

The seal of the City of Victorville is partially visible in the top left corner. It features a large letter 'V' in the center, surrounded by a circular border containing the text 'CITY OF VICTORVILLE' and 'INCORPORATED 1962'. Below the 'V', it says 'HOME OF THE'.

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Development Impact Fees - 2022

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Agenda

- Project Background
- Overview of Development Impact Fees
- Summary Tables by Development Type
- Sample Project Calculations
- Steps Taken/Feedback Received To Date
- Next Steps
- Comments/Questions

Background

- Most DIF Fees last updated between 2006-2008
- Project initiated in October 2019; planned for completion in March 2020
 - DIF Study
 - City-wide User Fee Study
 - Cost Allocation Plan
- Separate studies for Sewer (February 2022) & Drainage (July 2021)
- Changes since project initiation:
 - Significant delays due to the COVID-19 pandemic
 - Reorganization & Staffing Changes
 - New legislation - AB 602 (Water and Sewer Impact Fee calculations still governed by Gov Code 66013)

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About Impact Fees

- Imposed as a Condition of Development Approval...
- To Pay for **Capital Facilities** Needed to Serve New Development
- May **Not** Be Used to Pay for Maintenance or Operations
- Governed by **Constitutional Case Law** and California Statutes including the **Mitigation Fee Act**

Impact Fees – Legal Justification

Legally, Impact Fees Require a “**Nexus**” (Case Law) or “**Reasonable Relationship**” (Mitigation Fee Act) Between the Fees and the Impacts of Development

- Development Must Create a **Need** for Facilities Funded by Impact Fees
- Development Must **Benefit** from Facilities Funded by Impact Fees
- Impact Fees Must Be **Proportional** to the Impact of Development

Impact Fees – AB 602

- Passed and Signed into Law in 2021
- Requires Impact Fees to Be Based on the **Existing Level of Service**, Unless Other Basis Can Be Justified
- Requires Residential Impact Fees Adopted After July 1, 2022, to be **Proportionate to Square Footage**
- Large Jurisdictions **Must Adopt a CIP** as Part of the Nexus Study
- Requires Online Posting of Impact Fee Information

Impact Fees – Study Process

- Establish Baseline of **Existing Development** and Forecast of **Future Development**
- Analyze **Facility Needs** Using Level of Service Standard/Existing Level of Service for Each Facility
- **Quantify Impacts of Development** on the Need for Additional Facilities
- Compile **Cost Estimates** for Future Facilities
- **Allocate Costs** of Needed Facilities to Various Types of Development and **Calculate Impact Fees**

Impact Fees – Quantifying Impacts

How Do We Measure the **Impacts of Development** on Different Types of Facilities?

- **Population** for Parks, Recreation, Libraries, etc.
- **Service Population** (A Weighted Composite of Resident Population and Jobs in the City) for General Government
- **Calls for Service** for Police and Fire
- **Added Runoff** for Drainage
- **Water Use and Wastewater Flow**, or Projected Number of New Meters/EDUs

Park & Recreation Facilities

- Purpose: Fund park land acquisition, park development and facilities to maintain the City's current level of service
- Last Update: 2006 - Resolution No. 06-151
- Service Area: City limits
- Demand Variable: Population
- Nexus: Increased use and need for park & recreational facilities due to new development
- Projects: Sports complex; aquatics center; walking trails; additional land and recreation amenities per Park & Recreation Master Plan – 2020

Fire Protection Facilities

- Purpose: Fund fire protection & emergency response facilities, apparatus and equipment to maintain the City's current level of service
- Last Fee Update: 2006 - Resolution No. 06-151
- Service Area: City limits
- Demand Variable: Calls for service per year
- Nexus: Increased demand for fire protection facilities, apparatus and equipment to serve new development
- Projects: Future Fire Station 316; Brush Engines; Medic Squad Vehicles; Ladder Truck; Type I Fire Engine

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Police Facilities

- Purpose: Fund police facilities, vehicles and equipment to maintain the City's current level of service
- Last Fee Update: 2006 - Resolution No. 06-151
- Service Area: City limits
- Demand Variable: Population
- Nexus: Increased demand for police facilities, vehicles and equipment to serve new development
- Projects: Additional square footage - Police Station; Fleet & equipment expansion



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Public Buildings

- Purpose: Fund public buildings, vehicles and equipment for general services to maintain the City's current level of service
- Last Fee Update: 2006 - Resolution No. 06-151
- Service Area: City limits
- Demand Variable: Population
- Nexus: Increased demand for public facilities, vehicles and equipment to serve new development
- Projects: Facilities Maintenance Yard; City Hall Security Upgrades; Parks Maintenance Yard; City Facility Fleet & Equipment Expansion

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Libraries

- Purpose: Fund additional library facilities and materials needed to maintain the City's current level of service
- Last Fee Update: N/A – New DIF category
- Service Area: City limits
- Demand Variable: Population
- Nexus: Increased demand for library facilities and materials to serve new development
- Projects: Future library facilities & materials

Water System Improvements

- Purpose: Fund capacity charges for water system improvements and water rights for the Victorville Water District (VWD) to serve future development
- Last Fee Update: 2013 – Resolution VWD 13-003
- Service Area: VWD service area, including areas in sphere of influence
- Demand Variable: Average Daily Demand
- Nexus: Not required by Mitigation Fee Act, but study establishes nexus based on burden imposed by new development on the water system; Alternate Water Source Fee component.
- Projects: Water distribution pipelines; reservoir storage; ground water wells (Water Master Plan updated in 2021)

Road Improvements

- Purpose: Fund road, bridge, interchange and traffic signal capital improvement projects to maintain the City's current level of service per Circulation Element of the Victorville General Plan
- Last Fee Update: 2008 – Resolution No. 08-064
- Service Area: City limits
- Demand Variable: Peak hour trip generation
- Nexus: Road, bridge, interchange and traffic signal projects to serve new development
- Projects: I-15 interchanges, bridges, new and widened arterial roads, and traffic signals to increase capacity

Sewer Capacity

- Purpose: Fund capital improvement projects to increase capacity of the sewer collection system. Based on future development's proportional share of the costs.
- Last Fee Update: 1991 – Resolution No. 91-219
- Service Area: City limits
- Demand Basis: Equivalent Dwelling Units (EDU)
- Projects: Additional/larger sewer mains (Sewer Master Plan Update in 2016)

Administrative Fee

- Purpose: Cost recovery for accounting, reporting and as well as periodic updates to the impact fee study.
- Last Fee Update: N/A – New Fee
- Service Area: City limits
- Nexus: Administrative costs associated with administering a DIF program in compliance with the Mitigation Fee Act.
- Fee: 0.20% to be added to all DIF categories

Regional Drainage – DTA Study

- Purpose: Fund increased capacity for the regional drainage system to convey stormwater flows to maintain the City's current level of service
- Last Fee Update: 1990 – Resolution No. 90-158
- Service Area: City & SCLA Master Plan area
- Nexus: Additional facilities to capture stormwater runoff generated by new development
- Projects: New regional storm drainpipes, channels, basins and box culverts per Project List in the Study

Storm Drainage Facilities to be Built through 2050

- Cost of Storm Drainage systems are correlated to the amount of runoff delivered to City streets for both residential and non-residential development
- Fee Study resulted in 44.59% of costs being allocated to existing development and 55.41% of costs to be allocated to new development.
- Amount estimated to be financed by new development through 2050: \$154,288,875

Storm Drain Facilities	Facility Cost
General City Services Subtotal	\$244,632,054
General SCLA Services Subtotal	\$35,004,723
Offsetting Revenues	\$1,163,746
Total	\$278,473,032

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Summary Tables



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Summary Table of Existing Citywide Impact Fees

Development Type	Unit Type ¹	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	Total
Residential – Single Family	DU	\$5,046		\$329	\$139	\$1,334	\$4,470	\$11,318
Residential – Multi-Family	DU	\$3,847		\$232	\$98	\$717	\$2,745	\$7,639
Residential – Mobile Home Park*	DU	\$3,847		\$232	\$98	\$717	\$2,745	\$7,639
Commercial	KSF			\$170	\$170	\$1,340	\$7,600	\$9,280
Professional Office**	KSF			\$170	\$170	\$1,340	\$7,600	\$9,280
Lodging**	Room			\$170	\$170	\$1,340	\$7,600	\$9,280
Industrial	KSF			\$10	\$10	\$440	\$2,980	\$3,440
High-Cube Warehouse	KSF			\$20	\$20	\$250	\$1,580	\$1,870
Self-Service Storage***	KSF			\$10	\$10	\$440	\$2,980	\$3,440
Gasoline/Service Station**	Pump			\$170	\$170	\$1,340	\$7,600	\$9,280
Institutional**	KSF			\$170	\$170	\$1,340	\$7,600	\$9,280

¹ 1 DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position

*Assessed as a Residential-Multi-Family project.

**Assessed as a Commercial project.

***Assessed as an Industrial project.



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Summary Table of Proposed Citywide Impact Fees including Administration Charge

Development Type	Unit Type ¹	Parks & Recreation	Library	Fire	Police	Public Buildings	Roads	Total
Residential - Detached	DU	\$6,956	\$253	\$285	\$292	\$1,201	\$9,644	\$18,631
Residential - Attached	DU	\$4,910	\$179	\$375	\$207	\$849	\$5,455	\$11,974
Residential - Mobile Home Park	DU	\$4,296	\$156	\$240	\$181	\$743	\$4,481	\$10,098
Retail/Service Commercial	KSF			\$487	\$105	\$430	\$37,116	\$38,138
Professional Office	KSF			\$667	\$84	\$344	\$11,203	\$12,298
Lodging	Room			\$247	\$47	\$192	\$3,702	\$4,188
Industrial/Business Park	KSF			\$52	\$28	\$113	\$5,163	\$5,357
High-Cube Warehouse	KSF			\$7	\$19	\$78	\$974	\$1,079
Self-Service Storage	KSF			\$22	\$1	\$4	\$1,656	\$1,683
Gasoline/Service Station	Pump			\$629	\$12	\$51	\$47,735	\$48,428
Institutional	KSF			\$67	\$23	\$94	\$6,332	\$6,516

¹ 1 DU = dwelling unit; KSF = 1,000 gross square feet of building area; Room = guest room or suite; Pump = vehicle fueling position



Summary Table: Water System Improvement* by Meter Size

Meter Size	Current Fee	Proposed Fee ¹
¾"	\$5,142.00	\$5,686.59
1"	\$7,672.00	\$9,496.61
1 ½ "	\$16,671.00	\$18,936.34
2"	\$16,954.00	\$30,309.52
3"	\$54,129.00	\$56,865.90
4"	\$90,250.00	\$94,795.46
6"	\$180,464.00	\$189,534.04
8"	\$283,291.00	\$303,265.84

¹ Administrative fee not included.

* Current fee assess an Alternate Water Source Fee; Proposed fee includes a fee component for the same purpose.



Summary Table: Sewer Capacity per EDU

Meter Size	Current Fee	Proposed Fee ¹
Collection System	\$350	\$2,867

¹ Administrative fee not included.

Summary Table: Regional Drainage System

Land Use	Current Fee	Current Unit	Proposed Fee ¹	Proposed Unit
Single Family	\$2,585	Acre	\$2,392.00	Dwelling
Multi-Family	\$2,585	Acre	\$1,239.00	Dwelling
Non-residential	\$2,585	Acre	\$21,526.00	Acre

¹ Administrative fee not included.

- Single-family & multi-family residential fees are calculated per housing unit; non-residential development fees are calculated per acre
- The cost estimates in the Fee Study are in 2021 dollars
- The resolution establishing the new DIF fees should include a provision for an annual inflationary adjustment

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Example Projects



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Example Project: Single Family Home - 2,000 Sq. Ft.

DIF Category	Current Fee	Proposed Fee	% Difference
Parks	\$5,045.87	\$6,941.98	38%
Fire	\$328.81	\$284.20	-14%
Police	\$139.07	\$291.65	110%
Public Buildings	\$1,334.35	\$1,198.47	-10%
Library	New	\$252.72	N/A
Roads	\$4,469.90	\$9,625.17	115%
Water ¹	\$5,142.00	\$5,686.69	11%
Sewer ²	\$350.00	\$2,867.00	719%
Storm Drain ³	\$646.25	\$2,392.00	270%
Admin Fee	New	\$59.08	N/A
Total	\$17,456.25	\$29,598.86	70%

¹ Fee calculated for a ¾" Main

² Fee calculated at 1 EDU.

³ Fee calculated at 0.25 Acre for proposed fee.



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Example Project: Apartment Complex – 272 Dwelling Units, 22.32 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Parks	\$1,046,416.64	\$1,332,859.84	27%
Fire	\$63,139.36	\$101,714.40	61%
Police	\$26,704.96	\$56,072.80	110%
Public Buildings	\$195,010.40	\$230,419.36	18%
Library	New	\$48,522.08	N/A
Roads	\$746,536.64	\$1,480,914.88	98%
Water ¹	\$283,291.00	\$303,265.84	7%
Sewer	\$76,107.50	\$623,429.15	719%
Storm Drain	\$57,691.00	\$480,408.66	733%
Admin Fee	New	\$9,315.21	N/A
Total	\$2,494,897.50	\$4,666,922.22	87%

¹ Assumes: 8" Water Meter



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Example Project: Mobile Home Park, 70-Unit, 9.94 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Parks	\$269,298.40	\$300,160	11%
Fire	\$16,249.10	\$16,730	3%
Police	\$6,872.60	\$12,600	83%
Public Buildings	\$50,186.50	\$51,940	3%
Library	New	\$10,920	N/A
Roads	\$192,123.40	\$673,750	251%
Water ¹	\$54,129	\$56,865	5%
Sewer	\$24,500	\$200,690	719%
Storm Drain	\$25,694.40	\$86,730	238%
Admin Fee	New	\$2,820.77	N/A
Total	\$639,053.90	\$1,413,205.77	121%

¹ Assumes: 3" Water Meter



Example Project: Department Store – 10,640 Sq. Ft., 1.19 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$1,808.80	\$5,171.04	186%
Police	\$1,808.80	\$1,106.56	-39%
Public Buildings	\$14,257.60	\$4,654.56	-67%
Roads	\$80,684	\$394,126.88	388%
Water ¹	\$12,814	\$15,163	18%
Sewer	\$577.50	\$4,730.55	719%
Storm Drain	\$3,076.15	\$25,615.94	733%
Admin Fee	New	\$901.14	N/A
Total	\$115,206.85	\$451,469.67	292%

¹ Assumes: 1" and ¾" Water Meter



Example Project: Office Building – 16,506 Sq. Ft.; 0.99 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$2,806.02	\$10,993	292%
Police	\$2,806.02	\$1,386.50	-51%
Public Buildings	\$22,118.04	\$5,678.06	-74%
Roads	\$125,445.60	\$184,553.59	47%
Water ¹	\$43,625	\$49,283	13%
Sewer	\$2,415	\$19,782.30	719%
Storm Drain	\$2,559.15	\$21,310.54	733%
Admin Fee	New	\$585.97	N/A
Total	\$201,774.83	\$293,572.96	45%

¹ Assumes: 1-1/2" and 2" Water Meters



Example Project: Hotel – 59,942 Sq. Ft. vs. 105-Unit; 9.625 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$10,190.14	\$25,935	155%
Police	\$10,190.14	\$4,935	-52%
Public Buildings	\$80,322.28	\$20,055	-75%
Roads	\$455,559.20	\$387,975	-15%
Water ¹	\$59,050	\$66,342	12%
Sewer	\$18,410	\$150,804.20	719%
Storm Drain	\$24,880.63	\$207,187.75	733%
Admin Fee	New	\$1,726.47	N/A
Total	\$658,602.39	\$864,960.42	31%

¹ Assumes: 2-1/2" Meter and 1-3/4" Irrigation Meter



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Example Project: Industrial/Business Park – 32,182 Sq. Ft., 2.75 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$1,539.41	\$1,673.46	9%
Police	\$1,539.41	\$901.10	-41%
Public Buildings	\$21,009.07	\$3,636.57	-83%
Roads	\$130,984.49	\$165,833.85	27%
Water ¹	\$34,626	\$39,805	15%
Sewer	\$3,570	\$29,243.40	719%
Storm Drain	\$7,108.75	\$59,196.50	733%
Admin Fee	New	\$600.58	N/A
Total	\$200,377.13	\$300,890.46	50%

¹ Assumes: 1" Meter and 2" Meter



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Example Project: High Cube Warehouse – 461,241 Sq. Ft., 52.71 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$9,224.82	\$3,228.69	-65%
Police	\$9,224.82	\$8,763.58	-5%
Public Buildings	\$115,310.25	\$35,976.80	-69%
Roads	\$728,760.78	\$448,326.25	-38%
Water ¹	\$53,908	\$60,656	13%
Sewer	\$1,592.50	\$13,044.85	719%
Storm Drain	\$136,255.35	\$1,134,635.46	733%
Admin Fee	New	\$3,409.26	N/A
Total	\$1,054,276.52	\$1,708,040.89	62%

¹Assumes: (2) 2" Water Meter



Example Project: Self-Service Storage – 14,520 Sq. Ft., 2.75 Acres

DIF Category	Current Fee	Proposed Fee	% Difference
Fire	\$145.20	\$319.44	120%
Police	\$145.20	\$14.52	-90%
Public Buildings	\$6,388.80	\$58.08	-99%
Roads	\$43,269.60	\$24,001.56	-45%
Water ¹	\$7,672	\$9,477	24%
Sewer	\$350	\$2,867	719%
Storm Drain	\$7,108.75	\$59,196.50	733%
Admin Fee	New	\$191.87	N/A
Total	\$65,079.55	\$96,125.97	48%

¹ Assumptions: 1" Water Meter; 1 Manager's Unit (1 EDU)

Example Project: Gas Station with Convenience Store

DIF Category	Current Fee	Proposed Fee ¹	% Difference
Fire	\$1,253.75	\$9,577.12	664%
Police	\$1,253.75	\$580.80	-54%
Public Buildings	\$9,882.50	\$2,418.80	-76%
Roads	\$56,050	\$728,707.20	1200%
Water ²	\$15,344	\$18,954	24%
Sewer	\$1,312.50	\$10,751.25	719%
Storm Drain	\$3,102	\$25,831.20	733%
Admin Fee	New	\$4,272.51	N/A
Total	\$88,198.50	\$801,092.88	808%

¹ Assumes: Convenience Store charged as retail/service commercial; canopy charged as Gasoline/Service Station.

² Charged (2) 1" Meters.

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Steps Taken Prior to Workshop

- Draft studies distributed to stakeholders March 4th
- Stakeholder meeting held March 10th
- Recording of stakeholder meeting, studies & presentation posted on City website March 11th

Feedback Received

- Consider a phased approach to implementation
- Consider grandfathering projects that are substantially ready or underway
- Consider participation in infrastructure financing programs (repaid through property assessments):
 - Statewide Community Infrastructure Program (SCIP) - CSCDA
 - Bond Opportunities for Land Development (BOLD) – CMFA
- Concerns about impact to development - affordable housing production

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Next Steps

- Collect additional feedback & finalize draft studies
- Publish staff recommendations and final studies – April 2022
- Public Hearing at City Council meeting – May 2022

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Questions