


CITY OF ONTARIO

Agenda Report
January 18, 2022

SECTION:
CONSENT CALENDAR

Department: Development Administration
Prepared By: Annie Wu
Staff Member Presenting:
Scott Murphy, Executive Director Community
Development
Reviewed By: Derrick E Womble
Approved By: 

Submitted To: Council/OHA
Approved: _____
Continued To: _____
Denied: _____
Item No: 7

SUBJECT: AB 1600 DEVELOPMENT IMPACT FEE (DIF) ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

RECOMMENDATION: That the City Council accept the City of Ontario's AB 1600 Development Impact Fee (DIF) Annual Report for Fiscal Year ended June 30, 2021 (unaudited).

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) unaudited fund balance for Fiscal Year Ended June 30, 2021, is \$167,465,802. This report is submitted to the City Council for informational purposes only, as it strictly reports on the DIF funds. City Council's acceptance of the AB 1600 DIF Annual Report for Fiscal Year Ended June 30, 2021 (unaudited), will not have a 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 certain Development Impact Fee information available to the public. 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.

As of the date of preparation of this report, the AB 1600 DIF Annual Report for Fiscal Year Ended June 30, 2021, represents the unaudited DIF financials. At the completion of the City's Annual Audit, any changes, if any, will be made available on the City's website at www.ontarioca.gov/Building/Fees.

The AB 1600 DIF Annual Report for Fiscal Year Ended June 30, 2021, 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 projects. The third provides the five-year findings with regards to unexpended funds, whether committed or uncommitted, from FY 2016-2017 through FY 2020-2021.

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, 2021 (unaudited), 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, specifically at www.ontarioca.gov/Building/Fees.



City of Ontario, California

**AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT
For Fiscal Year Ended June 30, 2021**

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, 2021**

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CITY OF ONTARIO

AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT – INTRODUCTION JUNE 30, 2021

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 The Ontario 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, 2021 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 2016-2017 through FY 2020-2021. 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 and on the City's website (www.ontarioca.gov/Building/Fees).

CITY OF ONTARIO
AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT
PURSUANT TO GOVERNMENT CODE SECTION 66006
FOR FISCAL YEAR ENDED JUNE 30, 2021

Fund	Development Impact Fee Purpose	Fund Balance July 1, 2020	Revenues			DIF Refunds	Projects Expenditures	Fund Balance June 30, 2021
			DIF Fees	Interest/ Gains/Losses	Other Sources/(Uses)			
007	Parkland Facilities Development	\$ 24,301,849	\$ 14,248,310	\$ 148,703	\$ 24,000 ¹	\$ 43,121	\$ 5,368,994	\$ 33,310,747
101	Law Enforcement Facilities	733,285	733,410	(18,507)	-	427	-	1,447,762
106	Refuse Collection Equipment	5,884,982	915,777	22,312	-	733	136,914	6,685,423
107	General Government Facilities	5,327,012	618,254	19,308	-	641	-	5,963,933
108	Library Expansion Facilities	6,486,753	1,881,572	39,090	-	1,326	-	8,406,089
109	Public Meeting Facilities	6,830,124	2,086,376	36,878	-	1,448	-	8,951,931
110	Aquatics Center Facilities	611,923	139,895	3,145	-	97	-	754,867
112	NMC Open Space Agreement	6,272,195	511,734	21,387	-	-	-	6,805,316
170	OMC Regional Streets, Signals and Bridges	5,697,708	1,623,427	24,261	-	1,528	641,231	6,702,636
171	OMC Local Adjacent Streets, Signals and Bridges	7,886,857	1,082,008	17,220	-	1,019	5,544,150	3,440,916
172	OMC Regional Storm Drainage Facilities	1,630,508	87,689	4,205	-	178	-	1,722,224
173	OMC Local Adjacent Storm Drainage Facilities	13,566,613	1,676,911	5,593	-	473,322	3,015,406	11,760,390
174	OMC Regional Water Distribution Facilities	15,991,837	2,579,492	61,643	-	5,073	-	18,627,899
175	OMC Local Adjacent Water Distribution Facilities	1,599,327	1,388,022	21,611	-	2,732	-	3,006,228
176	OMC Regional Sewer Collection Facilities	2,846,248	120,797	6,357	-	144	-	2,973,258
177	OMC Local Adjacent Sewer Collection Facilities	4,727,889	1,080,239	39,141	1,007,495 ²	1,301	105,675	6,747,788
178	OMC Fire Protection Facilities	(1,861,120)	303,354	(20,529)	-	331	35,291	(1,613,916)
180	NMC Regional Streets, Signals and Bridges	11,294,837	1,495,541	(75,881)	-	819,277	8,859,996 ³	3,035,225
181	NMC Local Adjacent Streets, Signals and Bridges	14,629,546	323,229	(24,984)	-	3,234,021	-	11,693,770
182	NMC Regional Storm Drainage Facilities	4,067,998	820,176	44,004	-	218,772	-	4,713,406
183	NMC Local Adjacent Storm Drainage Facilities	15,281,985	1,674,468	14,291	-	1,996,499	-	14,974,244
184	NMC Regional Water Distribution Facilities	1,021,837	644,066	23,178	-	460,416	294,176	934,488
185	NMC Local Adjacent Water Distribution Facilities	21,097,311	1,648,850	22,966	-	1,818,282	531,678	20,419,167
186	NMC Regional Sewer Collection Facilities	1,089,094	289,544	(339)	-	9,406	144,772	1,224,122
187	NMC Local Adjacent Sewer Collection Facilities	564,720	206,444	(10,772)	-	354,634	103,222	302,536
188	NMC Regional Fiber Optic System	(11,270,206)	119,843	(124,800)	375,000 ⁴	237,030	287,458	(11,424,650)
189	NMC Local Adjacent Fiber Optic System	(317,633)	1,019,792	41,787	250,000 ⁴	127,051	647,304	219,591
190	NMC Fire Protection Facilities	4,556,921	87,087	(80,756)	-	133,092	8,749,747	(4,319,587)
		<u>\$ 170,550,401</u>	<u>\$ 39,406,308</u>	<u>\$ 260,514</u>	<u>\$ 1,656,495</u>	<u>\$ 9,941,902</u>	<u>\$ 34,466,014</u>	<u>\$ 167,465,802</u>

¹ Rental of City Property.

² Transfer in monies to fund reimbursement for Sewer Capital Improvement Project SE1901.

³ Includes FY2020 project expenses.

⁴ Transfer in monies to fund build out of the fiber optic primary ring and The Ontario Ranch Community for City Project MS0205.

**CITY OF ONTARIO
DEVELOPMENT IMPACT FEE PROJECTS/EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2021**

City Project	DIF Project	Description	Annual Expenditure
PA1904	PK-001	Ontario Ranch Great Park	5,229,011
PA1903	PK-001	Skate Park Development	139,984
		Fund 007 Subtotal	<u>5,368,994</u>
N/A	RC-003	Refuse Containers	136,914
		Fund 106 Subtotal	<u>136,914</u>
ST0308	ST-094	S. Milliken Grade Separation	1,942
ST1711	ST-116	I-10 Vineyard Interchange	477,908
ST1712	ST-114	I-10 Euclid Interchange	161,381
		Fund 170 Subtotal	<u>641,231</u>
ST1510	ST-036	Mountain & Holt Intersection Widening	2,061,983
ST1710	ST-129	Fourth Street Bridge Undercrossing	3,482,167
		Fund 171 Subtotal	<u>5,544,150</u>
SM1701	SD-065	Bon View Avenue Storm Drain	2,790,743
ST1710	SD-063	Fourth St Bridge Undercrossing	224,663
		Fund 173 Subtotal	<u>3,015,406</u>
SE1701	SW-022	Archibald Ave Sewer Diversion	105,676
		Fund 177 Subtotal	<u>105,676</u>
PF1101	FS-016	Fire Training Center Expansion	35,291
		Fund 178 Subtotal	<u>35,291</u>
ST0308	ST-094	S. Milliken Grade Separation	966
ST1411	ST-106	SR60 @ Archibald Interchange ¹	1,501,990
ST1411	ST-106	SR60 @ Archibald Interchange	7,357,040
		Fund 180 Subtotal	<u>8,859,996</u>
WA1907	WT-032	Groundwater Wellhead Treatment	70,735
WA2004	WT-009	Ontario Ranch Phase II WTRM	223,441
		Fund 184 Subtotal	<u>294,176</u>
WA1903	WT-016	Haven Recycled Water & Pressure Reducing Station	531,678
		Fund 185 Subtotal	<u>531,678</u>
SE1801	SW-001	Payment to IEUA for Eastern Trunk Sewer ²	144,772
		Fund 186 Subtotal	<u>144,772</u>

**CITY OF ONTARIO
DEVELOPMENT IMPACT FEE PROJECTS/EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2021**

<u>City Project</u>	<u>DIF Project</u>	<u>Description</u>	<u>Annual Expenditure</u>
SE1801	SW-001	Payment to IEUA for Eastern Trunk Sewer ²	103,222
		Fund 187 Subtotal	<u>103,222</u>
MS-0205	FO-005	High-Speed Telecomm System-NMC	287,458
		Fund 188 Subtotal	<u>287,458</u>
MS-0205	FO-007	High-Speed Telecomm System-NMC	647,304
		Fund 189 Subtotal	<u>647,304</u>
PF0506	FS-001	Fire Station 9	8,749,747
		Fund 190 Subtotal	<u>8,749,747</u>
			<u>\$ 34,466,014</u>

¹ FY2020 project expenses.

² 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, 2021

Fund	Development Impact Fee Purpose	Fund Balance	Project Expenditures					Total	Unexpended Funds (Note 1)	Note
		June 30, 2016	2017	2018	2019	2020	2021			
007	Parkland Acquisition and Facilities Development	\$ (9,849,921)	\$ -	\$ -	\$ -	\$ 8,365,863	\$ 5,368,994	\$ 13,734,857	\$ -	
101	Law Enforcement Facilities, Vehicles and Equipment	(1,606,355)	-	-	-	-	-	-	-	
106	Solid Waste Collection Equipment	2,301,083	99,561	98,890	-	93,130	136,914	428,495	1,872,588	2
107	General Facilities, Vehicles and Equipment	2,136,656	-	-	-	-	-	-	2,136,656	3
108	Library Facilities and Collection	1,396,239	-	-	-	-	-	-	1,396,239	4
109	Public Use Facilities	2,302,598	49,604	-	-	1,299,998	-	1,349,602	952,996	5
110	Aquatics Centers	218,483	-	-	-	-	-	-	218,483	6
112	NMC Open Space Land Acquisition	1,665,074	-	-	-	-	-	-	1,665,074	7
170	OMC Regional Circulation (Streets, Bridges and Signals) System	7,353,110	1,108,947	439,591	475,531	730,998	641,231	3,396,298	3,956,811	8
171	OMC Local Adjacent Circulation (Streets, Bridges and Signals) System	9,923,950	317,169	3,508,146	317,253	282,242	5,544,150	9,968,960	-	
172	OMC Regional Storm Drainage System	1,212,908	-	-	-	-	-	-	1,212,908	9
173	OMC Local Adjacent Storm Drainage System	22,840,601	6,156,603	1,095,854	2,595,509	2,564,236	3,015,406	15,427,608	7,412,993	10
174	OMC Regional Water System	11,198,137	-	-	-	-	-	-	11,198,137	11
175	OMC Local Adjacent Water System	1,151,970	-	345,321	247,427	-	-	592,748	559,222	12
176	OMC Regional Sewer Collection System	2,034,538	-	-	-	-	-	-	2,034,538	13
177	OMC Local Adjacent Sewer Collection System	3,570,420	126,166	5,708	-	-	105,675	237,549	3,332,871	14
178	OMC Fire Facilities, Vehicles and Equipment	(357,419)	-	156,920	343,942	1,518,680	35,291	2,054,833	-	
180	NMC Regional Circulation (Streets, Bridges and Signals) System	1,362,122	1,204,120	531,606	868,658	1,962,394	8,859,996	11,924,784	-	
181	NMC Local Adjacent Circulation (Streets, Bridges and Signals) System	1,631,007	-	-	-	-	-	-	1,631,007	15
182	NMC Regional Storm Drainage System	389,648	-	-	-	-	-	-	389,648	16
183	NMC Local Adjacent Storm Drainage System	3,504,072	-	-	-	-	-	-	3,504,072	17
184	NMC Regional Water System	(12,657,651)	-	-	-	9,878	294,176	304,054	-	18
185	NMC Local Adjacent Water System	13,907,929	-	-	-	484,614	531,678	1,016,292	12,891,637	19
186	NMC Regional Sewer Collection System	185,301	87,529	163,370	288,203	285,981	144,772	969,856	-	20
187	NMC Local Adjacent Sewer Collection System	223,348	25,201	43,141	220,119	345,779	103,222	737,462	-	21
188	NMC Regional Fiber Optic Communication System	(2,939,455)	-	-	895,273	478,342	287,458	1,661,073	-	22
189	NMC Local Adjacent Fiber Optic Communication System	3,242,295	-	-	1,745,459	1,260,891	647,304	3,653,654	-	23
190	NMC Fire Facilities, Vehicles and Equipment	8,080,471	-	41,086	1,111,713	3,036,764	8,749,747	12,939,310	-	24

**CITY OF ONTARIO
FIVE-YEAR REVENUE TEST USING FIRST IN FIRST OUT METHOD
FISCAL YEAR ENDED JUNE 30, 2021**

Notes:

1. All unexpended funds indicate the amount being held beyond the five year limit as described by AB1600.
2. 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.
3. 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.
4. 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.
5. 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.
6. The unexpended Aquatics Centers funds will be expended on the Aquatics Centers projects detailed in the 2019 Master Facilities Plan on page 426.
7. 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.
8. The unexpended OMC Regional Circulation (Streets, Bridges and Signals) System funds will be expended on the General City Street Regional Circulation projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 196 and detailed in the 2019 Master Facilities Plan on pages 61-191.
9. 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.
10. The unexpended OMC Local Storm Drainage System funds will be expended on the General City Local Storm Drainage projects detailed in the 2019 Master Facilities Plan on pages 199-303.
11. 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.
12. 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.
13. The unexpended OMC Regional Sewer Collection System funds will be expended on the General City Regional 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.
14. The unexpended OMC Local Sewer Collection System funds will be expended on the General City Local Sewer projects identified detailed in the 2019 Master Facilities Plan on pages 350-400.
15. 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.
16. 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.
17. 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.
18. 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.
19. The unexpended NMC Local Adjacent Water System funds will be expended on the Ontario Ranch Local Adjacent Water projects detailed in the 2019 Master Facilities Plan on pages 308-345.
20. The unexpended NMC Regional Sewer Collection System funds will be expended on the Ontario Ranch Regional Sewer projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 210 and detailed in the 2019 Master Facilities Plan on pages 350-400.
21. The unexpended NMC Local Sewer Collection System funds will be expended on the Ontario Ranch Local Sewer projects detailed in the 2019 Master Facilities Plan on pages 350-400.
22. The unexpended NMC Regional Fiber Optic Communication System funds will be expended on the Ontario Ranch Regional Fiber Optic projects identified in the 2019 Development Impact Fee Calculation and Nexus Report on page 212 and detailed in the 2019 Master Facilities Plan on pages 434-441.
23. The unexpended NMC Local Fiber Optic Communication System funds will be expended on the Ontario Ranch Local Fiber Optic projects detailed in the 2019 Master Facilities Plan on pages 434-441.
24. 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.