



**City of Upland
Development Impact Fee Annual Report
For Fiscal Year 2023-2024**

December 9, 2024

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Overview and Legal Requirements for Development Impact Fee Reporting

This report contains information on the City of Upland's development impact fees for the Fiscal Year 2023-24. The annual reporting requirements are in Government Code section 66000 et seq. Please note that this annual report is not a budget document but rather meets reporting requirements. This report does not intend to present a full picture of planned projects. It only reports project information, revenues and expenditures for the Fiscal Year 2023-24.

Government Code section 66006 requires agencies to outline the status of development impact fees. Government Code section 66001 requires local agencies to submit five-year financial reports. The annual report is available to the public within 180 days after the last day of the fiscal year. The report is presented to the public agency (the City Council) at least 15 days after it is made available to the public.

This report summarizes each of the development impact fee programs. Requirements under Government Code section 66006 are:

1. A brief description of the fee program.
2. The amount of the fee.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned and transfers/loans.
5. An identification of each public improvement. The expenditures on each project. The total percentage of the cost of the public improvement is funded with development impact fees.
6. A description of each interfund transfer or loan. The date the loan will be repaid, the rate of interest, and a description of the public improvement.
7. The estimated date when projects will begin if enough revenues are available to construct the project.
8. The number of refunds made to property owners.

This report also summarizes five-year reporting information for the Development Impact Fee program as required under Government Code section 66001:

1. The purpose of the fee expenditure.
2. The reasonable relationship between the fee and the purpose used.
3. All sources of and amounts of funding anticipated to complete financing in incomplete improvements.
4. The approximate dates on which the funding referred to in subparagraph (3) above are deposited into the appropriate account or fund.

More detailed information on various programs is available. Nexus studies, master plans, capital improvement programs and budgets are all made public on the City of Upland's website.

The City of Upland does not earmark impact fees for any specific project as revenues come in. Nexus studies examples may include future transportation infrastructure, sewer infrastructure and other capital facilities. This report is accurate as of the time of publication. Any proposed plans are subject to change based on City Council action.

The City Council adopted the Nexus Study for all the Development Impact Fees program in 2024. The study identified the need to support the various Development Impact Fees adopted by the City Council on October 28, 2024, by Resolution No. 6808. The Study establishes that for developments which generate General, Police, Parks, Transportation, Water, Sewer and Storm Drain at or above citywide rates and which cannot self-mitigate these named impacts, a fee will be assessed to fund demonstrably the various impacts reducing projects. The nexus for calculating the various fee amount for each land use category will be additional services required as opposed to normal services increase. Payment of the various Development Impact Fees constitutes full mitigation of a project's impact.

In the following sections, the purpose of each Development Impact Fee is described.

General Facilities Impact Fee

The purpose of this fee is to provide a revenue source that will provide funds to construct general facilities that will mitigate the impacts of new residential and non-residential development to the City's general facilities.

Fire Impact Fee

The purpose of this fee is to provide a revenue source that will provide funds to construct fire facilities. The fees collected from the new development will be used exclusively for Fire Department purposes. Given the services provider contract with San Bernardino County Fire, the Fire DIF is no longer collected.

Police Impact Fee

The Police Facilities element includes those facilities used by the City Police Department to maintain police services. The fees collected from the new development will be used exclusively for Police Department purposes. All development within the City contributes to the direct and cumulative impacts of development on Police Department facilities, equipment and vehicles used to provide these services will have to be purchased or replaced to meet this increased demand. Thus, a reasonable relationship exists between the need for Police Facilities and impact of residential and non-residential development.

Parks and Recreation Impact Fee

The Parks and Recreation Development Facilities element will serve the residents of Upland by providing facilities for recreation while enhancing the community's appeal and quality of life. These types of facilities include the development of new parks and recreation facilities to serve new development for the City through 2040. Covered in this fee section are park improvements, land acquisition and parks and recreation renovation.

Transportation Impact Fee

The City's goal is to improve the streets on a prioritized list over the build-out horizon. Improvements for each street will focus on interchange improvements, widening lanes and ramps, traffic signal replacement and Uninterruptible Power Supplies installation. Additional infrastructure support is

necessary to provide safe and efficient vehicular access throughout the City and is planned to meet the new development needs through 2040.

Water Impact Fee

The need for water facilities improvements is based on the water demand placed on the system by development. The Water facilities category includes those facilities used by the City to provide basic water supply and distribution services to residents and employees within the City. This fee is based on the expected increase in water flow created by the new development.

Sewer Impact Fee

This category includes those facilities used by the City to provide basic sanitary sewer services to residents and employees within the City. These elements consist of downstream collectors conveying wastewater from local drainage areas such as residential tracts and business parks to county trunk sewer lines and treatment facilities. These proposed facilities have Citywide benefit by ensuring that there will be sufficient system-wide capacity to collect wastewater from new and existing development by the year 2040. In order to serve future development through General Plan build-out, the City has identified the need for landfill flare modifications, trunk main upgrades, manhole projects and numerous Sewer rehab projects.

Storm Drain Facilities Impact Fee

This category will serve the residents of the City by providing facilities that ensure proper water drainage in those areas susceptible to storm water runoff. Storm Drain Facilities include those used by the City to provide storm drainage services to both residents and employees within the City. The Storm Drain Fee will include facilities and improvements necessary to handle the storm drain runoff created by new development through build-out by the year 2040.

Fund Balance Activity and Fee Summaries

City of Upland
AB 1600 Development Impact Fee Annual Report
Pursuant to Government Code Section 60066
For Fiscal Year Ended June 30, 2024

Fund	Development Impact Fee Purpose	Fund Balance July 1, 2023	Revenues			Project Expenditures	Fund Balance June 30, 2024
			Developer Impact Fees	Interest	Other/ Miscellaneous		
420	General	\$ 331,974.68	\$ 21,513.41	\$ 42,589.03	\$ -	\$ -	\$ 396,077.12
419	Police	\$ 938,759.55	\$ 19,537.74	\$ 17,195.09	\$ (23,486.20)	\$ 4,813.42	\$ 947,192.76
418	Fire	\$ 318,428.00	\$ -	\$ -	\$ -	\$ 254,149.00	\$ 64,279.00
422	Storm Drains	\$ 3,720,735.95	\$ 61,183.72	\$ 115,834.79	\$ 235,552.58	\$ 1,945,173.32	\$ 2,188,133.72
638	Water	\$ 190,831.18	\$ 79,950.16	\$ 3,782.67	\$ (4,932.50)	\$ -	\$ 269,631.51
646	Sewer	\$ 517,078.00	\$ 40,433.07	\$ 9,536.06	\$ (12,994.39)	\$ -	\$ 554,052.74
423	Street & Traffic Facility Development	\$ 319,386.00	\$ 38,917.48	\$ 24,095.71	\$ 72,386.83	\$ 12,634.15	\$ 442,151.87
424	Park Acquisition & Development	\$ 672,450.34	\$ 14,659.00	\$ 12,319.67	\$ (16,824.97)	\$ -	\$ 682,604.04
		\$ 7,009,643.70	\$ 276,194.58	\$ 225,353.02	\$ 249,701.35	\$ 2,216,769.89	\$ 5,544,122.76

Expenditure Detail for Each Fee with Explanation of Activities

General Facilities, Water, Sewer and Park Acquisition & Development Funds had no activity during the Fiscal Year 2023-24.

Police incurred a total of \$4,813.42. These are related to the locker rooms for men and women at the police headquarters. See the five-year reporting to see the projected projects related to Police.

Fire development impact fees of \$254,149 were for weed abatement that reduced the cost of building additional fire facilities. This cost is being paid for by fees previously collected. It is anticipated that this project will be completed in the fiscal year 2024-2025 and that there are adequate funds already collected to complete this project.

Street & Traffic Facility Development incurred \$12,364.15 in personnel costs. These are related to planning future projects. See the five-year reporting to see the projected projects related to Street & Traffic Facility Development.

Storm Drains incurred a total of \$1,945,173.32. Of this amount, \$1,943,199.89 is related to the Arrow Highway Storm Drain Improvement project. The total anticipated cost of this project is \$2,248,000 and is expected to be completed in the Fiscal Year 2024-25 and will be paid with development impact fees already collected. An additional \$1,958.83 was spent on personnel costs related to planning the Campus Ave Storm Drain project. The expected costs associated with Campus Ave Storm Drain project are \$173,650. Its planned completion is Fiscal Year 2024-25 and is funded by development impact fees already collected. The remaining amount of \$14.60 was for personnel costs related to the Euclid Storm Drain Improvement project which is now completed.

During the past five fiscal years each of the various development impact fees has incurred costs.

During the Fiscal Year 2023-24 there were no interfund transfers and no refunds were made of development fees collected.

Fee Schedules

Land Use	Residential per Square Foot		Non-Residential per 1,000 Square Foot		
	Single Family	Multi-Family	Commercial	Office	Industrial
General Facilities	\$0.78	\$0.78	\$1,305	\$2,022	\$669
Police	\$0.43	\$0.43	\$721	\$1,118	\$370
Parks	\$4.80	\$4.80	N/A	N/A	N/A
Transportation	\$0.07	\$0.07	\$494	\$296	\$89
Water	\$0.87	\$0.87	\$436	\$611	\$349
Sewer	\$0.05	\$0.05	\$27	\$27	\$27
Storm Drain	\$0.90	\$0.90	\$1,059	\$1,003	\$947