



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

February 3, 2021

DEPARTMENT:

Engineering

DIVISION**STRATEGIC OUTCOMES**

- ☐ Safe & Prosperous
- ☐ Active & Appealing
- ☒ Respected & Responsible
- ☐ Connected & Engaged
- ☐ Unique & Creative

ACTION

- ☐ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☒ Public Hearing

TITLE:

Biennial Development Fee Audit Hearing

SUMMARY RECOMMENDATION:

Conduct a public hearing on the Development Fee Biennial Certified Audit in accordance with Arizona Revised Statutes (A.R.S.) § 9-463.05 and Yuma City Code § 157.05. (Engineering) (Andrew McGarvie)

STRATEGIC OUTCOME:

This item assists in furthering the City Council's Vision and strategic outcomes related to Respected and Responsible by publicly displaying the audit report and showing transparency, allowing for public input through means of a public hearing, and the City is maintaining compliance with state law as the performance of the biennial development fee audit is a requirement of Arizona statutes.

REPORT:

Attached to this Request for City Council Action is a report titled, Development Impact Fee Certified Audit, dated December 30, 2020, which was conducted and prepared by LAUNCH Development Finance Advisors. Pursuant to statute and Yuma City Code, the report is required in lieu of an appointed infrastructure improvements advisory committee and consists of a biennial certified audit of the City's Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees.

The draft version of the audit report was posted on the City's website on December 23, 2020. The action of a public hearing is required by the A.R.S., and must occur within 60 days of the release of the audit to the public.

The audit covers the fiscal years beginning July 2018, and ending June 2020. Significant findings include:

Land Use Assumptions (LUA):

- In both fiscal years 2018-2019 and 2019-2020, more single-family home building permits were issued than estimated in the LUA.
2018-2019: 472 permits issued, 303 LUA estimate.

2019-2020: 534 permits issued, 306 LUA estimate.

- Multifamily permits issued were less than estimated by the LUA.
2018-2019: 4 permits issued, 108 LUA estimate.
2019-2020: 14 permits issued, 109 LUA estimate.
- Commercial square footage was less than estimated by the LUA.
2018-2019: 275,871 sq. feet permitted, 344,000 sq. feet LUA estimate.
2019-2020: 189,998 sq. feet permitted, 350,000 sq. feet LUA estimate.

Infrastructure Improvements Plan (IIP):

With regard to the City's Infrastructure Improvements Plan (IIP), the report states: "We noted without exception that DIF's [Development Impact Fees] were being collected and utilized appropriately."

Development Fee Implementation:

The report concludes "Based upon the procedures performed prior to and after the most recent Ordinance O2019-019, it appears as though the City is administering the DIF program as approved by City Ordinance 2012-06."

The audit concludes by recommending that the City continue to monitor the multifamily and commercial permits, and should significant differences in permits continue, consider updating the LUA, and IIP prior to the next required five-year update.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT/FUND/CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. 2. 3. 4. 5.			
ADDITIONAL INFORMATION	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?			
	<input type="checkbox"/> Department <input type="checkbox"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Philip A. Rodriguez		1/28/2021	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		1/25/2021	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
	Jeffrey A. Kramer		1/4/2021	
SIGNATURES	WRITTEN/SUBMITTED BY:		DATE:	
	Andrew T. McGarvie		12/30/2020	