

Development Impact Fee Report

for Fiscal Year End
June 30, 2023



**City of
Huntington Beach**



**City of Huntington Beach
Development Impact Fee Report
Fiscal Year Ended
June 30, 2023**



**Submitted by
Sunny Han, Chief Financial Officer**



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Tony Strickland
Mayor



Gracey Van Der Mark
Mayor Pro Tem



Rhonda Bolton
Council Member



Pat Burns
Council Member



Dan Kalmick
Council Member



Casey McKeon
Council Member



Natalie Moser
Council Member



Elected Officials

City Attorney Michael Gates
City Clerk Robin Estanislau
City Treasurer Alisa Backstrom

City Manager's Office

City Manager (Interim) Eric Parra
Assistant City Manager Travis Hopkins

Department Directors

Community Development (Acting) Jennifer Villaseñor
Community and Library Services Ashley Wysocki
Finance Sunny Han
Fire Scott Haberle
Information Services John Dankha
Human Resources (Interim) Theresa St. Peter
Police Eric Parra
Public Works Chau Vu

Transmittal Letter



Development Impact Fee Report
Fiscal Year End June 30, 2023



CITY OF HUNTINGTON BEACH

2000 Main Street, Huntington Beach, CA 92648

FINANCE DEPARTMENT

December 19, 2023

Dear Mayor and Members of the City Council:

The City Council approved the establishment of Development Impact Fees through the enactment of Government Code Sections 66001 through 66009. Four ordinances have been adopted establishing development impact fees for Parkland Acquisition and Park Facilities, Police Facilities, Fire Facilities, and Library. The law requires any local agency that imposes development impact fees to prepare an annual report providing specific information about those fees. Additionally, three Public Works facilities improvement fees – Planned Local Drainage, Sanitary Sewer Facilities, and Fair Share Traffic Impact Mitigation Program – and two Community Development fees – In-Lieu Parking and Affordable Housing In-Lieu – collected for development projects are also included in the annual compliance report requirement.

In accordance with the provisions of the California Government Code Section 66006 (b) and 66001 (d), as amended by Assembly Bill (A) 518 and Senate Bill (SB) 1693, I hereby submit the Development Impact Fee (DIF) Report for the City of Huntington Beach, California for the fiscal year (FY) ended June 30, 2023.

DIFs are charged by local governmental agencies in connection with approval of development projects. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a DIF program are set forth in Government Code 66000-66025 (the “Mitigation Fee Act”), the bulk of which was adopted as 1987’s AB 1600 and thus commonly referred to as “AB 1600 requirements”.

DIFs are collected at the time a building permit is issued for mitigating the impacts caused by new development on the City’s infrastructure. Fees are used to finance the acquisition, construction and improvement of public facilities needed because of this new development. A separate fund has been established to account for each of the City’s adopted DIFs.

State law requires the City prepare and make available to the public the DIF Report within 180 days after the last day of each fiscal year. The City Council must review the annual report at a regular scheduled public meeting not less than fifteen days after the information is made available to the public. This report was filed with the City Clerk’s office and available for public review on December 4, 2023.

Sincerely,

Sunny Han
Chief Financial Officer

Introduction



Development Impact Fee Report
Fiscal Year End June 30, 2023



Legal Requirements for Development Impact Fee Reporting

California Government Code Section 66006 (b)

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 DIFs on new development. Annually, for each separate fund established for the collection and expenditure of DIFs, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- a) A brief description of the type of fee in the account or fund.
- b) The amount of the fee.
- c) The beginning and ending balance of the account or fund.
- d) The amount of the fees collected and interest earned.
- e) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- f) An 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, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
- g) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- h) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

California Government Code Section 66001 (d)

For all funds established for the collection and expenditure of DIFs, California Government Code Section 66001 (d) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- a) Identify the purpose to which the fee is to be put.
- b) Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- c) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- d) Designate the approximate dates on which the funding referred to in subparagraph (c) is expected to be deposited into the appropriate account or fund.

California Government Code Section 66002

The State of California Government Code Section 66002 states that:

- a) Any local agency, which levies a fee subject to Section 66001, may adopt a capital improvement plan, which shall indicate the approximate location, size, time of availability, and estimates of cost for all facilities or improvements to be financed with the fees.



California Government Code Section 66002 (Continued)

- b) The capital improvement plan shall be adopted by, and shall be annually updated by, a resolution of the governing body of the local agency adopted at a noticed public hearing. Notice of the hearing shall be given pursuant to Section 65090. In addition, mailed notice shall be given to any city or county, which may be significantly affected by the capital improvement plan. This notice shall be given no later than the date the local agency notices the public hearing pursuant to Section 65090. The information in the notice shall be not less than the information contained in the notice of public hearing and shall be given by first-class mail or personal delivery.
- c) "Facility" or "improvement," as used in this section, means any of the following:
 - 1) Public buildings, including schools and related facilities; provided that school facilities shall not be included if Senate Bill 97 of the 1987–88 Regular Session is enacted and becomes effective on or before January 1, 1988.
 - 2) Facilities for the storage, treatment, and distribution of nonagricultural water.
 - 3) Facilities for the collection, treatment, reclamation, and disposal of sewage.
 - 4) Facilities for the collection and disposal of storm waters and for flood control purposes.
 - 5) Facilities for the generation of electricity and the distribution of gas and electricity.
 - 6) Transportation and transit facilities, including but not limited to streets and supporting improvements, roads, overpasses, bridges, harbors, ports, airports, and related facilities.
 - 7) Parks and recreation facilities.
 - 8) Any other capital project identified in the capital facilities plan adopted pursuant to Section 66002.



Description of Development Impact Fees

Parkland Acquisition and Park Facilities Development Impact Fees

Background: On June 18, 2012, the City Council approved the introduction of Ordinance No. 3946, which amended the Huntington Beach Municipal Code (HBMC) by adding Chapter 17.76 relating to Parkland Acquisition and Park Facilities Development Impact Fees. The second reading of the Ordinance was approved on July 2, 2012.

Fee Description: Per HBMC 17.76.090, the funds collected from Parkland Acquisition and Park Facilities Development Impact Fee shall be used to fund the “costs of providing the acquisition, relocation and expansion of parkland and park facilities development, attributable to new residential and nonresidential construction.” Therefore, the expenses included in this report represent all costs associated with the planning, design, and construction stages of an eligible project, including staffing and professional design consultant costs.

Specifically, the fees may be used as summarized below.

- 1) The acquisition of additional property for the expansion of parkland and community facilities development;
- 2) The construction of new parks and park facilities and community use facilities;
- 3) The funding of a master plan to identify capital facilities to serve new parkland and park facilities and community use facilities development;
- 4) The cost of financing, projects identified in the City's General Plan, the Master Facilities Plan included in the Nexus Report, the City's Capital Improvement Plan, the adopted annual City of Huntington Beach budget, or City Council approved park acquisition and development projects.

Since the City's CIP generally includes projects and upgrades to existing facilities of \$50,000 or more, all eligible park improvements may not meet the minimum qualifications required to be included in the City's CIP. However, projects and improvement less than the \$50,000 threshold are still eligible park expenses as long as they are included in the documents referenced in item 4 above of the City's adopted annual budget. Examples of these types of expenditures include the City's annual park license fees with Southern California Edison. Since these expenses are included in the City's budget, they are eligible and included in this report.

Police Facilities Development Impact Fees

Background: On June 18, 2012, the City Council approved the introduction of Ordinance No. 3942, which amended the Huntington Beach Municipal Code (HBMC) by adding Chapter 17.75 relating to Law Enforcement Facilities Impact Fees. The second reading of the Ordinance was approved on July 2, 2012.

Fee Description: Per HBMC 17.75.090, the funds collected from the Police Facilities Development Impact Fee shall be used to fund the costs of providing police services attributable to new residential and nonresidential construction and shall include:

- 1) The costs of providing the acquisition, construction, furnishing of new buildings;
- 2) Purchase of new specialty equipment and vehicles
- 3) Development of a Master Plan to identify capital facilities;



Police Facilities Development Impact Fees (Continued)

- 4) The cost of financing, projects identified in the City's General Plan, the Master Facilities Plan included in the Nexus Report, the City's Capital Improvement Plan, or City Council approved development projects

Fire Facilities Development Impact Fees

Background: On June 18, 2012, the City Council approved the introduction of Ordinance No. 3942, which amended the Huntington Beach Municipal Code (HBMC) by adding Chapter 17.74 relating to Fire Facilities Development Impact Fees. The second reading of the Ordinance was approved on July 2, 2012.

Fee Description: Per HBMC 17.74.090, the funds collected from the Fire Facilities Development Impact Fees shall be used to fund the costs of providing additional Fire suppression/medic facilities, vehicles and specialty equipment attributable to new residential and nonresidential construction and shall include:

- 1) The acquisition of additional property for Fire Department facilities;
- 2) The construction of new facilities for Fire Department services;
- 3) The furnishing of new buildings or facilities for Fire Department services;
- 4) The purchase of new specialty equipment and vehicles for Fire Department services;
- 5) The funding of a Master Plan to identify capital facilities to serve new Fire Department development;
- 6) The cost of financing projects identified in the City's General Plan, the Master Facilities Plan included in the Nexus Report, the City's Capital Improvement Plan, or City Council approved development projects.

Library Development Impact Fees

Background: On June 18, 2012, the City Council approved the introduction of Ordinance No. 3945, which amended the Huntington Beach Municipal Code (HBMC) by adding Chapter 17.67 relating to Library Development Impact Fees. The second reading of the Ordinance was approved on July 2, 2012.

Fee Description: Per HBMC 17.67.065, the funds collected from the Library Development Impact Fees shall be used to fund the costs of expansion of the amount of library space and the number of collection items attributed to the new residential construction and shall include:

- 1) The acquisition of additional property for Library construction;
- 2) The construction of new facilities for Library services;
- 3) The furnishing of new buildings or facilities for Library services;
- 4) The purchase of Library collections to expand collections;
- 5) The funding of master plan to identify capital facilities;
- 6) To serve new users and patrons;
- 7) The cost of financing, projects identified in the City's General Plan, the Master Facilities Plan included in the Nexus Report, the City's Capital Improvement Plan, or City Council approved development projects.



In-Lieu Parking Fee Program

Fee Description: The In-Lieu Parking Fee Program (In-Lieu Parking Fee) is intended to implement the goals and objectives of the Downtown Specific Plan by creating parking opportunities and facilitating vehicular traffic and pedestrian movement.

In accordance with Chapter 231.10 of the Huntington Beach Zoning Code, parking requirements for private property uses within the Downtown Specific Plan Area may be met by payment of an “in-lieu” fee for providing parking in a parking facility subject to conditional use permit approval by the Planning Commission.

In-Lieu Parking funds shall be used only for creating opportunities for additional parking, including, but not limited to, programs such as valet, re-striping, shuttle, trolley, and other similar programs resulting in the provision of additional parking or construction of surface or structured parking and associated design costs in District 1 of the Downtown Specific Plan. These types of projects can be quite expensive and can involve right-of-way acquisition and property impacts. As such, parking in-lieu funds are typically accumulated over several fiscal years until sufficient funds are available to undertake these types of projects.

Affordable Housing In-Lieu Fee Program

Fee Description: The Affordable Housing In-Lieu Fee Program (Affordable Housing In-Lieu Fee) is intended to implement the goals and objectives of the City of Huntington Beach Zoning & Subdivision Ordinance Section 230.26 relating to Inclusionary Housing (Inclusionary Housing Ordinance) and is a tool used by the City to produce housing units affordable to all economic segments of the community.

The Inclusionary Housing Ordinance applies to new residential projects of three or more units and requires that a minimum of 10% of all new residential construction be affordable housing units. Housing developers have multiple options to meet this obligation, including the payment of an in-lieu fee. If the in-lieu fee option is selected, the fee must be deposited in the City of Huntington Beach’s Affordable Housing Trust Fund (the “Trust Fund”).

This ordinance was most recently updated in September 2021 to expand the fee to include ownership projects with more than nine units and rental projects up to 100 units, among other changes. In-lieu fees paid to fulfill inclusionary housing requirements are placed in the City’s Affordable Housing Trust Fund.

The ordinance includes several provisions for use of Affordable Housing In-Lieu funds, including the following:

- 1) Constructing residential projects with a minimum 50% of units affordable to very low and low-income households, with at least 20% of the units available to very low-income households;
- 2) Units that obtain Affordable Housing In-Lieu funds must be affordable for a minimum of 55 years for rental units or 45 years for ownership units;
- 3) City Council has discretion to use Affordable Housing In-Lieu funds for other related costs such as pre-development costs, land or air rights acquisition, rehabilitation, land write downs, administrative costs, gap financing, or to lower the interest rate of construction loans or permanent financing.



Affordable Housing In-Lieu Fee Program (Continued)

In accordance with Section 230.26 (G) of the Huntington Beach Municipal Code (HBMC), the Community Development Department is required to prepare an annual report of the status of the Affordable Housing Trust Fund for Council including the amount of fees collected, expenditures from the Affordable Housing Trust Fund, and the degree to which the fees collected are assisting the City to provide and encourage low-and moderate-income housing.

Sanitary Sewer Facilities Fund

Fee Description: The Sanitary Sewer Facilities Fund (Sewer Fund) is a development fee that is restricted to use for sewer capacity enhancements. The fee is unrelated to the monthly Sewer Service Charge used for operations and maintenance of the existing sewer system. In accordance with Section 14.36.070 (d) of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Sewer Fund for the City Council.

The Sewer Fund is intended to implement the goals and objectives of the current Sewer Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of sanitary sewer facilities.

Planned Local Drainage Facilities Fund

Fee Description: The Planned Local Drainage Facilities Fund (Drainage Fund) is a development fee that is restricted to use for drainage system enhancement. In accordance with Section 14.48.050 (d) of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Drainage Fund for the City Council.

The Drainage Fund is intended to implement the goals and objectives of the current Drainage Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of drainage facilities.

Fair Share Traffic Impact Mitigation Fee Program

Fee Description: The Fair Share Traffic Impact Mitigation Fee Program (Traffic Impact Fee) is intended to implement the goals and objectives of the General Plan by providing revenue to ensure that the adopted Level of Service standards for arterial roadways and signalized intersections are maintained when new development is constructed within the City limits and that these developments pay their fair share towards short and long term transportation improvements.

In accordance with Section 17.65.130 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Traffic Impact Fee for the City Council.

Uses of Traffic Impact Fee funds are restricted to roadway capacity projects or other projects that affect the performance of the street system to offset the impacts of traffic generated by new development. Often, these types of projects are quite expensive and can involve right-of-way acquisition and property impacts. Staff has been developing projects to address some key roadway capacity areas in the City that are also larger scale projects. With expenditures that can be millions of dollars, staff has recommended that the Traffic Impact Fee fund accumulate a significant balance in order to make pursuit of those projects financially possible in the future. However, it is important to develop a program for fund expenditure to ensure the timely use of funds that are collected under this program.



Master Fee Schedule

Development Impact Fees

(per Resolution 2012-23 and amended on 12/17/18 to include ADU DIF)

Land Use	Law Enforcement Facilities	Fire Suppression Facilities	Circulation Systems (Streets, Signals, Bridges)	Public Library Facilities	Parkland/ Open Space & Facilities (No Tract Map)
Detached Dwelling Units (per Unit)	\$ 362.05	\$ 844.11	\$ 2,385.00	\$ 1,179.72	\$ 16,554.73
Attached Dwelling Units (per Unit)	\$ 746.48	\$ 349.85	\$ 1,597.00	\$ 866.48	\$ 12,732.84
Accessory Dwelling Units (per Unit)	\$ 183.50	\$ 86.00	\$ 341.00	\$ 213.00	\$ 3,130.00
Mobile Home Dwelling Units (per Unit)	\$ 337.64	\$ 1,449.23	\$ 1,248.00	\$ 708.85	\$ 10,222.88
Hotel/Motel Lodging Units (per Unit)	No Fee	No Fee	\$172/trip	\$0.041/SF	\$0.234/SF
Resort Lodging Units (per Unit)	No Fee	No Fee	\$172/trip	\$0.041/SF	\$0.234/SF
Commercial/Office Uses (per sq. ft.)	\$ 0.953	\$ 0.301	\$ 4.175	No Fee	\$ 0.897
Industrial/Manufacturing Uses (per sq. ft.)	\$ 0.406	\$ 0.0275	\$ 1.716	No Fee	\$ 0.730

In-Lieu Parking Fees

(per Resolution 2010-49, effective October 1, 2022)

Rate	
\$ 32,158.00	/ Parking Space
8.08%	variable annual interest *

Note: *only applicable when fee is not paid in lump sum



Master Fee Schedule

Affordable Housing In-Lieu Fees

(effective August 8, 2022)

AFFORDABLE HOUSING IN-LIEU FEE	FEE For Ownership Housing *	FEE For Rental Housing
3 Unit Projects <i>fee</i> x total square feet =	\$ 2.72	\$ 3.84
4 Unit Projects <i>fee</i> x total square feet =	\$ 3.63	\$ 5.12
5 Unit Projects <i>fee</i> x total square feet =	\$ 4.53	\$ 6.40
6 Unit Projects <i>fee</i> x total square feet =	\$ 5.44	\$ 7.68
7 Unit Projects <i>fee</i> x total square feet =	\$ 6.35	\$ 8.96
8 Unit Projects <i>fee</i> x total square feet =	\$ 7.25	\$ 10.24
9 Unit Projects <i>fee</i> x total square feet =	\$ 8.16	\$ 11.52
10 Unit Projects <i>fee</i> x total square feet =	\$ 9.07	\$ 12.80
11 Unit Projects <i>fee</i> x total square feet =	\$ 9.97	\$ 14.08
12 Unit Projects <i>fee</i> x total square feet =	\$ 10.88	\$ 15.36
13 Unit Projects <i>fee</i> x total square feet =	\$ 11.79	\$ 16.64
14 Unit Projects <i>fee</i> x total square feet =	\$ 12.69	\$ 17.92
15 Unit Projects <i>fee</i> x total square feet =	\$ 13.60	\$ 19.20
16 Unit Projects <i>fee</i> x total square feet =	\$ 14.51	\$ 20.48
17 Unit Projects <i>fee</i> x total square feet =	\$ 15.41	\$ 21.76
18 Unit Projects <i>fee</i> x total square feet =	\$ 16.32	\$ 23.04
19 Unit Projects <i>fee</i> x total square feet =	\$ 17.32	\$ 24.32
20 Unit Projects <i>fee</i> x total square feet =	\$ 18.31	\$ 25.60
21 Unit Projects <i>fee</i> x total square feet =	\$ 19.04	\$ 26.88
22 Unit Projects <i>fee</i> x total square feet =	\$ 19.95	\$ 28.16
23 Unit Projects <i>fee</i> x total square feet =	\$ 20.85	\$ 29.44
24 Unit Projects <i>fee</i> x total square feet =	\$ 21.76	\$ 30.72
25 Unit Projects <i>fee</i> x total square feet =	\$ 22.67	\$ 32.00
26 Unit Projects <i>fee</i> x total square feet =	\$ 23.57	\$ 33.28
27 Unit Projects <i>fee</i> x total square feet =	\$ 24.48	\$ 34.56
28 Unit Projects <i>fee</i> x total square feet =	\$ 25.39	\$ 35.84
29 Unit Projects <i>fee</i> x total square feet =	\$ 26.29	\$ 37.12
30+ Unit Projects <i>fee</i> x total square feet =	\$ 27.20	\$ 38.40

Note: *Calculated per square foot of net saleable area (up to 2000 s.f. per unit)



Master Fee Schedule

Sewer Connection Fees

(effective July 1, 2022)

Residential		
Single Family Dwelling Unit	\$	2,594.20
Multiple Family Dwelling Unit	\$	2,121.14
Non-Residential (based on water meter size relationship to Equivalent Dwelling Unit, EDU)		
<i>Meter Size & Type</i>	<i>EDU's</i>	<i>Charge</i>
3/4"	1	\$ 2,947.36
1"	2	\$ 5,895.81
1 1/2"	3	\$ 8,844.26
2"	5	\$ 14,743.34
3"	11	\$ 32,434.04
4" Compound	17	\$ 50,123.65
4" Domestic & Turbine	33	\$ 97,299.94
6" Compound	33	\$ 97,299.94
6" Domestic & Turbine	67	\$ 208,445.06
8" Domestic	117	\$ 344,966.47
10" Domestic	183	\$ 536,477.29

Drainage Fee

(effective July 1, 2022)

Rate	
\$ 14,888.00	/Acre



Master Fee Schedule

Schedule of Rates for Traffic Impact Fees (per Resolution 2012-23 and updated May 2021 and May 2023)

Land Use	Cost per 1000 sq. ft, dwelling unit or other unit		
	May 2021	May 2023	
RESIDENTIAL LAND USES (per Unit)			
Detached Dwelling Unit	\$ 2,624.30	\$ 2,943.88	/Unit
Apartment	\$ 1,843.08	\$ 2,067.53	/Unit
Condominium/ Townhouse	\$ 1,607.96	\$ 1,803.77	/Unit
Mobile Home Dwelling	\$ 1,372.83	\$ 1,540.01	/Unit
RESORT/TOURIST (per Unit or Entry Door)			
Hotel	\$ 1,812.75	\$ 2,033.50	/Room
All Suites Hotel	\$ 1,084.61	\$ 1,216.69	/Room
Motel	\$ 1,251.48	\$ 1,403.88	/Room
INDUSTRIAL (per 1,000 SF)			
General Light Industrial	\$ 2,108.54	\$ 2,365.32	/1,000 sf
Heavy Industrial	\$ 2,040.29	\$ 2,288.75	/1,000 sf
Manufacturing	\$ 932.91	\$ 1,046.52	/1,000 sf
Warehousing	\$ 1,501.77	\$ 1,684.65	/1,000 sf
COMMERCIAL (per 1,000 SF)			
Office Park	\$ 2,472.61	\$ 2,773.72	/1,000 sf
Research Park	\$ 1,668.63	\$ 1,871.84	/1,000 sf
Business Park	\$ 3,117.30	\$ 3,496.92	/1,000 sf
Bldg. Materials/Lumber Store	\$ 4,785.94	\$ 5,368.77	/1,000 sf
Garden Center	\$ 3,822.69	\$ 4,288.22	/1,000 sf
Movie Theater	\$ 401.99	\$ 450.94	/1,000 sf
Church	\$ 963.26	\$ 1,080.56	/1,000 sf
Medical-Dental Office	\$ 7,410.25	\$ 8,312.66	/1,000 sf
General Office Building	\$ 2,389.18	\$ 2,680.13	/1,000 sf
Shopping Center	\$ 4,922.47	\$ 5,521.93	/1,000 sf
Hospital	\$ 1,865.83	\$ 2,093.05	/1,000 sf
Discount Center	\$ 10,262.09	\$ 11,511.80	/1,000 sf
High-Turnover Restaurant	\$ 1,448.67	\$ 1,625.09	/1,000 sf
Convenience Market	\$ 7,106.86	\$ 7,972.33	/1,000 sf
Office Park	\$ 2,275.41	\$ 2,552.51	/1,000 sf
OTHER (as noted)			
Cemetery	\$ 500.58	\$ 561.54	/Acre
Service Station/Market (avg)	\$ 17,558.57	\$ 19,696.84	/Fuel Position
Service Station w/Car Wash	\$ 16,200.91	\$ 18,173.84	/Fuel Position

Development Impact Fee Report



Development Impact Fee Report
Fiscal Year End June 30, 2023



Development Impact Fee Report

Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended June 30, 2023 * Development Impact Fees

Description	Parkland Acquisition & Park Facilities	Police Facilities	Fire Facilities	Library Facilities	In-Lieu Parking Fund	Affordable Housing In-Lieu	Sewer Facilities Fund	Drainage Facilities Fund	Traffic Impact Fees
REVENUES									
Fees	970,706	824,434	79,133	103,468	56,120	4,930,227	1,318,035	1,003,383	1,515,538
Interest	70,307	38,003	17,248	16,313		117,357	57,578	31,947	59,843
Other Revenue							12,310		
Total Revenues	1,041,013	862,437	96,381	119,781	56,120	5,047,584	1,387,923	1,035,330	1,575,381
EXPENDITURES									
Expenditures	2,971,362	488,233	1,499	88,860	6,100		1,231,594	393,409	41,428
Total Expenditures	2,971,362	488,233	1,499	88,860	6,100		1,231,594	393,409	41,428
Rev Over/(Under) Exp	(1,930,349)	374,204	94,882	30,921	50,020	5,047,584	156,329	641,921	1,533,953
Beginning Fund Balance	5,688,798	1,942,285	1,035,859	989,634	719,230	4,541,690	2,270,713	3,486,824	2,646,630
Ending Fund Balance	3,758,449	2,316,489	1,130,741	1,020,555	769,250	9,589,274	2,427,042	4,128,745	4,180,583

* Note: Unaudited actual

Financial Summary Report



Development Impact Fee Report
Fiscal Year End June 30, 2023



Parkland Acquisition and Park Facilities Development Impact Fees

The Parkland Acquisition and Park Facilities Development Impact Fee program is intended to implement the goals, objectives and policies of the City of Huntington Beach General Plans by ensuring that the City's acquisition, relocation and expansion of parkland and community facilities development are maintained when new development is constructed within the City limits (HBMC 17.76.020 (B)).

Fiscal Status

This report presents the fund information based on the City's preliminary audit for Fiscal Year 2022/23. The balance for the fund at the beginning of the fiscal year was \$5,688,798. During FY 2022/23, the Parkland Acquisition and Park Facilities Development Impact Fee Fund recognized \$970,706 in impact fees paid, as well as \$70,307 in interest and market adjustments for total revenues of \$1,041,013.

Expenditures from the fund totaled \$2,971,362 including Bluff Top Park improvements (\$763,000), Harbour View Clubhouse Rehabilitation (\$738,000), playground equipment and accessibility improvements at Huntington Central Park – Slater and Booster Park (\$682,000), Huntington Central Park Public Art Installation – “To See Yourself in Nature” (\$217,000), Huntington Central Park Restrooms – Gothard (\$117,000), Edison Park Reconfiguration design (\$100,000), Marina Park conceptual design services (\$52,000), Huntington Central Park Disc Golf Course (\$29,000), as well as other various park improvements. The fund balance at the end of the fiscal year is \$3,758,449.

No Parkland Acquisition and Park Facilities Development Impact Fees were loaned and no refunds were made due to protests during this reporting period.

For the Fiscal Year Ended June 30, 2023 Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	4,026,144	385,395	788,972	440,288	970,706
Interest	495,707	383,539	3,088	62,860	70,307
Total Revenues	4,521,851	768,934	792,060	503,148	1,041,013
EXPENDITURES					
Expenditures	1,533,146	2,949,744	3,556,058	5,176,320	2,971,362
Total Expenditures	1,533,146	2,949,744	3,556,058	5,176,320	2,971,362
Rev Over/(Under) Exp	2,988,705	(2,180,810)	(2,763,998)	(4,673,172)	(1,930,349)
Beginning Fund Balance	12,318,073	15,306,778	13,125,968	10,361,970	5,688,798
Ending Fund Balance	15,306,778	13,125,968	10,361,970	5,688,798	3,758,449

Note: * Unaudited actual



Parkland Acquisition and Park Facilities Development Impact Fees (Continued)

Planned Park Projects, Studies, and Expenditures

The FY 2023/24 Capital Improvement Program (CIP) includes funding for the following new projects: Seely Park and Trinidad Park Playground Improvements (\$236,000) to be completed by June 30, 2023. Continuing funding is also budgeted for Edison and Carr Park Improvements, tennis court and irrigation renovations at LeBard Park, as well as Marina Park design services and completion of the Parks Master Plan.

Future Project and Fund Balance

Per HBMC 17.76.090 (A)(5), use of Parkland Acquisition and Park Facilities Development Impact Fee funds are restricted to projects identified in the City of Huntington Beach General Plan, the Master Facilities Plan included in the Nexus Report, the City of Huntington Beach Capital Improvement Plan, the adopted annual City of Huntington Beach budget, or City Council approved park acquisition and development projects. Often, these types of projects require multiple years to plan and construct due to changing City priorities, community involvement, and the entitlement process. With expenditures totaling millions of dollars, staff recommends that the Parkland Acquisition and Park Facilities Development Impact Fee Fund accumulate a significant balance in order to make pursuit of those projects financially possible in the future. However, it is important to develop a program for fund expenditure to ensure the timely use of funds that are collected under this program. Staff also uses Parkland Acquisition and Park Facilities Development Impact Fee funds as a “matching fund” when pursuing park enhancement projects for grant funding opportunities as available.

Looking forward, other potential uses of the fund balance include continued design services, plans and specifications, and construction funding for the Edison Park Reconfiguration Improvements pending final approval of a Master Plan anticipated for 2024. Additionally, it is anticipated that the final design plans and specifications for the Marina Park Reconfiguration project would be completed in FY 2024/25, with construction beginning in FY 2025/26. Finally, continued playground ADA equipment improvements as listed on the City Council approved Park Playground & Equipment Replacement Priority List and other playground safety equipment needs are also planned on a continuous basis as funding is available through FY 2024/25 at an estimated cost of \$3.2 million.

**Parkland Acquisition and Park Facilities Development Impact Fees (Continued)****Summary of Revenue and Expenditures
Parkland Acquisition & Park Facilities Development Impact Fee Fund***

Beginning Balance 7/1/2022	\$5,688,798
Revenue	
Developer Fees (Residential)	529,671
Developer Fees (Commercial)	441,035
Others, Interest, & Adjustments	70,307
Total Revenue	\$1,041,013
Expenditures	
Various Park Improvements/Monument Signs	(5,256)
Park Leases	(10,635)
Edison Park Reconfiguration	(99,639)
Harbor View Clubhouse Rehabilitation	(738,267)
HCP Disc Golf Course	(28,800)
LeBard Park Improvements	(22,016)
HCP Trail Improvements	(8,556)
HCP Restroom Improvements	(116,600)
Rodgers Seniors' Center Redevelopment	3,102
Bluff Top Park Improvements	(763,305)
Marina Park Reconfiguration	(51,545)
Sun View Park Playground Improvements	(10,962)
Carr Park Improvements	(993)
Booster Park Playground Improvements	(221,527)
HCP Slater Playground Improvements	(460,226)
HCP Art Installation	(217,336)
Pattinson Park Improvements	(20,115)
Personnel and Professional Services	(198,686)
Total Expenditures	\$(2,971,362)
Beginning Balance 7/1/2023	\$3,758,449

*Figures are rounded to the nearest dollar

Conformance with Program Goals and Objectives

The Park Development Impact Fee Program is intended to implement the goals, objectives and policies of the City of Huntington Beach General Plan, as stated in the Municipal Code Chapter 17.76. Completion of the planned projects is in conformance with the goals and objectives of the Park Development Impact Fee program.



Police Facilities Development Impact Fees
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	278,513	178,437	154,900	149,993	824,434
Interest	48,848	49,575	9,948	19,691	38,003
Total Revenues	327,361	228,012	164,848	169,684	862,437
EXPENDITURES					
Expenditures				150,336	488,233
Total Expenditures				150,336	488,233
Rev Over/(Under) Exp	327,361	228,012	164,848	19,348	374,204
Beginning Fund Balance	1,202,716	1,530,077	1,758,089	1,922,937	1,942,285
Ending Fund Balance	1,530,077	1,758,089	1,922,937	1,942,285	2,316,489

Note: *Unaudited actual

Police Facilities Development Impact Fees of \$824,434 and \$38,003 in interest/bank adjustments were posted in FY 2022/23. Expenditures during Fiscal Year 2022/23 totaled \$488,233 for PD Communications Center and Traffic Office reconfigurations.

No Police Facilities Development Impact Fees were loaned and no refunds were made due to protests during this reporting period.

The Police Facilities Development Impact Fee Fund reports funds being held past the fifth year and first deposit. These funds are intended for the projects identified in the DIF Project Identification section of this annual compliance report.



Fire Facilities Development Impact Fees
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	156,211	98,953	99,561	64,895	79,133
Interest	25,418	27,274	5,042	9,959	17,248
Total Revenues	181,629	126,227	104,603	74,854	96,381
EXPENDITURES					
Expenditures				72,914	1,499
Total Expenditures				72,914	1,499
Rev Over/(Under) Exp	181,629	126,227	104,603	1,940	94,882
Beginning Fund Balance	621,460	803,089	929,316	1,033,919	1,035,859
Ending Fund Balance	803,089	929,316	1,033,919	1,035,859	1,130,741

Note: *Unaudited actual

Fire Facilities Development Impact Fees of \$79,133 and \$17,248 in interest/bank adjustments were posted in FY 2022/23. Expenditures totaled \$1,499 for costs related to a Fire facilities assessment and a standards of cover study.

No Fire Facilities Development Impact Fees were loaned and no refunds were made due to protests during this reporting period.

The Fire Facilities Development Impact Fee Fund reports funds being held past the fifth year and first deposit. These funds are intended for the projects identified in the DIF Project Identification section of this annual compliance report.



Library Development Impact Fees
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	313,292	128,248	104,298	77,394	103,468
Interest	40,351	36,229	1,084	9,669	16,313
Total Revenues	353,643	164,477	105,382	87,063	119,781
EXPENDITURES					
Expenditures	125,856	156,639	349,272	83,528	88,860
Total Expenditures	125,856	156,639	349,272	83,528	88,860
Rev Over/(Under) Exp	227,787	7,838	(243,890)	3,535	30,921
Beginning Fund Balance	994,363	1,222,150	1,229,988	986,099	989,634
Ending Fund Balance	1,222,150	1,229,988	986,098	989,634	1,020,555

Note: *Unaudited actual

Library Development Impact Fees of \$103,468 and interest/bank adjustments of \$16,313 were posted in FY 2022/23. Expenditures incurred in FY 2022/23 include professional services charges for the development of the Library Facilities Master Plan (\$7,729) and conceptual design services for the Central Library's Children-Teen wing (\$81,131).

No Library Development Impact Fees were loaned and no refunds were made due to protests during this reporting period.



In-Lieu Parking Fees
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	67,743	18,336	115,018	65,717	56,120
Interest					
Total Revenues	67,743	18,336	115,018	65,717	56,120
EXPENDITURES					
Expenditures				5,074	6,100
Total Expenditures				5,074	6,100
Rev Over/(Under) Exp	67,743	18,336	115,018	60,643	50,020
Beginning Fund Balance	457,490	525,233	543,569	658,587	719,230
Ending Fund Balance	525,233	543,569	658,587	719,230	769,250

Note: *Unaudited actual

In-Lieu Parking Fees of \$56,120 and interest/bank adjustments of \$0 were posted in FY 2022/23. Expenditures incurred in FY 2022/23 include professional services charges for a parking study (\$6,100).

No In-Lieu Parking Fees were loaned and no refunds were made due to protests during this reporting period.

The In-Lieu Parking Fee Fund reports funds being held past the fifth year and first deposit. These funds are intended for the projects identified in the DIF Project Identification section of this annual compliance report.



Affordable Housing In-Lieu Fees
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	137,432	2,806,277	224,046	793,846	4,930,227
Interest	14,711	56,093	5,853	31,007	117,357
Other Revenue	54,674	68,852	86,196	2,269,091	
Total Revenues	206,817	2,931,222	316,095	3,093,944	5,047,584
EXPENDITURES					
Expenditures	100,411	2,265,471	715		
Total Expenditures	100,411	2,265,471	715		
Rev Over/(Under) Exp	106,406	665,751	315,380	3,093,944	5,047,584
Beginning Fund Balance	360,209	466,615	1,132,366	1,447,746	4,541,690
Ending Fund Balance	466,615	1,132,366	1,447,746	4,541,690	9,589,274

Note: *Unaudited actual

Affordable Housing In-Lieu Fees of \$4,930,227 and interest/bank adjustments of \$117,357 were posted in FY 2022/23, for total revenues of \$5,047,584. The large increase in revenue in FY 2022/23 was due to fees paid by several large development projects. No expenditures were incurred in FY 2022/23.

No Affordable Housing In-Lieu Fees were loaned and no refunds were made due to protests during this reporting period.



Planned Local Drainage Facilities Fund
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	429,294	703,122	217,735	963,138	1,003,383
Interest	53,429	74,100	12,285	(197,540)	31,947
Other Revenue	(386)				
Total Revenues	482,337	777,222	230,020	765,598	1,035,330
EXPENDITURES					
Expenditures			26,749	668	393,409
Total Expenditures			26,749	668	393,409
Rev Over/(Under) Exp	482,337	777,222	203,271	764,930	641,921
Beginning Fund Balance	1,259,064	1,741,401	2,518,623	2,721,894	3,486,824
Ending Fund Balance	1,741,401	2,518,623	2,721,894	3,486,824	4,128,745

Note: *Unaudited actual

Planned Local Drainage Facilities Fund revenues for FY 2022/23 include \$1,003,383 of development fees plus interest/bank adjustments of \$31,947 for a total of \$1,035,330. Expenditures in the fund totaled \$393,409 for continued work on flood station forebay improvements (\$62,839), repairs of half round grates (\$211,418), repairs to storm drain channels (\$56,917), and a portion of the construction costs for the McCallen Storm Drain project (\$62,235).

No Planned Local Drainage Facilities Fees were loaned and no refunds were made due to protests during this reporting period.

The Planned Local Drainage Facilities Fund reports funds being held past the fifth year and first deposit. These funds are intended for the projects identified in the DIF Project Identification section of this annual compliance report.



Sanitary Sewer Facilities Fund
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	215,496	405,790	92,206	366,521	1,318,035
Interest	257,329	188,404		(179,307)	57,578
Other Revenue	(2,214)	12,310	12,310	12,310	12,310
Total Revenues	470,611	606,504	104,516	199,524	1,387,923
EXPENDITURES					
Expenditures	1,898,104	85,394	2,954,357	2,163,140	1,231,594
Total Expenditures	1,898,104	85,394	2,954,357	2,163,140	1,231,594
Rev Over/(Under) Exp	(1,427,493)	521,110	(2,849,841)	(1,963,616)	156,329
Beginning Fund Balance	7,990,553	6,563,060	7,084,170	4,234,329	2,270,713
Ending Fund Balance	6,563,060	7,084,170	4,234,329	2,270,713	2,427,042

Note: *Unaudited actual

FY 2022/23 Sanitary Sewer Facilities Fund revenues totaled \$1,387,923 and include residential and commercial developer fees of \$1,318,035 and interest/bank adjustments of \$57,578. In addition, the City received \$12,310 from the Sunset Beach Sanitary District representing the agency's share for the construction of Lift Station D.

Expenditures for the fund in FY 2022/23 totaled \$1,231,594 and includes ongoing construction costs at McFadden Lift Station in the amount of \$1,213,785, final construction costs at Saybrook Lift station in the amount of \$84,995, and final construction costs at Edgewater Lift Station in the amount of \$11,592. A negative adjustment of (\$78,778) was entered for the Slater Lift Station project to account for retention payments accrued in the prior fiscal year. It should be noted that these projects are also partially funded by the Sewer Service Fund.

No Sanitary Sewer Facilities Fees were loaned and no refunds were made due to protests during this reporting period.



Fair Share Traffic Impact Mitigation Fee Program
For the Fiscal Year Ended June 30, 2023
Last Five Fiscal Years

Description	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23*
REVENUES					
Fees	588,763	564,171	225,314	143,409	1,515,538
Interest	150,937	83,723	8,706	19,058	59,843
Other Revenue	(1,088)		106	96,987	
Total Revenues	738,612	647,894	234,126	259,454	1,575,381
EXPENDITURES					
Expenditures	914,922	2,157,222	52,308	534,056	41,428
Total Expenditures	914,922	2,157,222	52,308	534,056	41,428
Rev Over/(Under) Exp	(176,310)	(1,509,328)	181,818	(274,602)	1,533,953
Beginning Fund Balance	4,425,052	4,248,742	2,739,414	2,921,232	2,646,630
Ending Fund Balance	4,248,742	2,739,414	2,921,232	2,646,630	4,180,583

Note: *Unaudited actual

During FY 2022/23, the Fair Share Traffic Impact Mitigation Fee Fund recognized revenues of \$1,515,538 in impact fees paid plus \$59,843 in interest/bank adjustments. Revenues for the fund total \$1,575,381.

Expenditures include a negative retention accrual in the amount of (\$5,421) for traffic signal modifications at the intersections of Warner-Graham, Warner-Nichols, and Brookhurst-Indianapolis, design work on Bushard Fire Station fiber optic line in the amount of \$10,190, design work for signage and striping for Goldenwest in the amount of \$23,091, design work on Heil Fire Station traffic signal totaling \$4,137, and general traffic signal repairs of \$9,431. Expenditures for the year totaled \$41,428.

No Fair Share Traffic Impact Mitigation Fees were loaned and no refunds were made due to protests during this reporting period.

The Fair Share Traffic Impact Mitigation Fee Fund reports funds being held past the fifth year and first deposit. These funds are intended for the projects identified in the DIF Project Identification section of this annual compliance report

Development Impact Fee Project Identification



Development Impact Fee Report
Fiscal Year End June 30, 2023



The City's current, Adopted Budget 2023-2024, which includes the Five-Year Capital Improvement Plan (CIP) 2023/24 – 2027/28 can be found on the City's website at:

<https://huntingtonbeachca.gov/files/users/finance/Adopted-Budget-2023-2024.pdf>

Funding of Infrastructure

The FY 2023/24 – FY 2027/28 CIP identifies all funding sources and amounts for individual projects through FY 2027/28. The CIP is updated annually to reflect the current City's infrastructure needs. As a CIP is identified, the project is evaluated to determine the portion of the project that will service existing residents and businesses versus new development.

Once the determination of use is made, the percentage of use attributed to new development is then funded by the appropriate development fee based on the type of project. The percentage of use associated with existing residents or businesses are funded from other appropriate sources. Estimated construction start dates for projects are adjusted, as needed, to reflect the needs of the community.

CURRENT MAJOR CIP PROJECTS

Parkland Acquisition and Park Facilities Development Impact Fees

New park development projects included in the Capital Improvement Plan for FY 2023/24 include the design and construction of various park improvements as listed below. Funds are also budgeted for park leases, professional services, and personnel services.

FY 2023/24

Edison Park Reconfiguration Design Services

This multi-year project includes the reconfiguration of Edison Park to include dual use tennis/pickleball courts, repurposing of group picnic area, soccer fields, tot lot playground improvements, walkways, parking lot rehabilitation, turf and irrigation improvements as well as other possible amenities based on the master planning process currently underway. A total of \$300,000 was appropriated in FY 21/22 and \$475,000 in FY 22/23. An additional \$1.2 million in non-Park Development Impact Fees has been budgeted in FY 23/24.

Marina Park Conceptual Design Reconfiguration Design Services

This multi-year project includes the preparation of a conceptual master plan and design services to update the park, including renovation of existing restroom/snack bar building, tennis courts, and potential repurposing of hardscape areas and other park amenities. A total of \$35,000 was budgeted in FY 21/22 and \$440,000 in FY 23/24.

Carr Park Improvements

This multi-year project includes conceptual design services, specifications and construction documents for needed improvements to address ADA compliance needs, the fishing pond infrastructure and new themed playground equipment. A total of \$100,000 was budgeted in FY 21/22 with additional non-Park Development Impact Fees of \$355,000 in FY 22/23.

FY 2024/25

Preliminary projects include additional funding for Edison Park design and construction documents pending final approval of a master plan, as well as Carr Park improvements. Other preliminary projects include the continuation of various playground equipment and site turf improvements as needed throughout the city in order to comply with ADA requirements.

FY 2025/26

Preliminary projects include the continuation of playground equipment rehabilitation at various parks, as well as future projects as recommended in the Parks & Recreation Master Plan update that is underway.



Police Facilities Development Impact Fees

The Capital Improvement Plan for FY 2023/24 includes \$968,000 in carryover funds from FY 2022/23 for upgrades to the Police Department Training Center (\$164,000), relocation and expansion of the Communications Center (\$664,000), and remodel of the Traffic Office to accommodate technological advancements in policing (\$140,000). On September 19, 2023, City Council approved a new project in the amount of \$148,000 to improve the lot adjacent to the Police Department Helipad in preparation for construction of a new outdoor canine training area and movement training building. Outside of the CIP, the FY 2023/24 Police Facilities Development Impact Fee Fund Budget includes an allocation of \$67,000 for upfitting a new Crisis Negotiation Team (CNT) van.

The Police Facilities Development Fees are to be used to fund the costs of providing additional police services attributable to new residential and nonresidential construction. Eligible costs include the development of a master plan to identify capital facilities to service new police department development, the acquisition of land for law enforcement facilities, construction of additional law enforcement facility space, and the purchase of additional response vehicles, sworn officer issued equipment and law enforcement specialty equipment.

Fire Facilities Development Impact Fees

The Capital Improvement Plan for FY 2023/24 includes \$826,000 in carryover funds from FY 2022/23 for reconfiguration and renovation of Fire Station #5 (Lake) and Fire Station #2 (Murdy). This project is needed for gender accommodation, in addition to better use of space to accommodate personnel and services in Fire Department facilities. The project includes professional services contracts for assessments of Fire Department facilities.

The Fire Facilities Development Fees are eligible for expenditures related to providing additional Fire suppression and medic facilities, vehicles and equipment associated with residential and nonresidential construction. The Master Facilities Plan for the City of Huntington Beach, adopted in October 2011, identifies the following eligible projects:

- Relocate Fire Station #8 (Heil)
- Construct Station #8 (Heil) Apparatus Storage Facility
- Construct a Single Bay/Quarters at Station #4 (Magnolia)
- Acquire an Engine and Ambulance and for Station #4 (Magnolia)
- Acquire an Additional Engine for Station #1 (Gothard)
- Acquire an Additional Engine for Station #2 (Murdy)

These projects will be evaluated and considered for submission in the FY 2024/25 budget process.

Library Development Impact Fees

The Library Development Impact Fees are eligible for expenditures related to costs for expanded or new library spaces and the number of collection items attributed to new residential construction. Proposed use of funds include \$350,000 for conceptual design services for the Central Library's Children-Teen wing included in the City's FY 2022/23 Capital Improvement Program (CIP). It is anticipated that future funds will be allocated to this project, as well as other library facility rehabilitation and expansion projects as recommended in the Library Facilities Master Plan currently underway.



In-Lieu Parking Fees

In-Lieu Parking Fees are eligible for expenditures that create opportunities for additional parking, including, but not limited to, programs such as valet, re-striping, shuttle, trolley, and other similar programs resulting in the provision of additional parking or construction of surface or structured parking and associated design costs in District 1 of the Downtown Specific Plan. Staff is currently working on the implementation of various programs such as downtown valet services, a shuttle program, and/or creation of new rideshare locations. Once plans for these programs are finalized, staff will return to City Council to appropriate the funds. It is anticipated that funds for at least one of these programs will be requested during FY 2023/24.

Affordable Housing In-Lieu Fees

Affordable Housing In-Lieu Fees are intended to produce housing units affordable to all economic segments of the community. On November 4, 2019, the City Council approved an Acquisition Loan Agreement to Jamboree Housing Corporation (Jamboree) and provided \$2,100,000 of Affordable Housing Trust Funds to help Jamboree acquire the property located at 18431 Beach Boulevard. This permanent supportive housing project will be comprised of a total of 42 units for seniors (33 extremely low-income units and 9 units at very low income). This project is 100% affordable. Funds in the amount of \$1,930,698 have been repaid on January 19, 2021, with City Council's approval of an Affordable Housing Agreement (AHA). The remaining \$169,302 will be paid back over 55 years at a 3 percent interest rate for a total of \$296,339.

Planned Local Drainage Facilities Fund

The Capital Improvement Plan for FY 2023/24 includes \$300,000 in carryover funds from FY 2022/23 for the installation of half round grates at various locations throughout the City, \$800,000 in carryover funds for continued work on storm drain pump station forebay improvements, and \$2 million in carryover funds for Heil Pump Station construction. Additionally, the FY 2023/24 CIP includes \$187,000 in new funding for storm drain pump station forebay improvements and \$187,000 for storm drain pump station building improvements.

The Five-Year Capital Improvement Plan includes annual expenditures of \$375,000 for the storm drain pump station building and forebay improvement projects in FY 2024/25 and FY 2025/26.

Sanitary Sewer Facilities Fund

The FY 2023/24 Capital Improvement Plan includes \$700,000 in carryover funds from FY 2022/23 for the rehabilitation/upgrade of Humboldt Sewer Lift Station and new expenditures of \$800,000 to construct new sewer from the Murdy Channel east to Beach Boulevard. The prioritization of future lift stations will be determined in future fiscal years.

Fair Share Traffic Impact Mitigation Fee Program

The FY 2023/24 Capital Improvement plan includes \$496,010 in new projects to be funded from Fair Share Traffic Impact Mitigation Fees. These projects are for the installation of a new traffic signal at Murdy Fire Station in the amount of \$345,000 to improve safety by enabling the Fire Department to stop traffic on Gothard Street while egressing the station, and for traffic signal and operational improvements along the Edinger and Heil Corridors in the amount of \$151,010 to enhance traffic and pedestrian safety.

In addition to these new projects, the FY 2023/24 Traffic Impact Fee Fund budget includes \$2.1 million in carryover funds from FY 2022/23 for various traffic signal modification projects including installation of left-turn arrows, fire station signals, traffic signal fiber optics, and mobility corridor improvements.