

CITY OF SANTA CRUZ
FY 2023 Development Impact Fee Annual Reports for
Childcare Impact Fee and Citywide Public Safety Impact Fee (Police & Fire) Fund
Fiscal Year Ending June 30, 2023

Government Code Sec. 66006(a) requires local agencies to produce an annual report, within 180 days of the fiscal year end. The annual report must be made available to the public at the Planning and Community Development Department at least 15 days prior to the City Council meeting.

This report summarizes the following information for each of the development fee programs:

- 1 – Description of fee
- 2 – Amount of fee
- 3 – Beginning and ending fund balances
- 4 – Amount of fees collected and interest earned
- 5 – The amount of refunds paid
- 6 – Identification of projects on which fees were expended and the amount for each improvement that was expended
- 7 – The total percentage of the cost of the public improvement that was funded with fees
- 8 – The approximate date by which construction of the improvements will commence for any incomplete improvements for which sufficient funds to complete financing for the improvements have been collected
- 9 – Description of each interfund transfer or loan made from the fund, if any

The following fee programs are included in this report:

- **Section A** – Citywide Childcare Impact Fee for Fiscal Year Ending June 30, 2023
- **Section B** – Citywide Public Safety Impact Fee (Fire & Police) for Fiscal Year Ending June 30, 2023

Section A – Citywide Childcare Impact Fee for Fiscal Year Ending June 30, 2023

1 – Description: A Childcare Impact Fee is assessed in connection with the issuance of certain development permits in the City designated by City Council Resolution NS-29,812. This fee was effective on June 26, 2021. While the education of children has been acknowledged as a public responsibility, the pre-school and after-school care of children traditionally has been seen as a private issue for families, especially women, and not of public concern; however, consideration for the needs of children is a critical part of community planning and is part of an integrated system that supports human development, labor force participation, and job opportunities. The benefits of early childcare development and care in the community speak to the labor market, business recruitment, and retention; improved school readiness and success; and reduced public cost for remediation, prison, and welfare. As such, the City’s General Plan calls for accessible, high-quality childcare facilities and services and includes objectives and policies to encourage an adequate and diverse supply of childcare facilities and services citywide and includes a Childcare Impact fee on new residential and nonresidential development due to its impacts on childcare needs.

2 – Fee Amount: The Childcare Impact Fee in FY 2023 was defined as:

Childcare Impact Fee (Fund 218)

<i>Residential Use</i>	Maximum per Dwelling Unit	Cost Per Sq. Ft
Single-Family	-	\$0.56
Multi-Family	-	\$0.42

<i>Commercial Use</i>	Cost Per 1,000 Sq. Ft	Cost Per Sq. Ft
Retail		\$1.53
Office		\$1.78
Industrial		\$0.71
Hotel		\$0.54

3 & 4 – Fund Balances, Fees Collected, & Interest Earned:

The total funds collected in FY 2023 for Child Impact Fee was **\$51,690.67**

Childcare Impact Fee (Fund 218) – Fund Balance

Collections	
• Fees Collected 7/1/22 to 6/30/23	\$51,014.42
• Interest	\$676.25
Total	\$51,690.67
Disbursements	
• Administrative Expenses	0
• Total Disbursements	0
% of Cost Funded	0
Ending Balances (<i>Fees Collected + Interest</i>)	
<i>Ending Available Fund Balance is unaudited and is before consideration of remaining interest accrual.</i>	
• As of 6/30/2021	\$1,459.98
• As of 6/30/2022	\$21,373.09
• As of 6/30/2023	\$71,970.85

5 – Refund: The refund amount in FY 2023 for Child Impact Fee was **\$53.59**.

6 – Identification of Project on Which Fees Were Expended & Amount for Each Improvement Expended: Not applicable for FY 2023.

7 – Total Percentage of The Costs of The Public Improvement Funded with Fees: Not applicable for FY 2023.

8 – Approximate Date by Which Construction of Improvements Will Commence: Not applicable for FY 2023.

9 – Interfund Transfer or Loan Made from Fund: Not applicable for FY 2023.

Section B – Citywide Public Safety Impact Fee (Fire & Police) for Fiscal Year Ending June 30, 2023

1 – Description: A Public Safety Impact Fee (Fire and Police) is assessed in connection with the issuance of certain development permits in the City as designated by City Council Resolution NS-29,813. The fees were effective on June 26, 2021. The City’s General Plan includes objectives and policies to ensure adequate fire and police training and resources and to maintain rapid and timely response to all emergencies and services. A developer voluntarily choosing to create new development will place new, additional, and cumulatively overwhelming burdens on public safety services, a network of integrated services that serves existing and planned residential and non-residential development. New development in the City will increase the service population and therefore the need for new fire and police facilities, apparatuses, vehicles, and equipment to adequately serve new residents and employees. In accordance with the General Plan, the fees shall be used to pay costs associated with the mitigation of fire and police impacts attributable to the development that is the subject of the permit.

2 – Fee Amount: The Public Safety Impact Fee in FY 2023 was defined as:

Public Safety Impact Fee – Police (Fund 215)

<i>Residential Use</i>	Maximum per Dwelling Unit	Cost Per Sq. Ft.
Single-Family	\$852	\$0.530
Multi-Family	\$635	\$0.910

<i>Non-Residential Use</i>	Cost Per 1,000 Sq. Ft	Cost Per Sq. Ft.
Retail	\$516	\$0.516
Office	\$601	\$0.601
Industrial	\$421	\$0.241
Hotel	\$180	\$0.180

Public Safety Impact Fee – Fire (Fund 217)

<i>Residential Use</i>	Maximum per Dwelling Unit	Cost Per Sq. Ft.
Single-Family	\$841	\$0.530
Multi-Family	\$627	\$0.900

<i>Non-Residential Use</i>	Cost Per 1,000 Sq. Ft	Cost Per Sq. Ft.
Retail	\$509	\$0.509
Office	\$594	\$0.594
Industrial	\$237	\$0.237
Hotel	\$178	\$0.178

3 & 4 – Fund Balances, Fees Collected, & Interest Earned:

- The total funds collected in FY 2023 for Public Safety Impact Fee – Police Fund was **\$90,627.20**

Police Program Fees (Fund 215) – Fund Balance

Collection	
• Fees Collected 7/1/22 to 6/30/23	\$89,843.72
• Interest	\$783.48
Total	\$90,627.20
Disbursements	
• Administrative Expenses	0
• Total Disbursements	0
% of Cost Funded	0
Ending Balances (Fees Collected + Interest)	
<i>Ending Available Fund Balance is unaudited and is before consideration of remaining interest accrual.</i>	
• As of 6/30/2021	\$2,575.85
• As of 6/30/2022	\$18,388.02
• As of 6/30/2023	\$109,015.22

- The total funds collected in FY 2023 for Public Safety Impact Fee – Fire Fund was **\$88,557.66**.

Fire Program Fees (Fund 217) – Fund Balance

Collection	
• Fees Collected 7/1/22 to 6/30/23	\$87,780.40
• Interest	\$777.26
Total	\$88,557.66
Disbursements	
• Administrative Expenses	0
• Total Disbursements	0
% of Cost Funded	0
Ending Balances (Fees Collected + Interest)	
<i>Ending Available Fund Balance is unaudited and is before consideration of remaining interest accrual.</i>	
• As of 6/30/2021	\$2,515.96
• As of 6/30/2022	\$16,347.98
• As of 6/30/2023	\$107,421.60

5 – Refunds:

- The refund amount in FY 2023 for Public Safety Impact Fee – Police Fund was **\$125.87**.
- The refund amount in FY 2023 for Public Safety Impact Fee – Fire Fund was **\$62.97**.

6 – Identification of Project on Which Fees Were Expended & Amount for Each Improvement Expended: Not applicable for FY 2023.

7 – Total Percentage of The Costs of The Public Improvement Funded with Fees: Not applicable for FY 2023.

8 – Approximate Date by Which Construction of Improvements Will Commence: Not applicable for FY 2023.

9 – Interfund Transfer or Loan Made from Fund: Not applicable for FY 2023.