# Annual Monitoring Report for

# AB 1600 Fee Programs

Each fiscal year the City/County is required to submit several financial reports, one of which is the Development Impact Fee Annual Report. Development Impact Fees, including VMT Impact Fees, are created under Assembly Bill (AB) 1600 (1987), also known as the Mitigation Fee Act. AB 1600 requires agencies to annually report on the fees collected and their use. If agencies do not keep up with AB 1600 requirements, their impact fee fund balances may be at risk.

This document briefly summarizes content required for inclusion in the Development Impact Fee Annual Report and provide sample language and formatting which can be adapted to meet the needs of a given jurisdiction.

Sample reports are included for reference on the MTC-ABAG Technical Assistance Portal [website](https://abag.ca.gov/technical-assistance/vehicle-miles-traveled-vmt-fee).

## Required Content

AB 1600 requirements dictate that within 180 days after the last day of each fiscal year, jurisdictions must make the following information available for each fee:

* The beginning and ending balances in each fee account
* The fee amounts collected during the preceding year
* The projects the fees were used for and the percentage of the total project costs funded with fees
* The expected start date for construction on improvements the fees will fund
* A description of any inter-fund transfers or loans, the interest the account will receive for the loan, and the date on which the loan will be repaid

Though not the subject of this memorandum, it is worth noting that every five years, jurisdictions must also:

* Identify each fee’s purpose
* Demonstrate a reasonable relationship between the fee and its purpose
* Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements in the fee program
* Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

Jurisdictions are also required to present the information listed above at the next regularly scheduled public meeting no less than 15 days after making it available.

Lastly, since the passage of AB 1483 (2020), jurisdictions are required to publish specific financial and zoning information on their websites to make their practices more transparent for the general public. Regarding the VMT Impact Fee, and other development fees, jurisdictions are required to publish the information listed above on their website along with the current fee schedule and an archive of relevant fee nexus studies and cost of service studies.

## Sample Report Text

The following text represents sample language for a Development Impact Fee Annual Report which can been adapted to meet the needs of a given jurisdiction. The sections included in this sample include:

* Title Page & Table of Contents
* Introduction
* Impact Fee Fund Chapter [required for each existing development impact fee program]
	+ Overview and Required Findings
	+ Financial Reporting
* Fee Schedules

### Title Page

City/County of \_\_\_

**Development Impact Fee Annual Report
for Fiscal Year YYYY-YYYY**

[Publish Date]

### Table of Contents

**Table of Contents**

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VMT Impact Fee …………………………………………………………………………………………………………………………….. X

[Fee #2] ……………………………………………………………………………………………………………………………………….... X

[Fee #3] …………………………………………………………………………………………………………………………………………. X

*Note: If the jurisdiction has numerous existing fee programs, consider organizing them into subcategories with unique headers (e.g., Citywide Impact Fee Programs, Plan Area Impact Fee Programs, Other Reportable Citywide Charges).*

Fee Schedules ………………………………………………………………………………………………………………………………. X

### Overview and Legal Requirements for Development Impact Fee Reporting

This report contains information on the City’s/County’s development impact fees for the Fiscal Year YYYY-YYYY. The annual reporting requirements are in Government Code section 66000 et seq. Please note that this annual report is not a budget document but rather meets reporting requirements. The report does not intend to represent a full picture of currently planned projects. It only reports project information, revenues, and expenditures for the Fiscal Year YYYY-YYYY.

Government Code Section 66006 requires agencies to outline the status of development impact fees. Government Code Section 66001 requires local agencies to submit five-year financial reports. The annual report is available to the public within 180 days after the last day of the fiscal year. The report is presented to the public agency (the City Council) at least 15 days after it is made available to the public.

This report summarizes each of the development impact fee programs. Requirements under Government Code Section 66006 are:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. An identification of each public improvement. The expenditures on each project. The total percentage of the cost of the public improvement is funded with development impact fees.
6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
7. The estimated date when projects will begin if enough revenues are available to construct the project.
8. The number of refunds made to property owners.

[AS NEEDED] This report also summarizes five-year reporting information for the [Name] Impact Fee program as required under Government Code Section 66001:

1. The purpose of the fee expenditure.
2. The reasonable relationship between the fee and the purpose used.
3. All sources and amounts of funding anticipated to complete financing in incomplete improvements.
4. The approximate dates on which the funding referred to in subparagraph (3) above are

deposited into the appropriate account or fund.

More detailed information on the various fee programs is available. Nexus studies, master plans, capital improvement programs, and budgets are all made public on the City’s/County’s website.

The City/County does not earmark impact fees for any specific project as revenues come in. Nexus studies outline capital improvement projects. Nexus studies examples may include future transportation infrastructure, sewer infrastructure, and other capital facilities. This report is accurate as of the time of publication. Any proposed plans are subject to change based on City Council action.

### VMT Impact Fee Fund [Sample Fee-Specific Chapter]

#### Overview and Required Findings

The City Council adopted the nexus study for the VMT Impact Fee program in YYYY. The study identified the need to support the VMT Impact Fee Program adopted by the City/County in Month YYYY by Resolution [#]. The study establishes that for development projects which generate VMT at or above citywide rates and which cannot self-mitigate these VMT impacts, a fee will be assessed to fund demonstrably VMT-reducing projects. The nexus for calculating the fee amount for each land use category will be VMT generation as opposed to vehicle traffic generation. Payment of the VMT Impact Mitigation Fee constitutes partial/full mitigation of a project’s impact.

#### Financial Reporting

##### Annual Reporting Information

1. The purpose of the VMT Impact Fee program is to provide new development’s share of funding for VMT-reducing projects required at buildout of the City/County.
2. Refer to page [#] of this report for the fee schedule outlining the amount of the VMT Impact Fee.
3. Refer to page [# below] for the beginning and ending balance of the account for the VMT Impact Fee.
4. See page [# below] for VMT Impact Fees collected, and interest earned.
5. There were [#] projects worked on during Fiscal Year YYYY-YYYY using the VMT Impact Funding.
6. The approximate date for funding and constructing future facilities will be determined, at the discretion of the City Council, when adequate additional funds for facility construction have accumulated.
7. There were no interfund transfers or loans.
8. There were no potential refunds to property owners.

##### VMT Impact Fee (Fund #)

The VMT Impact Fee program funds new development’s share of VMT-reducing projects required to serve the City/County.

[INSERT a simple table with the required information (noted below)]

VMT Impact Fee Fund (Fund #)

| Line Item | Amount (per item) | Total (per category) | % Fee Funded(per project) |
| --- | --- | --- | --- |
| **A. Beginning Balance as of [Date]** |  |
| B. Additions |  |  |  |
| VMT Impact Fees Collected | $ |  |  |
| Interest Earned | $ |  |  |
| Total Additions |  | $ |  |
| C. Disbursements |  |  |  |
| City Administration | $ |  | % |
| Projects for Fiscal Year YYYY-YYYY |  |  |  |
| Project A | $ |  | % |
| Project B | $ |  | % |
| … | $ |  | % |
| Total Disbursements |  | $ |  |
| **D. Remaining Balance as of [Date]** | **$ (A + B - C)** |
| E. Planned Projects for FY YYYY-YYYY |  |  |  |
| Project C | $ |  | % |
| Project D | $ |  | % |
| Total Planned Projects |  | $ |  |
| F. Projects Appropriated from Prior Fiscal Years |  | $ |  |
| **G. Remaining Balance After Planned Projects** | **$ (D – E – F)**  |

### Fee Schedules

The tables below show fee schedules for each development impact fee referenced in the report above. As previously noted, additional documentation on the various fee programs is available. Nexus studies, master plans, capital improvement programs, and budgets are all made public on the City’s/County’s website.

[INSERT tables containing the adopted fee schedules for each impact feed described in this report]