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## DEVELOPMENT IMPACT FEES

Thank you for choosing The City of Covina for your development project! This handout provides information on development impact fees, which projects are subject to them, and when they are due. This is meant for informational purposes only. On July 16, 2024, the City Council adopted the 2024 Development Impact Fee Nexus Study and the newly revised Development Impact Fee Schedule, under [City Council Resolution 2024-057](#). Projects that received proper City of Covina entitlement approvals under the 2005 Development Impact Fee Schedule, before September 16, 2024, will fall under the 2005 Development Impact Fee Schedule and are not affected.

### Why are development impact fees necessary?

New residential and nonresidential development growth within the City imposes an increase in service demands upon public infrastructure and services such as police, fire, street, traffic, library, and parkland. Given the limited amount of property tax and other revenue available, the City must find alternative revenue sources to maintain the City's level of service as the city grows. This type of funding is used for additional facilities and services that serve new development (in the form of additional residences and businesses in the community) and cannot be used to fund existing deficiencies or regular maintenance/course of business.

### What projects are subject to development impact fees?

- Residential Projects that result in new dwelling units
- Nonresidential projects that result in new/additional square footage.

In both cases, development impact fees will not be charged to projects merely involving replacing, reconstructing, or improving pre-existing units (for residential projects) or, pre-existing square footage (for nonresidential projects). A residential project that increases square footage (such as a room addition) but does not result in new dwelling units does not trigger development impact fees. For non-residential projects, to the extent that a replacement, reconstruction, or improvement project results in new square footage, development impact fees shall be charged for the additional square footage generated.

### When are they due?

**Residential** development impact fees are due before the date of final inspection, or the date the certificate of occupancy is issued, whichever occurs first. For residential projects containing more than one dwelling unit, all development impact fees shall be paid before the date the first dwelling unit receives its final inspection or certificate of occupancy, whichever occurs first.

**Nonresidential** development impact fees are due before the City issues a building permit for any phase of the project.

**Table 1. DEVELOPMENT IMPACT FEES (2024)\***

Residential Development		
Per	No Subdivision	Subdivision**
Residential Unit < 600 SF	\$10,116	\$7,735
Residential Unit 600-800 SF	\$13,075	\$9,860
Residential Unit >800-1,200 SF	\$18,087	\$12,729
Residential Unit >1,200-1,900 SF	\$24,527	\$16,072
Residential Unit >1,900-2,300 SF	\$30,501	\$19,190
Residential Unit >2,300	\$35,398	\$21,703
Nonresidential Development		
Per	Total	
Each SF of Commercial	\$36.606	
Each SF of Office	\$17.695	
Each SF of Industrial	\$6.401	
Other Developments	Determined on a case-by-case basis	

\*Fees are subject to annual adjustment using the Construction Cost Index (CCI) for the Los Angeles Region

\*\* Residential projects proposing subdivision are subject to the City's Quimby Parkland Dedication or In-lieu fee payment to City

### Quimby Parkland Dedication

Projects involving land subdivisions require land dedications and/or in-lieu fee payment for public park development under the City's Quimby Act Ordinance (CMC 16.28.030). Park Land, Park Improvement, and Community/Recreational Facility impact fees do not apply to projects involving land subdivisions.

#### Calculate park dedication

# of dwelling units X 3.02 (occupancy factor) X .003 (park area standard) = \_\_\_\_ (acres)

#### If opting for an In-lieu fee payment to the City

\_\_\_\_ (acres) x \$610,000 (per acre fair market value parkland) = \$\_\_\_\_\_ (entire project).

### Are ADUs subject to development impact fees?

The City may collect applicable impact fees imposed on new residential development for ADUs 750 square feet and larger (CMC Section 17.69.040(I)(2)). Each ADU meeting this threshold shall be charged impact fees in proportion to the square footage of the primary dwelling unit. Garages and sheds do not count towards the square footage of the primary unit or ADU.

#### Step 1 Identify the appropriate Fee Category for the Primary Unit (See Table 1)

If Multi-Family (e.g. apartments), the Primary Unit is the largest unit on the property. ADUs equal to or larger than the primary unit shall not exceed the fee imposed on the primary unit.

Primary Unit square footage: \_\_\_\_\_ Primary Unit Fee: \_\_\_\_\_

#### Step 2 Determine the percentage of the primary unit fee to be collected.

It is calculated as the square feet of the ADU divided by the square feet of the Primary Unit. The result should be rounded to the nearest two decimal points. (0.6450 will be 0.65, & 0.6449 will be 0.64).

ADU square footage: \_\_\_\_\_ ÷ \_\_\_\_\_ Primary Unit square footage = 0. \_\_\_\_\_

#### Step 3 Multiply the Primary Unit Fee from Step 1 with the result from Step 2.

Primary Unit Fee: \_\_\_\_\_ x 0. \_\_\_\_\_ = \$\_\_\_\_\_ ADU impact fee

## Are there other impact fees I should consider?

Other impact fees may be imposed on development projects depending on the project scope. The City of Covina manages several utility and tax districts. Other agencies may also impose impact fees on developments. These are a few examples:

### **Covina Street Lighting District**

Managed by the Covina Engineering Division and is applied to projects that are located within the geographic boundary of the City's Lighting District. For more information, including annexation costs, contact the Engineering Division at [Engineering@covina.gov](mailto:Engineering@covina.gov).

### **Covina Landscape Maintenance District**

Managed by the Covina Engineering Division and is applied to projects that install off-site landscape improvements. For more information, including annexation costs, contact the Engineering Division at [Engineering@covina.gov](mailto:Engineering@covina.gov).

### **Community Facilities District (CFD)**

Managed by the Covina Special Projects Division and is applied to projects that result in a net increase of residential units. For more information, including annexation and tax class cost per unit, contact Special Projects at [AMantilla@covina.gov](mailto:AMantilla@covina.gov)

### **Stormwater Facility District**

Managed by the Covina Special Projects Division and is applied, on rare occasions, to projects that do not have the capability to establish their own stormwater system. A determination is made by the city during the application process. If applicable, the applicant may have the ability to join the City's stormwater infrastructure.

### **School Developer Fee**

There are three unified school districts servicing Covina: Charter Oak, Azusa, and Covina Valley. Contact the appropriate school district for more information.

### **Los Angeles County Sanitation District**

The Connection Fee program provides funds for future capital projects needed to accommodate additional wastewater contributions in the Sanitation District's sewerage system<sup>1</sup>. Visit [www.lacsd.org](http://www.lacsd.org) for more information.

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<sup>1</sup> Los Angeles County Sanitation District (n.d.) Connection Fee Program. [www.lacsd.org](http://www.lacsd.org).  
<https://www.lacsd.org/services/wastewater-programs-permits/industrial-waste-pretreatment-program/surcharge-and-connection-fee-programs/connection-fee-program>