



# DEVELOPMENT IMPACT FEE ANNUAL REPORT

City of Artesia

*For the Fiscal Year Ending June 30, 2025*

## 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 California Assembly Bill 1600 (AB1600). This report will serve as the City of Artesia's AB1600 report for the fiscal year starting July 1, 2024 and ending June 30, 2025 (FY 2024-2025).

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 19-2742 adopting the City of Artesia Development Impact Fee Study (May 2020).

### *Legal Requirements for Development Impact Fee Reporting*

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 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) 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.
- 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 and any allocations pursuant to subdivision (f) of Section 66001.

## **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.**

Development Impact Fees are applied to new construction and development projects in the City of Artesia. The purpose of this fee is to ensure that new development funds its fair share of public facilities. Public facilities are generally defined as the administrative and public works facilities needed by the City to operate as a municipality. A fee schedule is presented based on the existing facilities standard of public facilities in the City of Artesia to ensure that new development provides adequate funding to meet its needs. See Exhibit A attached to this report.

**(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 2024-2025. At the time of publication, the City's financial statements were not complete for Fiscal Year 2023-24. The result is that the ending fund balance did not match the beginning fund balance. However, the beginning fund balance in each fund now aligns with the audited data included in the City's Annual Comprehensive Financial Report for Fiscal Year 2023-24.

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

Table 1 summarizes the fees collected and the interest earned for the Public Facilities Fee for FY 2024-2025. Interest earnings are calculated and recorded at the Development Impact Fee (DIF) trust account level, which includes all five DIF funds. For Fiscal Year 2024-25, total interest earnings allocated to the DIF trust account were \$101,751.44.

**Table 1: Public Facilities Fund**

<b>Public Facilities Fee</b>	
<b>Beginning Fund Balance as of July 1, 2024</b>	\$ 6,315.83
<b>Revenues</b>	
Fees Collected	\$ 251,306.23
Interest Earned	\$ -
Other Revenues	\$ -
<b>Total Revenues</b>	\$ 251,306.23
<b>Expenses</b>	
Project Expenses	\$ 59,590.35
Other Charges	\$ -
<b>Total Expenses</b>	\$ 59,590.35
<b>Transfers In</b>	\$ -
<b>Transfers Out</b>	\$ -
<b>Ending Balance as of June 30, 2025</b>	\$ 185,400.05

(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.

<b>Project</b>	<b>DIF Expenditures</b>	<b>Project Expenditures</b>	<b>% Funded by DIF</b>
<b>New AV System for Council Chambers</b>	\$59,590.35	\$212,822.68	28%

(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.

The AV System Council Chambers – Phase I – began in September 2024, Phase II has not yet commenced.

It has been determined that the current fund balance is insufficient to initiate the remaining 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).

**(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 2024-2025.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2024-2025.

## 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.**

Development Impact Fees are applied to new construction and development projects in the City of Artesia. The purpose of this fee is to fund the need for traffic facilities to accommodate new development. A fee schedule is presented based on the existing facilities standard of public facilities in the City of Artesia to ensure that new development provides adequate funding to meet its needs. See Exhibit A attached to this report.

**(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 summarizes the beginning and ending fund balances for the Traffic Facilities Fee for FY 2024-2025. At the time of publication, the City's financial statements were not complete for Fiscal Year 2023-24. The result is that the ending fund balance did not match the beginning fund balance. However, the beginning fund balance in each fund now aligns with the audited data included in the City's Annual Comprehensive Financial Report for Fiscal Year 2023-24.

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

Table 2 summarizes the fees collected and the interest earned for the Traffic Facilities Fee for FY 2024-2025. Interest earnings are calculated and recorded at the Development Impact Fee (DIF) trust account level, which includes all five DIF funds. For Fiscal Year 2024-25, total interest earnings allocated to the DIF trust account were \$101,751.44.

**Table 2: Traffic Facilities Fund**

<b>Traffic Facilities Fee</b>	
<b>Beginning Fund Balance as of July 1, 2024</b>	\$ 13,959.41
<b>Revenues</b>	
Fees Collected	\$ 141,816.46
Interest Earned	\$ -
Other Revenues	\$ -
<b>Total Revenues</b>	\$ 155,775.87
<b>Expenses</b>	
Project Expenses	\$ 251.80
Other Charges	\$ -
<b>Total Expenses</b>	\$ 251.80
<b>Transfers In</b>	\$ -
<b>Transfers Out</b>	\$ -
<b>Ending Balance as of June 30, 2025</b>	\$ 155,524.07

(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.

<b>Project</b>	<b>DIF Expenditures</b>	<b>Project Expenditures</b>	<b>% Funded by DIF</b>
<b>West Santa Ana Transit Corridor Improvements</b>	<b>\$251.80</b>	<b>\$16,786.66</b>	<b>1.5%</b>

(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.

The West Santa Ana Transit Corridor Improvements Project commenced in April 2025.

It has been determined that the current fund balance is insufficient to initiate the remaining 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).

- (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 2024-2025.

- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2024-2025.

## 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.**

Development Impact Fees are applied to new construction and development projects in the City of Artesia. The purpose of this fee is to fund the need for storm drain facilities to accommodate growth within the City of Artesia. A fee schedule is presented based on the existing facilities standard of public facilities in the City of Artesia to ensure that new development provides adequate funding to meet its needs. See Exhibit A attached to this report.

**(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 summarizes the beginning and ending fund balances for the Storm Drain Facilities Fee for FY 2024-2025. At the time of publication, the City's financial statements were not complete for Fiscal Year 2023-24. The result is that the ending fund balance did not match the beginning fund balance. However, the beginning fund balance in each fund now aligns with the audited data included in the City's Annual Comprehensive Financial Report for Fiscal Year 2023-24.

**(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 2024-2025. Interest earnings are calculated and recorded at the Development Impact Fee (DIF) trust account level, which includes all five DIF funds. For Fiscal Year 2024–25, total interest earnings allocated to the DIF trust account were \$101,751.44.

**Table 3: Storm Drain Facilities**

<b>Storm Drain Facilities</b>	
<b>Beginning Fund Balance as of July 1,</b>	\$ 1,754.2
<b>Revenue</b>	
Fees	\$ 13,087.3
Interest	\$ -
Other	\$ -
<b>Total</b>	<b>\$ 13,087.31.5</b>
<b>Expense</b>	
Project	\$ 251.80
Other	\$ -
<b>Total</b>	<b>\$ 251.80</b>
<b>Transfers</b>	<b>\$ -</b>
<b>Transfers</b>	<b>\$ -</b>
<b>Ending Balance as of June 30,</b>	<b>\$ 14,589.7</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.

Project	DIF Expenditures	Project Expenditures	% Funded by DIF
Catch Basin – Pollution Control Filters	\$251.80	\$229,261	0.1%

(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.

Construction of the Catch Basin – Pollution Control Filters project occurred from August 2024 to December 2024.

It has been determined that the current fund balance is insufficient to initiate the remaining 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).

(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 2024-2025.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2024-2025.

## **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.**

Development Impact Fees are applied to new construction and development projects in the City of Artesia. The purpose of this fee is to purchase parkland or construct improvements to add to the system of park facilities that serves new development. A fee schedule is presented based on the existing facilities standard of public facilities in the City of Artesia to ensure that new development provides adequate funding to meet its needs. See Exhibit A attached to this report.

**(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 summarizes the beginning and ending fund balances for the Parks and Recreation Facilities Fee for FY 2024-2025. At the time of publication, the City's financial statements were not complete for Fiscal Year 2023-24. The result is that the ending fund balance did not match the beginning fund balance. However, the beginning fund balance in each fund now aligns with the audited data included in the City's Annual Comprehensive Financial Report for Fiscal Year 2023-24.

**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 2024-2025. Interest earnings are calculated and recorded at the Development Impact Fee (DIF) trust account level, which includes all five DIF funds. For Fiscal Year 2024–25, total interest earnings allocated to the DIF trust account were \$101,751.44.

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

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<b>Beginning Fund Balance as of July 1, 2024</b>	\$ 49,839.23
 <b>Revenues</b>	
Fees Collected	\$ 541,413.23
Interest Earned	\$ -
Other Revenues	\$ -
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<b>Total Revenues</b>	\$ 541,413.23
 <b>Expenses</b>	
Project Expenses	\$ 1,601.81
Other Charges	\$ -
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<b>Total Expenses</b>	\$ 1,601.81
 <b>Transfers In</b>	 \$ -
<b>Transfers Out</b>	\$ -
 <b>Ending Balance as of June 30, 2025</b>	 \$ 589,650.65

(D) An identification of the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

Project	DIF Expenditures	Project Expenditures	% Funded by DIF
<b>Artesia Park Restroom Renovation</b>	\$1,601.81	\$1,601.81	100%

(E) 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.

The Artesia Park Restroom Renovation Project construction commenced in June 2025.

It has been determined that the current fund balance is insufficient to initiate the remaining 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).

**(F) 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 2024-2025.

**(G) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2024-2025.

## 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.**

Development Impact Fees are applied to new construction and development projects in the City of Artesia. The purpose of this fee is to ensure that new development funds its fair share of community center facilities. A fee schedule is presented based on the existing facilities standard of public facilities in the City of Artesia to ensure that new development provides adequate funding to meet its needs. See Exhibit A attached to this report.

**(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 summarizes the beginning and ending fund balances for the Community Center Facilities Fee for FY 2024-2025. At the time of publication, the City's financial statements were not complete for Fiscal Year 2023-24. The result is that the ending fund balance did not match the beginning fund balance. However, the beginning fund balance in each fund now aligns with the audited data included in the City's Annual Comprehensive Financial Report for Fiscal Year 2023-24.

**(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 2024-2025. Interest earnings are calculated and recorded at the Development Impact Fee (DIF) trust account level, which includes all five DIF funds. For Fiscal Year 2024-25, total interest earnings allocated to the DIF trust account were \$101,751.44.

**Table 5: Community Center Facilities Fund**  
**Community Center Facilities Fee**

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<b>Beginning Fund Balance as of July 1, 2024</b>	\$ 29,906.37
 <b>Revenues</b>	
Fees Collected	\$ 354,696.34
Interest Earned	\$ -
Other Revenues	\$ -
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<b>Total Revenues</b>	\$ 354,696.34
 <b>Expenses</b>	
Project Expenses	\$ 100,974.79
Other Charges	\$ -
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<b>Total Expenses</b>	\$ 100,974.79
 <b>Transfers In</b>	 \$ -
<b>Transfers Out</b>	\$ -
 <b>Ending Balance as of June 30, 2025</b>	 \$ 253,721.55

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**(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.**

Project	DIF Expenditures	Project Expenditures	% Funded by DIF
New Community Center at Artesia Park	\$100,974.79	\$100,974.79	100%

**(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.**

The New Community Center at Artesia Park construction commenced in March 2025.

It has been determined that the current fund balance is insufficient to initiate the remaining 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).

**(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 2024-2025.

**(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

There were no refunds made from this fund in FY 2024-2025.

## 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).