



Date: November 1, 2017

To: Patrick H. West, City Manager *P.H. West*

From: Amy J. Bodek, Director of Development Services *A. Bodek*

For: Mayor and Members of the City Council

Subject: **Development Services Fund**

In response to comments made by the public during the recent General Plan community workshops as well as media enquiries, the Department of Development Services is providing background on the funding of its Planning and Building operations.

The Development Services Fund (Fund) was created by Ordinance on September 11, 2007, concurrent with the adoption of the Fiscal Year 2007-2008 (FY 08) Budget. It was created to account for the fees collected for the services and programs provided by the Development Services Department's Planning and Building Bureaus, including Sustainability. Originally, the Fund was identified as a Special Revenue Fund (SR 137); however, its designation was changed to an Enterprise Fund (EF 337) at the start of FY 14, to conform with Governmental Accounting Standards Board (GASB) guidance. The Fund also includes a sub-fund for the Proactive Rental Housing Improvement Program, because its activities are also supported by fee revenue for services.

Fees and appropriations for the Fund are approved by the City Council with the adoption of annual budget and master fees and charges schedule. From time to time, Development Services will request additional appropriations for grants or special projects, like the contract amendment for the development of e-plan check. FY 18 appropriations for the Fund total approximately \$14.6 million. Personnel costs account for slightly more than 63 percent of the Fund's \$23.2 million budget as compared to 80 percent of the General Fund's \$452 million budget. (These totals are for the approved FY 18 budget and do not include the savings targets.)

If you have questions regarding this matter, please contact Lisa Fall, Administrative and Financial Services Manager, at (562) 570-6853 or Lisa.Fall@longbeach.gov.

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