

**STAFF REPORT**  
City of Lancaster

PH <b>X</b>
03/24/2026
<b>TN</b>

Date: March 24, 2026  
To: Mayor Parris and City Council Members  
From: George N. Harris II, Senior Director/Treasurer – Admin Services  
Subject: Mitigation Fee Act (AB 1600) Report for Fiscal Year 2025.

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**Recommendation:**

Staff recommends that the City Council receive and file the Mitigation Fee Act (AB1600) Report on Development Impact Fees for the fiscal year ending June 30, 2025.

**G.C. Section 84308:** No

**Fiscal Impact:**

The acceptance of this report has no direct fiscal or budgetary impact.

**Background:**

In 1989, Section 6600 et seq. of the California Government Code became effective. When passed in 1987, this section was known as AB 1600. When the Legislature passed AB 1600, it added a new chapter to the California Government Code on impact fees for development projects. The chapter sets forth several requirements that local agencies must follow if they are to extract impact fees from developers to defray the cost of construction of public facilities or expanded public service obligations related to development projects. Section 66006 mandates the requirement for accounting, spending, and reporting fees and related interest earnings.

Through policies in the General Plan, the City has established the nexus between the developments and the capital improvements necessary to mitigate their effects and approved impact fees to fund the mitigation measures. The Lancaster Municipal Code section related to each fee type further implements the impact fees.

The AB 1600 report consists of a brief description of the fee type in the account or fund, the amount of the fee, the beginning and ending balance of the account or fund, the amount of fees collected, and the interest earned, if any. If there are funds in the account, then there is also a requirement to

make a finding that there is a reasonable relationship between current needs and the purposes for which they were originally collected.

To comply with AB 1600, the City Council must make a finding that there is a reasonable relationship between the current need for the fees and the purposes for which they were charged as demonstrated by programming of fees in the CIP and operational budgets. It is important that these findings be and are made to ensure a continuance of funding resources for these important programs.

As mandated by AB 1600, the City must publicize an annual report of development impact fees. This annual report shall disclose the beginning and ending balance of each development impact fee account for the fiscal year, as well as any interest allocations and new development impact fee revenues.

Not less than 15 days after the information is made public, the City Council is required to review this information at its next regularly scheduled public meeting. On March 7th, 2026, a public notice was posted on the City's website outlining that the annual AB 1600 report had been publicized on the City's website and was also available for review at City Hall.

**Attachment:**

City of Lancaster AB 1600 Annual Report Development Impact Fees.