


CITY OF ONTARIO

Agenda Report
December 15, 2020

SECTION: CONSENT CALENDAR

Department: Development Administration
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Department: Development Administration
Prepared By: Maria Blanco
Staff Member Presenting:
Scott Murphy, AICP, Executive Community
Development Director
Approved By: 

Submitted To: Council/OHA
Approved: 12/15/2020 KM
Continued To: _____
Denied: _____
Item No: 5

SUBJECT: AB 1600 DEVELOPMENT IMPACT FEE (DIF) ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2020

RECOMMENDATION: That the City Council accept the City of Ontario's AB 1600 Development Impact Fee (DIF) Annual Report for Fiscal Year Ending June 30, 2020.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:

Operate in a Businesslike Manner

Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The Development Impact Fee (DIF) fund balance for Fiscal Year Ended June 30, 2020, is \$170,550,401. This report is submitted to the City Council for informational purposes only, as it strictly reports on the DIF funds. City Council acceptance of the AB 1600 DIF Annual Report for Fiscal Year Ending June 30, 2020, will have no fiscal impact on the General Fund.

BACKGROUND & ANALYSIS: On July 1, 2003, the City Council adopted Ordinance Nos. 2779 and 2780 approving the collection of Development Impact Fees (DIF) to mitigate the impacts of future development. In accordance with the provisions of Ordinance Nos. 2779 and 2780, the City began collecting DIF on September 1, 2003; and the impact fees have been updated periodically by resolutions of the City Council. The last update was authorized by the City Council on September 17, 2019, by Resolution No. 2019-135. This update, as well as the previous update, incorporates the results of the City's 2012 Water, Sewer, Storm Drain and Circulation Master Plan updates, along with the land use assumptions underlying the City's most recently updated General Plan (The Ontario Plan) adopted by the City Council in 2010.

California Government Code Sections §66001 and §66006 require making available to the public certain DIF information. The City of Ontario addresses these reporting requirements through issuance of the AB 1600 DIF Annual Report along with the release of periodic updates to the City's development impact fee calculation and nexus schedules.

The AB 1600 DIF Annual Report for Fiscal Year Ended June 30, 2020, consists of three schedules. The first schedule reports each DIF category's beginning and ending fund balances, its annual revenue and earnings, and its expenditures for the fiscal year. The second schedule provides a summary listing

of DIF expenditure amounts by individual public improvement project. The third schedule provides the five-year findings with regards to unexpended funds, whether committed or uncommitted, from FY 2015-2016 through FY 2019-2020.

Currently, all unexpended funds are committed to future projects which are detailed in the September 2019 Master Facilities Plan. The most recently adopted update of the City's DIF calculation and nexus schedules - Development Impact Fee Calculation and Nexus Report (September 2019) - contains the amount and purpose of each DIF, the public improvements the fees will fund, and the reasonable relationship between the fees and the purposes for which they are being assessed.

The City of Ontario's AB 1600 DIF Annual Report for Fiscal Year Ended June 30, 2020, as well as the September 2019 Development Impact Fee Calculation & Nexus Report and the September 2019 Master Facilities Plan are available for review and reference at the City's Records Management Department and on the City's website (www.ontarioca.gov/Building/Fees).



City of Ontario, California

**AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT
For Fiscal Year Ended June 30, 2020**

Prepared By:

Development Administration Department of
Community Development Agency

CITY OF ONTARIO
AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF ONTARIO

AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT – INTRODUCTION JUNE 30, 2020

On July 1, 2003, the City Council adopted Ordinance Nos. 2779 and 2780 approving the collection of Development Impact Fees (DIF) in the City of Ontario to mitigate the impacts of future development. In accordance with the provisions of Ordinance Nos. 2779 and 2780, the City began collecting DIF on September 1, 2003. Pursuant to Ordinance 2779, the impact fees have been updated periodically since that time by resolutions of the City Council. The last Development Impact Fee update was authorized by the City Council on September 17, 2019 by Resolution No. 2019-135. This update, as well as the previous update, incorporates the results of the City's 2012 Water, Sewer, Storm Drain and Circulation Master Plan updates, along with the land use assumptions underlying the City's most recently updated General Plan, adopted by the City Council in 2010.

California Government Code sections §66001 and §66006 require making available to the public certain Development Impact Fee information. The City of Ontario addresses these reporting requirements through issuance of the AB 1600 Development Impact Fee Annual Report along with the release of periodic updates to the City's development impact fee calculation and nexus schedules. The AB 1600 Development Impact Fee Annual Report for Fiscal Year Ended June 30, 2020 consists of three schedules. The first schedule reports each development impact fee category's beginning and ending fund balances, its annual revenue and earnings, and its expenditures for the fiscal year. The second schedule provides a summary listing of development impact fee expenditure amounts by individual public improvement project, and the third provides the five-year findings with regards to unexpended funds, whether committed or uncommitted, from FY 2015-2016 through FY 2019-2020. Currently all unexpended funds are committed to future projects which are detailed in the September 2019 *Master Facilities Plan*. The most recently adopted update of the City's development impact fee calculation and nexus schedules - *Development Impact Fee Calculation and Nexus Report (September 2019)* - contains the amount and purpose of each development impact fee, the public improvements the fees will fund, and the reasonable relationship between the fees and the purposes for which they are being assessed.

As a reference, the September 2019 Development Impact Fee Calculation & Nexus Report, and the September 2019 Master Facilities Plan, are made available for review and reference at the City's Records Management Department.

CITY OF ONTARIO
AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT
PURSUANT TO GOVERNMENT CODE SECTION 66006
FOR FISCAL YEAR ENDED JUNE 30, 2020

Fund	Development Impact Fee Purpose	Fund Balance July 1, 2019	Revenues			DIF Refunds	Projects Expenditures	Fund Balance June 30, 2020
			DIF Fees	Interest/ Gains/Losses	Other Sources/(Uses)			
007	Parkland Facilities Development	\$ 14,365,829	\$ 19,436,684	\$ 976,162	\$ 22,000 ¹	\$ 2,132,963	\$ 8,365,863	\$ 24,301,849
101	Law Enforcement Facilities	33,001	681,481	18,803	-	-	-	733,285
106	Refuse Collection Equipment	4,736,519	1,022,657	218,936	-	-	93,130	5,884,982
107	General Government Facilities	4,275,470	854,013	197,529	-	-	-	5,327,012
108	Library Expansion Facilities	5,120,717	1,125,607	240,429	-	-	-	6,486,753
109	Public Meeting Facilities	6,507,522	1,346,510	276,090	-	-	1,299,998	6,830,124
110	Aquatics Center Facilities	500,651	88,631	22,641	-	-	-	611,923
112	NMC Open Space Agreement	4,960,527	1,077,451	234,217	-	-	-	6,272,195
170	OMC Regional Streets, Signals and Bridges	4,794,411	1,430,059	204,236	-	-	730,998	5,697,708
171	OMC Local Adjacent Streets, Signals and Bridges	7,548,688	920,886	281,272	-	581,747	282,242	7,886,857
172	OMC Regional Storm Drainage Facilities	1,504,142	66,498	59,868	-	-	-	1,630,508
173	OMC Local Adjacent Storm Drainage Facilities	14,500,469	1,263,087	472,503	-	105,210	2,564,236	13,566,613
174	OMC Regional Water Distribution Facilities	15,041,039	363,619	587,179	-	-	-	15,991,837
175	OMC Local Adjacent Water Distribution Facilities	1,414,565	126,024	58,738	-	-	-	1,599,327
176	OMC Regional Sewer Collection Facilities	2,695,507	46,165	104,576	-	-	-	2,846,248
177	OMC Local Adjacent Sewer Collection Facilities	4,447,804	106,634	173,451	-	-	-	4,727,889
178	OMC Fire Protection Facilities	(444,921)	127,093	(24,612)	-	-	1,518,680	(1,861,120)
180	NMC Regional Streets, Signals and Bridges	7,908,998	4,973,112	481,783	-	106,662	1,962,394	11,294,837
181	NMC Local Adjacent Streets, Signals and Bridges	8,562,133	7,581,990	556,210	-	2,070,787	-	14,629,546
182	NMC Regional Storm Drainage Facilities	4,752,449	1,778,306	156,040	-	2,618,797	-	4,067,998
183	NMC Local Adjacent Storm Drainage Facilities	9,339,737	6,904,575	580,609	-	1,542,936	-	15,281,985
184	NMC Regional Water Distribution Facilities	(1,212,446)	6,837,378	48,457	-	4,641,674	9,878	1,021,837
185	NMC Local Adjacent Water Distribution Facilities	18,688,959	4,109,126	797,486	-	2,013,647	484,614	21,097,311
186	NMC Regional Sewer Collection Facilities	755,808	571,963	49,450	-	2,145	285,981	1,089,094
187	NMC Local Adjacent Sewer Collection Facilities	479,658	691,558	33,611	-	294,327	345,779	564,720
188	NMC Regional Fiber Optic System	(11,092,328)	579,312	(212,287)	-	66,560	478,342	(11,270,206)
189	NMC Local Adjacent Fiber Optic System	(391,951)	1,314,313	20,896	-	-	1,260,891	(317,633)
190	NMC Fire Protection Facilities	7,376,478	425,864	172,343	-	381,001	3,036,764	4,556,921
		<u>\$137,169,435</u>	<u>\$ 65,850,597</u>	<u>\$ 6,786,614</u>	<u>\$ 22,000</u>	<u>\$16,558,456</u>	<u>\$ 22,719,790</u>	<u>\$170,550,401</u>

¹Rental of City Property.

**CITY OF ONTARIO
DEVELOPMENT IMPACT FEE PROJECTS/EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2020**

City Project	DIF Project	Description	Annual Expenditure
PA1904	PK-001	Ontario Ranch Great Park	8,349,569
PA1903	PK-001	Parks Master Plan Update	16,293
		Fund 007 Subtotal	<u>8,365,863</u>
N/A	RC-003	Refuse Containers	93,130
		Fund 106 Subtotal	<u>93,130</u>
PA1302	PF-001	Anthony Munoz Park & Community Center	1,299,998
		Fund 109 Subtotal	<u>1,299,998</u>
ST0302	ST-111	Grove/I-10 Interchange-Corridor	1,408
ST0308	ST-094	S. Milliken Grade Separation	4,819
ST1711	ST-116	I-10 Vineyard Interchange	540,047
ST1712	ST-114	I-10 Euclid Interchange	184,725
		Fund 170 Subtotal	<u>730,998</u>
ST1510	ST-036	Mountain & Holt Intersection Widening	34,489
ST1710	ST-129	Fourth Street Bridge Undercrossing	247,753
		Fund 171 Subtotal	<u>282,242</u>
SM1002	SD-056	6th Street Storm Drain	138,603
SM1701	SD-065	Bon View Avenue Storm Drain	5,877
SM1702	SD-055	Parco Avenue Storm Drain	2,419,756
		Fund 173 Subtotal	<u>2,564,236</u>
PF1101	FS-016	Fire Training Center Expansion	1,518,680
		Fund 178 Subtotal	<u>1,518,680</u>
ST0308	ST-094	S. Milliken Grade Separation	1,693
ST1411	ST-106	SR60 @ Archibald Interchange	1,960,701
		Fund 180 Subtotal	<u>1,962,394</u>
WA1907	WT-032	Groundwater Wellhead Treatment	9,878
		Fund 184 Subtotal	<u>9,878</u>
WA1903	WT-016	Haven Recycled Water & Pressure Reducing Station	484,614
		Fund 185 Subtotal	<u>484,614</u>
SE1801	SW-001	Payment to IEUA for Eastern Trunk Sewer ¹	285,981
		Fund 186 Subtotal	<u>285,981</u>

**CITY OF ONTARIO
DEVELOPMENT IMPACT FEE PROJECTS/EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2020**

City Project	DIF Project	Description	Annual Expenditure
SE1801	SW-001	Payment to IEUA for Eastern Trunk Sewer ¹	345,779
		Fund 187 Subtotal	<u>345,779</u>
MS-0205	FO-002	High-Speed Telecomm System-NMC	211,465
MS-0205	FO-005	High-Speed Telecomm System-NMC	266,877
		Fund 188 Subtotal	<u>478,342</u>
MS-0205	FO-004	High-Speed Telecomm System-NMC	704,244
MS-0205	FO-006	High-Speed Telecomm System-NMC	478,303
MS-0205	FO-007	High-Speed Telecomm System-NMC	78,344
		Fund 189 Subtotal	<u>1,260,891</u>
PF0506	FS-001	Fire Station 9	3,036,764
		Fund 190 Subtotal	<u>3,036,764</u>
			<u>\$ 22,719,790</u>

¹ Pursuant to Cooperative Agreement For The Sewer Conveyance Facilities Of The Eastern Trunk Sewer, Kimball Interceptor Sewer Extension, And RP-1 Outfall, Dated June 4, 2004.

CITY OF ONTARIO
FIVE-YEAR REVENUE TEST USING FIRST IN FIRST OUT METHOD
FISCAL YEAR ENDED JUNE 30, 2020

Fund	Development Impact Fee Purpose	Fund Balance	Project Expenditures					Total	Unexpended Funds (Note 1)	Note	
		June 30, 2015	2016	2017	2018	2019	2020				
007	Parkland Acquisition and Facilities Development	\$ 8,523,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,365,863	\$ 8,365,863	\$ 157,199	2
101	Law Enforcement Facilities, Vehicles and Equipment	(1,900,116)	-	-	-	-	-	-	-	-	
102	Fire Facilities, Vehicles and Equipment	125,455	-	-	-	-	-	-	-	125,455	3
103	OMC Circulation (Streets, Bridges and Signals) System	5,028,067	-	-	-	-	-	-	-	5,028,067	4
104	OMC Water System Source, Storage and Distribution System	8,038,144	-	-	-	-	-	-	-	8,038,144	5
105	OMC Sewer Collection System	3,170,620	-	-	-	-	-	-	-	3,170,620	6
106	Solid Waste Collection Equipment	1,710,526	98,250	99,561	98,890	-	93,130	389,831	1,320,695	7	
107	General Facilities, Vehicles and Equipment	1,541,572	-	-	-	-	-	-	-	1,541,572	8
108	Library Facilities and Collection	960,213	-	-	-	-	-	-	-	960,213	9
109	Public Use Facilities	1,842,010	114,817	49,604	-	-	1,299,998	1,464,419	377,591	10	
110	Aquatics Centers	179,916	-	-	-	-	-	-	-	179,916	11
111	OMC Storm Drainage System	14,822,140	-	-	-	-	-	-	-	14,822,140	12
112	NMC Open Space Land Acquisition	1,377,095	-	-	-	-	-	-	-	1,377,095	13
113	Fiber Optic Communication System	6,388	-	-	-	-	-	-	-	6,388	14
115	NMC Circulation (Streets, Bridges and Signals) System	444,793	-	-	-	-	-	-	-	444,793	15
116	NMC Water System Source, Storage and Distribution System	(259,622)	-	-	-	-	-	-	-	-	
117	NMC Sewer Collection System	213,682	-	-	-	-	-	-	-	213,682	16
118	NMC Storm Drainage System	1,448,034	-	-	-	-	-	-	-	1,448,034	17
170	OMC Regional Circulation (Streets, Bridges and Signals) System	4,996,941	7,751,834	1,108,947	439,591	475,531	730,998	10,506,901	-	-	
171	OMC Local Adjacent Circulation (Streets, Bridges and Signals) System	2,200,336	24,048	317,169	3,508,146	317,253	282,242	4,448,858	-	-	
172	OMC Regional Storm Drainage System	269,653	-	-	-	-	-	-	-	269,653	18
173	OMC Local Adjacent Storm Drainage System	5,121,048	1,506,095	6,156,603	1,095,854	2,595,509	2,564,236	13,918,297	-	-	
174	OMC Regional Water System	3,077,141	-	-	-	-	-	-	-	3,077,141	19
175	OMC Local Adjacent Water System	770,725	-	-	345,321	247,427	-	592,748	177,977	20	
176	OMC Regional Sewer Collection System	455,453	-	-	-	-	-	-	-	455,453	21
177	OMC Local Adjacent Sewer Collection System	681,792	916,433	126,166	5,708	-	-	1,048,307	-	-	
178	OMC Fire Facilities, Vehicles and Equipment	181,823	98,294	-	156,920	343,942	1,518,680	2,117,836	-	-	
180	NMC Regional Circulation (Streets, Bridges and Signals) System	491,752	1,495,409	1,204,120	531,606	868,658	1,962,394	6,062,187	-	-	
181	NMC Local Adjacent Circulation (Streets, Bridges and Signals) System	1,774,279	-	-	-	-	-	-	-	1,774,279	22
182	NMC Regional Storm Drainage System	252,609	-	-	-	-	-	-	-	252,609	23
183	NMC Local Adjacent Storm Drainage System	825,131	-	-	-	-	-	-	-	825,131	24
184	NMC Regional Water System	423,503	-	-	-	-	9,878	9,878	413,625	25	
185	NMC Local Adjacent Water System	541,524	-	-	-	-	484,614	484,614	56,910	26	
186	NMC Regional Sewer Collection System	34,103	-	87,529	163,370	288,203	285,981	825,083	-	-	
187	NMC Local Adjacent Sewer Collection System	51,199	-	25,201	43,141	220,119	345,779	634,240	-	-	
188	NMC Regional Fiber Optic Communication System	12,561	-	-	-	895,273	478,342	1,373,615	-	-	
189	NMC Local Adjacent Fiber Optic Communication System	101,627	-	-	-	1,745,459	1,260,891	3,006,350	-	-	
190	NMC Fire Facilities, Vehicles and Equipment	7,315,994	-	-	41,086	1,111,713	3,036,764	4,189,563	3,126,431	27	

CITY OF ONTARIO
FIVE-YEAR REVENUE TEST USING FIRST IN FIRST OUT METHOD
FISCAL YEAR ENDED JUNE 30, 2020

Notes:

1. All unexpended funds indicate the amount being held beyond the five year limit as described by AB1600.
2. The unexpended Parkland Acquisition and Facilities Development funds will be expended on the Parkland projects detailed in the 2019 Master Facilities Plan on pages 429-431.
3. The unexpended Fire Facilities, Vehicles and Equipment funds will be expended on the Fire projects detailed in the 2019 Master Facilities Plan on pages 27-52.
4. The unexpended OMC Circulation (Streets, Bridges and Signals) System funds will be expended on the General City Street projects detailed in the 2019 Master Facilities Plan on pages 61-191.
5. The unexpended OMC Water System Source, Storage and Distribution System funds will be expended on the General City Water projects detailed in the 2019 Master Facilities Plan on pages 308-345.
6. The unexpended OMC Sewer Collection System funds will be expended on the General City Sewer projects detailed in the 2019 Master Facilities Plan on pages 350-400.
7. The unexpended Solid Waste Collection Equipment funds will be expended on the Solid Waste projects detailed in the 2019 Master Facilities Plan on pages 403-409.
8. The unexpended General Facilities, Vehicles and Equipment funds will be expended on the General Facilities projects detailed in the 2019 Master Facilities Plan on pages 412-416.
9. The unexpended Library Facilities and Collection funds will be expended on the Library projects detailed in the 2019 Master Facilities Plan on pages 419-420.
10. The unexpended Public Use Facilities funds will be expended on the Public Use Facilities projects detailed in the 2019 Master Facilities Plan on page 423.
11. The unexpended Aquatics Centers funds will be expended on the Aquatics Centers projects detailed in the 2019 Master Facilities Plan on page 426.
12. The unexpended OMC Storm Drainage System funds will be expended on the General City Storm Drainage projects detailed in the 2019 Master Facilities Plan on pages 199-303.
13. The NMC Open Space Land Acquisition Development Impact Fee amount is based on a lawsuit settlement. The unexpended funds will be expended on one of the seven scenarios that were contemplated to determine the amount needed to be collected to meet the settlement agreement funding requirement. These scenarios are outlined in the 2019 Development Impact Fee Calculation and Nexus Report on pages 170-171.
14. The unexpended Fiber Optic Communication System funds will be expended on the Fiber Optic projects detailed in the 2019 Master Facilities Plan on pages 434-441.
15. The unexpended NMC Circulation (Streets, Bridges and Signals) System funds will be expended on the Ontario Ranch Street projects detailed in the 2019 Master Facilities Plan on pages 61-191.
16. The unexpended NMC Sewer Collection System funds will be expended on the Ontario Ranch Sewer projects detailed in the 2019 Master Facilities Plan on pages 350-400.
17. The unexpended NMC Storm Drainage System funds will be expended on the Ontario Ranch Storm Drainage projects detailed in the 2019 Master Facilities Plan on pages 199-303.
18. The unexpended OMC Regional Storm Drainage System funds will be expended on the General City Regional Storm Drainage projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 198 and detailed in the 2019 Master Facilities Plan on pages 199-303.
19. The unexpended OMC Regional Water System funds will be expended on the General City Regional Water projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 200 and detailed in the 2019 Master Facilities Plan on pages 308-345.
20. The unexpended OMC Local Adjacent Water System funds will be expended on the General City Local Adjacent Water projects detailed in the 2019 Master Facilities Plan on pages 308-345.
21. The unexpended OMC Regional Sewer Collection System funds will be expended on the General City Sewer projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 202 and detailed in the 2019 Master Facilities Plan on pages 350-400.
22. The unexpended NMC Local Adjacent Circulation (Streets, Bridges and Signals) System funds will be expended on the Local Adjacent Ontario Ranch Street projects detailed in the 2019 Master Facilities Plan on pages 61-191.
23. The unexpended NMC Regional Storm Drainage System funds will be expended on the Ontario Ranch Regional Storm Drainage projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 206 and detailed in the 2019 Master Facilities Plan on pages 199-303.
24. The unexpended NMC Local Adjacent Storm Drainage System funds will be expended on the Local Adjacent Ontario Ranch Storm Drainage projects detailed in the 2019 Master Facilities Plan on pages 199-303.
25. The unexpended NMC Regional Water System funds will be expended on the Ontario Ranch Regional Water projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 208 and detailed in the 2019 Master Facilities Plan on pages 308-345.
26. The unexpended NMC Local Adjacent Water System funds will be expended on the Local Adjacent Ontario Ranch Water projects detailed in the 2019 Master Facilities Plan on pages 308-345.
27. The unexpended NMC Fire Facilities, Vehicles and Equipment funds will be expended on the Fire projects detailed in the 2019 Master Facilities Plan on pages 27-52.