
Monte Vina Apts Rehabilitation	319,142	100%	Inclusionary Housing In-Lieu	4/15/2024
Total	<u>\$ 319,142</u>			-
PARKING IN-LIEU				
Total	<u>-</u>			
PARK DEDICATION IN-LIEU				
Badger Park Redevelopment-CS002	60,000			-
Total	<u>60,000</u>			

5-Year Report on Developers' Funds Per GC 66001
Planned Usage of Developer Impact Fees As Per Ordinances Establishing The Impact Fees

	Estimated Balance at 6/30/2024	Planned AB 1600 Fee Use	Anticipated Start of Project	Additional Funding Amount	Additional Funding Source
FIRE FACILITIES DEVELOPMENT IMPACT	\$ (102,530)	-		-	
Total		<u>\$ -</u>			
TRAFFIC DEVELOPMENT IMPACT	\$ 1,623,185				
US-101 and Dry Creek Road Interchange		14,075,000	7/1/2026	500,000	County Tax Measure Grant
Total		<u>\$ 14,075,000</u>			
WATER CAPACITY CHARGE	\$ 1,449,183				
Groundwater Supply Wells / Aquifer Storage Recovery-WA006		1,931,200	7/1/2024	7,724,800	Grant
Healdsburg Avenue Utility Replacements-SE004		611,611	7/1/2023	440,853	Water Operations
				843,882	Sewer Operations
				411,975	Sewer Impact
				898,368	Drainage Impact
Total		<u>\$ 2,542,811</u>			
SEWER CAPACITY CHARGE	\$ 3,656,006				
Grove Street and Vine Street Trunk Main Replacement		3,575,000	7/1/2026	-	-
Healdsburg Avenue Utility Replacements-SE004		411,975	7/1/2023	440,853	Water Operations
				843,882	Sewer Operations
				611,611	Water Impact
				898,368	Drainage Impact
Total		<u>\$ 3,986,975</u>			
DRAINAGE DEVELOPMENT IMPACT	\$ 1,513,860				
Center Street Storm Drain Replacement		125,000	7/1/2026	-	-
Pordon Lane Storm Drain Improvements - Phase 2		300,000	7/1/2026	-	-
Healdsburg Avenue Storm Drain Replacement		150,000	7/1/2026	-	-
Powell Avenue (Armory) Catch Basin Replacement		100,000	7/1/2026	-	-
Healdsburg Avenue Utility Replacements-SE004		898,368	7/1/2023	440,853	Water Operations
				843,882	Sewer Operations
				611,611	Water Impact
				411,975	Sewer Impact
Total		<u>\$ 1,573,368</u>			
ELECTRIC DEVELOPMENT IMPACT	\$ 206,413				
Badger Substation Bank Replacement		1,960,000	7/1/2029	7,840,000	Electric Operations
Total		<u>\$ 1,960,000</u>			
PARK DEVELOPMENT IMPACT	\$ 515,852				
Foley Pavilion-CS004		516,000	7/1/2022	4,997,763	Donation
				599,992	Park Dedication In-Lieu
				410,000	Parking In-Lieu
				1,745,829	Community Services Operations
Total		<u>\$ 516,000</u>			
INCLUSIONARY HOUSING IN-LIEU	\$ 211,755				
Development of Affordable Housing - North Healdsburg		500,000	7/1/2025	-	-
Total		<u>\$ 500,000</u>			
PARKING IN-LIEU	\$ 430,537				
West Plaza Parking Lot Resurfacing		55,000	7/1/2026	610,000	Measure T
Foley Pavilion-CS004		410,000	7/1/2022	4,997,763	Donation
				599,992	Park Dedication In-Lieu
				516,000	Park Development Impact
				1,745,829	Community Services Operations
Total		<u>\$ 465,000</u>			
PARK DEDICATION IN-LIEU	\$ 1,050,880				
Badger Park Redevelopment-CS002		1,052,000	7/1/2023	1,000,000	Grant
				5,000,000	Bond Proceeds
				469,956	Measure M Parks
Total		<u>\$ 1,052,000</u>			

City of Healdsburg
Annual Report on Developers' Funds Per GC 66000
Summary of Planned Use Changes

Fire Facilities Development Impact

The Aerial Ladder Truck Financing project began 7/1/2021. The final payment was made January 2024 and the project is considered complete. The account currently has a negative balance. No activity is anticipated until the balance is reestablished.

Traffic Development Impact

The US-101 and Dry Creek Road Interchange project had a planned start date of 7/1/2024. The total cost of the project was anticipated to be \$8,572,500 which was comprised of \$1,423,500 of impact fees and additional funding from unknown sources. It was determined that the cost estimates for this project were outdated, as such new cost estimates were obtained. The new cost estimate values the project at \$14,575,000. The project start date has been postponed until 7/1/2026 until additional project funding is available.

Water Capacity Charge

During the prior year the City planned to use \$422,162 of impact fees towards Water System Improvements. The project started 7/1/2023 and was completed by 6/30/2024. The City only used \$21,534 towards Water System Improvements and released the remaining funding to be reallocated to other projects.

The Healdsburg Avenue Utility Replacement project (SE004) started as planned on 7/1/2023 and is currently in the design phase.

Sewer Capacity Charge

During the prior year the City planned to use \$227,090 of impact fees towards Sewer System Improvements. The project started on 7/1/2023 and was completed by 6/30/2024. The City only used \$107,447 towards Sewer System Improvements and released the remaining funding to be reallocated to other projects.

The Grove Street and Vine Street Trunk Main Replacement project had a planned start date of 7/1/2025. During the budget process it was determined that the project would be postponed until 7/1/2026 due to staff capacity and to align construction with other projects being completed in the vicinity.

The Healdsburg Avenue Utility Replacement project (SE004) started as planned on 7/1/2023 and is currently in the design phase.

Drainage Development Impact

The Dry Creek Storm Drain Relocation project had a planned start date of 7/1/2025. During the budgeting process the City identified three drainage projects that were smaller in scope and higher priority: \$125,000 for Center Street, \$300,000 for Pordon Lane - Phase 2, and \$150,000 Healdsburg Avenue. These three projects have a start date of 7/1/2026.

The Powell Avenue (Armory) Catch Basin Replacement was originally set to start 7/1/2027, this project's new start date has been moved up to 7/1/2026.

The Healdsburg Avenue Utility Replacement project (SE004) started as planned on 7/1/2023 and is currently in the design phase.

Electric Development Impact

No changes from the prior year.

Park Development Impact

The Badger Park Redevelopment project started 7/1/2023 and is currently in the planning phase. The City originally planned to use \$445,042 of impact fees toward the Badger Park Redevelopment project but shifted the need toward the Foley Pavilion project (CS004) as it was construction ready. The Foley Pavilion project (CS004) began 7/1/2022 and is currently in the construction phase. The Badger Park Redevelopment project has been funded with alternative sources. The Fitch Mountain Park and Open Space Preserve began 7/1/2022 and was completed 10/21/2024.

Inclusionary Housing In-Lieu

No changes from the prior year.

Parking In-Lieu

The West Plaza Parking Lot Resurfacing project was set to start 7/1/2024. The project start date was postponed to 7/1/2026, due to the Foley Pavilion Project being a higher priority project that increased parking capacity in the downtown area. The Foley Pavilion project (CS004) began 7/1/2022 and is currently in the construction phase.

Park Dedication In-Lieu

The Badger Park Redevelopment project started 7/1/2023 and is currently in the planning phase.