

# CITY OF UKIAH

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## Annual Development Impact Fee Report

Fiscal Year Ended June 30, 2024

December 27, 2024

Prepared by:  
NBS  
*for the*  
CITY OF UKIAH



# City of Ukiah



## ***City Officials***

Josefina Dueñas, Mayor  
Douglas Crane, Vice Mayor  
Susan Sher, Councilmember  
Juan Orozco, Councilmember  
Mari Rodin, Councilmember

## ***City Executive Team***

Sage Sangiacomo, City Manager  
Shannon Riley, Deputy City Manager  
David Rapport, City Attorney  
Kristine Lawler, City Clerk  
Allen Carter, City Treasurer  
Daniel Buffalo, Director of Finance  
Tim Eriksen, Director of Public Works  
Craig Schlatter, Director of Community Development

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# 1. DEVELOPMENT IMPACT FEE ANNUAL REPORT

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The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. Regarding reporting requirements, the Mitigation Fee Act requires annual reporting for each impact fee fund, and a separate five-year reporting process. This report meets the requirements described in 1.1 Annual Report below. A combined Annual and Five-Year Report will be provided in future years when needed to meet required reporting timelines.

## 1.1 Annual Report Requirements

Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund; *(report section 2)*
2. The amount of the fee; *(report section 2)*
3. The beginning and ending balance of the account or fund; *(report section 3)*
4. The amount of the fees collected, and interest earned; *(report section 3)*
5. 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; *(report section 4)*
6. Identification of the approximate date by which the construction of a public improvement will commence, if the District determines sufficient funds have been collected to complete financing of an incomplete public improvement; An identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report. For a project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction; *(report section 4)*
7. A description of each interfund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended; *(report section 5)*
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f); *(report section 6)*

The annual report must be reviewed by the City Council at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Section 66013(d) has similar requirements for water and wastewater capacity charges in that, within 180 days after the close of each fiscal year, the local agency must make available to the public the following information:

1. A description of the charges deposited in the fund; *(report section 2)*
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund; *(report section 3)*
3. The amount of charges collected in that fiscal year; *(report section 3)*
4. An identification of:
  - a. Each public improvement on which charges were expended and the amount of expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used; *(report section 4)*
  - b. Each public improvement on which charges were expended that was completed during that fiscal year; *(report section 4)*
  - c. Each public improvement that is anticipated to be undertaken in the following fiscal year; *(report section 4)*
5. A description of each interfund transfer or loan made from the capital facilities fund, including the public improvement on which the transferred or loaned charges are or 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 fund will receive on the loan; *(report section 5)*

## **1.2 Five-Year Report**

Prior to 1996, The Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money, otherwise those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;

4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

## 2. CURRENT IMPACT FEES

### 2.1 Types of Impact Fees and Impact Fee Funds

The fees documented in the body of this Annual Development Impact Fee Report (Report) include the following fees listed below. The revenue and expenditures for each fee type is tracked by the City in a separate fund.

**Table 1. Impact Fees and Impact Fee Funds**

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
300	Park Development	Park Development Fees, tracked in Fund 300, are enacted per the City’s Code of Ordinances, Chapter 1, Article 21. Park and Recreation; Dedication; Reservations; Fees. Section Fees In Lieu of Land Dedication are governed by the Quimby Act (CA State GC 66477), not the Mitigation fee Act, and are not subject to the same standards of reporting as the City’s other impact fees. The City has decided to report on these fees in a similar manner to other impact fees for transparency purposes. Revenues collected from Park Development Fees will be used to acquire park land, improve park infrastructure according to the stipulations of the Quimby Act.
822	Water Connection Fee	Water Connection Fees are established per the City’s Code of Ordinances, Chapter 4, Fees for Water Transmission, Storage, and Production and Treatment Facilities. New structures built in the City requiring water service create demand for additional water storage capacity, water transmission lines, and water production and treatment facilities. In order to provide these facilities, the connection fees were adopted by City Council. Revenues collected from Water Connection Fees will be used to build water utility infrastructure needed to serve new development.
843	Sewer Connection Fee	Sewer Connection Fees are established per the City’s Code of Ordinances, Chapter 2, Article 12. Sewer improvement fees provide funds for the enlargement of main trunk, interceptor line and sewage treatment facilities.

Fund No.	Fund/Fee Name	Purpose and Use of the Fee
918	Ukiah Valley Fire District Fire Impact Fee	Fire Development Mitigation Fees are established per the City’s Code of Ordinances, Chapter 15. The City administers fire protection development mitigation fees for the Ukiah Valley Fire District and ensures the assessment and collection of these fees in connection with the issuance of building permits. The fire protection development mitigation fees are allocated on behalf of the Ukiah Valley Fire District for the acquisition of capital assets and equipment in order to ensure the provision of the capital assets and equipment necessary to maintain appropriate levels of fire protection services that are required as the result of new development projects.

## 2.2 Current Impact Fees

Development impact fees (DIFs) in the City of Ukiah are one-time charges levied on new development in Ukiah to fund various infrastructure, facilities, vehicles, and equipment. The following provides the list of impact fee amounts charged by the City in Fiscal Year 2023-24.

**Park Development Fees** – Per Chapter 1, Article 21, Section 8406 Amount of Fee in Lieu of Land Dedication: “Where a fee is required to be paid in lieu of land dedication, the amount of such fee shall be based upon the fair market value of the amount of land which would otherwise be required to be dedicated pursuant to §8403 hereof. The fair market value shall be determined at the time of filing the tentative map or parcel map.”

**Fire Protection Mitigation Fee** – \$0.43 per s.f. (Exempt the first 1,500 of additions to existing single-family dwellings, the first 500 s.f. of additions to other existing buildings, and the first 500 s.f. of new accessory buildings per assessor’s parcel). The fee is computed on the total floor area, which includes all floors, heated and unheated, porches, and garages.

### Water Connection Fees:

Fee Name	Meter Size	FY 2024 Fee Amount
Water Connection Fee	¾"	\$2,200.45 per meter size
	1"	\$3,667.41 per meter size
	1 ½"	\$7,334.82 per meter size
	2"	\$11,735.72 per meter size
	3"	\$23,471.44 per meter size
	4"	\$36,674.12 per meter size
	5" and larger	Tbd by City Council
Source: Draft Master Fee Schedule File December 2024		



**Sewer Connection Fees:**

Fee Name	Meter Size	FY 2024 Fee Amount
Sewer Connection Fee (for City Limits)	One bedroom	\$11,016.00 (0.90 ESSU)
	Two bedroom	\$12,240.00 (1.0 ESSU)
	Three bedroom	\$13,464.00 (1.10 ESSU)
	For each additional bedroom	\$1,224.00 (0.1 ESSU)
	Mobile Home Park fee (by space)	\$7,344.00 (0.60 ESSU)
	Source: Draft Master Fee Schedule File December 2024	

Drain Fixture Unit Capital Improvement Fee	Min. Trap Size	Price* (Within City Limits)	Price (Out of City, in UVSD)
<b>Plumbing Appliance, Appurtenance or Fixture</b>			
Bathtub or Combination Bath/Shower	1½"	\$ 872.88	\$ 894.67
Clothes Washer, domestic, standpipe	2"	\$ 1,309.32	\$ 1,405.91
Dental Unit, cuspidor	1¼"	\$ 436.44	\$ 383.43
Dishwasher, domestic, with independent drain	1½"	\$ 872.88	\$ 894.67
Drinking Fountain or Watercooler (per head)	1¼"	\$ 218.22	\$ 127.81
Food-waste-grinder, commercial	2"	\$ 1,309.32	\$ 1,405.91
Floor Drain, emergency	2"	\$ -	\$ -
Floor Drain (for additional sizes see Section 702)	2"	\$ 872.88	\$ 894.67
Shower single head trap	2"	\$ 872.88	\$ 894.67
Multi-head, each additional	2"	\$ 436.44	\$ 383.43
Lavatory, single	1¼"	\$ 436.44	\$ 383.43
Lavatory in sets	1½"	\$ 872.88	\$ 894.67
Washfountain	1½"	\$ 872.88	\$ 894.67
Washfountain	2"	\$ 1,309.32	\$ 1,405.91

Drain Fixture Unit Capital Improvement Fee	Min. Trap Size	Price* (Within City Limits)	Price (Out of City, in UVSD)
<b>Sinks</b>			
Bar	1½"	\$ 872.88	\$ 894.67
Clinical	3"	\$ 2,509.53	\$ 2,939.63
Commercial with food waste	1½"	\$ 1,309.32	\$ 1,405.91
Special Purpose	1½"	\$ 1,309.32	\$ 1,405.91
Special Purpose	2"	\$ 1,636.65	\$ 1,917.15
Special Purpose	3"	\$ 2,509.53	\$ 2,939.63
Kitchen, domestic (with or without food-waste-grinder and/or dishwasher)	1½"	\$ 872.88	\$ 894.67
Laundry (with or without discharge from a clothes washer)	1½"	\$ 872.88	\$ 894.67
Service or Mop Basin	2"	\$ 1,309.32	\$ 1,405.91
Service or Mop Basin	3"	\$ 1,309.32	\$ 1,405.91
Service, flushing rim	3"	\$ 2,509.53	\$ 2,939.63
Wash, each set of faucets		\$ 872.88	\$ 894.67
Urinal, integral trap 1.0 GPF	2"	\$ 872.88	\$ 894.67
Urinal, integral trap greater than 1.0 GPF	2"	\$ 872.88	\$ 894.67
Water Closet, 1.6 GPF Gravity Tank/Flushometer	3"	\$ 1,636.65	\$ 1,917.15
Water Closet greater than 1.6 GPF Gravity Tank/Flushometer	3"	\$ 2,509.53	\$ 2,939.63
<b>* Based upon capital improvement fee per City Ordinance No. 1075</b>			

### 3. FINANCIAL SUMMARY REPORT

The following financial summary provides an annual statement of revenues, and changes in fund balance for each impact fee fund, for the Fiscal Year End June 30, 2024. Figures shown in the table below are unaudited as of the date of this report.

**Table 2. Financial Summary Fiscal Year 2023-24**

<b>Fund No.</b>	<b>300</b>	<b>822</b>	<b>843</b>	<b>918</b>
<b>Description</b>	<b>Park Development</b>	<b>Water Connection</b>	<b>Sewer Connection - City</b>	<b>Ukiah Valley Fire District</b>
Fees	5,468	-	272,882	-
Interest	3,271	-	20,447	2,800
<b>Fund Balance, Beginning of the Year<sup>1</sup></b>	<b>168,313</b>	<b>(1,844,827)</b>	<b>806,933</b>	<b>137,971</b>
<b>Fund Balance, End of the Year<sup>1</sup></b>	<b>39,911</b>	<b>(2,166,687)</b>	<b>1,094,012</b>	<b>85,112</b>

<sup>1</sup> Beginning & Ending Fund Balance is defined as spendable balance and reported per financial reports provided by the City's Finance Department

## 4. PUBLIC IMPROVEMENTS

This section of the Annual Report identifies each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees.

**Table 3. Public Improvements Fiscal Year 2024**

Fund	Fund Name	Project Name	Project Start	Project Finish	Project Phase	Total Project Funding	Impact Fees				
							Total Impact Fee Funded Amount	% Impact Fee Funded	Total Prior Year Impact Fee Expenditures	FY 2024 Impact Fee Expenditures	Impact Fee Funding Remaining
300	Park Development	Picnic Area at Todd Grove Park BBQ Facility Reconstruction	Apr-23	May-24	Active	\$ 131,224	\$ 50,000	38%	\$ -	\$ 7,331	\$ 42,669
822	Water Connection Fee Fund	Municipal Well Project	4/4/2024	6/30/2025	Active	\$ 407,726	\$ 407,726	100%	\$ -	\$ 9,485	\$ 398,241
<b>TOTAL</b>						<b>\$ 538,950</b>	<b>\$ 457,726</b>		<b>\$ -</b>	<b>\$ 16,816</b>	<b>\$ 440,910</b>

The Mitigation Fee Act also requires annual identification of the approximate date by which the construction of a public improvement will commence, if the City determines sufficient funds have been collected to complete financing of an incomplete public improvement. The projects listed above represent active uses of impact fee funds to complete current capital improvement projects. The City has also identified one public improvement project for Fund 918, UVFD Mitigation Fees, that has sufficient impact fee funds available. The City’s 2024/25 Capital Improvement Plan shows planned purchase of a Command/Chief Vehicle.

Government Section 66013(d) has similar requirements for water and sewer connection fees, to identify each public improvement that is anticipated to be undertaken in the following fiscal year. The following is a list of planned improvements for the Water Connection Fee Fund and approved budget amounts in Fund 822 for Fiscal Year 2024-25:

- Downtown Streetscape, \$63,009
- Water Resource Development for Todd Grove, \$40,915
- Development of Additional Groundwater Facility, \$899,813

There are no planned capital improvement projects Sewer Connection Fee Funds in Fiscal Year 2024-25.

# 5. INTERFUND LOANS

The Mitigation Fee Act requires a description of each interfund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended.

**Table 4. Interfund Loans Fiscal Year 2024**

Date of Loan	Maturity Date	Purpose of Loan	Original Advance	Lender	Borrower	Fiscal Year 2024 Payment/ Transfer	Balance 06/30/2024	Interest Rate
04/01/23	04/01/33	Fire Station Mortgage, Lovers Lane	\$ 255,188	City of Ukiah	Ukiah Valley Fire District	\$ 20,720	\$ 229,229	3.022%

## 6. REFUNDS

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The refunding requirements for the Mitigation Fee Act are summarized as follows:

**Refunds under the Mitigation Fee Act:** If the City determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Government Code Section 66001 (e)). If the agency fails to comply with that requirement, it must refund impact fee revenue in the account according to procedures specified in Section 66001 (d).

As discussed in Section 1.5 of this report, determinations regarding sufficient funds collected to complete incomplete improvements are provided by the District's annual Capital Improvement Plan. The City has not made a determination that sufficient funds have been collected to complete financing of any other incomplete public improvements. No refunds of impact fee monies were made or required.

*Disclaimer: In preparing this report and any analysis and findings included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions and events that occurred or may occur in the future. This information and assumptions, including the City's budgets, financial reports, capital project data, and other information were provided by sources we believe to be reliable; however, NBS has not independently verified such information and assumptions. While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report, some assumptions will invariably not materialize as stated herein and may vary due to unanticipated events and circumstances*