



Annual and Five-Year Development Impact Fee Report

Fiscal Year ending June 30, 2024

Adopted by the Covina City Council on December 17, 2024

Resolution CC 2024-118



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1 Introduction & Background

In California, State legislation sets certain legal and procedural parameters for the charging of development impact fees. This legislation was passed originally as AB 1600 by the California Legislature and is codified as California Government Code Sections 66000 through 66025 known as the Mitigation Fee Act (“MFA”).

The City Council of the City of Covina adopted Resolution No. 05-6475 establishing a Development Impact Fee Schedule and Urgency Resolution No. 05-6476 providing for the immediate and interim collection of development impact fees effective November 15, 2005.

Annual Report. Section 66006 (b) (1) of the MFA requires that for each separate account or fund established, a local agency must make available to the public the following information for the fiscal year, within 180 days after the last day of each 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 the 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 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 and the public improvement remains incomplete.
- (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.
- (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.

The City Council must review the annual report at a regularly scheduled public meeting not less than fifteen days after the information is made available to the public. This report was made available for public review on December 2, 2024 digitally on the city website and as a hard copy available in the City Clerk’s office.

Five-Year Findings. Section 66001(d)(1) of the MFA requires that a local agency make all of the following findings with respect to that portion of the account or fund remaining expended, whether committed or uncommitted, every five years.

- (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 identified.
- (d): Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

2 Development Impact Fee Programs

This section serves as the brief description of the types of fee in the accounts or funds for the City's development impact fees pursuant Government Code Section 66006(b)(1)(A).

1. General Government Facilities

General Government Impact Fee - A fee that the city imposes on new residential and non-residential development that is used to expand general facilities to accommodate new development. General government facilities include, but are not limited to, government administrative offices (e.g. City Hall), City-owned vehicles, and city storage facilities.

2. Library Facilities

Library Impact Fee – A fee that the city imposes on new residential development to expand library facilities to serve new development. Residents are the primary users of libraries in the City of Covina. The demand for libraries and associated facilities is based on the City's residential population.

3. Police Facilities

Police Impact Fee – A fee that the city imposes on new residential and non-residential development that is used to expand the City's network of police facilities to accommodate new development. The City's police facilities serve both residents and businesses. The City's service population, i.e. the number of residents & workers within its service area, measures the need for police services and associated facilities.

4. Park Facilities

Park Facility Impact Fee – A fee that the city imposes on new residential developments that do not propose subdivision and are used to acquire parkland and expand park and recreational facilities to accommodate new development. New residential developments proposing subdivision are subject to the City's local Quimby Ordinance.

5. Transportation Facilities

Transportation Facility Impact Fee– A fee that the city imposes on new residential and non-residential developments and are used for streets and related transportation facilities to accommodate impacts by new development and growth within the city.

6. Fire Facilities

Fire Facility Impact Fee – A fee that the city imposes on new residential and non-residential development to accommodate impacts by new development on new fire facilities. The City’s fire facilities serve both residents and businesses (service population). The City’s service population (i.e. the number of residents and workers within its service area) measures the need for fire services and associated facilities. The purpose of this fee is to ensure that new development funds its fair share of new fire facilities.

3 Development Impact Fee Schedule

This section serves as the description of the amount of each development impact fee pursuant to Government Code Section 66006(b)(1)(B).

The city adopted a Development Impact Fee Schedule in 2005 shown in Table 1. The city also authorized the preparation of a new Development Impact Fee Nexus Study which has since been adopted by the City Council in FY 24 (fees under the recently adopted schedule became effective on September 16, 2024). This annual and five-year report addresses and analyzes only development impact fees collected within the previous fiscal year (July 1, 2023 to June 30, 2024).

Table 1. Covina Development Impact Fee Schedule (2005)

Impact Fee	Fee Per Unit		Fee per Building S.F		
	Single-Family	Multi Family	Commercial	Office	Industrial
General Government	\$1,028	\$794	\$0.192	\$0.255	\$0.128
Library	\$646	\$498	--	--	--
Police	\$956	\$737	\$0.177	\$0.237	\$0.118
Park	\$6,172	\$4,759	--	--	--
Transportation	\$2,334	\$1,867	\$5.799	\$5.116	\$1.870
Fire	\$458	\$353	\$0.085	\$0.113	\$0.057
Total	\$11,594	\$9,008	\$6.253	\$5.721	\$2.173

4 Annual Report and Five-Year Findings

Subsections 4-1 through 4-6 provide the information required pursuant to Government Code Section 66006(b)(1) C through H (Annual Report Findings) and Government Code Section 66001(d)(1) A through D (Five Year Findings) for each development impact fee.

A Description of each Impact fee is provided in Section 2 and the amount of each Impact fee can be found in Section 3 of this report pursuant to Government Code Section 66006(b)(1)(A) and (B), respectively.

Organization of subsections 4-1 through 4-6

The following subsection content is organized as follows:

Subsection Title (Development Impact Fee Fund)

Table Data

Table x.1 Annual Financial Summary

Table x.2 Five-Year Financial Summary

Table x.3 Public Improvement Projects

Public Improvement Project Summaries

Annual Findings 66006(b)(1), (C)-(H)

Five Year Findings 66001 (d)(1) (A)-(D)

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4-1 General Government Impact Fee Fund

Table 1.1 Annual Financial Summary

Statement of General Government Impact Fee

Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>	<u>FY 2023/2024</u>
REVENUES	
Fees collected	\$32,831.88
Interest earned	\$0
Total Revenues	\$32,831.88
Interfund Loan Transfers	\$0
Interfund Loans	\$0
Refunds	\$0
EXPENDITURES	
Capital Improvements	Amount
Project Name	\$0
Total Expenditures	
Revenues Over (under)	\$32,831.88
Expenditures	\$0
Start of Year Fund Balance	\$231,178.19
End-of-Year Fund Balance	\$264,010.07

Table 1.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$57,568.00	\$167,137.82	\$213,706.43	\$216,616.03	\$231,178.19
Receipts	\$109,569.82	\$46,568.61	\$2,909.60	\$14,562.16	\$32,831.88
Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$167,137.82	\$213,706.43	\$216,616.03	\$231,178.19	\$264,010.07

Table 1.3 Public Improvement Projects

Project Name	Est. Start Year	Total Project Cost	% Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status
City Hall and PW Yard Master Plan and Design Project	FY 24/25	\$300,000	100%	\$300,000	None.	Partially Funded

Public Improvement Projects Summary

As of the end of the Fiscal Year 2023/2024, an unexpended fund balance of \$264,010.07 has been assigned to the project “City Hall and PW Yard Master Plan and Design Project”. The purpose of this project is to develop a master facility plan to expand and consolidate the city's city hall and public works yard facilities. One option is to assess the existing property located at 534 N Barranca Avenue for options to improve/increase facilities and maximize the use of the property for public services. The City is also considering the option to relocate the City Hall facilities to a new location to improve access and customer service. At the close of the Fiscal Year, the project is considered partially funded. An amount of \$35,989.93 still needs to be raised from future General Government Impact Fee revenue to begin this task.

Annual Findings (Gov. Sec. 66006 (b)(1), (C)-(H))

- C. Beginning and Ending Balance. The beginning balance of the fund was \$231,178.19. The ending balance of the fund is \$264,010.07 (Table 1.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$32,831.88. The account does not accrue interest (Table 1.1).
- E. Identification of expenditures. There were no expenditures (Table 1.1).
- F. Identification of the approximate date of construction. The identified public improvement project in Table 1.3 is estimated to begin in FY 24/25 if sufficient revenue from the Government Facilities impact fee has been collected.
- G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 1.1).
- H. The amount of refunds made. There were no refunds made (Table 1.1).

Five-Year Findings Summary (Gov. Sec 66001 (d)(1)(A) through (D))

- A. Purpose of the Fee. The purpose of the General Government Impact Fee is to provide additional general governmental facilities, vehicles, and equipment to serve the needs of new development in the City of Covina. New development increases the need for general governmental facilities to maintain the existing level of service.
- B. Reasonable Relationship. Without additional general government facilities, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the City.

C. Sources of funding

The source of funding for the identified public improvement project is called out in Table 1.3.

D. Approximate Dates for Deposits of Funds

Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects. Staff anticipates the estimated 'start year' for the City Hall and PW Yard Master Plan and Design Project to be FY 24/25 (table 1.3), however, the exact date may be updated at a later time (e.g. an upcoming annual report or upon City Council approval to commence project via a Resolution to appropriate the funds for this project).

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4-2 Library Facilities Impact Fee Fund

Table 2.1 Annual Financial Summary

Statement of Library Facilities Impact Fee

Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>		<u>FY 2023/2024</u>
REVENUES		
Fees		\$20,480.86
Interest		\$0
	Total Revenues	\$20,480.86
Interfund Loan Transfers		\$0
Interfund Loans	Interest Rate of Loan: 0%	
Refunds		\$0
EXPENDITURES		
	Capital Improvements	Amount
Project Name		\$0
	Total Expenditures	
Revenues Over (under)		\$20,480.86
Expenditures		\$0
	Start of Year Fund Balance	\$190,003.08
	End-of-Year Fund Balance	\$210,483.94

Table 2.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$106,891.08	\$173,125.08	\$187,015.08	\$188,509.08	\$190,003.08
Receipts	\$66,234.00	\$13,890.00	\$1,494.00	\$1,494.00	\$20,480.86
Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$173,125.08	\$187,015.08	\$188,509.08	\$190,003.08	\$210,483.94

Table 2.3 Public Improvement Projects

Project Name	Estimated Start Year	Total Project Cost	Percent Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status
Covina Recreation Village Project	FY 24/25	Estimated at \$29M	6.8%	\$2,000,000	Grants, Measure W, Measure CC	Partially Funded

Covina Recreation Village Project – Furniture, Fixtures, and Equipment	FY 26/27	\$800,000	12.5%	\$100,000	Grants, Measure W, Measure CC	Not Funded
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Public Improvement Projects Summary

At the end of the 2023/2024 Fiscal Year, there is an unexpended balance of \$210,483.94 which has been assigned to the project “Covina Recreation Village Project” which consists of a new library facility, new park amenities, a recreation center, and Parks and Recreation administrative offices. The Library facility impact fee contribution shall only be assigned to a subtask – “Library” construction costs. The Covina Recreation Village project Phase I construction began in September 2024; however, The Library Subtask is included in Phase III which is estimated to begin during the 26/27 Fiscal Year. The entire project is estimated to be completed (all three phases) by or before 2028. The new library facility will be a retrofitting project consisting of the conversion of a former citrus packing facility. As of the close of the Fiscal year 2023-2024, this project is partially funded; however, construction can still begin on the project in the fiscal year 2025/2026 with a partial fund appropriation. There is a remaining amount of \$1,789,516.06 that needs to be raised through future Library facility impact fee revenue. The city is currently strategizing ways to meet the funding gap such as potentially utilizing an interfund loan transfer to cover the costs for construction and paying back the loan through future library facility impact fee revenue. Should this approach be pursued, the city will include information in the following year's annual and five-year reports, as is required pursuant to Gov. Sec. 66006 (b)(1)(G).

Annual Findings Gov. Sec. 66006 (b)(1), (C)-(H)

- C. Beginning and Ending Balance. The beginning balance of the fund was \$190,003.08. The ending balance of the fund is \$210,483.94 (Table 2.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$20,480.86. The account does not accrue interest (Table 2.1).
- E. Identification of expenditures. There were no expenditures (Table 2.1).
- F. Identification of the approximate date of construction. The approximate date is identified in Table 2.3. As mentioned in the subsection “Public Improvement Projects Summary”, the subtask “Library” for the project “Covina Recreation Village” is part of the overall project’s Phase III Construction, which is estimated to start during FY 26/27.

G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 2.1).

H. The amount of refunds made. There were no refunds made (Table 2.1).

Five-Year Findings Summary

A. Purpose of the Fee. The purpose of the Library Facilities Impact Fee is to provide additional library facilities and library materials to serve the needs of new development in the City of Covina. New development increases the need for libraries to maintain the existing level of service.

B. Reasonable Relationship. Without additional library facilities and materials, the increase in demand associated with new development would reduce the level of service provided to all residents in the City.

C. Sources of Funding. The sources of funding for the identified public improvement project is identified in Table 2.3

D. Approximate Dates for Deposits of Funds. Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects. However, staff have anticipated the estimated 'start year' for the library construction at the Covina Recreation Village as 2026/2027 (Table 2.3) despite being partially funded as of the June 30, 2024 date. The construction start date may be revised depending on availability of funds and other factors.

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4-3 Police Facilities Impact Fee Fund

Table 3.1 Annual Financial Summary
Statement of Police Facilities Impact Fee
Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>	<u>FY 2023/2024</u>
REVENUES	
Fees	\$30,478.11
Interest	\$0
Total Revenues	\$30,478.11
Interfund Loan Transfers	\$0
Interfund Loans	Interest Rate of Loan: 0%
Refunds	\$0
EXPENDITURES	
Project Name	Capital Improvements Amount <i>Police Department Room Renovation</i> (\$50,000)
Total Expenditures	(\$50,000)
Revenues Over (under)	\$30,478.11
Total Expenditures	(\$50,000)
Start of Year Fund Balance	\$90,825.72
End-of-Year Fund Balance	\$71,303.83

Table 3.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$18,501.08	\$119,964.21	\$74,684.79	\$77,386.14	\$90,825.72
Receipts	\$101,463.13	\$42,207.35	\$2,701.35	\$13,439.58	\$30,478.11
Expenditures	\$0.00	(\$87,486.77)	\$0.00	\$0.00	(\$50,000.00)
Ending Balance	\$119,964.21	\$74,684.79	\$77,386.14	\$90,825.72	\$71,303.83

Table 3.3. Public Improvement Projects

Project Name	Estimated Start Year	Total Project Cost	Percent Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status
Police Department Room Renovation	FY23/24	\$629,778.65	7.9%	\$50,000	\$579,778.65 through Measure CC and Community Facilities District - Police	Funded & Complete

Expansion of Citywide Public Safety Camera and Surveillance Project	FY25/26	\$50,000	40%	\$20,000	\$30,000 Possible Measure CC	Partially Funded
Covina Police Communications and Realtime Watch Center	FY26/27	\$3,500,000	7.1%	\$250,000	Possible grant funding, contributions from participating agencies	Partially Funded
PD Parking Lot Security Enhancement Project	FY27/28	\$75,000	33%	\$25,000	\$50,000 possible grant funding or Measure CC	Not Funded

Public Improvement Projects Summary

In Fiscal Year 2023/2024, \$50,000 of revenue generated from the Police facilities impact fee was appropriated (Resolution CC-2024-09) to the project “PD Room Renovation”. The project consisted of a major renovation of its locker rooms and restroom areas, including one additional general-use restroom. All areas underwent demolition of all plumbing, electrical, HVAC, and structural aspects. The renovation included new flooring, electrical, plumbing, lighting, and additional lockers that also meet ADA compliance. The total cost of the project was \$629,778.65 and included a Police Impact Fee contribution of 7.9%, the remaining 92.1% of project costs were funded through Measure CC (\$383,463.70 or 60.9%), and Community Facilities District – PD Fund (\$196,314 or 31.2%).

At the end of Fiscal Year 2023/2024, there is an unexpended fund balance of \$71,303.83, which has been assigned to the projects “Expansion of Citywide Public Safety Camera and Surveillance Project” at \$20,000, and “Covina Police Communications and Realtime Watch Center” at \$51,303.83.

“Expansion of Citywide Public Safety Camera and Surveillance Project”. This project consists of the assessment and installation of additional public safety cameras where needed. One example includes additional cameras to be installed at Hollenbeck Park where the city recently installed a new walking/exercise path and pickleball courts. Determining and installing additional cameras where needed will expand the public safety service offered by the Police Department to the public in these needed areas. At this time, this project is considered partially funded (the city will determine funding for the remaining \$30,000 to complete the project funding). Police Impact Fee contribution is estimated at 40% or \$20,000. Supplemental funding may include such sources as Measure CC for the remaining \$30,000.

“Covina Police Communications and Realtime Watch Center”. This project is meant to combine public safety dispatchers from multiple municipal police agencies to handle incoming calls from the public and dispatch police services to those in need of assistance. The project is envisioned to increase public safety services at the local and regional levels. At the close of the Fiscal Year, the project is considered partially funded, with the amount of \$198,696.17 needed to be raised from future Police Impact Fee revenue. Other possible sources of funding for this project may include grant funding, local funding sources such as Measure CC, and anticipated contributions from participating agencies. If funding allows, the project is anticipated to start within the 2026/2027 Fiscal Year which will consist of planning, site acquisition, and/or long-term lease, and depending on the property conditions, a new build or Tenant Improvement to establish the new facility.

Other projects identified but not yet funded include the following:

“Police Department Parking Lot Security Enhancement Project”. This project consists of the planning, design, and installation of security features at Police Department Facilities. At this time, this project is not yet funded. Police Impact Fee contribution is estimated at 33% or \$25,000. Supplemental funding may include such sources as Measure CC for the remaining \$50,000, however, a final determination for supplemental revenue has not yet been made. Police Department Staff are also researching potential grant funding opportunities to support this project.

Annual Findings (Gov. Sec. 66006 (b)(1), (C)-(H))

- C. Beginning and Ending Balance. The beginning balance of the fund was \$90,825.72. The ending balance of the fund is \$71,303.83 (Table 3.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$20,480.86. The account does not accrue interest (Table 3.1).
- E. Identification of expenditures. The project “Police Department Room Renovation” identified in Tables 3.1 and 3.3, is the only associated expenditure for the FY 23/24. The project is complete and was funded with \$50,000 (7.9% of project cost) in Police Facilities Impact Fees (also see Public Improvement Projects Summary).
- F. Identification of the approximate date of construction. Sufficient funds have not been collected for the identified public improvement projects shown in Table 3.3 consisting of “Covina Police Communications and Realtime Watch Center”, “Expansion of Citywide Public Safety Camera and Surveillance Project” and “Police Department Parking Lot Security Enhancement Project”. However, estimated start years have been identified in Table 3.3 for each identified project. Upon determination that the estimated required

funding from Police Facilities Impact fees is met or near met for a project, the city may then refine an estimated date for the start of each project.

G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 3.1).

H. The amount of refunds made. There were no refunds made (Table 3.1).

Five-Year Findings Summary (Gov. Sec 66001 (d)(1)(A) through (D))

A. Purpose of the Fee. The purpose of the Police Facilities Impact Fee is to provide additional or improved Police facilities and additional vehicles and equipment to serve the needs of new development in the City of Covina. New development increases the need for Police facilities to maintain the existing level of service.

B. Reasonable Relationship. Without additional Police facilities, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the city.

C. Sources of Funding. The sources of funding for the public improvement projects are identified in Table 3.3

D. Approximate date for Deposit of Funds. Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects. However, staff have anticipated the estimated 'start year' which can be revisited and updated on an annual basis (see table 3.3).

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4-4 Park Facilities Impact Fee Fund

Table 4.1 Annual Financial Summary

Statement of Park Facilities Impact Fee

Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>	<u>FY 2023/2024</u>	
REVENUES		
Fees		\$12,640.52
Interest		\$0
	Total Revenues	\$12,640.52
Interfund Loan Transfers		\$0
Interfund Loans		
Refunds		\$0
EXPENDITURES		
	Capital Improvements	Amount
Project Name		\$0
	Total Expenditures	
Revenues Over (under)		\$12,640.52
Expenditures		\$0
	Start of Year Fund Balance	\$53,632.08
	End-of-Year Fund Balance	\$66,272.60

Table 4.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$150,672.75	\$90,600.08	\$39,355.08	\$39,355.08	\$53,632.08
Receipts	\$76,144.00	\$23,275.00	\$0.00	\$14,277.00	\$12,640.52
Expenditures	(\$136,216.67)	(\$74,520.00)	\$0.00	\$0.00	\$0.00
Ending Balance	\$90,600.08	\$39,355.08	\$39,355.08	\$53,632.08	\$66,272.60

Table 4.3 Public Improvement Projects

Project Name	Estimated Start Year	Total Project Cost	Percent Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status
Covina Recreation Village Project	FY24/25	Estimated at \$29M	1.7%	\$500,000	Grants, Measure M, Fed Appropriations, Quimby, + researching other sources	Partially Funded

Covina Recreation Village – Furniture, Fixtures, and Equipment	FY 26/27	\$800,000	12.5%	\$100,000	Measure M, + Researching other options/sources	Not Funded
Covina Park Picnic Facilities Expansion Project	FY26/27	\$200,000	7.5%	\$15,000	~56,000 in Bond Funds, Possible Measure A, Measure CC, or Grant Funding if applicable	Not Funded
Park Master Plan Analysis Project	FY 28/29	\$75,000	40%	\$30,000	Measure CC, + researching other sources	Not Funded
Sunkist Park Improvement Project	FY27/28	\$1,500,000	2.6%	\$40,000	Possible funding: Measure A, Measure CC, or Grant Funding	Not Funded

Public Improvement Projects Summary

At the end of Fiscal Year 2023/2024, there is an unexpended fund balance of \$66,272.60, The balance is to be assigned to the “Covina Recreation Village Project” which consists of new park amenities, a recreation center that will include an indoor gymnasium and rock-climbing facility, a dog park, Parks and Recreation administrative offices, a new library, children’s playground, dog park, and various outdoor amenities such as trails and vegetation. The Covina Recreation Village project Phase I construction began in September 2024. This project is included in all three phases of project construction, and the project is estimated to be completed by or before 2028. At the close of the Fiscal year 2023-2024, this project is partially funded; however, construction can continue with partial fund appropriation from the Park Facility Impact Fee fund. There is a remaining amount of \$433,727.40 that needs to be raised through future park facilities impact fee revenue to complete the 1.7% Impact Fee Contribution towards the total project cost (see Table 4.3). The city is currently strategizing ways to meet the funding gap such as potentially utilizing an interfund loan transfer to cover the costs for construction and paying back the loan through future Park facilities impact fee revenue, since this project is currently under construction and funds are needed to ensure project completion. Should this approach be pursued, the city will include information in the consecutive annual and five-year report(s), as is required pursuant to Gov. Sec. 66006 (b)(1)(G).

The “Covina Park Picnic Facilities Expansion” project includes design work and construction and will expand existing facilities to create a large picnicking facility for the community to include additional accessible picnic tables, grilling stations, and shade structures. There are

approximately \$56,000 in bond funds available for the project and no funding available through the Park Facilities impact fee. The project is anticipated to utilize 20% or \$15,000 in Park Impact Fees to complete the project and the construction start date is tentative for FY 26/27. Additional possible funding sources include Measure A, Measure CC, or Grant Funding if applicable. If funding to support this project is attainable through other sources, such as those mentioned, the project may proceed without contribution from impact fees.

The purpose of the “Park Master Plan Analysis Project” to develop a master park plan to expand and improve the city's park facilities. A recent study completed by Los Angeles County Department of parks and recreation shows that the city of Covina has a high and very high need for parks along the south and west portions of the city and along the northeast¹. The amount of \$30,000.00 still needs to be raised from future Park Facilities Impact Fee revenue to begin this task.

The “Sunkist Park Improvement Project” is a large-scale task involving several improvements at Sunkist Park, a subcomponent of the project consists of a Playground Expansion which will expand the existing playground to accommodate the increased use and needs of the growing surrounding community. The playground expansion task is to include accessible play features, a larger footprint, and a rubberized play surface. This task is currently unfunded. The project is looking to utilize \$40,000 in Park Impact Fees to complete impact fee contribution towards this task. Other possible funding sources include Measure A, Measure CC, or Grant Funding if applicable. If funding to support this project is attainable through other sources, such as those mentioned, the project may proceed without contribution from impact fees.

Annual Findings (Gov. Sec. 66006 (b)(1), (C)-(H))

- C. Beginning and Ending Balance. The beginning balance of the fund was \$56,632.08. The ending balance of the fund is \$66,272.60 (Table 4.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$20,480.86. The account does not accrue interest (Table 4.1).
- E. Identification of expenditures. There were no expenditures (Table 4.1).

¹ Los Angeles County Department of Parks and Recreation . (2016). *City of Covina Study Area Profile* . Final report. <https://lacountyparkneeds.org/final-report/>

- F. Identification of the approximate date of construction. The approximate date of construction is noted in Table 4.1 for each identified public improvement project.
- G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 4.1).
- H. The amount of refunds made. There were no refunds made (Table 4.1).

Five-Year Findings Summary (Gov. Sec 66001 (d)(1)(A) through (D))

- A. Purpose of the Fee. The purpose of the Park Facilities Impact Fee is to provide additional parks, park improvements, and additional community and recreation centers to serve the needs of new residential development in the City of Covina. New development increases the need for park facilities to maintain the existing level of service.
- B. Reasonable Relationship. Without additional park space, park improvements, and community/recreational facilities, the increase in demand associated with new development would result in a reduction in the level of service provided to all residents in the city.
- C. Sources of Funding. The sources of funding for the public improvement projects are identified in Table 4.3
- D. Approximate date for Deposit of Funds. Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects. However, staff have anticipated the estimated 'start year' which can be revisited and updated on an annual basis (see table 4.3).

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4-5 Transportation Facilities Impact Fee Fund

Table 5.1 Annual Financial Summary

Statement of Transportation Facilities Impact Fee

Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>	<u>FY 2023/2024</u>
REVENUES	
Fees	\$79,745.99
Interest	\$0
Total Revenues	\$79,745.99
Interfund Loan Transfers	\$0
Interfund Loans	
Refunds	\$0
EXPENDITURES	
Project Name	Amount
	Capital Improvements
	Traffic Signals Improvement Project (\$345,433.72)
	(Barranca Ave/Covina Blvd)
	Fenimore Ave & Calvados Ave (\$191,830.00)
	Water Main Replacement Project
Total Expenditures	
Revenues Over (under)	\$79,745.99
Expenditures	(\$537,263.72)
Start of Year Fund Balance	\$793,848.98
End-of-Year Fund Balance	\$336,331.25

Table 5.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$361,263.55	\$722,347.71	\$1,481,774.89	\$1,124,584.07	\$793,848.98
Receipts	\$361,084.16	\$759,427.18	\$16,186.00	\$202,296.95	\$79,745.99
Expenditures	\$0.00	\$0.00	(\$373,376.82)	(\$533,032.04)	(\$537,263.72)
Ending Balance	\$722,347.71	\$1,481,774.89	\$1,124,584.07	\$793,848.98	\$336,331.25

Table 5.3 Public Improvements

Project Name	Estimated Start Year	Total Project Cost	Percent Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status

Traffic Signals Improvements Project - Barranca Ave & Covina Blvd	FY22/23	\$640,000	78.1%	\$500,000	\$140,000 Prop C	Funded & Completed
Fenimore Avenue & Calvados Avenue Water Main Replacement Project	FY 23/24	\$1,691,830	11.33%	\$191,830	\$100,000 Sewer Fund, \$890,000 Water CIP, \$510,000 ARPA	Funded & Completed
TS Upgrade – 2 nd Avenue & College Street Project	FY 25/26	\$248,415	100%	\$248,415	\$0	Fully Funded
TS Modification: Citrus Avenue/San Bernardino Road & College Street Project	FY 26/27	\$900,000	30%	\$270,000	\$630,000 or 70% from Prop C	Partially funded
TS Installation – Prospero Dr/San Bernardino Road Project	FY27/28	\$1,500,000	30%	\$450,000	\$1,050,000 or 70% from Prop C or possible grant funding	Not Funded
TS – Battery Backup System Project	FY 28/29	\$500,000	30%	\$150,000	\$350,000 or 70% from Prop C	Not Funded
TS Modification – San Bernardino Road/Second Avenue	FY 29/30	\$1,000,000	30%	\$300,000	\$700,000 or 70% from Prop C or Grant Funding	Not Funded

Public Improvement Projects Summary

In Fiscal Year 2023/2024, \$537,263.72 of revenue generated from the Transportation Facilities Impact Fee was expended on the projects “Traffic Signals Improvements Project - Barranca Ave & Covina Blvd ” and “Fenimore Avenue & Calvados Avenue Water Main Replacement Project ”. Both projects were completed in Fiscal Year 2023/2024. The project “Traffic Signal Improvements Project – Barranca Ave/Covina Blvd” consisted of the installation of a new traffic signal at the intersection of Barranca Avenue and Covina Boulevard, consisting of the addition of left turn pockets at the four legs of the intersection, new poles, a camera system, and other appurtenances. \$154,556.28 was expended on this project during Fiscal Year 22/23, when the project was initiated, and the remaining \$345,433.72 was expended

during the 2023/2024 fiscal year. This project is complete. The Project “Fenimore Avenue & Calvados Avenue Water Main Replacement Project” consisted of the removal and replacement of approximately 2000 linear feet of an existing 8-inch water main line, water services, hydrants, and associated street improvements. During Fiscal Year 2023/2024, \$191,830, or 11.33% of project costs, was expended from the transportation facilities impact fund towards this project. This project is also complete.

At the end of Fiscal Year 2023/2024, there is an unexpended fund balance of \$336,331.25. \$248,415.00 of the unexpended balance has been assigned to the Project “Traffic Signal Improvements Project – 2nd Avenue and College Street”, which consists of upgrading the existing traffic signal, including new poles, controllers, battery backup system, ADA ramps, and other appurtenances. At the time of this report, the project is considered fully funded and will be programmed to start work during the 2025/2026 Fiscal Year with the approval of the City Council. The remaining \$87,916.25 has been assigned to the project “TS Modification: Citrus Avenue/San Bernardino Road & College Street project” which consists of the upgrade of an existing traffic signal at San Bernardino Road and Citrus Avenue and including new traffic signal poles, controller, ADA ramps, scramble crosswalk, and the installation of scramble crosswalk at the intersection of College Street and Citrus Avenue. The project is “partially funded” as of June 30, 2024, and a remaining \$182,083.75 needs to be raised from future Transportation Facility Impact Fee revenue for this project. Prop C was identified to fund the remaining \$700,000 or 70% towards project costs.

Other projects identified but not yet funded include the following:

“TS Installation – Prospero Dr/San Bernardino Road Project”. This project consists of the installation of a new traffic signal at the intersection of San Bernardino Road and Prospero Drive, where an intersection presently does not exist. The project will also include the installation of new ADA ramps, a new driveway approach and intersection realignment, and appurtenances. Creating an additional intersection will improve the safety of commuters, enhance traffic flow, and allow the transportation system to control additional traffic impacts in the city. Transportation Facilities Impact Fee contribution is estimated at 30% or \$450,000. Prop C has been identified to fund the remaining 70% of project costs, at \$1,050,000.

“TS – Battery Backup System Project”. This project consists of the installation of battery backup at the traffic signal controllers city-wide. This project will ensure that there is sufficient backup energy on the city’s existing traffic signal system in case of an emergency or energy blackout. Transportation Facilities Impact Fee contribution is estimated at 30% or \$150,000. Prop C has been identified to fund the remaining 70% of project costs, at \$350,000.

“TS Modification – San Bernardino Road & Second Avenue”. This project consists of a traffic signal upgrade including new ADA ramps. Transportation Facilities Impact Fee contribution is estimated at 30% or \$300,000. Prop C has been identified to fund the remaining 70% of project costs, at \$700,000.

Annual Findings (Gov. Sec. 66006 (b)(1), (C)-(H))

- C. Beginning and Ending Balance. The beginning balance of the fund was \$793,848.98. The ending balance of the fund is \$336,331.25 (Table 5.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$20,480.86. The account does not accrue interest (Table 5.1).
- E. Identification of expenditures. There was a total expenditure of \$537,263.72 for two projects: “Traffic Signals Improvements Project - Barranca Ave & Covina Blvd ” and “Fenimore Avenue & Calvados Avenue Water Main Replacement Project” Refer to tables 5.1, 5.2, 5.3, and the accompanying “Public Improvement Projects Summary” for detail.
- F. Identification of the approximate date of construction. The date of construction for completed and anticipated date of construction for identified public improvement projects are shown in Table 5.3.
- G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 5.1).
- H. The amount of refunds made. There were no refunds made (Table 5.1).

Five-Year Findings Summary

- A. Purpose of the Fee. The purpose of the Transportation Facilities Impact Fee is to provide street improvements and traffic signals to mitigate the impacts of new development on Covina’s street system
- B. Reasonable Relationship. New development generates additional vehicle traffic that increases the need for street capacity and traffic signals to maintain the existing level of service. Without additional street improvements and traffic signals, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the City.

C. Sources of Funding. Sources of funding are identified in Table 5.3

D. Approximate date for Deposit of Funds. Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects. However, staff have anticipated the estimated 'start year' which can be revisited and updated on an annual basis (see table 5.3).

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4-6 Fire Facilities Impact Fee Fund

Table 6.1 Annual Financial Summary

Statement of Fire Facilities Impact Fee

Revenues, Expenditures, and Changes in Fund Balance for the Fiscal Year Ending June 30, 2024

<u>Description</u>	<u>FY 2023/2024</u>
REVENUES	
Fees	\$14,140.53
Interest	\$0
Total Revenues	\$14,140.53
Interfund Loan Transfers	\$0
Interfund Loans	
Refunds	\$0
EXPENDITURES	
Capital Improvements	Amount
Project Name	\$0
Total Expenditures	
Revenues Over (under)	\$14,140.53
Expenditures	\$0
Start of Year Fund Balance	\$115,353.07
End-of-Year Fund Balance	\$129,493.60

Table 6.2 Five-Year Financial Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	\$38,760.37	\$87,362.38	\$107,580.42	\$108,873.22	\$115,353.07
Receipts	\$48,602.01	\$20,218.04	\$1,292.80	\$6,479.85	\$14,140.53
Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$87,362.38	\$107,580.42	\$108,873.22	\$115,353.07	\$129,493.60

Table 6.3 Public Improvements

Project Name	Estimated Start Year	Total Project Cost	Percent Funded with Impact Fee Revenue	Amount Funded with Impact Fee Revenue	Amount to be funded by other revenues and their sources	Status
City Fire Station Buildings Expansion Study due to Growth Project	26/27	\$200,000	100%	\$200,000	None.	Partially Funded

Public Improvements Summary

At the end of Fiscal Year 2023/2024, there is an unexpended fund balance of \$129,493.60. The unexpended balance has been assigned to the Project “City Fire Station Buildings Expansion Study due to Growth Project”, which consists of the planning, design, and

construction estimates to expand fire services/facilities in the city to ensure a higher level of service due to growth. As of the end of the fiscal year, a remaining \$70,506.40 needs to be raised to meet the funding amount estimated to begin this task.

Annual Findings (Gov. Sec. 66006 (b)(1), (C)-(H))

- C. Beginning and Ending Balance. The beginning balance of the fund was \$115,353.07. The ending balance of the fund is \$129,493.60 (Table 6.1).
- D. Amount of fees collected and any interest earned. The amount of fees collected totaled \$14,140.53. The account does not accrue interest (Table 6.1).
- E. Identification of expenditures. There were no expenditures (Table 6.1).
- F. Identification of the approximate date of construction. Project is set to commence during the 26/27 Fiscal Year (Table 6.3)
- G. A Description of each interfund transfer or loan. There were no interfund transfers or loans (Table 6.1).
- H. The amount of refunds made. There were no refunds made (Table 6.1).

Five-Year Findings Summary

- A. Purpose of the fee. The purpose of the Fire Facilities Impact Fee is to provide additional or improved Fire Department facilities to serve the needs of new development in the City of Covina.
- B. Reasonable Relationship. New development increases the need for Fire Department facilities to maintain the existing level of service. Without additional or improved Fire Department facilities, the increase in demand associated with new development would result in a reduction in the level of service provided to all development in the City.
- C. Sources of Funding. The source of funding is “Fire Facilities Impact Fee”(Table 6.3)
- D. Approximate date for Deposit of Funds. Because development impact fee revenue fluctuates and is difficult to forecast, there is no exact date for which the funds will be deposited into the account to fund these capital improvement projects; However, staff due to the low threshold needed to fund the project, staff estimate that the project can commence during the 26/27 Fiscal Year.