

**City of Fontana
Annual Report on Development Impact Fees
Fiscal Year Ended June 30, 2020**

Background

The Mitigation Fee Act, Government Code Section 66000 et seq., (the “Act”) governs the establishment and administration of development impact fees paid by new development projects for public facilities needed to serve new development. Fees must be separately accounted for and used for the specific purpose for which the fee was imposed. The City’s adopted development impact fees are listed in the attached exhibits. Expenditures are authorized through the annual Operating Budget and the City’s Capital Improvement Program.

Annual Development Fee Reporting

The Act requires that the City prepare an annual review of all development impact fees as defined in the Act and make a public report on the fees available to the public after the end of each fiscal year. Government Code Section 66006(b)(2) requires the report to be placed on an agenda for review at a public meeting not less than 15 days after the report is made available to the public.

The City is also required to adopt by resolution certain findings for any fund accounts which contain unexpended funds as of the fifth fiscal year following the first deposit into those funds (Government Code Section 66001(d)).

The report is organized as follows:

Section 1. A brief description of the purpose of each development impact fee, its authorizing legislation and current amount (Government Code Section 66006(b)(1)(A)).

Section 2. A summary of the beginning fund balance, annual fee revenue collected and interest earned, public improvement expenditures, and the ending fund balance for each fee (Government Code Section 66006(b)(1)(C) and (D)).

Section 3. A five-year history of the beginning fund balance, annual fee revenue collected and interest earned, public improvement expenditures, and the ending fund balance for each fee (Government Code Section 66006(b)(1)(C) and (D)).

Section 4. A listing of projects funded or to be funded with development impact fees.

Section 5. Report of Findings for each fee.

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Brief Description and Amount of Fees
 Government Code Section 66006(b)(1)(A) and (B)

Fund #	Fund Description	Fee Description	Last Updated	Residential Fees per Gross Acre			Non-Residential Fees per Gross Building SF			1,000
				SFDU			Retail	Office	Industrial	
620	San Sevaine Flood Control	Drainage facility improvements	90-34	\$4,405	\$4,405	\$4,405	\$4,405	\$4,405	\$4,405	
621	Upper Etiwanda Flood Control	Drainage facility improvements	90-34	\$9,790	\$9,790	\$9,790	\$9,790	\$9,790	\$9,790	
Fund #	Fund Description	Fee Description	Last Updated	Residential Fees per Net Developable Acre			Non-Residential Fees per Gross Building SF			1,000
				SFDU			Retail	Office	Industrial	
622	Storm Drainage - Declez North	Master interceptor drains & major drainage facilities	2006-46	\$23,317	\$23,317	\$23,317	\$23,317	\$23,317	\$23,317	
622	Storm Drainage - Declez South	Master interceptor drains & major drainage facilities	2006-46	\$27,684	\$27,684	\$27,684	\$27,684	\$27,684	\$27,684	
622	Storm Drainage - Fontana East	Master interceptor drains & major drainage facilities	2006-46	\$14,196	\$14,196	\$14,196	\$14,196	\$14,196	\$14,196	
622	Storm Drainage - I-10 North	Master interceptor drains & major drainage facilities	2006-46	\$20,388	\$20,388	\$20,388	\$20,388	\$20,388	\$20,388	
622	Storm Drainage - I-10 South	Master interceptor drains & major drainage facilities	2006-46	\$4,998	\$4,998	\$4,998	\$4,998	\$4,998	\$4,998	
622	Storm Drainage - I-15 North	Master interceptor drains & major drainage facilities	2006-46	\$19,065	\$19,065	\$19,065	\$19,065	\$19,065	\$19,065	
622	Storm Drainage - Lower Etiwanda	Master interceptor drains & major drainage facilities	2006-46	\$8,331	\$8,331	\$8,331	\$8,331	\$8,331	\$8,331	
622	Storm Drainage - Middle Etiwanda	Master interceptor drains & major drainage facilities	2006-46	\$6,949	\$6,949	\$6,949	\$6,949	\$6,949	\$6,949	
622	Storm Drainage - Project 3-4	Master interceptor drains & major drainage facilities	2006-46	\$16,719	\$16,719	\$16,719	\$16,719	\$16,719	\$16,719	
622	Storm Drainage - Upper Etiwanda	Master interceptor drains & major drainage facilities	2006-46	\$9,013	\$9,013	\$9,013	\$9,013	\$9,013	\$9,013	
Fund #	Fund Description	Fee Description	Last Updated	Residential Fees per Dwelling Unit			Non-Residential Fees per Gross Building SF			1,000
				SFDU	0-2	3+	Retail	Office	Industrial	
630	Circulation Mitigation	Arterial street and interchange improvements	2008-157	\$5,734	\$3,509	\$3,509	\$8,605	\$6,962	\$3,509	
Fund #	Fund Description	Fee Description	Last Updated	Residential Fees per Dwelling Unit			Non-Residential Fees per SF			Building
				SFDU	0-2	3+	Retail	Office	Industrial	
630	Local Transportation	Street, sidewalks and pathways	2019-158	\$792	\$752	\$792	\$0.217	\$0.217	\$0.063	
630	Local Arterials	Local four-lane arterials	2019-158	\$443	\$421	\$443	\$0.121	\$0.121	\$0.035	
630	Traffic Signals	Local traffic signals	2019-158	\$137	\$131	\$137	\$0.038	\$0.038	\$0.011	
631	Fire Assessment	Fire protection facilities	2019-158	\$369	\$350	\$369	\$0.101	\$0.101	\$0.029	
632	General Government	Public facilities	2019-158	\$445	\$423	\$445	\$0.122	\$0.122	\$0.036	
633	Landscape Improvements	Median landscaping	2019-158	\$279	\$265	\$279	\$0.076	\$0.076	\$0.022	
634	Library Cap Improvements	Library facilities	2019-158	\$99	\$94	\$99	\$0.027	\$0.027	\$0.008	
635	Park Development	Park and recreational facilities	2019-158	\$6,633	\$6,301	\$6,633	N/A	N/A	N/A	
636	Police Cap Facilities	Police facilities, vehicles and equipment	2019-158	\$472	\$448	\$472	\$0.129	\$0.129	\$0.038	
698	Affordable Housing	Inclusionary housing	2012-031	\$658	\$658	\$658	\$1.610	\$1.120	\$0.120	
Fund #	Fund Description	Fee Description	Last Updated	Residential Fees per Dwelling Unit			Non-Residential Fees per EDU			
				SFDU	0-2	3+	Retail	Office	Industrial	
702	Sewer Capital	Sewer connection	2006-46	\$876.61	\$876.61	\$876.61	\$876.61	\$876.61	\$876.61	

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Fund Balances, Fees Collected, Interest Earned, and Project Expenditures
Government Code Section 66006(b)(1)(C) and (D)

Fund	Fund Description	Beginning Balance 07/01/19	Fees Collected	Interest Earned	Other Revenues	Capital Expenditures	Cost Allocation	Ending Balance 06/30/20
620	Flood Control - San Sevaine	364,953	186,943	15,862		(92,743)	(14,000)	461,015
621	Flood Control - Etiwanda	45,840	0	1,085		0	0	46,925
622	Storm Drain	13,634,637	2,440,966	389,307		(1,011,048)	(489,900)	14,963,962
630	Circulation Mitigation	(3,481,614)	5,049,189	563,486		(1,953,097)	(75,000)	102,964
631	Fire Facility	856,721	155,707	16,863		(309,359)	0	719,932
632	Public Facilities	9,127,783	757,037	225,969		0	0	10,110,789
633	Median Landscaping	5,612,257	454,735	133,565		(386,590)	(4,700)	5,809,267
634	Library Facility	248,297	328,919	9,639		(100,000)	(11,000)	475,855
635	Park Development	6,366,089	1,274,558	148,523		(1,827,208)	(428,700)	5,533,262
636	Police Facilities	2,509,702	418,738	63,840		(39,064)	(45,400)	2,907,816
638	Affordable Housing	3,974,083	710,496	87,592		0	0	4,772,171
702	Sewer Connection	2,099,980	281,127	10,159	506,564	(629,762)	(25,900)	2,242,168
TOTALS		41,358,728	12,058,415	1,665,890	506,564	(6,348,871)	(1,094,600)	48,146,126

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Fund Balances, Fees Collected, Interest Earned, and Project Expenditures - Five Year History
Government Code Section 66006(b)(1)(C) and (D)

Fee Type	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Flood Control - San Sevaine (620)						
Beginning balance	364,953	367,042	427,838	403,885	420,938	467,919
Revenue	186,943	84,164	36,357	115,463	84,900	83,468
Interest	15,862	19,395	4,902	3,104	11,590	7,765
Other revenue						
Capital	(92,743)	(92,748)	(88,555)	(78,614)	(96,843)	(124,814)
Cost allocation	(14,000)	(12,900)	(13,500)	(16,000)	(16,700)	(13,400)
Ending balance	461,015	364,953	367,042	427,838	403,885	420,938
Flood Control - Etiwanda (621)						
Beginning balance	45,840	44,339	44,167	43,940	43,266	42,715
Revenue	0	0	0	0	0	0
Interest	1,085	1,501	172	227	674	551
Other revenue						
Capital						
Cost allocation						
PPA - fees owed to County						
Ending balance	46,925	45,840	44,339	44,167	43,940	43,266
Storm Drain (622)						
Beginning balance	13,634,637	13,996,233	14,883,896	16,172,630	13,836,505	14,194,080
Revenue	2,440,966	2,001,556	3,440,409	2,720,980	6,594,554	1,810,823
Interest	389,307	485,316	68,478	81,693	241,956	180,447
Other revenue						
Capital	(1,011,048)	(2,347,468)	(3,896,450)	(3,882,007)	(4,283,585)	(1,860,445)
Cost allocation	(489,900)	(501,000)	(500,100)	(209,400)	(216,800)	(488,400)
Ending balance	14,963,962	13,634,637	13,996,233	14,883,896	16,172,630	13,836,505
Circulation Mitigation (630)						
Beginning balance	(3,481,614)	(10,281,237)	(17,703,078)	(23,389,381)	(29,017,154)	(23,703,107)
Revenue	5,049,189	7,147,782	8,319,008	7,218,523	10,833,105	3,937,990
Interest	563,486	777,028	171,515	119,911	321,206	290,530
Other revenue						
Capital	(1,953,097)	(1,030,387)	(582,082)	(726,031)	(4,955,738)	(8,361,767)
Cost allocation	(75,000)	(94,800)	(486,600)	(926,100)	(570,800)	(1,180,800)
Ending balance	102,964	(3,481,614)	(10,281,237)	(17,703,078)	(23,389,381)	(29,017,154)

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Fund Balances, Fees Collected, Interest Earned, and Project Expenditures - Five Year History
Government Code Section 66006(b)(1)(C) and (D)

Fee Type	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Fire Facility (631)						
Beginning balance	856,721	757,475	681,581	716,975	391,974	626,098
Revenue	155,707	383,204	374,921	265,773	610,564	180,337
Interest	16,863	24,203	2,246	2,619	8,512	3,234
Other revenue						
Capital	(309,359)	(308,161)	(301,273)	(298,086)	(290,075)	(335,595)
Cost allocation	0	0	0	(5,700)	(4,000)	(82,100)
Ending balance	719,932	856,721	757,475	681,581	716,975	391,974
Public Facilities (632)						
Beginning balance	9,127,783	7,335,477	5,859,593	4,769,877	2,507,609	1,764,224
Revenue	757,037	1,536,608	1,448,836	1,062,768	2,216,023	718,162
Interest	225,969	260,171	27,048	27,048	56,945	25,394
Other revenue						
Capital	0	(4,473)	0	0	0	(171)
Cost allocation	0	0	0	(100)	(10,700)	
Ending balance	10,110,789	9,127,783	7,335,477	5,859,593	4,769,877	2,507,609
Median Landscaping (633)						
Beginning balance	5,612,257	4,263,188	3,018,876	2,176,421	542,906	13,827
Revenue	454,735	1,263,373	1,266,082	852,516	1,673,271	608,896
Interest	133,565	153,935	7,845	14,841	9,236	(822)
Other revenue						
Capital	(386,590)	(64,939)	(26,815)	(15,902)	(15,992)	(72,595)
Cost allocation	(4,700)	(3,300)	(2,800)	(9,000)	(33,000)	(6,400)
Ending balance	5,809,267	5,612,257	4,263,188	3,018,876	2,176,421	542,906
Library Facility (634)						
Beginning balance	248,297	1,540,128	1,349,342	1,083,463	599,410	369,299
Revenue	328,919	325,570	274,470	294,343	476,455	223,984
Interest	9,639	40,187	4,337	6,262	13,698	6,127
Other revenue						
Capital	(100,000)	(1,653,088)	(88,021)	(34,726)	0	
Cost allocation	(11,000)	(4,500)	0	0	(6,100)	0
Ending balance	475,855	248,297	1,540,128	1,349,342	1,083,463	599,410

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Fund Balances, Fees Collected, Interest Earned, and Project Expenditures - Five Year History
Government Code Section 66006(b)(1)(C) and (D)

Fee Type	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Park Development (635)						
Beginning balance	6,366,089	5,666,657	7,492,576	5,886,942	3,251,052	1,587,664
Revenue	1,274,558	1,846,002	1,540,875	2,549,858	2,843,000	1,940,399
Interest	148,523	202,231	37,364	34,423	74,669	34,532
Other revenue						
Capital	(1,827,208)	(1,220,901)	(3,372,058)	(942,247)	(228,679)	(276,043)
Cost allocation	(428,700)	(127,900)	(32,100)	(36,400)	(53,100)	(35,500)
Ending balance	5,533,262	6,366,089	5,666,657	7,492,576	5,886,942	3,251,052
Police Facilities (636)						
Beginning balance	2,509,702	1,929,674	1,684,357	1,284,907	383,620	352,090
Revenue	418,738	664,646	603,263	498,674	955,029	365,737
Interest	63,840	70,807	5,986	7,497	14,358	478
Other revenue						
Capital	(39,064)	(145,925)	(363,932)	(73,921)	0	(295,985)
Cost allocation	(45,400)	(9,500)	0	(32,800)	(68,100)	(38,700)
Ending balance	2,907,816	2,509,702	1,929,674	1,684,357	1,284,907	383,620
Affordable Housing (698)						
Beginning balance	3,974,083	3,221,282	2,489,821	1,835,582	856,429	250,879
Revenue	710,496	639,198	724,205	643,472	959,004	596,421
Interest	87,592	113,603	7,256	10,767	22,454	9,129
Other revenue						
Capital	0	0	0	0	(2,305)	0
Cost allocation	0	0	0	0	0	0
Ending balance	4,772,171	3,974,083	3,221,282	2,489,821	1,835,582	856,429
Sewer Connection (702)						
Beginning balance	2,099,980	1,726,495	1,482,070	1,362,794	1,256,918	1,288,801
Revenue	281,127	501,363	361,600	557,177	527,593	387,907
Interest	10,159	6,023	0	696	1	(561)
Other revenue						
Loan proceeds						
Loan repayment	(416,115)	(416,115)	(416,115)	(416,115)	(416,115)	(416,115)
Capital	(213,647)	(227,160)	(213,194)	(232,169)	(200,344)	(233,965)
Cost allocation	(25,900)	(7,600)	(10,300)	(322,400)	(322,700)	(296,990)
Ending balance	2,242,168	2,099,980	1,726,495	1,482,070	1,362,794	1,256,918

**City of Fontana
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Projects
Government Code Section 66006(b)(1)(E)

Project #	Project	Project Completion	Total Project Cost	Budgeted Development Impact Fees	Expended Development Impact Fees	Pending DIF Expenditures	% From Dev Impact Fees
Flood Control - San Sevaine (620)							476,927
Due to County Flood Control							476,927
See Findings							
Flood Control - Etiwanda (621)							0
See Findings							
Storm Drain (622)							8,896,000
3346	LIME AVENUE BASIN	2019	100,000	100,000	0	100,000	100%
3347	SULTANA @ MILLER BASIN	2019	100,000	100,000	0	100,000	100%
3361	CYPRESS STORM DRAIN	2019	10,401,000	8,001,000	505,000	7,496,000	77%
3365	OLEANDER/SANTA ANA	2018	1,200,000	1,200,000	0	1,200,000	100%
Circulation (630)							36,788,569
Due to other funds for project funding							31,706,095
3257	FOOTHILL-OLEANDER-CYPRESS	2019	3,606,000	602,000	539,000	63,000	17%
3281	SIERRA: FOOTHILL - BASELINE	2021	10,184,000	3,269,000	740,000	2,529,000	32%
3325	BEECH: FOOTHILL TO MILLER	2020	2,207,000	708,474	33,000	675,474	32%
3332	CITRUS W: SANTA ANA - SLOVER	2019	2,516,000	326,000	256,000	70,000	13%
3350	ETIWANDA/SLOVER	2020	7,573,000	1,624,000	2,000	1,622,000	21%
3378	SIERRA: SUMMIT TO I15 ROW	2020	400,000	128,000	5,000	123,000	32%
Fire Facility (631)							8,967,008
Due to Bondholders							8,967,008
Public Facilities (632)							0

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Projects
Government Code Section 66006(b)(1)(E)

Project #	Project	Project Completion	Total Project Cost	Budgeted Development Impact Fees	Expended Development Impact Fees	Pending DIF Expenditures	% From Dev Impact Fees
Median Landscaping (633)							
3257	FOOTHILL-OLEANDER-CYPRESS	2019	3,606,000	820,000	339,000	481,000	23%
3361	CYPRESS STORM DRAIN	2019	10,401,000	1,900,000	82,000	1,818,000	18%
Library Facility (634)							
Due to General Fund							
100,000							
Park Development (635)							
4249	CENTRAL PARK	2020	14,514,000	6,550,000	886,000	5,664,000	45%
Police Facilities (636)							
2040	CAPTAIN OFFICES REMODEL	TBD	169,000	169,000	0	169,000	100%
Affordable Housing (638)							
1,000,000							
RAMONA MULTI FAMILY APARTMENTS							
Jamboree DDA							
Sewer Connection (702)							
Due to State Revolving loan for San Bernardino Trunk Sewer							
4,133,085							
4,133,085							

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Report of Findings
(Government Code Section 66001(d))

San Sevaine Flood Control – Fund 620

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. The San Sevaine Flood Control fee is a “pass-through” fee to the San Bernardino County Flood Control District (SBCFCD). The SBCFCD determines the project priorities and project expenditures and by agreement the SBCFCD will request a draw of funds on a project priority basis. Fees are currently being accumulated and are on reserve for these SBCFCD projects.

Upper Etiwanda Flood Control – Fund 621

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. The Upper Etiwanda Flood Control fee is a “pass-through” fee to the San Bernardino County Flood Control District (SBCFCD). The SBCFCD determines the project priorities and project expenditures and by agreement the SBCFCD will request a draw of funds on a project priority basis. Fees are currently being accumulated and are on reserve for these SBCFCD projects.

Storm Drainage – Fund 622

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

Circulation Mitigation – Fund 630

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. Many of the projects funded with these fees are subject to a Measure I Agreement which identifies the City's DIF share. In order to move projects forward, funds have been borrowed from other sources. All circulation mitigation fees collected are obligated to repay those other sources.

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Report of Findings
(Government Code Section 66001(d))

Fire Facility – Fund 631

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. In order to fund the construction of Fire Station No. 71, the Fontana Public Financing Authority issued Taxable Recovery Zone Economic Development Bonds on December 8, 2010, in the amount of \$5,420,000. Bond debt service for Fiscal Year 2020/21 is \$304,289, escalating to \$460,411 for Fiscal Year 2042/43. Fire facility fees as available will be used to service this debt obligation, with any shortfall to be paid by the Fontana Fire Protection District.

Public Facilities – Fund 632

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. In order to fund the construction of Fire Station No. 71, the Fontana Public Financing Authority issued Taxable Recovery Zone Economic Development Bonds on December 8, 2010, in the amount of \$5,420,000. Bond debt service for Fiscal Year 2020/21 is \$304,289, escalating to \$460,411 for Fiscal Year 2042/43. Public facility fees as available will be used to service this debt obligation, with any shortfall to be paid by the Fontana Fire Protection District.

Median Landscaping – Fund 633

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

Library Facility – Fund 634

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

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Report of Findings
(Government Code Section 66001(d))

Park Development – Fund 635

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

Police Facilities – Fund 636

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

Affordable Housing – Fund 698

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference.

Sewer Connection – Fund 702

The purpose of the fee, the relationship between the fee and the purpose, the sources of anticipated funding and the approximate dates on which funding is expected are set forth in the City's most recent Capital Improvement Plan for Fiscal Years 2020/2021 – 2026/2027, which is incorporated herein by reference. In order to fund the San Bernardino Trunk Sewer project, \$8,322,304 was borrowed from the State Revolving Loan Fund. The loan repayment is equal to \$416,115 per year. Sewer connection fees are obligated for one-half of this annual repayment amount.