



# DEVELOPMENT IMPACT FEE ANNUAL AND FIVE-YEAR REPORT

City of Artesia

*For the Fiscal Year Ending June 30, 2024*

## EXECUTIVE SUMMARY

Development Impact Fees (DIFs) are fees imposed by a local government on new or proposed development projects to ensure public services and infrastructure will be sufficient to serve those new development projects. California state law requires local agencies, on an annual basis, to prepare a report on the status of their Development Impact Fee (DIF) program in accordance with the Mitigation Fee Act (AB 1600). This document serves as the City of Artesia's Mitigation Fee Act report for the fiscal year spanning July 1, 2023, to June 30, 2024 (FY 2023-24), as well as the five-year report covering fiscal years 2020 through 2024.

The fees for Public Facilities, Traffic Facilities, Storm Drainage Facilities, Parks and Recreation Facilities, and Community Center Facilities were adopted in May 2020 by Resolution No. 19-2742.

### *Annual Development Impact Fee Reporting Requirements*

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose DIFs on new development. Annually, for each separate fund established for the collection and expenditure of DIFs, the local agency shall, within 180 days of the close of the fiscal year, make available to the public the information shown below for the most recent fiscal year.

- a) A brief description of the type of fee in the account or fund.
- b) The amount of the fee.
- c) The beginning and ending balance of the account or fund.
- d) The amount of the fees collected and interest earned.
- e) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- f) (1) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
  - (2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.
  - (3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction
- g) A description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an inter-fund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

- h) The amount of refunds made pursuant to subdivision (e) of Section 66001, the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.

***Five-Year Development Impact Fee Reporting Requirements***

Additionally, California Government Code Section 66001 (d) (1) requires the local agency make all of the following findings every fifth year with respect to that portion of the account remaining unexpended, whether encumbered to a specific project or remaining unencumbered in an impact fee fund.

- a) Identify the purpose to which the fee is to be put
- b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- c) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements
- d) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund

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## PUBLIC FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

**(A) A brief description of the type of fee in the account or fund.**

The Public Facilities Fee is intended to fund the construction, expansion, and improvement of public facilities to address increased demands from new development.

**(B) The amount of the fee.**

See Exhibit B attached to this report.

**(C) The beginning and ending balance of the account or fund.**

Table 1 summarizes the beginning and ending fund balances for the Public Facilities Fee for FY 2023-2024 and tracks fund availability using a five-year revenue test.

**(D) The amount of the fees collected and the interest earned.**

Table 2 shows the fees collected and the interest earned for the Traffic Facilities Fee for FY 2023-2024.

**Table 1: Public Facilities Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance						
Description	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
<b>REVENUES</b>						
Development Impact Fees	\$ 2,271.00	\$ 1,859.08	\$ 10,059.71	\$ 133,739.00	\$ 26,538.18	
Interest Earned	-	-	-	-	-	
<b>Total Revenues</b>	<b>\$ 2,271.00</b>	<b>\$ 1,859.08</b>	<b>\$ 10,059.71</b>	<b>\$ 133,739.00</b>	<b>\$ 26,538.18</b>	
<b>EXPENDITURES</b>						
Project Expenditures	-	-	-	-	29,039.28	
Administrative Allowance	-	-	-	-	-	
Transfers Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,039.28</b>	
<b>Fund Balance, Beginning of Year</b>	<b>\$ -</b>	<b>\$ 2,271.00</b>	<b>\$ 4,130.08</b>	<b>\$ 14,189.79</b>	<b>\$ 147,928.79</b>	
<b>Fund Balance, End of Year</b>	<b>\$ 2,271.00</b>	<b>\$ 4,130.08</b>	<b>\$ 14,189.79</b>	<b>\$ 147,928.79</b>	<b>\$ 145,427.69</b>	
Five-Year Revenue Test Using First-In First-Out Method						
Revenue Available After Expenses	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
Current Fiscal Year	2,271.00	1,859.08	10,059.71	133,739.00	26,538.18	
Prior Fiscal Year (2-yr Old Funds)	-	2,271.00	1,859.08	10,059.71	118,889.51	
Prior Fiscal Year (3-yr Old Funds)	-	-	2,271.00	1,859.08	-	
Prior Fiscal Year (4-yr Old Funds)	-	-	-	2,271.00	-	
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-	
In Excess of Five Prior Fiscal Years	-	-	-	-	-	
<b>Total Revenue Available</b>	<b>\$ 2,271.00</b>	<b>\$ 4,130.08</b>	<b>\$ 14,189.79</b>	<b>\$ 147,928.79</b>	<b>\$ 145,427.69</b>	

**(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

FY 2023-2024 Public Improvements funded by DIF			
Public Improvement	Total Project Cost	Amount Funded by DIF	Percentage Funded by DIF
<b>Public Facilities Fund</b>			
City Hall Ramp	\$ 29,039.28	\$ 29,039.28	100%

**(F) (1) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

As of the FY 23-24 reporting period, sufficient funds have been collected and allocated for the following public improvements:

- **New AV System for Council Chambers:** The installation of the new AV system began in July 2024 and was completed in November 2024. Since this project falls outside the reporting period, it will be fully detailed in next year’s report.
- **Public Service Center:** Construction is anticipated to commence in FY 2024-2025.

**(2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.**

No public improvements were identified in the FY 22-23 report pursuant to clause (1) with an approximate construction start date. As a result, there are no updates on construction commencement for previously identified projects.

**(3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction**

No projects were identified in the FY 23-24 report with an approximate construction start date. As such, there are no delays to report, and no revised construction commencement dates are required.

**(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2023-2024.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001, the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2023-2024.

### **Five-Year Report Findings**

Pursuant to California Government Code Section 66006(d)(1), the City is required to make findings for any unexpended funds held beyond the fifth fiscal year. In this case, the City of Artesia has not held any funds beyond the fifth fiscal year. However, to ensure compliance with the statutory requirements and maintain transparency, the City is providing the following findings to address any unexpended funds as of the FY 23-24 reporting period.

#### **(A) Identify the purpose to which the fee is to be put**

The purpose of the Public Facilities Development Impact Fee is to fund critical infrastructure improvements to support the City's operational needs. Currently, the following projects have been identified and will be reported on in the next fiscal year:

- Installation of the new AV system in the Council Chambers.
- Development of the new Public Service Center

The City will continue to evaluate future needs and identify additional eligible projects through its planning processes, such as the Capital Improvement Plan (CIP), as funds become available.

#### **(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged**

The Public Facilities Fee was established to fund the development, expansion, or improvement of public facilities necessary to accommodate the increased service demands generated by new development within the City. Current and future projects funded by this fee include:

- **New AV System in the Council Chambers:**
  - Enhances the functionality of a key public facility used for governance, community engagement, and public participation in decision-making processes. Addresses the operational needs associated with managing growth and ensuring accessibility in public proceedings.

- **New Public Service Center:**
  - Provides expanded space for the Community Development Department to effectively manage increased development activity and meet the service demands of a growing population. Improves the City’s capacity to deliver essential services and support infrastructure planning necessary for future growth.

**(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements**

Public Facilities - Funding Sources					
Public Improvement	DIF	PEG	CNRA Grant	Other	Estimated Project Cost
<b>Public Facilities Fund</b>					
AV System - Council Chamber	\$ 53,110.60	\$ 245,973.42	\$ -	\$ -	\$ 299,084.02
Public Service Center	\$ 200,000.00	\$ -	\$ 215,000.00	\$ 585,000.00	\$ 1,000,000.00

**(D) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund**

Development Impact Fees are deposited into the appropriate accounts on an ongoing basis as they are collected from new developments. The AV System project has been fully funded using previously collected fees and PEG fees, while the Public Service Center received grant funding in Spring 2024. Additional funding is required to fully finance the Public Service Center, and the City is actively exploring other funding opportunities to complete the project.

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## TRAFFIC FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

**(A) A brief description of the type of fee in the account or fund.**

The Traffic Facilities Development Impact Fee is intended to fund improvements to the City’s transportation network to address increased traffic demands generated by new development. See Exhibit A for planned Traffic Facilities projects.

**(B) The amount of the fee.**

See Exhibit B attached to this report.

**(C) The beginning and ending balance of the account or fund.**

Table 2 shows the Traffic Facilities Fee’s beginning and ending fund balances for FY 2023-2024 and tracks fund availability using a five-year revenue test.

**(D) The amount of the fees collected and the interest earned.**

Table 2 shows the fees collected and the interest earned for the Traffic Facilities Fee for FY 2023-2024.

**Table 2: Traffic Facilities Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance						
Description	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
<b>REVENUES</b>						
Development Impact Fees	\$ 1,442.00	\$ 1,180.44	\$ 5,918.42	\$ 79,273.00	\$ 16,381.63	
Interest Earned	-	-	-	-	-	
<b>Total Revenues</b>	<b>\$ 1,442.00</b>	<b>\$ 1,180.44</b>	<b>\$ 5,918.42</b>	<b>\$ 79,273.00</b>	<b>\$ 16,381.63</b>	
<b>EXPENDITURES</b>						
Project Expenditures	-	-	-	-	-	
Administrative Allowance	-	-	-	-	-	
Transfers Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Fund Balance, Beginning of Year</b>	<b>\$ -</b>	<b>\$ 1,442.00</b>	<b>\$ 2,622.44</b>	<b>\$ 8,540.86</b>	<b>\$ 87,813.86</b>	
<b>Fund Balance, End of Year</b>	<b>\$ 1,442.00</b>	<b>\$ 2,622.44</b>	<b>\$ 8,540.86</b>	<b>\$ 87,813.86</b>	<b>\$ 104,195.49</b>	

Five-Year Revenue Test Using First-In First-Out Method					
Revenue Available After Expenses	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Current Fiscal Year	1,442.00	1,180.44	5,918.42	79,273.00	16,381.63
Prior Fiscal Year (2-yr Old Funds)	-	1,442.00	1,180.44	5,918.42	79,273.00
Prior Fiscal Year (3-yr Old Funds)	-	-	1,442.00	1,180.44	5,918.42
Prior Fiscal Year (4-yr Old Funds)	-	-	-	1,442.00	1,180.44
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	1,442.00
In Excess of Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<b>\$ 1,442.00</b>	<b>\$ 2,622.44</b>	<b>\$ 8,540.86</b>	<b>\$ 87,813.86</b>	<b>\$ 104,195.49</b>

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Traffic Facilities improvements were recorded in FY 2023-2024.

- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.**

No public improvements were identified in the FY 22-23 report pursuant to clause (1) with an approximate construction start date. As a result, there are no updates on construction commencement for previously identified projects.

- (3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction**

No projects were identified in the FY 22-23 report with an approximate construction start date. As such, there are no delays to report, and no revised construction commencement dates are required.

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2023-2024.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001, , the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2023-2024.

**Five-Year Report Findings**

Pursuant to California Government Code Section 66006(d)(1), the City is required to make findings for any unexpended funds held beyond the fifth fiscal year. In this case, the City of Artesia has not held any funds beyond the fifth fiscal year. However, to ensure compliance with the statutory requirements and maintain transparency, the City is providing the following findings to address any unexpended funds as of the FY 23-24 reporting period.

**(A) Identify the purpose to which the fee is to be put**

The Traffic Facilities Development Impact Fee is intended to fund improvements to the City's transportation network to address the increased demands generated by new development. These improvements may include roadway expansions, traffic signal upgrades, pedestrian and bicycle infrastructure, and other enhancements necessary to ensure safe and efficient traffic flow throughout the City.

**(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged**

The Traffic Facilities Development Impact Fee is calculated based on trip generation rates associated with new development, as identified in the City's Development Impact Fee Study. These fees are used to mitigate the additional traffic impacts caused by such development by funding improvements to the transportation system.

**(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements**

At this time, no traffic improvement projects are planned due to insufficient funds in the Traffic Facilities Development Impact Fee account. The City has not identified additional funding sources to complete traffic-related improvements. The City will continue to monitor account balances and seek alternative funding opportunities, such as grants, to support future transportation projects.

**(D) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund**

Development Impact Fees for traffic facilities are deposited into the appropriate account as they are collected from new developments. Deposits occur on an ongoing basis, contingent upon the issuance of permits or approvals for new development projects. Due to the unpredictable nature of development activity, the timing and amounts of future deposits cannot be specified at this time.

## STORM DRAIN FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

**(A) A brief description of the type of fee in the account or fund.**

The Storm Drain Facilities Development Impact Fee funds improvements to storm drain infrastructure to manage increased runoff from new development. See Exhibit A for planned Storm Drain Facilities projects.

**(B) The amount of the fee.**

See Exhibit B attached to this report.

**(C) The beginning and ending balance of the account or fund.**

Table 3 shows the beginning and ending fund balances for the Storm Drain Facilities Fee for FY 2023-2024 and tracks fund availability using a five-year revenue test.

**(D) The amount of the fees collected and the interest earned.**

Table 3 summarizes the fees collected and the interest earned for the Storm Drain Facilities Fee for FY 2023-2024.

**Table 3: Storm Drain Facilities Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance					
Description	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
<b>REVENUES</b>					
Development Impact Fees	\$ 159.00	\$ 130.16	\$ 867.59	\$ 7,958.00	\$ 2,021.30
Interest Earned	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 159.00</b>	<b>\$ 130.16</b>	<b>\$ 867.59</b>	<b>\$ 7,958.00</b>	<b>\$ 2,021.30</b>
<b>EXPENDITURES</b>					
Project Expenditures	-	-	-	-	-
Administrative Allowance	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance, Beginning of Year</b>	<b>\$ -</b>	<b>\$ 159.00</b>	<b>\$ 289.16</b>	<b>\$ 1,156.75</b>	<b>\$ 9,114.75</b>
<b>Fund Balance, End of Year</b>	<b>\$ 159.00</b>	<b>\$ 289.16</b>	<b>\$ 1,156.75</b>	<b>\$ 9,114.75</b>	<b>\$ 11,136.05</b>

Five-Year Revenue Test Using First-In First-Out Method					
Revenue Available After Expenses	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Current Fiscal Year	159.00	130.16	867.59	7,958.00	2,021.30
Prior Fiscal Year (2-yr Old Funds)	-	159.00	130.16	867.59	7,958.00
Prior Fiscal Year (3-yr Old Funds)	-	-	159.00	130.16	867.59
Prior Fiscal Year (4-yr Old Funds)	-	-	-	159.00	130.16
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	159.00
In Excess of Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<b>\$ 159.00</b>	<b>\$ 289.16</b>	<b>\$ 1,156.75</b>	<b>\$ 9,114.75</b>	<b>\$ 11,136.05</b>

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Storm Drain Facilities improvements were recorded in FY 2023-2024.

- (F) (1) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

It has been determined that the current fund balance is insufficient to initiate the proposed public improvement projects. The City will continue to allocate funds to these projects as they become available. The City's budget team will then select and budget eligible projects for future inclusion in the Capital Improvement Plan (CIP).

- (2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.**

No public improvements were identified in the FY 22-23 report pursuant to clause (1) with an approximate construction start date. As a result, there are no updates on construction commencement for previously identified projects.

- (3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction**

No projects were identified in the FY 22-23 report with an approximate construction start date. As such, there are no delays to report, and no revised construction commencement dates are required.

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2023-2024.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001, , the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2023-2024.

### **Five-Year Report Findings**

Pursuant to California Government Code Section 66006(d)(1), the City is required to make findings for any unexpended funds held beyond the fifth fiscal year. In this case, the City of Artesia has not held any funds beyond the fifth fiscal year. However, to ensure compliance with the statutory requirements and maintain transparency, the City is providing the following findings to address any unexpended funds as of the FY 23-24 reporting period.

#### **(A) Identify the purpose to which the fee is to be put**

The Storm Drain Facilities Fee is intended to fund improvements to the City's storm drain infrastructure to address increased runoff generated by new development. These improvements may include new storm drain pipelines, pollution control filters, and other infrastructure necessary to mitigate flooding and ensure effective stormwater management.

#### **(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged**

The Storm Drain Facilities Development Impact Fee is calculated based on the additional impervious surface area created by new development, as identified in the City's Development Impact Fee Study. These fees are used to mitigate the increased stormwater runoff caused by such development by funding improvements to the storm drain system.

#### **(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements**

At this time, no traffic improvement projects are planned due to insufficient funds in the Storm Drain Facilities account. The City has not identified additional funding sources to complete stormwater-related improvements. The City will continue to monitor account balances and seek alternative funding opportunities, such as grants, to support future stormwater projects.

#### **(D) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund**

Development Impact Fees for storm drain facilities are deposited into the appropriate account as they are collected from new developments. Deposits occur on an ongoing basis, contingent upon the issuance of permits or approvals for new development projects. Due to the unpredictable nature of development activity, the timing and amounts of future deposits cannot be specified at this time.

## PARK AND RECREATION FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

**(A) A brief description of the type of fee in the account or fund.**

The Parks and Recreation Facilities Development Impact Fee is intended to fund the acquisition, development, and improvement of parkland and recreational facilities to address increased demands generated by new development.

**(B) The amount of the fee.**

See Exhibit B attached to this report.

**(C) The beginning and ending balance of the account or fund.**

Table 4 shows the beginning and ending fund balances for the Parks and Recreation Fee for FY 2023-2024 and tracks fund availability using a five-year revenue test.

**(D) The amount of the fees collected and the interest earned.**

Table 4 summarizes the fees collected and the interest earned for the Parks and Recreation Facilities Fee for FY 2023-2024.

**Table 4: Parks and Recreation Facilities Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance						
Description	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
<b>REVENUES</b>						
Development Impact Fees	\$ 4,981.00	\$ 4,077.53	\$ 22,063.81	\$ 285,983.00	\$ 58,206.15	
Interest Earned	-	-	-	-	-	
<b>Total Revenues</b>	<b>\$ 4,981.00</b>	<b>\$ 4,077.53</b>	<b>\$ 22,063.81</b>	<b>\$ 285,983.00</b>	<b>\$ 58,206.15</b>	
<b>EXPENDITURES</b>						
Project Expenditures	-	-	-	-	-	
Administrative Allowance	-	-	-	-	-	
Transfers Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Fund Balance, Beginning of Year</b>	<b>\$ -</b>	<b>\$ 4,981.00</b>	<b>\$ 9,058.53</b>	<b>\$ 31,122.34</b>	<b>\$ 317,105.34</b>	
<b>Fund Balance, End of Year</b>	<b>\$ 4,981.00</b>	<b>\$ 9,058.53</b>	<b>\$ 31,122.34</b>	<b>\$ 317,105.34</b>	<b>\$ 375,311.49</b>	

Five-Year Revenue Test Using First-In First-Out Method						
Revenue Available After Expenses	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
Current Fiscal Year	4,981.00	4,077.53	22,063.81	285,983.00	58,206.15	
Prior Fiscal Year (2-yr Old Funds)	-	4,981.00	4,077.53	22,063.81	285,983.00	
Prior Fiscal Year (3-yr Old Funds)	-	-	4,981.00	4,077.53	22,063.81	
Prior Fiscal Year (4-yr Old Funds)	-	-	-	4,981.00	4,077.53	
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	4,981.00	
In Excess of Five Prior Fiscal Years	-	-	-	-	-	
<b>Total Revenue Available</b>	<b>\$ 4,981.00</b>	<b>\$ 9,058.53</b>	<b>\$ 31,122.34</b>	<b>\$ 317,105.34</b>	<b>\$ 375,311.49</b>	

- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Parks and Recreation Facilities improvements were recorded in FY 2023-2024.

- (F) (1) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

As of the FY 2023-2024 reporting period, sufficient funds have been collected and allocated for the following public improvement:

- **Artesia Botanical Garden Project:** Construction is anticipated to commence in Fiscal Year 2025-2026.

- (2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.**

No public improvements were identified in the FY 22-23 report pursuant to clause (1) with an approximate construction start date. As a result, there are no updates on construction commencement for previously identified projects.

- (3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction**

No projects were identified in the FY 23-24 report with an approximate construction start date. As such, there are no delays to report, and no revised construction commencement dates are required.

- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2023-2024.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001, , the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2023-2024.

**Five-Year Report Findings**

Pursuant to California Government Code Section 66006(d)(1), the City is required to make findings for any unexpended funds held beyond the fifth fiscal year. In this case, the City of Artesia has not held any funds beyond the fifth fiscal year. However, to ensure compliance with the statutory requirements and maintain transparency, the City is providing the following findings to address any unexpended funds as of the FY 23-24 reporting period.

**(A) Identify the purpose to which the fee is to be put**

The purpose of the Parks and Recreation Facilities Development Impact Fee is to fund the acquisition, development, and improvement of parkland and recreational facilities to address the increased demands generated by new development. Currently, the following project has been identified and will be reported on in the next fiscal year:

- Artesia Botanical Garden

The City will continue to evaluate future needs and identify additional eligible projects through its planning processes, such as the Capital Improvement Plan (CIP), as funds become available.

**(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged**

The Parks and Recreation Facilities Development Impact Fee is designed to address the increased demand for recreational spaces and amenities caused by new development, ensuring the City can maintain its service standards. Current and future projects funded by this fee include:

**Artesia Botanical Garden Project:**

- Develops a new park and recreational facility, providing additional outdoor spaces to meet the needs of a growing community.

**(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements**

Park and Recreation - Funding Sources					
Public Improvement	DIF	HUD	CNRA Grant	TAP	Estimated Project Cost
<b>Parks and Recreation Facilities Fund</b>					
Artesia Botanical Garden	\$ 1,900,000.00	\$ 2,987,500.00	\$ 2,000,000.00	\$ 123,500.00	\$ 7,011,000.00

**(D) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund**

Development Impact Fees for the Parks and Recreation Facilities Fund are deposited into the appropriate accounts on an ongoing basis as they are collected from new developments. Sufficient funds to complete the Artesia Botanical Garden Project are expected to be available by the end of FY 2024-2025, contingent upon continued development activity.

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## COMMUNITY CENTER FACILITIES FUND

Pursuant to California Government Code section 66006(b)(1), for each separate account or fund established, the City shall, make available to the public the following information for the fiscal year:

**(A) A brief description of the type of fee in the account or fund.**

The Community Center Facilities Development Impact Fee is intended to fund the construction, expansion, and improvement of community facilities to address increased demands generated by new development.

**(B) The amount of the fee.**

See Exhibit B attached to this report.

**(C) The beginning and ending balance of the account or fund.**

Table 5 shows the beginning and ending fund balances for the Community Center Fee for FY 2023-2024 and tracks fund availability using a five-year revenue test.

**(D) The amount of the fees collected and the interest earned.**

Table 5 summarizes the fees collected and the interest earned for the Community Center Facilities Fee for FY 2023-2024.

**Table 5: Community Center Facilities Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance						
Description	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	
<b>REVENUES</b>						
Development Impact Fees	\$ 2,989.00	\$ 2,446.84	\$ 13,238.89	\$ 171,560.00	\$ 34,927.20	
Interest Earned	-	-	-	-	-	
<b>Total Revenues</b>	<b>\$ 2,989.00</b>	<b>\$ 2,446.84</b>	<b>\$ 13,238.89</b>	<b>\$ 171,560.00</b>	<b>\$ 34,927.20</b>	
<b>EXPENDITURES</b>						
Project Expenditures	-	-	-	-	-	
Administrative Allowance	-	-	-	-	-	
Transfers Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Fund Balance, Beginning of Year</b>	<b>\$ -</b>	<b>\$ 2,989.00</b>	<b>\$ 5,435.84</b>	<b>\$ 18,674.73</b>	<b>\$ 190,234.73</b>	
<b>Fund Balance, End of Year</b>	<b>\$ 2,989.00</b>	<b>\$ 5,435.84</b>	<b>\$ 18,674.73</b>	<b>\$ 190,234.73</b>	<b>\$ 225,161.93</b>	

Five-Year Revenue Test Using First-In First-Out Method					
Revenue Available After Expenses	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Current Fiscal Year	2,989.00	2,446.84	13,238.89	171,560.00	34,927.20
Prior Fiscal Year (2-yr Old Funds)	-	2,989.00	2,446.84	13,238.89	171,560.00
Prior Fiscal Year (3-yr Old Funds)	-	-	2,989.00	2,446.84	13,238.89
Prior Fiscal Year (4-yr Old Funds)	-	-	-	2,989.00	2,446.84
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	2,989.00
In Excess of Five Prior Fiscal Years	-	-	-	-	-
<b>Total Revenue Available</b>	<b>\$ 2,989.00</b>	<b>\$ 5,435.84</b>	<b>\$ 18,674.73</b>	<b>\$ 190,234.73</b>	<b>\$ 225,161.93</b>

**(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

No expenditures for Community Center Facilities improvements were recorded in FY 2023-2024.

**(F) (1) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.**

As of the FY 2023-2024 reporting period, sufficient funds have been collected and allocated for the following public improvement:

- **Albert O. Little Community Center Flooring Project:** Construction is anticipated to commence in FY 2024-2025.
- **Artesia Botanical Garden Project:** Construction is anticipated to commence in Fiscal Year 2025-2026.

**(2) An identification of each public improvement identified in a previous report pursuant to clause (1) and whether construction began on the approximate date noted in the previous report.**

No public improvements were identified in the FY 22-23 report pursuant to clause (1) with an approximate construction start date. As a result, there are no updates on construction commencement for previously identified projects.

**(3) For a project identified pursuant to clause (2) for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction**

No projects were identified in the FY 23-24 report with an approximate construction start date. As such, there are no delays to report, and no revised construction commencement dates are required.

**(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

There were no transfers or loans from this fund in FY 2023-2024.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001, the number of persons or entities identified to receive those refunds, and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2023-2024.

**Five-Year Report Findings**

Pursuant to California Government Code Section 66006(d)(1), the City is required to make findings for any unexpended funds held beyond the fifth fiscal year. In this case, the City of Artesia has not held any funds beyond the fifth fiscal year. However, to ensure compliance with the statutory requirements and maintain transparency, the City is providing the following findings to address any unexpended funds as of the FY 23-24 reporting period.

**(A) Identify the purpose to which the fee is to be put**

The purpose of the Community Center Facilities Development Impact Fee is to fund the construction, expansion, and improvement of community facilities to address the City's evolving needs. Currently, the following projects have been identified and will be reported on in the next fiscal year:

- Albert O. Little Community Center Flooring Project
- Artesia Botanical Garden

The City will continue to evaluate future needs and identify additional eligible projects through its planning processes, such as the Capital Improvement Plan (CIP), as funds become available.

**(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged**

The Community Center Facilities Development Impact Fee was established to fund the construction, expansion, or improvement of community facilities necessary to accommodate the increased demands generated by new development within the City. Current and future projects funded by this fee include:

- **Albert O. Little Community Center Flooring Project:**
  - Replaces existing flooring with materials that better support increased usage and ensure a safe, durable environment for community activities.
- **Artesia Botanical Garden, including a new Community Center:**
  - Creates a new public facility to meet the growing need for recreational and event spaces, supporting activities for residents and expanding community services.

**(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements**

<b>Community Center - Funding Sources</b>					
<b>Public Improvement</b>	<b>DIF</b>	<b>HUD</b>	<b>CNRA Grant</b>	<b>TAP</b>	<b>Estimated Project Cost</b>
<b>Community Center Facilities Fund</b>					
Albert O. Little - Flooring Project	\$ 74,842.98	\$ -	\$ 198,601.95	\$ -	\$ 273,444.93
Artesia Botanical Garden	\$ 1,900,000.00	\$ 2,987,500.00	\$ 2,000,000.00	\$ 123,500.00	\$ 7,011,000.00

**(D) Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund**

Development Impact Fees for the Community Center Facilities Fund are deposited into the appropriate accounts on an ongoing basis as they are collected from new developments. The Albert O. Little Community Center Flooring Project has been fully funded using previously collected fees and CNRA Grant funds. The Artesia Botanical Garden project is expected to receive sufficient funds by the end of FY 2024-2025, contingent upon ongoing development activity.

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## EXHIBIT A

### Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to: land acquisition, construction of buildings, construction of infrastructure, the acquisition of vehicles or equipment, information technology, software licenses and equipment. Expense categories eligible to be funded by Development Impact Fees are as follows: Public Facilities, Traffic Facilities, Storm Drain Facilities, Parks and Recreation Facilities, and Community Center Facilities.

#### *Uses for Public Facilities Fund*

Description	Value
New Financial Accounting System	\$ 275,000
Upgrade Telephone/911 System	493,000
New City Hall	20,000,000
WIFI and High-Speed Internet Upgrades	2,000,000
Upgrade Administrative Software	189,000
New City Fleet	620,000
New AV System for Council Chambers	175,000
Sheriff Substation	5,000,000
Sheriff Equipment Upgrades	80,000
Downtown Wayfinding Signage	800,000
City Server Upgrades	<u>25,000</u>
Total Cost of Planned Facilities	\$ 29,657,000

#### *Uses for Traffic Facilities Fund*

Description	Total Project Cost	Cost Allocation to New Development	Total Cost Allocated To New Development
Norwalk Blvd from Artesia to south city limits	\$3,250,000	30.66%	\$996,290
Traffic Signal Upgrade and Synchronization	825,000	30.66%	252,904
Safe Routes to School	390,000	30.66%	119,555
Pioneer Boulevard Pedestrian and Bicycle Improvements	2,750,000	30.66%	843,015
Historical District Recreational Trails	1,750,000	30.66%	536,464
Pioneer Boulevard Parking Structure	10,000,000	30.66%	3,065,508
City Electric Bus Service	1,700,000	30.66%	521,136
Electric Vehicle Charging Infrastructure	250,000	30.66%	76,638
City-Wide ADA Upgrades	2,500,000	30.66%	766,377
Artesia Boulevard Improvements	3,125,000	30.66%	957,971
City-Wide Alley Improvements	1,650,000	30.66%	505,809
West Santa Ana Transit Corridor Improvements	<u>2,190,000</u>	30.66%	<u>671,346</u>
<b>Total</b>	<b>\$30,380,000</b>		<b>\$9,313,012</b>

***Uses for Storm Drain Facilities Fund***

<b>Description/Street</b>	<b>Total Project Cost Estimate</b>	<b>Allocation to New Development</b>	<b>Costs Allocated to New Development</b>
Catch Basin - Pollution Control Filters	\$ 4,000,000	28.24%	\$ 1,129,435
Storm Drain Retrofit	<u>300,000</u>	28.24%	<u>84,708</u>
Total	\$ 4,300,000		\$ 1,214,143

***Uses for Parks & Rec Facilities Fund***

The City plans to use park and recreation facilities fee revenue to purchase parkland or construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide new facilities or to intensify usage of existing facilities needed to serve new development.

***Uses for Community Center Facilities Fund***

<b>Description</b>	<b>Project Cost</b>
New Community Center at Artesia Park	\$40,000,000
New Day Care Facility	1,000,000
New Workforce Development Center	200,000
Historical Society Building Upgrades	300,000
RTA Equipment Upgrade	<u>400,000</u>
Total Cost of Planned Facilities	\$41,900,000

**EXHIBIT B**

**COMBINED DEVELOPMENT IMPACT FEE SCHEDULE**

**Development Impact Fee Schedule Summary<sup>(1)</sup>**

<b>Land Use</b>	<b>Public Facilities</b>	<b>Traffic Facilities</b>	<b>Storm Drain Facilities</b>	<b>Parks and Recreation Facilities</b>	<b>Community Center Facilities</b>	<b>Total</b>
<i>Residential - per Dwelling Unit</i>						
Single Family	\$ 5,495	\$ 3,020	\$ 548	\$ 12,052	\$ 7,231	\$ 28,346
Multifamily	4,087	2,024	159	8,965	5,378	20,613
Accessory Dwelling Unit <sup>(2)</sup>	2,271	1,442	159	4,981	2,989	11,842
<i>Nonresidential - per 1,000 Sq. Ft.</i>						
Commercial	\$ 1,121	\$ 4,697	\$ 827	-	-	\$ 6,645
Office	1,464	4,714	115	-	-	6,293
Industrial	545	2,891	115	-	-	3,551

<sup>(1)</sup>Fees are subject to a two percent (2%) administrative charge for legal, accounting, and administrative support.

<sup>(2)</sup>Accessory Dwelling Units applicable to the City’s DIF will be imposed in compliance with California Government Code section 65852.2(f)(3).