

**City of Fontana
Annual Report on Development Impact Fees
Fiscal Year Ended June 30, 2022**

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	2021-094	\$23,970	\$23,970	\$23,970	\$23,970	\$23,970	\$23,970
622	Storm Drainage - Declez South	Master interceptor drains & major drainage facilities	2021-094	\$28,460	\$28,460	\$28,460	\$28,460	\$28,460	\$28,460
622	Storm Drainage - Fontana East	Master interceptor drains & major drainage facilities	2021-094	\$14,594	\$14,594	\$14,594	\$14,594	\$14,594	\$14,594
622	Storm Drainage - I-10 North	Master interceptor drains & major drainage facilities	2021-094	\$20,959	\$20,959	\$20,959	\$20,959	\$20,959	\$20,959
622	Storm Drainage - I-10 South	Master interceptor drains & major drainage facilities	2021-094	\$5,138	\$5,138	\$5,138	\$5,138	\$5,138	\$5,138
622	Storm Drainage - I-15 North	Master interceptor drains & major drainage facilities	2021-094	\$19,599	\$19,599	\$19,599	\$19,599	\$19,599	\$19,599
622	Storm Drainage - Lower Etiwanda	Master interceptor drains & major drainage facilities	2021-094	\$8,565	\$8,565	\$8,565	\$8,565	\$8,565	\$8,565
622	Storm Drainage - Middle Etiwanda	Master interceptor drains & major drainage facilities	2021-094	\$7,144	\$7,144	\$7,144	\$7,144	\$7,144	\$7,144
622	Storm Drainage - Project 3-4	Master interceptor drains & major drainage facilities	2021-094	\$17,188	\$17,188	\$17,188	\$17,188	\$17,188	\$17,188
622	Storm Drainage - Upper Etiwanda	Master interceptor drains & major drainage facilities	2021-094	\$9,266	\$9,266	\$9,266	\$9,266	\$9,266	\$9,266
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	2021-094	\$5,895	\$3,608	\$3,608	\$8,850	\$7,160	\$3,610
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	2021-094	\$815	\$774	\$815	\$0.223	\$0.223	\$0.065
630	Local Arterials	Local four-lane arterials	2021-094	\$456	\$433	\$456	\$0.124	\$0.124	\$0.036
630	Traffic Signals	Local traffic signals	2021-094	\$141	\$135	\$141	\$0.039	\$0.039	\$0.011
631	Fire Assessment	Fire protection facilities	2021-094	\$380	\$360	\$380	\$0.104	\$0.104	\$0.030
632	General Government	Public facilities	2021-094	\$458	\$435	\$458	\$0.125	\$0.125	\$0.037
633	Landscape Improvements	Median landscaping	2021-094	\$287	\$273	\$287	\$0.078	\$0.078	\$0.023
634	Library Cap Improvements	Library facilities	2021-094	\$102	\$97	\$102	\$0.028	\$0.028	\$0.008
635	Park Development	Park and recreational facilities	2021-094	\$6,819	\$6,478	\$6,819	N/A	N/A	N/A
636	Police Cap Facilities	Police facilities, vehicles and equipment	2021-094	\$486	\$461	\$486	\$0.133	\$0.133	\$0.039
698	Affordable Housing	Inclusionary housing	2021-094	\$1,388	\$677	\$677	\$1.660	1,15	\$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	2021-094	\$902.00	\$902.00	\$902.00	\$902.00	\$902.00	\$902.00

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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 07/01/21	Fees Collected	Interest Earned	Other Revenues	Capital Expenditures	Cost Allocation	Ending Balance 06/30/22
620	Flood Control - San Sevaine	579,435	977,357	3,324		(96,861)	(13,400)	1,449,855
621	Flood Control - Etiwanda	46,973	0	159		0	0	47,132
622	Storm Drain	15,843,084	4,373,223	62,884		(1,207,621)	(123,000)	18,948,570
630	Circulation Mitigation	7,696,915	10,055,943	129,083		(821,496)	(181,500)	16,878,945
631	Fire Facility	637,971	340,822	2,341		0	(291,749)	689,385
632	Public Facilities	11,327,524	1,025,717	39,091		0	0	12,392,332
633	Median Landscaping	5,582,394	658,150	19,063		(101,908)	(46,900)	6,110,798
634	Library Facility	1,020,693	285,160	3,859		(87,070)	0	1,222,642
635	Park Development	5,120,626	2,299,536	19,519		(1,452,261)	(219,300)	5,768,120
636	Police Facilities	3,582,959	640,651	12,511		(521,396)	(4,600)	3,710,125
698	Affordable Housing	5,656,571	1,497,365	13,790		(1,546,090)	0	5,621,635
702	Sewer Connection	2,457,842	336,864	2,305	510,640	(602,191)	(9,100)	2,696,361
TOTALS		59,552,987	22,490,787	307,929	510,640	(6,436,893)	(889,549)	75,535,901

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Development Impact Fees
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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	2021/22	2020/21	2019/20	2018/19	2017/18
Flood Control - San Sevaine (620)					
Beginning balance	579,435	461,015	364,953	367,042	427,838
Revenue	977,357	216,918	186,943	84,164	36,357
Interest	3,324	1,880	15,862	19,395	4,902
Other revenue					
Capital	(96,861)	(86,578)	(92,743)	(92,748)	(88,555)
Cost allocation	(13,400)	(13,800)	(14,000)	(12,900)	(13,500)
Ending balance	1,449,855	579,435	461,015	364,953	367,042
Flood Control - Etiwanda (621)					
Beginning balance	46,973	46,925	45,840	44,339	44,167
Revenue	0	0	0	0	0
Interest	159	48	1,085	1,501	172
Other revenue					
Capital					
Cost allocation					
PPA - fees owed to County					
Ending balance	47,132	46,973	46,925	45,840	44,339
Storm Drain (622)					
Beginning balance	15,843,084	14,963,962	13,634,637	13,996,233	14,883,896
Revenue	4,373,223	3,529,070	2,440,966	2,001,556	3,440,409
Interest	62,884	22,156	389,307	485,316	68,478
Other revenue					
Capital	(1,207,621)	(2,381,903)	(1,011,048)	(2,347,468)	(3,896,450)
Cost allocation	(123,000)	(290,200)	(489,900)	(501,000)	(500,100)
Ending balance	18,948,570	15,843,084	14,963,962	13,634,637	13,996,233
Circulation Mitigation (630)					
Beginning balance	7,696,915	102,964	(3,481,614)	(10,281,237)	(17,703,078)
Revenue	10,055,943	8,680,924	5,049,189	7,147,782	8,319,008
Interest	129,083	64,926	563,486	777,028	171,515
Other revenue					
Capital	(821,496)	(1,024,499)	(1,953,097)	(1,030,387)	(582,082)
Cost allocation	(181,500)	(127,400)	(75,000)	(94,800)	(486,600)
Ending balance	16,878,945	7,696,915	102,964	(3,481,614)	(10,281,237)

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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	2021/22	2020/21	2019/20	2018/19	2017/18
Fire Facility (631)					
Beginning balance	637,971	719,932	856,721	757,475	681,581
Revenue	340,822	235,012	155,707	383,204	374,921
Interest	2,341	655	16,863	24,203	2,246
Other revenue					
Capital	0	0	(309,359)	(308,161)	(301,273)
Cost allocation	(291,749)	(317,628)	0	0	0
Ending balance	689,385	637,971	719,932	856,721	757,475
Public Facilities (632)					
Beginning balance	11,327,524	10,110,789	9,127,783	7,335,477	5,859,593
Revenue	1,025,717	1,202,606	757,037	1,536,608	1,448,836
Interest	39,091	14,729	225,969	260,171	27,048
Other revenue					
Capital	0	0	0	(4,473)	0
Cost allocation	0	(600)	0	0	0
Ending balance	12,392,332	11,327,524	10,110,789	9,127,783	7,335,477
Median Landscaping (633)					
Beginning balance	5,582,394	5,809,267	5,612,257	4,263,188	3,018,876
Revenue	658,150	536,533	454,735	1,263,373	1,266,082
Interest	19,063	6,607	133,565	153,935	7,845
Other revenue					
Capital	(101,908)	(760,214)	(386,590)	(64,939)	(26,815)
Cost allocation	(46,900)	(9,800)	(4,700)	(3,300)	(2,800)
Ending balance	6,110,798	5,582,394	5,809,267	5,612,257	4,263,188
Library Facility (634)					
Beginning balance	1,020,693	475,855	248,297	1,540,128	1,349,342
Revenue	285,160	567,217	328,919	325,570	274,470
Interest	3,859	2,321	9,639	40,187	4,337
Other revenue					
Capital	(87,070)	0	(100,000)	(1,653,088)	(88,021)
Cost allocation	0	(24,700)	(11,000)	(4,500)	0
Ending balance	1,222,642	1,020,693	475,855	248,297	1,540,128

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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	2021/22	2020/21	2019/20	2018/19	2017/18
Park Development (635)					
Beginning balance	5,120,626	5,533,262	6,366,089	5,666,657	7,492,576
Revenue	2,299,536	1,645,189	1,274,558	1,846,002	1,540,875
Interest	19,519	4,200	148,523	202,231	37,364
Other revenue					
Capital	(1,452,261)	(1,906,824)	(1,827,208)	(1,220,901)	(3,372,058)
Cost allocation	(219,300)	(155,200)	(428,700)	(127,900)	(32,100)
Ending balance	5,768,120	5,120,626	5,533,262	6,366,089	5,666,657
Police Facilities (636)					
Beginning balance	3,582,959	2,907,816	2,509,702	1,929,674	1,684,357
Revenue	640,651	767,821	418,738	664,646	603,263
Interest	12,511	5,343	63,840	70,807	5,986
Other revenue					
Capital	(521,396)	(80,321)	(39,064)	(145,925)	(363,932)
Cost allocation	(4,600)	(17,700)	(45,400)	(9,500)	0
Ending balance	3,710,125	3,582,959	2,907,816	2,509,702	1,929,674
Affordable Housing (698)					
Beginning balance	5,656,571	4,772,171	3,974,083	3,221,282	2,489,821
Revenue	1,497,365	876,809	710,496	639,198	724,205
Interest	13,790	7,591	87,592	113,603	7,256
Other revenue					
Capital	(1,546,090)	0	0	0	0
Cost allocation	0	0	0	0	0
Ending balance	5,621,635	5,656,571	4,772,171	3,974,083	3,221,282
Sewer Connection (702)					
Beginning balance	2,457,842	2,242,168	2,099,980	1,726,495	1,482,070
Revenue	336,864	325,729	281,127	501,363	361,600
Interest	2,305	3,774	10,159	6,023	0
Other revenue	510,640	509,039	506,564	516,974	522,434
Loan proceeds					
Loan repayment	(416,115)	(416,115)	(416,115)	(416,115)	(416,115)
Capital	(186,076)	(198,753)	(213,647)	(227,160)	(213,194)
Cost allocation	(9,100)	(8,000)	(25,900)	(7,600)	(10,300)
Ending balance	2,696,361	2,457,842	2,242,168	2,099,980	1,726,495

**City of Fontana
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Development Impact Fees
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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)							0
See Findings							
Flood Control - Etiwanda (621)							0
See Findings							
Storm Drain (622)							5,804,815
0001	DUNCAN SD: I 15 - CITRUS	2023	2,950	2,950	2,950	0	100%
3346	LIME AVENUE BASIN	2022	50,000	50,000	872	49,128	100%
3347	SULTANA @ MILLER BASIN	2022	100,000	100,000	872	99,128	100%
3361	CYPRESS STORM DRAIN	2022	16,356,715	8,116,715	2,460,156	5,656,559	50%
Circulation (630)							26,006,416
Due to other funds for project funding							18,370,049
0002	W LIBERTY PARKWAY/ MILLER TS	2022	829,884	44,884	0	44,884	5%
3281	SIERRA: FOOTHILL - BASELINE	2022	19,093,064	6,128,874	1,074,687	5,054,187	32%
3333	FOOTHILL: HEMLOCK - ALMERIA	2024	13,209,000	619,530	612,515	7,015	5%
3350	ETIWANDA/SLOVER	2022	13,151,299	3,146,196	660,379	2,485,817	24%
3378	SIERRA: SUMMIT TO I15 ROW	2021	400,000	128,400	83,936	44,464	32%
Fire Facility (631)							23,125,000
Due to Bondholders							23,125,000
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)							
0004	SIERRA CREST LANDSCAPE PROJECT	2021	682,998	682,998	682,998	0	100%
0020	JURUPA AVE. LANDSCAPE MEDIAN	2024	2,890,000	2,890,000	174,092	2,715,908	100%
3361	CYPRESS STORM DRAIN	2022	16,356,715	1,900,000	133,219	1,766,781	12%
Library Facility (634)							
Due to General Fund							
0034	LEWIS LIBRARY WALL	2022	300,000	300,000	87,070	212,930	100%
Park Development (635)							
0003	SOUTHRIDGE DOG PARK	2023	47,515	47,515	47,515	0	100%
0010	McDERMOTT PARKING LOT	2022	2,500,000	520,000	20,000	500,000	21%
0019	SOUTHRIDGE DOG PARK	2023	607,025	107,025	25,057	81,968	18%
4250	SOUTH FONTANA SPORTS PARK	2023	19,087,150	2,330,000	1,207,761	1,122,239	12%
4249	CENTRAL CITY PARK	2022	12,808,230	4,082,733	3,413,427	669,306	32%
Police Facilities (636)							
0021	PD FENCE ON SIVILLE AVE	2022	431,000	431,000	27,097	403,903	100%
2029	POL LOBBY/MTG ROOM REMODEL	2022	335,830	302,410	78,422	223,988	90%
2040	CAPTAIN OFFICES REMODEL	2022	806,500	806,500	575,935	230,565	100%
4328	EOC POLICE LOBBY REMODEL	2022	2,310,790	300,000	35,091	264,909	13%
Affordable Housing (698)							
Sewer Connection (702)							
Due to State Revolving loan for San Bernardino Trunk Sewer							
2,891,914							
2,891,914							

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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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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. These bonds were refinanced in October 2021 through the issuance of the City's 2021A Lease Revenue Bonds in the amount of \$23,125,000 which will also fund Fire Stations No. 80 and 81 as well as the Fire Protection District Training Facility. Bond debt service for Fiscal Year 2022/23 is \$1,395,400. 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 2021/2022 – 2027/2028, which is incorporated herein by reference.

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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, which is incorporated herein by reference.

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 2021/2022 – 2027/2028, which is incorporated herein by reference.

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

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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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 2021/2022 – 2027/2028, 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.