



# COUNCIL REPORT

**DATE:** September 26, 2023

**CATEGORY:** Consent

**DEPT.:** Finance and Administrative Services

**TITLE:** **Fiscal Year 2022-23 Annual Compliance Report for In-Lieu Parking Fees**

## **RECOMMENDATION**

Make available to the public the Fiscal Year 2022-23 Annual Compliance Report for In-Lieu Parking Fees and place the report on the agenda for the October 24, 2023 City Council meeting.

## **EXECUTIVE SUMMARY**

This report was originally submitted for the September 12, 2023 City Council meeting; however, the item was pulled by Council with a request for additional clarification. This report is being resubmitted with the following updates to the report:

- Provided additional information in the Findings Section (A) regarding the purpose to which the fee is to be put.
- Updated the expected fiscal year for the Hope Street project that will seek for Council's approval for appropriation in the Findings Section (D).
- Provided additional analysis in the Analysis section of this report.

## **BACKGROUND**

The City levies fees on new development within the City in order to fund public capital improvements necessitated by such development. The California Mitigation Fee Act, commonly known as AB 1600 (Government Code Sections 66000 and following), imposes certain accounting and reporting requirements on local agencies that collect development fees. The Mitigation Fee Act mandates that, for accounting purposes, development fees must be segregated from the general funds of the City and from other funds containing fees collected for other improvements. Interest on each development fee fund must be credited to that fund and used only for the purposes for which the fees were collected.

California Government Code (CGC) Section 66006(b)(1)(A-H) requires local agencies, within 180 days after the last day of each fiscal year, to make available to the public the following information:

- Description of the type of fee;
- Amount of fee;
- Beginning and ending balances, amount of fees collected, and interest earned;
- Identification of each public improvement on which fees were expended;
- Identification of approximate date by which construction will commence once sufficient funds have been collected;
- Description of each interfund transfer or interfund loan made from the fund; and
- Amount of refunds made.

In addition, CGC Section 66006(b)(2) requires the information be made available to the public at the next regularly scheduled public meeting but not fewer than 15 days after this information is made available to the public. No Council action is required on this item at this time. The report will be placed on the agenda for consideration at the October 10, 2023 City Council meeting.

### **ANALYSIS**

The attached report discusses the In-Lieu Parking Fees (Fees). CGC Section 66001(d)(1) requires local agencies to make findings with respect to fees and investment earnings remaining unexpended, whether committed or uncommitted, for the fifth year following receipt of the first fee deposited and every five years thereafter.

The findings indicate that a total net new parking supply of 221 parking spaces will be provided by the two projects using In-Lieu Parking funds. The Hope Street Development Project will be replacing 149 existing parking spaces in Lots 4 and 8 with 225 new public parking spaces, and the Lot 5 Parking Structure Project will be replacing 254 existing parking spaces in Lots 5 and 12 with 400 new public parking spaces.

This report is focused on the net new parking supply for the City's downtown parking lots and structures within the Downtown Parking District. It does not include reductions in on-street parking supply due to the Castro Pedestrian Mall and Castro Grade Separation Project, estimated to be around 49 spaces within the Downtown Parking District and 44 spaces outside of the Parking District. It also does not include the 61 new public parking spaces to be provided by the

590 Castro Street mixed-used project during nonoffice business hours, weekends, and Federal holidays.

**FISCAL IMPACT**—None.

**ALTERNATIVE**

Do not place the Annual Compliance Report on the Council agenda and provide the information to the public through another mechanism.

**PUBLIC NOTICING**—Agenda posting.

Prepared by:

Elliot Young  
Senior Financial Analyst

Grace Zheng  
Assistant Finance and Administrative  
Services Director

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Approved by:

Derek Rampone  
Finance and Administrative  
Services Director

Arn Andrews  
Assistant City Manager

Attachment: 1. Fiscal Year 2022-23 Annual Compliance Report for In-Lieu Parking Fees