

**2023-2024
AB 1600 Annual Report
Development Impact Fees**

Fiscal Year ended June 30, 2024



FINAL

For City Council consideration
October 22, 2024

LANCASTER CITY COUNCIL

R. Rex Parris
Mayor

Marvin Crist
Vice Mayor

Lauren Hughes-Leslie
Councilmember

Raj Malhi
Councilmember

Ken Mann
Councilmember

P r e p a r e d b y:

City of Lancaster - Finance Division
44933 Fern Avenue
Lancaster, California 93534
[Finance | City of Lancaster \(cityoflanasterca.org\)](http://cityoflanasterca.org)

EXECUTIVE SUMMARY

Development Impact Fees are fees imposed by local government on new development projects to finance the acquisition, construction, and improvement of public facilities and infrastructure needed to serve those projects. California Government Code Section 66006 requires local agencies to submit a report detailing the status of their Development Impact Fee (DIF) program on an annual basis and make additional findings every fifth year. This report meets the legal requirements for Fiscal Year 2023-2024 (July 1, 2023 thru June 30, 2024).

The annual report must be made available to the public within 180 days of the close of the fiscal year and be presented to the public agency (City Council) at a regularly scheduled public meeting no sooner than 15 days after the report is made available to the public.

Section 1 - Requirements of the Mitigation Fee Act (AB 1600)

Assembly Bill (AB) 1600, commonly known as the Mitigation Fee Act, was enacted by the state of California in 1987 and created Section 66000 et. seq. of the Government Code and was amended by Assembly Bill (AB) 518, Senate Bill (SB) 1693 and most recently Assembly Bill (AB) 602. AB 1600 requires the City to report fee information annually and every fifth year. This report summarizes the following information for each of the development impact fee programs:

- A brief description of the fee program
- Amount of the fee
- Beginning and ending fund balances for the fee program
- Amount of fees collected and the interest earned during the previous year
- Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees
- Identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete
- Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each loan will be repaid and the rate of interest the account will receive on the loan
- Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed:

1. Identification of the purpose to which the fees are to be allocated
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
3. Identification of all sources and amount of funding anticipated to complete financing in incomplete improvements identified as part of the City's annual report
4. Identification of the approximate dates on which the funding referred to in Requirement 3 is expected to be deposited in to the appropriate account or fund

The City of Lancaster currently collects the development impact fees listed below. This table also represents the fund that each fee is deposited into.

Fee	Fund #
Street Improvement Fee(s)	414
Traffic Impact Fee	414
Traffic Signalization Fee	414
Los Angeles County Traffic Impact Fee	
Drainage / Flood Control Fee	411
Urban Structure Program Fees	413
Park Development Fee	413
Administrative Offices Fee - Residential	413
Administrative Offices Fee - Non Residential	413
Corporate Yard Fee - Residential	413
Corporate Yard Fee - Non Residential	413
Dwelling Unit Fee (Park In Lieu)	413
Park Development Credits	203
Biological Impact Fee	412
Non- Specific (Impact) Fee	413
Other (Impact) Fee(s)	101

Section 2 - Annual Report

Development Impact Fees

In order to implement the goals, objectives, policies and specific actions of the general plan of the city, the capital improvement program and the city's annually adopted budget; to protect the health, safety and general welfare of the city's population; to mitigate impacts of new development on the level of service capacity in existing facilities; and to ensure that the burdens of financing capital improvements and operational services are borne by the development projects benefited thereby, and except as otherwise expressly set forth elsewhere in the City of Lancaster municipal code, every person constructing any new residential, commercial or industrial development shall pay to the city prior to issuance by the city of a building permit the development impact fees set forth and such other development impact fees as the city council may adopt by resolution or ordinance as necessary and appropriate from time to time.

The following section provides information necessary to meet the legal requirements for each impact fee fund. This includes a brief description of the fee, the beginning and ending balances, fee revenues collected, interest earned, and the expenditures on each project including the percentage that was funded with fees. It also includes a table summary of whether sufficient funds have been identified to complete future projects

and the approximate date by which the construction of the public improvement will commence if sufficient funds have been identified. Any loans are also identified as well as any refunds from the fund.

STREET IMPROVEMENT FEES (Fund 414)

Traffic Impact Fee

Description - To mitigate the additional traffic burdens created by new development to the city's arterial and collector street system, a street improvements fee will be imposed on all new development in the city to finance the costs of street improvements, including acquisition, widening and reconstruction, street landscaping, intersection improvements, and freeway interchange improvements.

Fee Schedule:

TRAFFIC IMPACT FEES	
Single Family Dwellings	\$2,092.00 per dwelling unit
Multi-Family Dwellings/Mobile Homes	\$1,861.00 per dwelling unit
Commercial	\$1.93 per gross bldg SF
Industrial	\$0.69 per gross bldg SF

Traffic Signalization Fee

Description - To mitigate additional burdens created by new development to the city's traffic problems beyond the financial ability of the city to control, a traffic signalization fee will be imposed on all new development in the city to finance the costs of traffic signalization improvements.

Fee Schedule:

Residential Zones/Residential Specific Plans & Multiple Family Residential Zones	\$1,314.00 per dwelling unit
	\$31.00 per ADTE*
Commercial Zones	\$0.16 per gross bldg SF
	\$31.00 per ADTE*
Industrial/Manufacturing/Industrial Specific Plans	\$0.11 per gross bldg SF
	\$31.00 per ADTE*
	* Average Daily Trip End

Fund 414 Balance (includes Traffic Impact & Traffic Signalization Fees):

Fund 414 / Street Improvement Fee

Beginning Fund Balance as of July 1, 2023	\$ 1,754,861.00
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Revenues

Fees Collected	\$ 490,578.03
Interest Earned	\$ -
Other Revenue(s)	

Total Revenues	\$ 490,578.03
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Expenses

Project Expenses	\$ (204,149.76)
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Total Expenses	\$ (204,149.76)
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Transfers In	\$ -
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Transfers Out

\$ -

Ending Balance as of June 30, 2024

\$ 2,041,289.27

Los Angeles County Traffic Impact Fee

Applies to all projects within the area bounded by Avenue J-8,
40th Street West, Avenue L-8 and 100th Street West

\$1,756.00 per mile

Drainage / Flood Control Fee (Fund 411)

Drainage Impact Fee

Description - In order to implement the goals, objectives, policies and specific actions of the Lancaster general plan and the city's master plan of drainage, and to mitigate the stormwater runoff impacts caused by new development, a drainage/flood control improvements fee will be imposed on all new development in the city pursuant to Article II of Chapter 13.04.

Fund 411 Balance:

Fund 411 Drainage / Flood Control Fee

Beginning Fund Balance as of July 1, 2023	\$ 10,957,159
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Revenues

Fees Collected	\$ 491,545.55
Interest Earned	\$ -
Other Revenue(s)	

Total Revenues	\$ 491,545.55
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Expenses

Project Expenses	\$ (224,700.53)
Other Charges	\$ -

Total Expenses	\$ (224,700.53)
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Transfers In

Transfers Out	-
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Ending Balance as of June 30, 2024	\$ 11,224,004.02
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Fee Schedule:

PLANNED LOCAL DRAINAGE FACILITIES FEES	
Residential Zones/Residential Specific Plans and Multiple Family Residential Zones (including mobile home on private property) or Multi Family Zoning	\$0.47 per SF of the lot or parcel
Multi-Family Dwelling in Multiple-Family Residential or Commercial Zone (includes mobile homes in parks)	\$0.47 per SF of the lot or parcel
Residential Zones/Residential Specific Plans and Multiple Family Residential Zones (including mobile home on private property) or Multi Family Zoning	\$20,452.00 per acre
Any other development in Commercial Zone	\$0.47 per SF of new impervious area
Any other development in Industrial Zone	\$0.47 per SF of new impervious area
Any other development in zone not indicated above	\$0.47 per SF of new impervious area

URBAN STRUCTURE PROGRAM FEE(s) (Fund 413)

Park Development Fee

Description - To mitigate the impacts of new residential development on the availability of open space land and park and recreational facilities, a park development fee will be imposed on all new residential development in the city. The park development fee shall provide funds for the development of park, recreation and arts facilities.

Dwelling Unit - Park In Lieu Fee

Description - Each person who constructs any dwelling unit or units as defined, containing bedrooms in the city shall pay a fee or dedicate land in lieu of the payment of the fee and/or dedication of land as provided for in Resolution No. 85-56, as it may be amended, adopted in conjunction herewith. All fees and/or dedications pursuant to a said resolution shall be deposited or dedicated to the city.

Fee Schedule:

DWELLING UNIT FEES (PARK IN LIEU)	
1 Bedroom or Studio	\$556.00 per dwelling unit
2 Bedroom or Mobile Home	\$834.00 per dwelling unit
3 Bedroom or More	\$1,113.00 per dwelling unit

Administrative Offices Fee

Description - To mitigate the burdens and increased demand for providing administrative facilities needed to serve new development and to support the well-being and general welfare of the city's residents and businesses, an administrative offices fee will be imposed on all new development in the city. The administrative offices' fee shall be used to finance land acquisition, design, construction, equipping and related capital costs for administrative facilities.

Corporate Yard Facilities Fee

Description - To mitigate the burdens and increased demand for governmental services created by new development and to provide adequate public services and support to the city's growing population. a corporate yard facilities fee will be imposed on all new development in the city. The corporate yard facilities fee shall be used to finance land acquisition, design, construction, equipping and related capital costs for municipal storage and equipment repair facilities.

Fund 413 Balance:

Fund 413 Urban Structure Program Fee(s)	
<i>Beginning Fund Balance as of July 1, 2023</i>	\$ 1,775,189.00
Revenues	
Fees Collected	\$ 395,971.81
Interest Earned	\$ -
Other Revenue(s)	\$ -
Total Revenues	\$ 395,971.81
Expenses	
Project Expenses	\$ (105,961.40)
Other Charges	
Total Expenses	\$ (105,961.40)
Transfers In	
Transfers Out	\$ (42,411.57)
Ending Balance as of June 30, 2024	<u><u>\$ 2,022,787.84</u></u>

Fee Schedule:

URBAN STRUCTURE PROGRAM FEES	
Park Development Fee	\$2,961.76 per dwelling unit
Administrative Offices Fee: Residential	\$71.50 per dwelling unit
Administrative Offices Fee: Non-Residential	\$0.03 per SF
Corporate Yard Fee: Residential	\$67.52 per dwelling unit
Corporate Yard Fee: Non-Residential	\$0.02 per SF

Biological Impact Fee (Fund 412)

Description - The city council finds that new development of land within the city results in an incremental effect on biological resources, including loss of habitat and reduction in total numbers of flora and fauna on a regional basis. This chapter establishes the adoption, collection, administration, and use of a biological impact fee to mitigate the long-term incremental impact of adding new development. Further, in recognizing the regional nature of such impacts and the need for regional mitigation for them, as well as the statutory authority over biological resources granted to various federal and state agencies by law, this establishes the basis for such impact fees, conditions under which they are reduced or waived, and the situations under which such fees shall terminate.

The city council expressly finds that the biological impact fee is expressly adopted for the purpose of mitigating biological impacts on a regional basis. Therefore, the establishment of such fee shall be based on expected regional effects from new development and fees necessary to contribute to the city's "fair share" to mitigate such impacts on a regional basis. In establishing the criteria listed in Section 15.66.070 of the City's municipal code, it is the intent of the city council that such fees may be expended either within or outside the city limits in order to achieve the goal of regional mitigation.

All biological impact fees shall be held in a separate account and shall only be expended upon an affirmative vote of a majority of the city council specifying the amount and use of such fees. Such fees shall only be expended for the following purposes:

- **Acquisition of Mitigation Land.** Fees may be expended for the purpose of acquiring or paying a third party for the acquisition of, land for the permanent conservation of habitat or species. Such acquisition may include land outside of the city of Lancaster; however, any such lands that contain habitat or species that will compensate for the incremental loss of same within the city limits. In identifying such acquisition sites, the city may consult with the USFWS or CDFG for assistance.
- **Restoration of Habitat.** Fees may be expended for the purpose of restoring habitat within identified permanent conservation areas.
- **Environmental Education.** Fees may be expended for the purpose of funding environmental education, provided that the city council finds that such efforts will contribute to a long-term improvement in the regional environment by increasing public awareness of the biological resources of the region.
- **Other Uses.** Fees may be expended for other uses provided that the city council finds that such use will meet the intent of this chapter. The city council expressly finds that assignment of such fees to a group with the authority to administer a regional conservation plan.

Fund 412 Balance:

Fund 412 Biological Impact Fee	
Beginning Fund Balance as of July 1, 2023	\$ 927,888.00
Revenues	
Fees	\$
Collected	119,882.88
Interest	
Earned	\$ -
Other	
Revenue(s)	
Total Revenues	\$ 119,882.88
Expenses	
Project	\$
Expenses	-
	\$
Other Charges	-
Total Expenses	\$ -
Transfers In	\$ -
Transfers Out	\$ -
Ending Balance as of June 30, 2024	\$ 1,047,770.88

Fee Schedule:

BIOLOGICAL IMPACT FEE	\$770.00 per gross acre
OPEN SPACE FEE	
Single Family Dwellings	\$350.00 per dwelling unit
Multi-Family Dwellings/Mobile Homes	\$237.00 per dwelling unit
Commercial	\$0.07 per gross bldg 1,000 SF
Office	\$0.08 per gross bldg 1,000 SF
Industrial	\$0.04 per gross bldg 1,000 SF

Other (Impact) Fee (Fund 101):

Fund 101Other (Impact) Fee	
<i>Beginning Fund Balance as of July 1, 2023</i>	\$ -
<i>Revenues</i>	
Fees	\$
Collected	1,200,000.00
Interest	
Earned	\$ -
Other	
Revenue(s)	
<i>Total</i>	\$
<i>Revenues</i>	1,200,000.00
<i>Expenses</i>	
Project	\$
Expenses	(1,200,000.00)
Other Charges	\$ -
<i>Total</i>	\$
<i>Expenses</i>	(1,200,000.00)
<i>Transfers In</i>	\$ -
<i>Transfers Out</i>	\$ -
<i>Ending Balance as of June 30, 2024</i>	\$ -

Park Development Credits (Fund 203):

Fund 203 Park Development Credits	
<i>Beginning Fund Balance as of July 1, 2023</i>	\$ 524,577.00
<i>Revenues</i>	
Fees	
Collected	\$ 98,269.79
Interest	
Earned	\$ -
Other	
Revenue(s)	
<i>Total</i>	\$
<i>Revenues</i>	\$ 98,269.79

Expenses

Project Expenses	\$	-
Other Charges	\$	-
Total Expenses	\$	-
Transfers In	\$	-
Transfers Out	\$	-
Ending Balance as of June 30, 2024	\$	622,846.79

Development Impact Fee Summary

	FUND					
	101	203	411	412	413	414
Beginning Balance	-	524,577.00	10,957,159.00	927,888.00	1,775,189.00	1,754,861.00
Revenues	1,200,000.00	98,269.79	491,545.55	119,882.88	395,971.81	490,578.03
Expenses	(1,200,000.00)	-	(224,700.53)	-	(105,961.40)	(204,149.76)
Transfer In	-	-	-	-	-	-
Transfer Out	-	-	-	-	(42,411.57)	-
Ending Balance	-	622,846.79	11,224,004.02	1,047,770.88	2,022,787.84	2,041,289.27



APPENDIX A
Public Notice

2023-2024
AB 1600 ANNUAL REPORT
DEVELOPMENT IMPACT FEES

LEGAL NOTICE
CITY OF LANCASTER
NOTICE OF PUBLIC COMMENT PERIOD
AB1600 DEVELOPMENT IMPACT ANNUAL REPORT
2023-2024 FISCAL YEAR

Notice is hereby given that the City of Lancaster will hold a fifteen-day public comment period on the AB 1600 Development Impact Fee Report for the 2024 Fiscal Year, in compliance with recent changes to the Mitigation Fee Act, pursuant to California Assembly Bill 602 requirements.

PUBLIC COMMENT PERIOD: October 8th, 2024 to
October 22nd, 2024

PLACE OF REVIEW: Lancaster City Hall
44933 Fern Avenue
Lancaster, CA 93534

All interested persons are invited to review and comment on the AB 1600 Development Impact Annual Report for the Fiscal Year 2023-2024 during the 15-day public review and comment period from October 8th, 2024 to October 22nd, 2024. Citizens wishing to submit written comments during the public review and comment period may mail them, postmarked no later than October 22nd, 2024, to the following:

City of Lancaster
Attention: City Clerk
44933 Fern Avenue
Lancaster, California 93534

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this public meeting, please contact the City Clerk at (661)723-6020. TDD users may call the California TDD Relay Service at 1-800-735-2922. Services such as American Sign Language interpreters, a reader during the meeting, auxiliary aids, large print copies of the agenda and/or translation assistance for non-English speakers are available upon reasonable and timely request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days' notice is strongly recommended. For additional information, please contact the City Clerk at (661)723-6020.

DATED: October 8th, 2024

ANDREA ALEXANDER
City Clerk
City of Lancaster

Published: October 8th, 2024
Antelope Valley Press (Public Notices)

- City of Lancaster website



APPENDIX B

Summary of Citizen Participation Comments

(To be inserted after the conclusion of the
public review and comment period on October
22, 2024)

2023-2024

AB 1600 ANNUAL REPORT

DEVELOPMENT IMPACT FEES