RESOLUTION NO. 2026-078

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, ADOPTING A DEVELOPMENT IMPACT FEE NEXUS STUDY, THE FINDINGS CONTAINED THEREIN, AND INCREASING THE AMOUNT OF DEVELOPMENT IMPACT FEES TO FINANCE CERTAIN PUBLIC FACILITIES AND TAKING CERTAIN OTHER ACTIONS RELATED THERETO.

WHEREAS, the City of Fontana (the "City") City Council (the "City Council") recognizes the need to adequately finance certain public facilities including general use public facilities, police, fire, library, parks and recreation, transportation, storm drain, and sewer facilities (collectively, the "Facilities") made necessary by the impacts from new development occurring within the City and desires to ensure that new development mitigates its impacts on such Facilities in compliance with Chapter 5, Division 1, Title 7 of the California Government Code commencing with section 66000 *et seq.* known as the Mitigation Fee Act (the "Act"); and

WHEREAS, the City has identified the need for new and/or expanded facilities to accommodate expected population growth and new development; and

WHEREAS, it is the City's policy that future new development should pay its fair share of public facilities in accordance with good fiscal management as determined by the City Council, including the current costs for providing the Facilities in direct proportion to the demand for these Facilities generated by new development through the payment of development impact fees ("DIF"); and

WHEREAS, the City retained an independent third-party consultant to conduct a comprehensive review of the Facilities needed to accommodate new development and prepare a Development Impact Fee Nexus Study ("Study") in accordance with the Act; and

WHEREAS, the Study provided the City with information and data regarding the nexus between the planned public improvements and the benefiting land uses that would pay the DIF; and

WHEREAS, the Study also provides the City with the findings necessary to impose the proposed increased DIF in accordance with section 66001 of the Act; and

WHEREAS, certain of the impact fees for sewer facilities are "capacity charges" within the meaning of Government Code section 66013, and the Study provides evidence that such capacity charges do not exceed the reasonable cost of providing the services for which they are imposed; and

WHEREAS, on July 14, 2026, the City Council held a duly noticed public hearing on the adoption of the proposed Study and DIF and provided an opportunity for the public to be heard, pursuant to the provisions of sections 66016.5, 66018, and 66019 of the Act; and

WHEREAS, the Study has been made available for public review and comment pursuant to the provisions of section 66016.5 and 66019 of the Act; and

WHEREAS, the City Council desires to adopt the Study and the findings contained therein as the findings of the City Council, which Study is attached hereto as Exhibit "A," and to adopt the DIF schedule, attached hereto as Exhibit "B."

NOW, THEREFORE, BE IT RESOLVED, determined, and ordered by the City Council of the City of Fontana, California, as follows:

Section 1. The foregoing recitals are true and correct and are hereby incorporated and made an operative part of this Resolution.

Section 2. The City Council finds and determines that the Study complies with the Act by establishing the basis for the imposition of the DIF on new development. The City Council hereby adopts the findings set forth in the Study attached hereto as Exhibit "A" as the findings of the City Council, which contain the following information with respect to each development impact fee, which by this reference are incorporated herein as if fully stated herein.

(a) Identifies the purpose of the fee;

(b) Identifies the use to which the fee will be put;

(c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;

(d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and

(e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

Detailed descriptions of the required findings are contained in the Study within the description of each fee.

Further, the City Council finds that, based on the evidence set forth in the Study, the impact fees that are "capacity charges" within the meaning of Government Code section

66013 do not exceed the reasonable cost of providing the services for which such capacity charges are imposed.

Section 3. The City Council hereby determines that the DIF collected pursuant to this Resolution shall be used to finance the public improvements described or identified in the Study, or such other public facility master plan(s) or capital improvement program(s) as may from time to time be adopted by the City Council.

Section 4. The City Council has considered the specific project descriptions and the cost estimates identified in the Study and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing the DIF.

Section 5. The City Council finds that the projects and fee methodology identified in the Study are consistent with the City's General Plan and the requirements of the Act.

Section 6. The City Council approves the schedule of DIF contained in and attached hereto as Exhibit "B." The DIF shall be imposed upon property owners or developers when applying for a building permit or due at final inspection or issuance of a certificate of occupancy, as provided in the Act.

Section 7. The City Council further finds that an annual inflation adjustment is a necessary component of the DIF to ensure the revenue collected keeps pace with the costs of constructing the Facilities defined in the Study. Keeping pace with inflation ensures projects can be timely completed as needed to accommodate new development. Timely completion of projects also ensures those who have paid the DIF receive the benefit of their contributions towards the Facilities while at the same time mitigating the expected impacts to the existing community, as authorized in the Act. Without an annual inflationary adjustment projects could become delayed, underfunded, and potentially infeasible due to insufficient funds available to complete such projects. As such, the DIF shall be annually adjusted pursuant to the following provisions:

(a) Commencing July 1, 2028, and each July 1 thereafter, the DIF schedule shall be increased by the percentage increase in the California Construction Cost Index calculated by the year-over-year annual change in the California Construction Cost Index, or a comparable index if such California Construction Cost Index is discontinued or is otherwise not available. In the event the calculated percentage change in the California Construction Cost Index is negative for any year, the DIF schedule from the immediate preceding fiscal year shall serve as the current fiscal year's DIF schedule without adjustment;

(b) The annual inflation adjustments shall be imposed each July 1 without further action of the City Council or need for future public hearings, until such time as a new impact fee nexus study and DIF are adopted pursuant to the Act, or this authorization is revoked by the City Council; and

(c) The City Manager, or their designee, is hereby authorized to apply the annual inflation adjustment to the DIF schedule each year.

Section 8. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect the other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

Section 9. a. The City, as lead agency under the California Environmental Quality Act ("CEQA"), has evaluated the potential environmental impacts of adopting the Study and DIF. As the decision making body for the City, the City Council has reviewed and considered the information contained in the administrative record for the adoption of the Study and DIF.

b. The City Council finds that the Study and DIF are intended to fund future projects, programs, and capital improvement projects related to the City's need to finance capital improvements to provide adequate infrastructure to meet growth-related needs. The Study and DIF do not commit the City to approve any particular project, program, or capital improvement, and the DIF, as collected, will be deposited into separate funds for potential future projects. The DIF is in response to the City's projected need for additional facilities and infrastructure to provide services to new development. Any activities, including infrastructure improvements, to be funded by the DIF will be subject to applicable law, including but not limited to future environmental review under CEQA, as applicable, prior to City approval.

c. The City Council therefore finds that the Study and DIF are not subject to environmental review under CEQA. First, the Study and DIF, in and of themselves, do not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore are not considered a "project" under CEQA. (Pub. Resources Code, § 21065, 14 Cal. Code Regs., § 15378, subd. (a).) Second, the Study and DIF are covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment; here, there is no possibility that the Study and DIF, in and of themselves, may have a significant effect on the environment. (14 Cal. Code Regs., § 15061, subd. (b)(3).) And third, the Study and DIF are considered a government funding mechanism that do not involve any commitment on behalf of the City to any specific project that may result in a potentially significant physical impact on the environment. (14 Cal. Code Regs., § 15378, subd. (b)(4).)

d. The City Council has considered any comments received at the public hearing on July 14, 2026, prior to adoption of this Resolution.

e. The determination that the Study and DIF are not subject to CEQA review reflects the City Council's independent judgment and analysis.

f. The documents and materials that constitute the record of proceedings on which these findings have been based are located at City of Fontana City Hall, 16860 Valencia Ave., Fontana, CA 92335. The custodians for these records are the City Clerk and Public Works Director.

Section 10. The City Manager, or designee thereof, is authorized to take all actions necessary or convenient to effectuate the purposes of this Resolution.

Section 11. This Resolution shall take effect immediately upon its adoption, and all resolutions, ordinances, or administrative actions by the City Council, or parts thereof, that are inconsistent or in conflict with any provision of this Resolution are hereby superseded only to the extent of such inconsistency or conflict. The new DIF schedule attached hereto shall become effective July 1, 2027, a period which is at least sixty (60) days following the adoption of this Resolution by the City Council.

APPROVED AND ADOPTED this 14th day of July, 2026.

READ AND APPROVED AS TO LEGAL FORM:

____
City Attorney

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting on the 14th day of July, 2026, by the following vote to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
City Clerk of the City of Fontana

____
Mayor of the City of Fontana

ATTEST:

____
City Clerk

Exhibit “A”
Development Impact Fee Nexus Study

Exhibit "B"
Development Impact Fee Schedule