



STAFF REPORT

AGENDA NO:

MEETING DATE: December 18, 2023

To: Honorable Mayor and City Council

Date: December 18, 2023

From: Michael Guina, City Attorney – (650) 558-7263
Kevin Gardiner, Community Development Director – (650) 558-7253
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Subject: Adoption of a Resolution Approving the Annual Report on the Status of Impact Fees Collected as of June 30, 2023, Pursuant to the Mitigation Fee Act (Government Code Section 66000 et seq.), and Making Required Findings Related to the City’s Development Impact Fees, Including Findings Required Every Fifth Year By Government Code Section 66001(d)

RECOMMENDATION

Staff recommends that the City Council approve this annual report of the status of the Public Facilities Impact fees, North Burlingame and Rollins Road fees, Bayfront Development fees, and the Commercial Linkage fees and Residential Fees collected by the City. Staff also recommends the City Council make certain findings for each of the impact fees, as required by the Government Code section 66001(d) (the “Five-Year Findings”). The attached resolution approves this annual report and provides the following information required by Government Code section 66006(b) (the “Annual Report”) for (1) the Public Facilities Impact Fee, (2) the North Burlingame and Rollins Road Fee, (3) the Bayfront Development Fee, (4) the Commercial Linkage Fee, and (5) the Residential Impact Fee:

- A. A description of the type of fee.
- B. The amount of the fee.
- C. The beginning and ending balance of the fee account.
- D. Amounts collected during the year and interest.
- E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees.
- F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.
- G. Description of any interfund transfers or loans.
- H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

For each of the five aforementioned fees, the attached resolution also provides for the City Council to make the Five-Year Findings required by the Government Code section 66001(d), which accomplish the following:

- A. Identify the purpose for 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 incomplete improvements.
- D. Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.

BACKGROUND

Cities and counties often charge fees on new development to fund public improvements necessitated by the development. For example, transportation fees are used to fund transit facilities, streets, bike lanes, and sidewalks. These fees are commonly known as development impact fees. In 1989, the State Legislature passed Assembly Bill 1600 (AB 1600), which added Sections 66000 et seq. to the California Government Code, commonly known as the Mitigation Fee Act. The Mitigation Fee Act sets forth a number of requirements that local agencies must follow if they are to collect and retain fees from developers to defray the cost of the construction of public facilities related to development projects, including requirements for establishing a nexus or connection between fees imposed and the development project or class of projects paying the fees. Fees must also be segregated from the General Fund.

The Mitigation Fee Act also requires the City to adopt annual reports within 180 days of the close of each fiscal year that provide certain information required by Government Code section 66006(b) (the Annual Report) and to make certain findings in every fifth year following the first deposit into a fee account (the Five Year Findings) with respect to the portion of the account remaining unexpended. The components of the Annual Report and the Five-Year Findings are listed in the Recommendation section above. When Five-Year Findings are required, the Mitigation Fee Act requires that they are made in connection with the Annual Report.

DISCUSSION

The below provides both the information necessary for the City Council to approve the Annual Report and to make the Five-Year Findings for each listed fee.

Public Facilities Impact Fees

1. *Annual Report information (required by Government Code section 66006(b)(1)(A)-(H)*
 - A. *Description of fee*

The Public Facilities Impact Fee, adopted by the City Council in 2008, is used to pay for the construction, expansion, and improvement of seven categories of public facilities: general, library, police, parks, traffic/streets, fire, and storm drainage. The Public Facilities Impact Fee is calculated

and imposed based on the type of use, number of dwelling units, and amount of square footage of each development project.

B. Amount of fee

The fee for each of the seven facilities categories was set upon adoption of the fees in 2008 and remains as shown below:

	Single Family	Multifamily	Commercial	Office	Industrial
	Fee per Dwelling Unit	Fee per Dwelling Unit	Fee per 1,000 sq.ft. of Building	Fee per 1,000 sq.ft. of Building	Fee per 1,000 sq.ft. of Building
General	\$ 2,756	\$ 1,636	\$ 930	\$ 640	\$ 305
Library	\$ 2,383	\$ 1,415	Not applicable (a)	Not applicable (a)	Not applicable (a)
Police	\$ 437	\$ 259	\$ 147	\$ 102	\$ 48
Parks	\$ 590	\$ 350	\$ 172	\$ 118	\$ 56
Traffic/Streets	\$ 1,573	\$ 1,105	\$ 7,285	\$ 1,810	\$ 1,146
Fire	\$ 642	\$ 381	\$ 360	\$ 248	\$ 118
Storm Drainage	\$ 781	\$ 391	\$ 717	\$ 442	\$ 628
Total Impact Fee:	\$ 9,162	\$ 5,537	\$ 9,611	\$3,360	\$2,301

C. The beginning and ending balance of the account; and D. Amounts collected and interest.

The following table summarizes the activities associated with Public Facilities Impact Fee from fiscal year 2018-19 through the fiscal year ended June 30, 2023:

Public Facilities Impact Fees	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	\$685,271	\$561,769	\$2,350,238	\$2,392,038	\$5,613,844
Developer Fees	239,745	1,716,814	22,148	3,332,325	316,998
Interest Income (Expense)	19,770	71,654	19,652	(110,519)	45,668
Expenditures	(383,017)	0	0	0	(1,130,000)
Ending Balance	\$561,769	\$2,350,238	\$2,392,038	\$5,613,844	\$4,846,510

The balance of the Public Facilities Impact Fee as of June 30, 2023, is shown below:

Public Facilities Impact Fees	
Category	2022-23
General Facilities	\$2,858,473
Library	688,977
Police	150,347
Parks & Recreation	73,772
Streets & Traffic	569,361
Fire	138,253
Storm Drain	367,326
Ending Balance	\$4,846,510

E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees

The below table identifies the public improvements funded by the Public Facilities Fee in the past year, the amounts spent, and the percentage of each project funded by the Public Facilities Fee:

Fiscal Year	Description	Amount	Percentage of Project Fund
FY2022-23	Alpine Park Renovation & ADA Improvements	\$160,000	19.7%
	Murchison, Trousdale and Davis Bike Lane	\$450,000	45.0%
	Traffic and Transportation Studies	\$50,000	17.9%
	Police Station ADA Improvements	\$200,000	100%
	Fire Station 34 Renovations	\$170,000	100%
	City Facilities Roof Replacement	\$100,000	100%
	Total	\$1,130,000	

F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.

Fiscal Year	Description	Amount
FY2023-24	Athletic Field Renovation	\$50,000
	California Drive Class I Bike Improvements (Oak Grove to Burlingame Ave)	\$180,000
	Roof Replacement at Police Department	\$600,000
	HVAC & EMS Upgrades at PW Corp Yard	\$170,000
	Citywide Minor Building Facilities	\$100,000
	Total	\$1,100,000

There have not been sufficient funds collected for the identified projects, so the City is unable to approximate the commencement of construction for the identified public improvements.

G. Description of any interfund transfers or loans.

There are no interfund transfers or loans.

H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

There are no refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

2. Five-Year Findings

A. Identify the purpose to which the fee is put

See also section 1.A above. The Public Facilities Impact Fee is used to pay for the construction, expansion, and improvement of seven categories of public facilities (general, library, police, parks,

traffic/streets, fire, and storm drainage) that are necessitated by new development. The purpose of the Public Facilities Impact Fee is to accommodate and address the needs caused by new development that results in inadequate public facilities in each of those seven categories.

- B. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.*

Since the Public Facilities Impact Fee is charged to pay for the construction, expansion, and improvement of various categories of public facilities, there is a reasonable relationship between the fee and its purpose, which is to accommodate new development and address its needs and resulting inadequate public facilities in each of the stated categories.

- C. Identify all sources and amounts of funding anticipated to complete financing incomplete improvements.*

Fiscal Year	Description	Grants
FY2023-24	California Drive Class I Bike Improvements (Oak Grove to Burlingame Ave)	\$1,620,000
	Total	\$1,620,000

- D. Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.*

The funding referred to in section C. above is expected to be deposited into the appropriate account or fund during the fiscal year 2023-24.

Commercial Linkage Fee

1. *Annual Report information (required by Government Code section 66006(b)(1)(A)-(H))*

- A. Description of fee*

In 2017, the City Council adopted an ordinance establishing the Commercial Linkage Fee for new commercial and industrial development in Burlingame to support workforce housing in the city. Under the ordinance, developers of employment-generating commercial and industrial developments are required to pay the fee to contribute to the supply of low- and moderate- income housing necessitated by the jobs created by their development.

- B. Amount of fee*

The adopted fees are \$7.00 per square foot for new retail development, \$12.00 per square foot for new hotel development, \$18.00 per square foot for office projects of 50,000 square feet or less, and \$25.00 per square foot for office development greater than 50,000 square feet. For developers who utilize prevailing wages or area standard wages, the fees are \$5.00 per square foot for new retail development, \$10.00 per square foot for new hotel development, \$15.00 per square foot for office projects of 50,000 square feet or less, and \$20.00 per square foot for office development greater than 50,000 square feet.

In fiscal year 2018-19, a number of cities in San Mateo County expressed an interest in re-examining their Commercial Linkage Fees given changes in market conditions since cities first adopted their fees. The 21 Elements housing collaborative coordinated a multicity Commercial Linkage feasibility study prepared by Century | Urban consultants that made recommendations on appropriate impact fee levels for new office, biotech, and hotel developments. The City of Burlingame participated in the feasibility study, together with Brisbane, Half Moon Bay, San Bruno, San Mateo, South San Francisco, and Pacifica. Each city received a unique report. However, the reports were completed in spring 2020, as shelter-in-place orders were imposed in response to the COVID-19 pandemic. In fiscal year 2021-22, the City of Burlingame contracted directly with Century | Urban to update the 2020 study to reflect post-pandemic commercial market conditions. The study recommended that fees remain at current levels and not be raised due to rising construction costs and uncertainties in the commercial real estate market. The commercial market remains challenged, with further impediments presented by the increased cost of construction financing from higher interest rates, and from high labor costs.

C. The beginning and ending balance of the account; and D. Amounts collected and interest

The table below summarizes the Commercial Linkage Fee Fund activity from 2018-19 through June 30, 2023.

<i>Housing Fund</i>	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	\$0	\$0	\$705,174	\$561,790	\$8,545,191
Developer Fees	0	683,675	0	8,281,129	365,500
Interest Income (Expense)	0	21,499	4,615	(168,228)	83,237
Expenditures	0	0	(148,000)	(129,500)	(160,376)
Ending Balance	\$0	\$705,174	\$561,790	\$8,545,191	\$8,833,553

E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees

The below table identifies the public improvements funded by the Commercial Linkage Fee in the past year, the amounts spent, and the percentage of each project funded by the Commercial Linkage Fee:

Fiscal Year	Description	Amount	Percentage of Project Fund
FY2022-23	Housekeys, Inc – Administer the City’s Below Market Rate Housing Program	\$96,000	n/a
	Seifel Consulting Inc – Affordable Housing Program Review update	\$64,078	n/a
	Total	\$160,078	

F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.

Funds are being allocated as qualifying housing projects and housing-related services are identified. The City is unable to approximate the commencement of construction for the identified public improvements, given use of funds is evaluated as funding requests are received.

G. Description of any interfund transfers or loans.

On December 5, 2022, the City Council authorized the City Manager to negotiate and execute a loan agreement with Allied Housing, Inc to provide funding assistance to a proposed Affordable Housing Development at 1875 California Drive in the amount of \$1,432,138. Currently there are no other funding requests. The funding was not disbursed until November 2, 2023, which is in FY 2023-24.

H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

There are no refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

2. Five-Year Findings

A. Identify the purpose to which the fee is put

See also section 1.A above. The Commercial Linkage Fee pays for the development of affordable housing units in the city. The funds raised by the Commercial Linkage Fee are deposited into a housing fund specifically reserved for use by the City to increase the supply of affordable housing.

B. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

Since the Commercial Linkage Fee is charged to pay for affordable housing units, the fee has a reasonable relationship to its purpose, which is to mitigate the impacts of an increase in affordable housing demand associated with new worker households associated with new commercial development.

C. Identify all sources and amounts of funding anticipated to complete financing incomplete improvements.

All funding is from either the collection of Commercial Linkage Fees, or collection of Residential Impact Fees (next section).

D. Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.

Funds are deposited on an ongoing basis as qualifying development projects apply and receive building permits.

Residential Impact Fee

1. Annual Report information (required by Government Code section 66006(b)(1)(A)-(H))

A. Description of fee

On April 1, 2019, the City Council adopted an ordinance establishing a Residential Impact Fee for new residential development in Burlingame to support workforce housing needs. The fees became effective in June 2019.

B. Amount of fee

The ordinance provides for a tiered structure of fees based on residential density and whether a project is a rental project or for sale, as shown below:

	Impact Fee – Per Square Foot	
	Base	With Prevailing / Area Wage
Rental Multifamily – 11 units and above		
Up to 50 du/ac	\$17.00 / sq ft	\$14.00 / sq ft
51-70 du/ac	\$20.00 / sq ft	\$17.00 / sq ft
71 du/ac and above	\$30.00 / sq ft	\$25.00 / sq ft
For Sale Multifamily (Condominiums) – 7 units and above		
	\$35.00 / sq ft	\$30.00 / sq ft
Notes:		
1. Rental Multifamily with total of 10 units or fewer are exempt.		
2. For Sale Multifamily (Condominiums) with total of 6 units or fewer are exempt.		
3. Rental projects that convert to condominiums within 10 years of completion of construction would be subject to the fee differential as a condition of conversion. The fee differential shall be based on the fee structure in place at the time of conversion to condominiums, minus the fees originally submitted at the time of construction.		

The ordinance also provides an “in-lieu” option where the developer can choose to provide an affordable unit or units on-site in lieu of submitting the impact fee. Whether a developer would choose an on-site option would depend on a number of factors such as the amount of the impact fee, the size of the development, the comparable cost of underwriting the affordable units for the designated time period and affordability level, utilization of State Density Bonus provisions, and whether the ownership of the development is expected to be retained or sold at the completion of construction. To date, all residential projects subject to the Residential Impact fees have chosen to provide affordable units on-site in lieu of the impact fees, resulting in 254 approved Moderate, Low, and Very Low-Income units.¹

C. The beginning and ending balance of the account; and D. Amounts collected and interest

The table below summarizes the Residential Impact Fee Fund activity from 2018-19 through June 30, 2023.

¹ This total does not include 29 units at 1008-1028 Carolan Avenue or one unit at 1509 El Camino Real since these projects were approved prior to the adoption of the Residential Impact Fees. The total also does not include 132 units at the Village of Burlingame, which was not subject to the Residential Impact Fee because it is a City-sponsored 100% affordable project subject to a specific development agreement. In total, there are currently 416 new affordable units that have been constructed or entitled.

The City did not collect any Residential Impact Fees from 2018-19 through June 30, 2023.

- E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees*

The below table identifies the public improvements funded by the Residential Impact Fee in the past year, the amounts spent, and the percentage of each project funded by the Residential Impact Fee:

N/A

- F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.*

Funds are being allocated as qualifying housing projects and housing-related services are identified. The City is unable to approximate the commencement of construction for the identified public improvements, given use of funds is evaluated as funding requests are received.

- G. Description of any interfund transfers or loans.*

There are no interfund transfers or loans.

- H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).*

There are no refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

2. *Five-Year Findings*

- A. Identify the purpose to which the fee is put*

See also section 1.A above. The Residential Impact Fee pays for the development of affordable housing units in the city. The funds raised by the Residential Impact Fee are deposited into a housing fund specifically reserved for use by the City to increase the supply of affordable housing.

- B. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.*

Since the Residential Impact Fee is charged to pay for affordable housing units, the fee has a reasonable relationship to its purpose, which is to mitigate the impacts of an increase in affordable housing demand associated with the production of market-rate residential housing.

- C. Identify all sources and amounts of funding anticipated to complete financing incomplete improvements.*

All funding is from either the collection of Residential Impact Fees, or collection of Commercial Linkage Fees (previous section).

- D. *Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.*

Funds are deposited on an ongoing basis as qualifying development projects apply and receive building permits.

North Burlingame/Rollins Road Development Fee

- 1. *Annual Report information (required by Government Code section 66006(b)(1)(A)-(H)*

- A. *Description of fee*

Properties lying within the geographical boundaries of the study area for the “North Burlingame/Rollins Road Specific Plan,” adopted in 2004, are subject to payment of a fee applicable only to that area at the time the property is developed or redeveloped. One-half of the fee is payable before the issuance of a building permit, and the balance is payable when a certificate of occupancy is requested. The North Burlingame/Rollins Road Development Fee pays for the construction, improvement, and enhancement of public arterials and access within designated areas of the overall Specific Plan area.

- B. *Amount of fee*

Ordinance No. 1751 (2005) provides for annual adjustment of the fee based on the construction cost index published in the Engineering News Record (ENR) as of July 1 of each year. As of June 30, 2023, the fees were as follows:

<u>North Burlingame & Rollins Road Development Fee</u>	
Rollins Road Area of Benefit	\$0.66 per square foot of building
El Camino North Area of Benefit:	
Multiple family dwelling or duplex	\$0.66 per square foot of building
Any use other than multiple family dwelling or duplex	\$0.83 per square foot of building

- C. *The beginning and ending balance of the account; and D. Amounts collected and interest*

The following table summarizes the activities associated with North Burlingame/Rollins Road Development Fee from fiscal year 2018-19 through the fiscal year ended June 30, 2023:

<i>North Burlingame & Rollins Road</i>	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	\$427,538	\$478,865	\$493,924	\$498,015	\$635,272
Developer Fees	34,475	0	0	149,764	107,338
Interest Income (Expense)	16,852	15,059	4,091	(12,507)	7,064
Expenditures	0	0	0	0	0
Ending Balance	\$478,865	\$493,924	\$498,015	\$635,272	\$749,674

E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees

The below table identifies the public improvements funded by the North Burlingame/Rollins Road Development Fee in the past year, the amounts spent, and the percentage of each project funded by the Fee:

Fiscal Year	Description	Amount	Percentage of Project Fund
FY2022-23	n/a	n/a	n/a

F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.

Fiscal Year	Description	Amount
FY2023-24	North Rollins Road Bicycle and Pedestrian Improvements	\$800,000
	El Camino Real Streetscape	\$1,220,000
	Rollins Road Gateway	\$60,000
	Rollins Road Streetscape	\$600,000
	Total	\$2,680,000

There have not been sufficient funds collected for the identified projects, so the City is unable to approximate the commencement of construction for the identified public improvements.

G. Description of any interfund transfers or loans.

There are no interfund transfers or loans.

H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

There are no refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

2. Five-Year Findings

A. Identify the purpose to which the fee is put

See also section 1.A above. The North Burlingame/Rollins Road Development Fee pays for the construction, improvement, and enhancement of public arterials and access within designated areas of the overall Specific Plan area that are necessitated by new development. The purpose of the North Burlingame/Rollins Road Development Fee is to accommodate and address the transportation-related needs caused by new development in designated areas of the Specific Plan.

B. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

Since the North Burlingame/Rollins Road Development Fee is charged to pay for the construction, improvement, and enhancement of public arterials and access within designated areas of the overall Specific Plan area, there is a reasonable relationship between the fee and its purpose, which is to accommodate new development and address its needs and impact to transportation-related facilities.

C. Identify all sources and amounts of funding anticipated to complete financing incomplete improvements.

Fiscal Year	Description	Grants
FY2023-24	North Rollins Road Bicycle and Pedestrian Improvements	\$3,100,000
	Total	\$3,100,000

D. Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.

Should sufficient funding accrue, design development of one or more of the designated projects is anticipated to commence within the next two years.

Bayfront Development Fees

1. Annual Report information (required by Government Code section 66006(b)(1)(A)-(H))

A. Description of fee

Similar to the North Burlingame/Rollins Road Development Fee, this fee (adopted by ordinance in 2004), applies only to properties lying within the geographic boundaries of the Burlingame Bayfront Specific Plan. Per the ordinance, the fees collected are to be used to pay for future construction, improvement, and enlargement of major arterials and traffic control devices for the primary purpose of carrying through traffic and providing a network of roads within the Bayfront area on the east side of US 101.

B. Amount of fee

Ordinance No. 1739 (2004) provides for annual adjustment of the fee based on the construction cost index published in the Engineering News Record (ENR) as of July 1 of each year. As of June 30, 2023, the fees were as follows:

Bayfront Development Fee	
Office	\$2,905/TSF
Restaurant	\$11,699/TSF
Hotel	\$952/room
Hotel, Extended Stay	\$926/room
Office, Warehouse, Manufacturing	\$4,405/TSF
Retail – Commercial	\$10,695/TSF
Car Rental	\$67,875/acre
Commercial Recreation	\$21,065/acre
All Other	\$2,341 per p.m. peak hour trip as detailed by traffic study

C. The beginning and ending balance of the account; and D. Amounts collected and interest

The following table summarizes the activities associated with Bayfront Development Fee from fiscal year 2018-19 through the fiscal year ended June 30, 2023:

Bayfront Development	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	\$0	\$0	\$0	\$0	\$329,567
Developer Fees	0	0	0	336,055	124,378
Interest Income (Expense)	0	0	0	(6,488)	4,318
Expenditures	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$329,567	\$458,262

E. Identification of each public improvement for which fees were expended, the amount spent, and the percentage of the project costs funded by the fees

The below table identifies the public improvements funded by the Bayfront Development Fee in the past year, the amounts spent, and the percentage of each project funded by the Bayfront Development Fee:

Fiscal Year	Description	Amount	Percentage of Project Fund
FY2022-23	n/a	n/a	n/a

F. Approximate date by which construction of the public improvements will commence, if sufficient funds have been collected.

Fiscal Year	Description	Amount
FY2023-24	Old Bayshore Highway Complete Streets Project	\$500,000
	Bayshore Highway Median Construction	\$2,050,000
	Total	\$2,550,000

There have not been sufficient funds collected for the identified projects, so the City is unable to approximate the commencement of construction for the identified public improvements.

G. Description of any interfund transfers or loans.

There are no interfund transfers or loans.

H. Amounts of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

There are no refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to section 66001(f).

2. Five-Year Findings

A. Identify the purpose to which the fee is put

See also section 1.A above. The Bayfront Development Fee pays for construction, improvement, and enlargement of major arterials and traffic control devices. The purpose of the Bayfront Development Fee is to accommodate through traffic and provide a network of roads within the Bayfront area on the east side of US 101 necessitated by new development.

B. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

Since the Bayfront Development Fee is charged to pay for the construction, improvement, and enlargement of major arterials and traffic control devices, there is a reasonable relationship between the fee and its purpose, which is to accommodate through traffic and provide a network of roads within the Bayfront area on the east side of US 101 necessitated by new development.

C. Identify all sources and amounts of funding anticipated to complete financing incomplete improvements.

All funding is from the collection of Bayfront Development Fees.

D. Designate the approximate dates on which the funding referred to in section C. above is expected to be deposited into the appropriate account or fund.

Should sufficient funding accrue, design development of the designated project is anticipated to commence within the next two years.

Rescission of North Burlingame/Rollins Road and Bayfront Development Fees

In December 2021, following extensive community outreach and collaboration, the City Council adopted a comprehensive update to its Zoning Code and General Plan. This update was intended to supersede and replace the North Burlingame/Rollins Road Specific Plan and the Bayfront Specific Plan.

At its November 21, 2022 meeting, the City Council formally rescinded the North Burlingame/Rollins Road Specific Plan and the Bayfront Specific Plan and introduced an ordinance rescinding the Bayfront Development Fee and the North Burlingame/Rollins Road Development Fee. The ordinance was adopted on December 5, 2022, rescinding those fees.

There is \$749,674 in the North Burlingame/Rollins Road Fee fund that was deposited over five years ago. There is \$458,262 in the Bayfront Development Fee fund. The City intends to continue using these fees for their stated purposes, as there remain improvements and facilities to be funded by these fees.

FISCAL IMPACT

The compilation of the Annual Report has no impact on City resources, as all impact fees held by the City for over five years have either been spent or are committed to specific purposes per appropriate findings made by the City Council. If findings associated with funds held for a period of over five years are not made, the City must refund the fees to the developers from which they were received.

Exhibit:

- Resolution Approving the Annual Report and Five-Year Findings to the City's Development Impact Fees