

City of Chino
Development Impact Fee Annual Report
Fiscal Year 2024-25



Prepared by:
Department Public Works

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Table of Contents

| | |
|--|--------------|
| Executive Summary | Page 3 |
| Section 1 - Requirements of the Mitigation Fee Act (AB 1600) | Page 4 |
| Section 2 - Annual Report DIF | Page 5 |
| Law Enforcement Facilities, Vehicles, & Equipment | Pages 6-7 |
| Fire Suppression Facilities, Vehicles, and Equipment | Pages 8-9 |
| General Facilities | Pages 10-11 |
| Public Use Facilities | Pages 12-13 |
| Circulation (Streets, Signals & Bridges) – General City | Pages 14-16 |
| Storm Drainage Collection Systems – General City | Pages 17-18 |
| Water Source, Storage and Distribution – General City | Page 19 - 20 |
| Sewage Collection System – General City | Page 21 |
| Circulation (Streets, Signals & Bridges) – The Preserve | Pages 22-23 |
| Congestion Management Plan | Pages 24-25 |
| Storm Drainage Collection Systems – The Preserve | Pages 26-27 |
| Water Source, Storage and Distribution – The Preserve | Pages 28-29 |
| Sewage Collection System – The Preserve | Pages 30-31 |
| Miscellaneous Residential Communities | Pages 32-33 |
| Park Fees | Pages 34-35 |
| Section 3 - Fiscal Years 2019-20 / 2023-24 | Pages 36 |

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Executive Summary

Development Impact Fees (DIFs) are charged by local governments on new or proposed development projects to ensure that public services and infrastructure are adequate to accommodate growth from these developments. Under California Assembly Bill 1600 (AB1600), local agencies are required to prepare an annual report detailing the status of their DIF programs. This document serves as the City of Chino's AB1600 Report for Fiscal Year 2024-25.

Additionally, the report encompasses the City's In-Lieu Fees, which developers may opt to pay as an alternative to directly mitigating their project's impacts through construction. With the inclusion of In-Lieu Fees, this report also satisfies AB1600's five-year reporting requirements, covering Fiscal Years 2019-20 through 2023-24.

The City of Chino currently collects the DIF and In-Lieu Fees outlined in the table below. The DIF fees align with Resolution No. 2025-030, and the City fund numbers correspond with the City's financial system.

| Fee | Fund | Program |
|--|-------------|---------------------------------|
| Non-Refundable Deposits Transportation | 220 | In-Lieu of Construction |
| Circulation (Streets, Signals & Bridges) | 220 | General City DIF |
| Law Enforcement Facilities, Vehicles, & Equipment | 231 | General City & The Preserve DIF |
| Fire Suppression Facilities, Vehicles, & Equipment | 232 | General City & The Preserve DIF |
| General Facilities | 233 | General City & The Preserve DIF |
| Non-Refundable Deposits Water | 253 | In-Lieu of Construction |
| Water Source Storage & Distribution | 253 | General City DIF |
| Sewage Collection Systems | 254 | General City DIF |
| Non-Refundable Deposits Storm Drain | 255 | In-Lieu of Construction |
| Storm Drainage Collection System Facilities | 255 | General City DIF |
| Circulation (Streets, Signals & Bridges) | 260 | The Preserve |
| Water Source Storage & Distribution | 261 | The Preserve |
| Sewage Collection Systems | 262 | The Preserve |
| Storm Drainage Collection System Facilities | 263 | The Preserve |
| Public Use Facilities | 265 | General City & The Preserve DIF |
| Miscellaneous Residential Amenities | 266 | The Preserve |
| Congestion Management Program | 270 | The Preserve |
| Non-Refundable Deposits Utilities | 320 | In-Lieu of Construction |
| Residential Park & Recreation | 340 | General City |
| Residential Park & Recreation | 341 | The Preserve |

Section 1 – Requirements of the Mitigation Fee Act (AB1600)

AB1600, commonly referred to as the Mitigation Fee Act, was enacted by the State of California in 1987 and created Section 66000 et. seq. of the Government Code. AB1600 mandates the City of Chino report fee information annually.

The following information must be made available to the public within 180 days of the fiscal year.

- 1) Brief description of each fund or account
- 2) The amount of fees collected
- 3) Beginning and ending balance in the account or fund
- 4) Amount of fees collected, and interest earned during the previous year
- 5) Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees
- 6) 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.
- 7) Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each loan will be repaid and the rate of interest the account will receive on the loan
- 8) Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects

If fees remain unspent after five years from collection, additional reporting is required to justify its retention. The City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted.

- 1) Clearly identify the purpose of the fee
- 2) Nexus analysis: demonstrate a reasonable relationship between the fee and the purpose for which it was charged and the current need for the fee-funded improvements
- 3) Provide a detailed plan for the expenditures of the funds

The City must make this information available for public review and must present it at the next regularly scheduled public meeting no less than 15 days after this information is made available to the public. This report is intended to satisfy the annual reporting requirements for FY 2024-25, as well as the five-year report for FY 2019-20 through FY 2023-24.

Section 2 – Annual Report

This section outlines the information required to satisfy legal obligations for each impact fee fund. It includes a summary of the fee purpose, fee amounts, opening and closing balances, revenue collected, interest accrued, and expenditures for each project, specifying the percentage funded by fees. A summary table is provided to indicate whether sufficient funds are available to complete future projects and the estimated start date for construction of public improvements if funding is adequate. Details of any transfers, loans, or refunds related to the account are also included.

Over the past five years, construction costs have escalated at a pace that has significantly outpaced prior nexus study assumptions. Since 2020, industry-recognized indices, including the Engineering News-Record Construction Cost Index (ENR CCI) and the Building Cost Index (BCI) for construction inputs, reflect an approximate 40 percent increase in baseline construction costs. These increases have been driven by sustained inflationary pressures, labor shortages, material price volatility, and prolonged supply-chain disruptions affecting both domestic and imported construction materials.

In addition to these baseline cost escalations, tariffs imposed on imported construction materials and manufactured components, including steel, aluminum, electrical equipment, mechanical systems, and specialty infrastructure products, have further contributed to rising project costs. While tariffs are not identified as discrete line items within public works contracts, their impacts are embedded within material unit pricing, freight and transportation costs, contractor contingency allowances, and bid escalation assumptions reflected in engineer's estimates and contractor proposals.

It should be noted that DIF programs are inherently subject to timing limitations between nexus study preparation, City Council adoption, and subsequent fee updates. As a result, fee schedules are often based on construction cost assumptions established prior to actual project delivery. When market escalation occurs at accelerated rates, as experienced since the COVID-19 pandemic, impact fee revenues may not increase at the same pace as construction costs.

Collectively, these conditions have materially reduced the purchasing power of Development Impact Fee revenues and may affect the City's ability to fully construct all identified capital improvement projects at their originally anticipated scope, cost, or schedule. Consistent with Government Code Section 66001, the City will continue to monitor fund balances, project costs, and fee program assumptions to evaluate funding sufficiency and determine whether future adjustments to project phasing, cost allocation, or nexus updates are warranted.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 231: Law Enforcement Facilities, Vehicles, & Equipment Summary

Chino Municipal Code Chapter 3.40 & 3.45 establishes the Law Enforcement Facilities, Vehicles & Equipment DIF. This fee is established to fund the equipment, transportation, and facilities necessary to support new police officers to address increased calls for service generated by new development.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Law Enforcement Facilities, Vehicles, and Equipment Schedule of Fees

| Land Use: | Citywide Fee | Preserve Fee |
|--|---------------------|---------------------|
| Detached Low Density Residential | \$656.75/unit | \$656.75/unit |
| Detached Medium Density Residential | \$655.72/unit | \$656.75/unit |
| Attached Medium Density Residential | \$416.52/unit | \$419.62/unit |
| Attached High Density Residential | \$419.62/unit | -- |
| Attached Dwelling RD-16/20 Residential | -- | \$419.62/unit |
| Attached Dwelling RD/CC-30 Residential | -- | \$419.62/unit |
| Mobile Home | \$663.96/unit | -- |
| Commercial Lodging | \$2,144.48/unit | \$2,144.48/unit |
| Commercial/Retail | \$1.07/SF | \$1.07/SF |
| Office/Business Park Uses | \$0.76/SF | \$0.76/SF |
| Industrial Uses | \$0.06/SF | \$0.06/SF |
| Institutional/Meeting Places | \$0.05/SF | \$0.05/SF |

The following table shows the balances, receipts, and expenditures of the Law Enforcement Facilities, Vehicles & Equipment DIF Fund for the current and last five fiscal year.

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|----------------|
| Beg. Balance (*) | \$ 2,831,010 | \$ 2,801,723 | \$ 2,963,541 | \$ 3,688,552 | \$ 3,771,160 | \$ 4,114,513 |
| Fees Collected | \$ 388,600 | \$ 246,390 | \$ 845,428 | \$ 188,974 | \$ 283,460 | \$ 207,422 |
| Interest Earned | \$ 62,159 | \$ 11,408 | \$ (65,558) | \$ 87,633 | \$ 186,127 | \$ 214,672 |
| <u>Expenditures</u> | <u>\$ (480,046)</u> | <u>\$ (95,980)</u> | <u>\$ (54,859)</u> | <u>\$ (193,997)</u> | <u>\$ (96,235)</u> | <u>\$ -</u> |
| Ending Balance | \$ 2,801,723 | \$ 2,963,541 | \$ 3,688,552 | \$ 3,771,163 | \$ 4,144,513 | \$ 4,536,607 |

* Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.

Over the past two decades (2004–2025), the City of Chino collected a total of \$10.3 million in revenue from the Law Enforcement Facilities, Vehicles, & Equipment DIF program. Of this amount, \$6.0 million has been utilized to support various critical investments over the years such as:

- Furniture and fixtures for the police department
- Software upgrades for Computer-Aided Dispatch & Records Management Systems
- Acquisition of new vehicles
- Deployment of License Plate Readers
- Procurement of equipment and laptops to support positions necessitated by development

Findings:

As of the reporting period, the DIF Law Enforcement Fund (Fund 231) reports total assets of approximately \$4.5 million, consisting primarily of pooled cash, investments, and accrued interest. The fund has no outstanding liabilities. There were no interfund loans made to or from this program during the reporting period. The reported

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

fund balance reflects standard budgetary and accounting entries and does not indicate a cash shortfall. Available fund balances will be used to support eligible law enforcement capital facilities and infrastructure improvements in accordance with the City’s DIF program and applicable Government Code requirements.

As of July 1, 2025, the DIF Law Enforcement Program reflects an ending balance of approximately \$4.5 million, with \$2.7 million designated for the planned police helicopter purchase anticipated in FY 2026. Currently, approximately \$2.0 million is allocated to the Police Helicopter Program (Project LE-010), including \$1.0 million in DIF funding and \$1.0 million in grant funding to offset project costs. These allocations, however, do not fully reflect recent cost escalations affecting specialized equipment and public safety vehicles.

To address rising costs and ensure long-term program sustainability, the City is preparing a comprehensive update to the DIF program. The update will include a revised project cost estimate of approximately \$2.7 million for the Police Helicopter Program. In addition, funds previously earmarked for the solar panel project will be reallocated to other eligible law enforcement capital improvements. This reallocation will support increased costs associated with equipment, vehicles, police facilities, and related infrastructure necessary to serve future development.

Consistent with Government Code Section 66001, the City will continue to monitor fund balances, project expenditures, and cost assumptions to ensure impact fee revenues are used solely for eligible purposes and remain reasonably related to the impacts of new development.

Law Enforcement Facilities, Vehicles, & Equipment Expenditures

| Project | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End |
|----------------|--|-----------------------------|----------------------------|--------------|-------------------------------|
| LE-002 | Additional Vehicles | \$ - | \$(1,600,000) | 100% | ongoing |
| LE-010 | Police Helicopter Program ⁽²⁾ | \$ - | \$(2,700,000) | 73% | FY 2026 |

The projects identified above represent eligible law enforcement capital improvements necessary to maintain adequate public safety services to support new development. No expenditures were incurred during FY 2025. Future expenditures include the acquisition of additional police vehicles and implementation of the Police Helicopter Program, subject to staffing levels, final cost confirmation, and project scheduling.

Vehicle purchases under Project LE-002 are funded at 100 percent DIF and are contingent upon the hiring of additional sworn officers. Expenditures under Project LE-010 are anticipated to occur in FY 2026, with approximately 73 percent funded through DIF and the remaining costs offset by grant funding.

Consistent with Government Code Section 66001, the identified improvements are reasonably related to the impacts of new development, and DIF revenues will be expended solely on eligible capital facilities required to serve future growth

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 232: Fire Suppression Facilities, Vehicles, and Equipment Summary

Chino Municipal Code Chapter 3.40 & 3.45 establishes a Fire Suppression Facilities, Vehicles, and Equipment DIF. This fee is established to finance the relocation and/or construction of firehouses, training facilities and the equipment required to provide fire suppression to address increased calls for service generated by new development. These fees will be used to install fire facilities consistent with the Chino Valley Independent Fire District's Master Plan.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Fire Suppression Facilities, Vehicles, and Equipment Schedule of Fees

| Land Use: | Citywide Fee | Preserve Fee |
|--|---------------------|---------------------|
| Detached Low Density Residential | \$1,464.58/unit | \$1,464.58/unit |
| Detached Medium Density Residential | \$1,464.58/unit | \$1,464.58/unit |
| Attached Medium Density Residential | \$945.83/unit | \$945.83/unit |
| Attached High Density Residential | \$945.83/unit | -- |
| Attached Dwelling RD-16/20 Residential | -- | \$945.83/unit |
| Attached Dwelling RD/CC-30 Residential | -- | \$945.83/unit |
| Mobile Home | \$666.33/unit | -- |
| Commercial Lodging | \$564.59/unit | \$564.59/unit |
| Commercial/Retail | \$1.16/SF | \$1.16/SF |
| Office/Business Park Uses | \$1.17/SF | \$1.17/SF |
| Industrial Uses | \$0.04/SF | \$0.04/SF |
| Institutional/Meeting Places | \$0.03/SF | \$0.03/SF |

The following table shows the balances, receipts, and expenditures of the Fire Suppression Facilities, Vehicles, and Equipment DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beg. Balance (*) | \$ 1,959 | \$ 2,181 | \$ (155) | \$ (4,708) | \$ (10,657) | \$ (7,233) |
| Fees Collected | \$ 382,833 | \$ 166,881 | \$ 193,424 | \$ 439,741 | \$ 578,091 | \$ 385,549 |
| Interest Earned | \$ 5,901 | \$ (252) | \$ (3,452) | \$ 2,166 | \$ 14,687 | \$ 20,995 |
| <u>Expenditures</u> | <u>\$ (388,513)</u> | <u>\$ (168,965)</u> | <u>\$ (194,526)</u> | <u>\$ (447,856)</u> | <u>\$ (589,353)</u> | <u>\$ (402,282)</u> |
| Ending Balance | \$ 2,180 | \$ (155) | \$ (4,709) | \$ (10,657) | \$ (7,233) | \$ (2,971) |

* Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.

Between 2004 and 2025, the City of Chino collected \$27.5 million in revenue through the Fire Suppression Facilities, Vehicles, and Equipment DIF program. The entirety of these funds has been expended to finance critical capital improvements and acquisitions, including:

- Fire Station No. 1 & Training Tower/ Classrooms (Schaefer Avenue)
- Fire Station No. 7 (Riverside Drive)

Key Findings:

The Fire Suppression Facilities, Vehicles, and Equipment Development Impact Fee (DIF) Program collected approximately \$385,549 in developer contributions.

Historically, this fund has maintained limited or negative fund balance due primarily to outstanding debt obligations owed to the Successor Agency for the former Chino Redevelopment Agency (RDA). This debt was

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

incurred to finance the construction of Fire Stations No. 1 and 7, as well as the associated training tower and classroom facilities.

Repayment of the RDA obligation continues through the RDA-ROPS Program Budget (Fund 401), with expenditures offset by annual transfers from the Fire DIF Fund (Fund 232). As reflected in the FY 2024-25 balance sheet, expenditures during the fiscal year were related to this repayment structure.

The fund balance has also historically been constrained due to an agreement between the City and the master developer of The Preserve, Lewis Management Corporation. Under this agreement, the developer constructed Fire Station No. 63 (Kimball Avenue) in exchange for Fire DIF credits totaling \$5,235,616. These credits have been fully utilized. As a result, Fire DIF revenues collected in recent years have been applied primarily toward repayment of the RDA obligation rather than accumulation for new capital projects.

Due to the variability and unpredictability of DIF revenue, there is currently no estimated timeframe for funding the projects identified in the Fire DIF Nexus and Calculation Report, including land acquisition and construction of the Mid-Preserve Area Fire Station.

There were no interfund loans issued from the Fire Suppression Facilities, Vehicles, and Equipment DIF Fund during Fiscal Year 2024-25.

Fire Suppression Facilities, Vehicles, and Equipment Expenditures

| Project | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Final Payment ⁽¹⁾ |
|----------------|---------------------|-----------------------------|----------------------------|--------------|-------------------------------------|
| FD-008 | Remaining Debt RDA | \$(402,282) | \$(4,448,050) | 100% | tbd |

(1) Final payment is contingent on development and the fees collected from developers.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 233: General Facilities Summary

Chino Municipal Code Chapter 3.40 & 3.45 establishes a General Facilities DIF. This fee is established to finance the general office and work facilities, and equipment used by City staff when undertaking daily duties. Meaning, the newly developing community will have access to the same level of municipal service as is currently provided to the existing community.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

General Facilities, Vehicles, and Equipment Schedule of Fees

| Residential: | Citywide Fee | Preserve Fee |
|--|---------------------|---------------------|
| Detached Low Density Residential | \$174.41/unit | \$174.41/unit |
| Detached Medium Density Residential | \$174.41/unit | \$174.41/unit |
| Attached Medium Density Residential | \$174.41/unit | \$174.41/unit |
| Attached High Density Residential | \$174.41/unit | -- |
| Attached Dwelling RD-16/20 Residential | -- | \$174.41/unit |
| Attached Dwelling RD/CC-30 Residential | -- | \$174.41/unit |
| Mobile Home | \$174.41/unit | -- |
| Commercial Lodging | \$22.36/unit | \$22.36/unit |
| Commercial/Retail | \$0.07/SF | \$0.07/SF |
| Office/Business Park Uses | \$0.07/SF | \$0.07/SF |
| Industrial Uses | \$0.07/SF | \$0.07/SF |
| Institutional/Meeting Places | \$0.07/SF | \$0.07/SF |

The following table shows the balances, receipts, and expenditures of the General Facilities DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|----------------|---------------------|---------------------|----------------|----------------|----------------|
| Beg. Balance (*) | \$ 1,923,861 | \$ 2,102,058 | \$ 2,051,093 | \$ 3,078,877 | \$ 3,213,863 | \$3,460,224 |
| Fees Collected | \$ 136,321 | \$ 45,875 | \$ 1,200,739 | \$ 64,796 | \$ 88,639 | \$ 26,004 |
| Interest Earned | \$ 41,876 | \$ 7,956 | \$ (55,798) | \$ 70,190 | \$ 157,722 | \$ 176,901 |
| <u>Expenditures</u> | <u>\$ -</u> | <u>\$ (104,796)</u> | <u>\$ (117,157)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Ending Balance | \$ 2,102,058 | \$ 2,051,093 | \$ 3,078,877 | \$ 3,213,863 | \$ 3,460,224 | \$3,663,129 |

** Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*

The City has used a portion of the DIF collected toward funding the Accela Automation Upgrade. This upgrade represents a strategic investment in modernizing the City's permitting and development review processes, improving efficiency, and enhancing user accessibility. By leveraging DIF funds for this initiative, the City aims to streamline operations, reduce processing times, and support the long-term needs of residents, developers, and staff. This allocation aligns with the City's commitment to utilizing DIF resources in ways that directly contribute to infrastructure development and technological advancements that benefit the community.

Key Findings:

As of FY 2024-25, and based on information currently available to staff, the General Facilities DIF program is anticipated to carry an ending balance of approximately \$3.6 million. The City has a pressing need for a warehouse facility to serve as a satellite service center in The Preserve, as well as additional workspace at the existing service center. However, the City has not yet allocated the fund balance to a specific project. Instead, the City is taking a strategic approach, considering both the Civic Center Master Plan and the ongoing buildout

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

of The Preserve. Currently, the fund balance dollars are tentatively being earmarked for:

General Facilities Expenditures

| Project | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End |
|----------------|--|-----------------------------|----------------------------|--------------|-------------------------------|
| GF-002 | Share of Common City Service Center Improvements | \$ - | \$(4,863,511) | 100% | FY 2026 / FY 2030 |

It should be noted, there were no loans or year-end fund transfers from the General Facilities DIF Fund in FY 2024-25.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimate for this project. Given the variability and unpredictability of DIF revenue, there is currently no timeline for determining the funding sources or amounts required to complete this project. For the time being, the fund balance is designated for this initiative.

Additionally, due to the variability of DIF revenue, a timeline for funding other projects identified in the Nexus and Calculation Report cannot currently be determined.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 265: Public Use Facilities Summary

Chino Municipal Code Chapter 3.40 & 3.45 establishes a Public Use Facilities DIF. The purpose of the fee is to determine the costs of expanding the City’s inventory of public-use facilities to meet the added demands created by the construction of additional residential dwelling units.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Public Use (Community Center) Facilities Schedule of Fees

| Residential: | Citywide Fee | Preserve Fee |
|--|---------------------|---------------------|
| Detached Low Density Residential | \$5,294.85/unit | \$5,294.85/unit |
| Detached Medium Density Residential | \$5,294.85/unit | \$5,294.85/unit |
| Attached Medium Density Residential | \$4,372.50/unit | \$4,372.50/unit |
| Attached High Density | \$4,372.50/unit | -- |
| Mobile Home | \$3,500.46/unit | -- |
| Attached Dwelling RD-16/20 Residential | -- | \$4,372.50/unit |
| Attached Dwelling RD/CC-30 Residential | -- | \$3,384.19/unit |

The following table shows the balances, receipts, and expenditures of the Public Use Facilities DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Beg. Balance ⁽¹⁾ | \$3,585,953 | \$ 4,840,810 | \$5,395,202 | \$5,336,512 | \$6,119,209 | \$7,430,640 |
| Fees Collected | \$1,161,830 | \$ 533,476 | \$ 33,601 | \$ 663,934 | \$1,013,827 | \$ 544,322 |
| Interest Earned | \$ 93,027 | \$ 20,916 | \$ (92,291) | \$ 118,763 | \$ 297,604 | \$ 201,620 |
| <u>Expenditures</u> | <u>\$ -</u> |
| Ending Balance | \$4,840,810 | \$5,395,202 | \$5,336,512 | \$6,119,209 | \$7,430,640 | \$7,974,962 |
| Credits Issued ⁽²⁾ | \$ 966,425 | \$ 840,330 | \$ 3,545,106 | \$ 437,708 | \$ 228,532 | \$639,810 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

In 2018, the City Council adopted Resolution No. 2017-068 (via Ordinance No. 2017-015), approving an updated DIF Calculation and Nexus Report (dated December 28, 2017). Key changes included eliminating Library Facilities Infrastructure categories in both Citywide and The Preserve DIF programs and merging them into a single Public Use Facilities category.

The merged Public Use Facilities category will fund community center spaces (e.g., gyms, museums, teen centers, senior centers, child-care facilities, and libraries), aiming to provide up to 80,276 square feet of such facilities across the City and The Preserve through build-out.

City staff concluded that consolidating these funds was appropriate, as they support similar amenities utilized by residents of both The Preserve and the General City. In July 2022, the City Council approved a supplemental budget request to merge DIF Funds 234 (Library Facilities Citywide), 245 (Community Facilities Citywide), 264 (Library Facilities Preserve), and 265 (Community Facilities Preserve). Additionally, the City Council authorized the renaming of Fund 265 to Public Use Facilities, in accordance with the adopted Development Impact Fee Nexus and Calculation Report.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Key Findings:

Based on preliminary information available at the time of report preparation, the Public Use Facilities DIF program is estimated to have an ending fund balance of approximately \$7.9 million as of FY 2024-25. These funds are currently identified for the future community center in The Preserve; however, amounts and allocations are subject to final reconciliation and future City Council action, as applicable. Per the amended Preserve Development Agreement, Lewis Management Corporation is required to construct 42,395 square feet of community center space within The Preserve. Per Chapter 3.45 of the City's Municipal Code, developers constructing public facilities identified in the DIF Nexus and Calculation Report may receive fee credits or reimbursements for eligible costs. Thus, DIF credits have been issued for all building permits obtained by the developer from 2004 to the present. These credits will be applied toward the actual construction costs of the community center. Any remaining costs, after the application of credits, will be reimbursed to the developer from the available DIF fund balance or through Community Facilities District (CFD) 2003-3.

The estimated cost for designing and constructing the community center is \$52.7 million, with anticipated completion in the summer of 2027. However, the costs reflected in the current DIF program do not account for the significant construction cost escalation experienced in recent years. To address these increases, the City is undertaking a comprehensive update to the DIF program, which will include a revised cost estimate for the project.

It should be noted, there were no loans or year-end fund transfers from the Public Use Facilities DIF Fund in FY 2024-25.

The table below summarizes the planned future expenditures for the Public Use Facilities Fees and the anticipated construction start date.

Public Use Facilities Expenditures

| Project | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End ⁽¹⁾ |
|----------------|-------------------------------|-----------------------------|----------------------------|--------------|--|
| PF-001 | The Preserve Community Center | \$ - | \$(52,700,000) | 100% | FY 2026 / FY 2028 |

(1) Construction start and end date may be revised

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 220: Citywide Circulation (Streets, Signals, and Bridges) System Summary

Chino Municipal Code Chapter 3.40 establishes a Circulation (Streets, Signals, and Bridges) System DIF. This fee is established to finance the construction of streets, signals, and bridges within the development area and in areas outside the development area but impacted by the development. The fee will be used to construct streets, signals, and bridges consistent with the City’s Circulation Element of the City's General Plan and shall include any fee established by the County of San Bernardino to satisfy regional circulation requirements.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Circulation (Streets, Signals, and Bridges) System Schedule of Fees

| Land Use: | Citywide Fee |
|-------------------------------------|---------------------|
| Detached Low Density Residential | \$4,806.13/unit |
| Detached Medium Density Residential | \$4,809.13/unit |
| Attached Medium Density Residential | \$3,207.93/unit |
| Attached High Density Residential | \$1,984.91/unit |
| Mobile Home | \$2,500.53/unit |
| Commercial Lodging | \$2,534.06/unit |
| Commercial/Retail | \$9.85/SF |
| Office/Business Park Uses | \$7.47/SF |
| Industrial Uses | \$2.42/SF |
| Institutional/Meeting Places | \$8.17/SF |

The following table shows the balances, receipts, and expenditures of the Circulation (Streets, Signals, and Bridges) System DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Beg. Balance ⁽¹⁾ | \$19,855,900 | \$35,703,857 | \$35,286,595 | \$34,772,440 | \$30,538,615 | \$30,725,958 |
| Fees Collected | \$ 799,066 | \$ 253,383 | \$5,009,558 | \$ 621,745 | \$ 879,096 | \$ 666,620 |
| Interest Earned | \$ 716,512 | \$ 133,037 | \$ (576,404) | \$ 940,228 | \$ 1,555,041 | \$ 1,588,626 |
| <u>Expenditures</u> | <u>\$ (159,822)</u> | <u>\$ (803,682)</u> | <u>\$(4,947,309)</u> | <u>\$(5,798,798)</u> | <u>\$(2,246,793)</u> | <u>\$(7,092,564)</u> |
| Ending Balance | \$21,211,656 | \$35,286,595 | \$34,772,440 | \$30,535,615 | \$30,725,958 | \$25,888,640 |
| Credits Issued ⁽²⁾ | \$ - | \$ - | \$68,533 | \$ - | \$ - | \$ 662,497 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Fund 220 Overview

The Citywide Circulation DIF (Fund 220 – Streets, Signals, and Bridges) supports the planning, design, and construction of growth-related transportation infrastructure throughout the City of Chino. Eligible improvements include arterial roadways, traffic signals, bridges, and system-wide circulation facilities necessary to accommodate development-related traffic impacts.

The fund is administered in accordance with the State Mitigation Fee Act and the City’s adopted Development

*DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)*

Impact Fee program requirements.

Expenditure Reconciliation & Budget Correction

During Fiscal Year 2024–25, staff completed a comprehensive year-end reconciliation of Fund 220 expenditures. As part of this review, it was identified that costs associated with the Police Department masonry block wall constructed adjacent to the SR-60 Freeway had been inadvertently charged to the Circulation DIF program as part of the Central Avenue / SR-60 Interchange Project.

Because the wall serves Police Department facility security and aesthetic purposes and does not constitute an eligible circulation improvement, the expenditure was determined to be outside the authorized scope of the DIF program.

Corrective action was initiated to reclassify approximately \$988,803 in wall-related costs to the General Fund. The corresponding restoration of Circulation DIF resources will be reflected as revenue in the subsequent fiscal year, following City Council approval of the budget adjustment. This timing difference does not affect the long-term financial position of Fund 220 and ensures continued compliance with the Mitigation Fee Act.

Capital Improvement Project Activity

The City continues to proactively advance development-driven Capital Improvement Projects (CIP) that support regional mobility, congestion relief, and long-term circulation system capacity.

A major ongoing initiative is the Pine Avenue Connector Bridge Project, with an estimated total cost exceeding \$143 million. This regionally significant project is being delivered in coordination with the California Department of Transportation (Caltrans) and is supported through partnerships with the City of Chino Hills and the San Bernardino County Transportation Authority (SBCTA).

The project includes the extension of Pine Avenue eastward from State Route 71 (SR-71) to El Prado Road as a four-lane arterial roadway, as well as the widening of Pine Avenue from El Prado Road to Euclid Avenue (State Route 83) to provide a continuous four-lane configuration.

In addition, the Edison Avenue Street Improvements Project near Ayala Park, east of Central Avenue, is approaching completion. This developer-driven project, led by Lennar Homes of California, is being delivered pursuant to a contractual reimbursement agreement under which the developer is eligible for reimbursement of verified actual construction costs in accordance with the City’s Development Impact Fee program.

Another significant circulation investment involves public improvements along Euclid Avenue within the City of Ontario, including median and roadway enhancements between Merrill Avenue and Eucalyptus Avenue located within Chino’s jurisdiction. As part of development conditions, a developer has constructed improvements along this corridor. Over time, developments north of Merrill Avenue have also contributed in-lieu-of-construction fees for median and widening improvements, facilitating continued progress toward corridor upgrades.

The City plans to apply these collected deposits toward the Euclid Widening Project. While the accumulated in-lieu funds are not anticipated to fully offset the City’s total share of project costs, the remaining funding needs will be evaluated and incorporated into the next Development Impact Fee Nexus Study update. Concurrently, the City is in the process of acquiring roadway jurisdiction over Euclid Avenue from Caltrans, with the transfer anticipated to be completed within the calendar year.

The table below summarizes the FY 2024-25 year-end transfers that include a backfill from Fund 220 – Circulation (Streets, Signals, and Bridges) System DIF for projects identified in the City’s adopted Four-Year

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

CIP as well as developer-driven infrastructure projects.

| Citywide Circulation DIF (Expensed from Fund 320) | Total Expenditures |
|---|---------------------------|
| Edison Avenue Improvements | \$938,224 |
| Merrill Widening, Interconnect, & Euclid Ave. Median Improvements | \$5,331,013 |
| Pine Avenue Connection | \$162,294 |
| Pine Avenue Connector/Bridge Project | \$1,204 |
| TM 18903 Rubberized Emulsion Aggregate Slurry Project | \$45,637 |
| Traffic Signal Interconnect | \$50 |
| Traffic Signal Installation - Monte Vista and Walnut | \$9,460 |
| Traffic Signal Modification - Eucalyptus and Fern | \$336,798 |
| Union Pacific Railroad (East End Ave.) - Reimbursement | \$6,129 |
| State Route 60 - Reimbursements | \$261,754 |
| Total Year-End Transfer (Fund 220) | \$7,092,564 |

The table below summarizes the planned future expenditures for the Circulation (Streets, Signals, and Bridges) System and the anticipated construction start date.

| Project / Contract | Project Name | Future Expenditures | % DIF | Construction Start/End* |
|---------------------------|--|----------------------------|--------------|--------------------------------|
| ST261 | Pine Avenue Bridge | \$10,000,000 | 20% | FY 2026 / FY 2029 |
| 2025-084 | Developer Reimbursement (REDA) Merril / Euclid | \$1,000,000 | 100% | FY 2025 / FY 2026 |
| 2017-152 | Developer Reimbursement (Lennar) Edison Widening | \$4,830,776 | 36% | FY 2016 / FY 2025 |
| R7200 | Central / State Rte. 60 | \$275,000 | 100% | FY 2018 / FY 2025 |

It should be noted, there were no loans from the Circulation (Streets, Signals, and Bridges) System DIF Fund in FY 2024-25.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimate for current and future projects.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 255: Citywide Storm Drainage Collection System Facilities Summary

Chino Municipal Code Chapter 3.40 establishes a Storm Drainage Collection System Facilities DIF. This fee is established to finance the installation of water drainage channels, natural treatment systems and pipelines. The fee will be used to install water drainage facilities in accordance with the City's Master Plan of Drainage.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Storm Drainage Collection System Facilities Schedule of Fees

| Land Use: | Citywide Fee |
|-------------------------------------|---------------------|
| Detached Low Density Residential | \$2,511.01/unit |
| Detached Medium Density Residential | \$1,575.14/unit |
| Attached Medium Density Residential | \$1,095.16/unit |
| Attached High Density Residential | \$519.81/unit |
| Mobile Home | \$779.71/unit |
| Commercial Lodging | \$266.19/unit |
| Commercial/Retail | \$0.63/SF |
| Office/Business Park Uses | \$0.64/SF |
| Industrial Uses | \$0.54/SF |
| Institutional/Meeting Places | \$0.40/SF |

The following table shows the balances, receipts, and expenditures of the Storm Drainage Collection System Facilities DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|--------------------|---------------------|-----------------------|----------------|-----------------------|----------------|
| Beg. Balance* | \$ 3,678,296 | \$ 3,851,632 | \$ 3,406,935 | \$ 2,203,441 | \$ 2,315,920 | \$ 1,340,739 |
| Fees Collected | \$ 137,835 | \$ 45,165 | \$ 505,577 | \$ 54,455 | \$ 60,075 | \$ 233,556 |
| Interest Earned | \$ 85,043 | \$ 15,992 | \$ (30,943) | \$ 58,025 | \$ 143,658 | \$ 91,805 |
| <u>Expenditures</u> | <u>\$ (49,542)</u> | <u>\$ (505,854)</u> | <u>\$ (1,678,129)</u> | <u>\$ -</u> | <u>\$ (1,178,914)</u> | <u>\$ -</u> |
| Ending Balance | \$ 3,851,632 | \$ 3,406,935 | \$ 2,203,440 | \$ 2,315,921 | \$ 1,340,739 | \$ 1,666,100 |
| Credits Issued** | \$ 38,006 | \$ - | \$ - | \$ - | \$ - | \$ - |

Notes:

1. Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.
2. DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification

Key Findings:

As of Fiscal Year 2024–25 and based on information available at the time of report preparation, the Storm Drain DIF program reports total assets of approximately \$2.0 million, consisting primarily of pooled cash and investments, accrued interest, and minor receivables. Market value adjustments reflect normal fluctuations within the City's investment portfolio and do not represent realized losses or reduced cash availability.

The fund includes approximately \$357,000 in deposits for future improvements, which are restricted for eligible storm drain capital projects.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

The Storm Drain DIF program reflects a positive fund balance of approximately \$1.6 million, which may be used to fund eligible storm drain facilities and infrastructure improvements in accordance with the Mitigation Fee Act. The reported balance reflects the timing of development activity, DIF collections, and capital project expenditures.

Overall, the Storm Drain DIF Fund remains financially stable and is positioned to support future storm drain infrastructure needs as development within the City continues.

| Project / Contract | Project Name | Future Expenditures | % DIF | Construction Start/End* |
|---------------------------|---|----------------------------|--------------|--------------------------------|
| MS251 | Master Plan Update | \$(500,000) | 100% | FY 2025 / FY 2027 |
| contract pending | Developer Reimbursement Schaefer (Lovett) Storm Drain (Yorba to Ramona) | \$(800,000) | 100% | FY 2026 / FY 2027 |

It should be noted, there were no loans from the Storm Drainage Collection System Facilities DIF Fund in FY 2024-25.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimate for current and future projects.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 253: Citywide Water Source Storage and Distribution Summary

Chino Municipal Code Chapter 3.40 establishes a Water Source Storage and Distribution DIF. This fee is established to finance the installation of reservoirs, wells, major transmission lines and recycled water facilities in accordance with the City's Water Master Plan. The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Water Source, Storage and Distribution Schedule of Fees

| Land Use: | Citywide Fee |
|-------------------------------------|---------------------|
| Detached Low Density Residential | \$2,868.38/unit |
| Detached Medium Density Residential | \$2,869.42/unit |
| Attached Medium Density Residential | \$2,443.94/unit |
| Attached High Density Residential | \$2,441.84/unit |
| Mobile Home | \$2,441.84/unit |
| Commercial Lodging | \$2,441.84/unit |
| Commercial/Retail | \$1.35/SF |
| Office/Business Park Uses | \$1.15/SF |
| Industrial Uses | \$0.57/SF |
| Institutional/Meeting Places | \$0.73/SF |

The following table shows the balances, receipts, and expenditures of the Water Source Storage and Distribution DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|---------------------|----------------|---------------------|---------------------|---------------------|----------------|
| Beg. Balance ⁽¹⁾ | \$ 299,924 | \$ 407,269 | \$ 426,247 | \$ 486,196 | \$ (36,138) | \$ (374,621) |
| Fees Collected | \$ 246,003 | \$ 17,355 | \$ 679,159 | \$ 93,217 | \$ 65,072 | \$ 90,676 |
| Interest Earned | \$ 9,828 | \$ 1,622 | \$ (4,859) | \$ 25,327 | \$ 542 | \$ - |
| <u>Expenditures</u> | <u>\$ (148,486)</u> | <u>\$ -</u> | <u>\$ (614,351)</u> | <u>\$ (640,878)</u> | <u>\$ (404,097)</u> | <u>\$ -</u> |
| Ending Balance | \$ 407,269 | \$ 426,246 | \$ 486,196 | \$ (36,138) | \$ (374,621) | \$ (283,945) |
| Credits Issued ⁽²⁾ | \$ - | \$ - | \$ 152,324 | \$ - | \$ - | \$ - |

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Key Findings:

The City's funding for the Eastside Water Treatment Facility (EWTF) project was limited to Phases 1 and 2. Phase 3 (the planned expansion) was excluded from the DIF Nexus Study due to funding restrictions associated with specific grants and loans. Many state and federal grant and loan programs for water projects impose conditions that restrict the use of DIF or similar local revenues, particularly to meet equity, affordability, and cost-share requirements. These restrictions necessitate alternative funding sources for certain project phases. As a result, any DIF funds allocated to EWTF Phase 3 expenditures in FY 2024 or earlier require correction. To address this issue and restore a positive fund balance to the Water DIF program, staff presented a corrective action to the City Council in FY 2025–26, which will be reflected in the next reporting cycle. Notably, no loans were issued from the Water Source, Storage, and Distribution Development Impact Fee Fund during this fiscal year.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 254: Citywide Sewage Collections System Summary

Chino Municipal Code Chapter 3.40 establishes a Sewage Collection DIF. This fee is established to finance the installation of sewage collection and transmission mains in accordance with the City's Sewer Master Plan.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Sewage Collection System Schedule of Fees

| Residential: | Citywide Fee |
|-------------------------------------|---------------------|
| Detached Low Density Residential | \$610.98/unit |
| Detached Medium Density Residential | \$613.08/unit |
| Attached Medium Density Residential | \$466.36/unit |
| Attached High Density Residential | \$467.41/unit |
| Mobile Home | \$466.36/unit |
| Commercial Lodging | \$467.41/unit |
| Commercial/Retail | \$0.31/SF |
| Office/Business Park Uses | \$0.25/SF |
| Industrial Uses | \$0.10/SF |
| Institutional Uses/Meeting Places | \$0.16/SF |

The following table shows the balances, receipts, and expenditures of the Sewage Collection Systems DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|-------------------|---------------------|----------------|----------------|----------------|----------------|
| Beg. Balance ⁽¹⁾ | \$ 3,632,200 | \$ 3,765,870 | \$ 3,038,053 | \$ 3,121,801 | \$ 3,213,021 | \$ 3,392,572 |
| Fees Collected | \$ 63,306 | \$ 17,091 | \$ 151,747 | \$ 19,602 | \$ 15,060 | \$ 47,875 |
| Interest Earned | \$ 76,614 | \$ 13,378 | \$ (67,999) | \$ 71,618 | \$ 164,490 | \$ 182,855 |
| <u>Expenditures</u> | <u>\$ (6,250)</u> | <u>\$ (758,286)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Ending Balance | \$ 3,765,870 | \$ 3,038,053 | \$ 3,121,801 | \$ 3,213,021 | \$ 3,392,572 | \$3,623,302 |
| Credits Issued ⁽²⁾ | \$ - | \$ - | \$ 2,976 | \$ - | \$ - | \$ - |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Key Findings:

Based on the information available at the time of report preparation, the Sewer DIF program reports total assets of approximately \$4.35 million for FY 2024-25, consisting primarily of pooled cash and investments, accrued interest, and minor receivables. Market value adjustments reflect normal fluctuations within the City's investment portfolio and do not impact the City's available cash.

The Sewer DIF fund does not report any outstanding liabilities as of the end of the fiscal year.

The Sewer DIF program reflects a positive ending balance of approximately \$3.6 million, which may be used to fund eligible sanitary sewer facilities and capacity-related infrastructure improvements in accordance with the Mitigation Fee Act. The fund balance is comprised of prior DIF collections, investment earnings, and budgetary activity.

*DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)*

Overall, the Sewer DIF Fund remains financially stable and is well positioned to support future sewer infrastructure improvements necessary to accommodate ongoing development throughout the City.

It should be noted, there were no loans or year-end fund transfers from the Sewage Collection Systems DIF Fund in FY 2024-25.

Given the variability and unpredictability of DIF revenue, there is currently no timeline for determining the funding sources or amounts required to complete the remaining projects included in the DIF program.

At this time, the City does not have any major sewer capital improvement projects currently under construction or programmed. Sewer DIF revenues are being strategically reserved to support future system capacity, regional conveyance improvements, and expansion projects necessary to accommodate long-term growth and development within the City.

The availability of Sewer DIF funding ensures the City remains positioned to respond to future infrastructure demands as development activity occurs and capital needs are identified through ongoing master planning and system evaluations.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 260: The Preserve Circulation (Streets, Signals, and Bridges) System Summary

Chino Municipal Code Chapter 3.45 establishes a Circulation (Streets, Signals, and Bridges) System DIF. This fee is established to finance the construction of streets, signals, and bridges within the development area and in areas outside the development area but impacted by the development. The fee will be used to construct streets, signals, and bridges consistent with the City’s Circulation Element of the City's General Plan and shall include any fee established by the County of San Bernardino to satisfy regional circulation requirements.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Circulation (Streets, Signals, and Bridges) System

| Residential: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$9,654.18/unit |
| Detached Medium Density Residential | \$9,654.18/unit |
| Attached Medium Density Residential | \$6,446.25/unit |
| Attached Dwelling RD-16/20 Residential | \$6,446.25/unit |
| Attached Dwelling RD/CC-30 Residential | \$3,987.64/unit |
| Commercial Lodging | \$5,090.14/unit |
| Commercial/Retail | \$19.80/SF |
| Office/Business Park Uses | \$15.02/SF |
| Industrial Uses | \$4.87/SF |
| Institutional Uses/Meeting Places | \$16.41/SF |

The following table shows the balances, receipts, and expenditures of the Circulation (Streets, Signals, and Bridges) System DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beg. Balance ⁽¹⁾ | \$ 7,898,064 | \$ 13,344,091 | \$ 17,240,832 | \$ 20,095,758 | \$ 18,363,843 | \$ 16,838,411 |
| Fees Collected | \$ 6,279,966 | \$ 4,125,263 | \$ 5,779,422 | \$ 174,596 | \$ 1,215,736 | \$ 203,363 |
| Interest Earned | \$ 279,055 | \$ 70,235 | \$ (330,581) | \$ 517,483 | \$ 960,150 | \$ 858,862 |
| <u>Expenditures</u> | <u>\$ (1,112,995)</u> | <u>\$ (298,757)</u> | <u>\$ (2,593,914)</u> | <u>\$ (2,423,994)</u> | <u>\$ (3,701,317)</u> | <u>\$ (6,013,283)</u> |
| Ending Balance | \$ 13,344,090 | \$ 17,240,832 | \$ 20,095,759 | \$ 18,363,843 | \$ 16,838,411 | \$ 11,887,353 |
| Credits Issued ⁽²⁾ | \$ 4,540,120 | \$ 3,765,044 | \$ 7,780,984 | \$ 4,050,589 | \$ 2,626,635 | \$ 1,762,602 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Developers in The Preserve have completed most of the circulation improvements within The Preserve Specific Plan area between 2004 to present.

Accordingly, any developer constructing DIF-eligible facilities is entitled to receive DIF credits or reimbursements. The City has entered into agreements with these developers, and the terms of most agreements have been fulfilled. However, for agreements involving the City’s master developer, Lewis Management Corporation, the City conducts an annual true-up. During this process, the DIF credits issued annually are deducted from the amount owed to the developer. This approach ensures transparency and accurate accounting of DIF obligations while maintaining compliance with the terms of the agreement. The annual true-up process

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

allows the City to manage fund balances effectively and provide timely updates to the developer regarding outstanding reimbursements.

Key Findings:

As of June 30, 2025, the City maintains a substantial ending balance of \$11.8.

The table below summarizes planned future expenditures for the Circulation (Streets, Signals, and Bridges) System and anticipated construction start dates.

| Project / Contract | Project Name | Future Expenditures | % DIF | Construction Start/End* |
|---------------------------|---|----------------------------|--------------|--------------------------------|
| ST203 | Pine Avenue Improvements | \$ (2,200,000) | 100% | FY 2026 / FY 2029 |
| ST 232 | Kimball Avenue Improvements | \$ (6,100,000) | 100% | FY 2025 / FY 2026 |
| 2025-084 | Developer Reimbursement (REDA) Merrill Widening / Euclid Median | \$ (900,000) | 48% | FY 2025 / FY 2026 |
| N7207 | Contract Work Related to DIF | \$ (201,208) | 100% | Ongoing |
| 2025-167 | Developer Reimbursement (Lewis) Various Streets | \$ (5,500,000) | 100% | Completed 2004-2019 |

The table below summarizes the FY 2024-25 year-end transfers that include a backfill from Fund 260 – Preserve Circulation (Streets, Signals, and Bridges) System DIF for projects identified in the City’s adopted Four-Year CIP as well as developer-driven infrastructure projects.

| The Preserve Circulation DIF (Expensed from Fund 320) | Total Expenditures |
|--|---------------------------|
| Chino Development Corporation (Construction of Circulation) | \$4,000,000 |
| DIF Fee Update | \$ 201,208 |
| Kimball Avenue Improvements in The Preserve | \$ 342,388 |
| Merrill Ave. Widening, Interconnect, and Euclid Ave. Median Improvements | \$ 896,878 |
| Pine Avenue Connection to SR71 | \$ 216,128 |
| Pine Avenue Improvements | \$ 356,681 |
| Total Year-End Transfer (Fund 260) | \$6,013,283 |

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimates for current and proposed projects. Given the variability and unpredictability of DIF revenue, there is currently no timeline for determining the funding sources or amounts required to complete all the projects included in the DIF program.

It should be noted, there were no loans from the Circulation (Streets, Signals, and Bridges) System DIF Fund in FY 2024-25.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 270: The Preserve Congestion Management Program Summary

Chino Municipal Code Chapter 3.45 establishes a Congestion Management Program (CMP) DIF. In conjunction with other government agencies. This fee is established for regional transportation improvements outside the City's limits.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Congestion Management Program (part of Circulation System category) Schedule of Fees

| Residential: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$615.18/unit |
| Detached Medium Density Residential | \$615.18/unit |
| Attached Medium Density Residential | \$409.77/unit |
| Attached Dwelling RD-16/20 Residential | \$409.77/unit |
| Attached Dwelling RD/CC-30 Residential | \$254.66/unit |
| Commercial Lodging | \$324.88/unit |
| Commercial/Retail | \$1.26/SF |
| Office/Business Park Uses | \$0.95/SF |
| Industrial Uses | \$0.31/SF |
| Institutional Uses/Meeting Places | \$1.05/SF |

The following table shows the balances, receipts, and expenditures of the CMP DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Beg. Balance ⁽¹⁾ | \$ 111,257 | \$ 3,207,600 | \$ 3,409,550 | \$ 7,569,819 | \$ 8,039,668 | \$ 8,696,494 |
| Fees Collected | \$ 3,033,688 | \$ 189,317 | \$ 4,304,012 | \$ 299,090 | \$ 262,116 | \$ 599,328 |
| Interest Earned | \$ 62,655 | \$ 12,633 | \$ (143,742) | \$ 170,758 | \$ 394,710 | \$ 36,081 |
| <u>Expenditures</u> | <u>\$ -</u> |
| Ending Balance | \$ 3,207,600 | \$ 3,409,550 | \$ 7,569,819 | \$ 8,039,668 | \$ 8,696,494 | \$ 9,331,903 |

(1) Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.

It is crucial to recognize that the CMP Fee collected by the City of Chino will support projects beyond the City's boundaries, as part of a coordinated regional approach to congestion management. The City will collaborate with neighboring jurisdictions to ensure that these improvements are appropriately funded and implemented. As of the latest report, there is an \$9.3 million ending fund balance. The City plans to reach out to adjacent cities to identify applicable projects included in the CMP and to coordinate the timing and payment remittance for projects being constructed by other cities. Refer to the City's DIF Calculation and Nexus Report for a listing of projects.

Key Findings:

Since the City will not serve as the lead agency for the projects funded by the CMP, it is vital for staff to closely monitor the fund balance and ensure the proper allocation of fees.

- **Coordination with Neighboring Jurisdictions:** The City will proactively engage with adjacent jurisdictions to ensure the CMP is applied to projects that impact traffic flow across municipal borders.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

- **Monitor the Fund Balance:** Staff will consistently track the balance of collected fees, including the current \$8.6 million ending fund balance, to ensure there are adequate funds for the intended transportation projects and that these funds are allocated as planned.
- **Collaborate with Other Cities:** The City will maintain strong partnerships with other cities and agencies involved in the projects, ensuring that the funds are remitted and used correctly for the planned improvements. Additionally, the City will confirm the timing of payments and ensure proper remittance for projects constructed by other jurisdictions.

It should be noted, there were no loans or transfers from the CMP DIF Fund in FY 2024-25.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 263: The Preserve Storm Drainage Collection System Facilities Summary

Chino Municipal Code Chapter 3.40 establishes a Storm Drainage Collection System Facilities DIF. This fee is established to finance the installation of water drainage channels, natural treatment systems and pipelines. The fee will be used to install water drainage facilities in accordance with the City's Master Plan of Drainage.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Storm Drainage Collection System Facilities Schedule of Fees

| Residential: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$8,794.82/unit |
| Detached Medium Density Residential | \$4,878.44/unit |
| Attached Medium Density Residential | \$4,622.73/unit |
| Attached Dwelling RD-16/20 Residential | \$4,461.34/unit |
| Attached Dwelling RD/CC-30 Residential | \$1,991.20/unit |
| Commercial Lodging | \$688.54/unit |
| Commercial/Retail | \$4.00/SF |
| Office/Business Park Uses | \$3.46/SF |
| Industrial Uses | \$2.59/SF |
| Institutional Uses/Meeting Places | \$1.90/SF |

The following table shows the balances, receipts, and expenditures of the Storm Drainage Collection System Facilities DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|--------------------|-----------------------|--------------------|-----------------------|---------------------|------------------|
| Beg. Balance | \$ 2,870,257 | \$ 4,463,365 | \$ 4,252,104 | \$ 5,807,974 | \$ 2,757,918 | \$ 4,017,498 |
| Fees Collected | \$ 1,558,380 | \$ 1,323,667 | \$ 1,750,264 | \$ 502 | \$ 1,672,094 | \$ 1,608,438 |
| Interest Earned | \$ 88,648 | \$ 23,877 | \$ (103,340) | \$ 210,574 | \$ 151,903 | \$ 217,686 |
| <u>Expenditures</u> | <u>\$ (53,920)</u> | <u>\$ (1,558,805)</u> | <u>\$ (91,054)</u> | <u>\$ (3,261,132)</u> | <u>\$ (564,417)</u> | <u>\$ 99,810</u> |
| Ending Balance | \$ 4,463,365 | \$ 4,252,104 | \$ 5,807,974 | \$ 2,757,918 | \$ 4,017,498 | \$ 5,943,432 |
| Credits Issued | \$ 3,929,130 | \$ 1,999,827 | \$ 4,916,064 | \$ 2,085,246 | \$ 379,450 | \$ 638,157 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation and remain subject to adjustment as reconciliation efforts continue.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Developers in The Preserve have completed most of the drainage improvements within The Preserve Specific Plan area between 2004 to present.

Accordingly, any developer constructing DIF-eligible facilities is entitled to receive DIF credits or reimbursements. The City has entered into agreements with these developers, and the terms of most agreements have been fulfilled. However, for agreements involving the City's master developer, Lewis Management Corporation, the City conducts an annual true-up. During this process, the DIF credits issued annually are deducted from the amount owed to the developer. This approach ensures transparency and accurate accounting of DIF obligations while maintaining compliance with the terms of the agreement. The annual true-up process allows the City to manage fund balances effectively and provide timely updates to the developer regarding outstanding reimbursements.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

The City has notably taken the lead on the Euclid Avenue Line I project in partnership with the City of Ontario and the County of San Bernardino. This high-cost initiative includes a \$6,000,000 allocation from the City’s DIF program, to be offset by developer contributions, as The Preserve represents only 11.4% of the project’s tributary area. The project is currently in the preliminary engineering and design phase.

Key Findings:

The table below summarizes planned future expenditures for the Storm Drainage Collection System Facilities DIF System and anticipated construction start dates. The information presented reflects prior-year data and will be updated upon completion of the current fiscal year reconciliation.

| Project / Contract | Project Name | FY 2024 Expenditures | Future Expenditures | % DIF | Construction Start/End* |
|---------------------------|--|-----------------------------|----------------------------|--------------|--------------------------------|
| SD240 | Storm Drain Line I | \$ (99,810) | \$ (77,000,000) | 8% | FY 2025 / FY 2027 |
| 2024-235 | Developer Reimbursement (Lewis) Pine Avenue Stage 3 | \$ (0.00) | \$ (3,100,000) | 100% | FY 2026 / FY 2027 |

The table below summarizes the FY 2024-25 year-end transfers that have a backfill from Fund 263: Storm Drainage Collection System Facilities.

| Fund | Project Name | Project/Contract | Amount |
|-------------|--------------------------------|-------------------------|---------------|
| 540 | Storm Drain Storm Drain Line I | SD240 | \$64,416.61 |

Due to the variability and unpredictability of DIF revenue, there is currently no time estimate for the funding required to complete the projects identified in the Nexus and Calculation Report.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include revised cost estimates for current and future projects.

There were no loans from the Storm Drainage Collection System Facilities Fund in FY 2024-25.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 261: The Preserve Water Source Storage and Distribution Summary

Chino Municipal Code Chapter 3.45 establishes a Water Source Storage and Distribution DIF. The fee will be used to construct reservoirs, wells, major transmission lines and recycled water facilities, in accordance with the City's Water Master Plan.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Water Source, Storage and Distribution Schedule of Fees

| Land Use: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$9,790.42/unit |
| Detached Medium Density Residential | \$9,790.42/unit |
| Attached Medium Density Residential | \$8,332.65/unit |
| Attached Dwelling RD 16/20 Residential | \$8,332.65/unit |
| Attached Dwelling RD/CC 30 Residential | \$8,332.65/unit |
| Commercial Lodging | \$8,332.65/unit |
| Commercial/Retail | \$6.10/SF |
| Office/Business Park Uses | \$4.56/SF |
| Industrial Uses | \$2.30/SF |
| Institutional/Meeting Places | \$2.91/SF |

The following table shows the balances, receipts, and expenditures of the Water Source Storage and Distribution DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|---------------------|-----------------------|----------------|-----------------------|---------------------|----------------|
| Beg. Balance | \$ 1,293,177 | \$ 2,059,533 | \$ 1,480,126 | \$ 2,040,183 | \$ 1,072,182 | \$ 1,895,487 |
| Fees Collected | \$ 879,309 | \$ 959,860 | \$ 596,327 | \$ 1,416,557 | \$ 1,732,492 | \$ (219,615) |
| Interest Earned | \$ 38,111 | \$ 13,691 | \$ (36,271) | \$ 100,848 | \$ 54,190 | \$ 92,011 |
| <u>Expenditures</u> | <u>\$ (151,065)</u> | <u>\$ (1,552,958)</u> | <u>\$ -</u> | <u>\$ (2,485,406)</u> | <u>\$ (963,378)</u> | <u>\$ -</u> |
| Ending Balance | \$ 2,059,532 | \$ 1,480,126 | \$ 2,040,182 | \$ 1,072,182 | \$ 1,895,487 | \$ 1,767,883 |
| Credits Issued | \$ 4,045,843 | \$ 2,441,975 | \$ 5,923,069 | \$ 993,718 | \$ 1,358,938 | \$ 846,945 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Key Findings:

The City's funding for the Eastside Water Treatment Facility (EWTF) project was limited to Phases 1 and 2. Phase 3 (the planned expansion) was excluded from the DIF Nexus Study due to funding restrictions associated with specific grants and loans. Many state and federal grant and loan programs for water projects impose conditions that restrict the use of DIF or similar local fee revenues, particularly to meet equity, affordability, and cost-share requirements. These restrictions necessitate alternative funding sources for certain project phases.

As a result, any DIF funds allocated to EWTF Phase 3 expenditures in FY 2024 or earlier require correction. To address this issue and restore a positive fund balance to the Water DIF program, staff presented a corrective action plan to the City Council in FY 2025-26.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Developers in The Preserve have completed most of the water improvements within The Preserve Specific Plan area between 2004 to present.

Accordingly, any developer constructing DIF-eligible facilities is entitled to receive DIF credits or reimbursements. The City has entered into agreements with these developers, and the terms of most agreements have been fulfilled. However, for agreements involving the City’s master developer, Lewis Management Corporation, the City conducts an annual true-up. During this process, the DIF credits issued annually are deducted from the amount owed to the developer. This approach ensures transparency and accurate accounting of DIF obligations while maintaining compliance with the terms of the agreement. The annual true-up process allows the City to manage fund balances effectively and provide timely updates to the developer regarding outstanding reimbursements.

The table below summarizes planned future expenditures for the Water Source Storage and Distribution DIF and anticipated construction start dates. The information presented reflects prior-year data and will be updated upon completion of the current fiscal year reconciliation.

| Contract | Project Name | Future Expenditures | % DIF | Construction Start/End* |
|-----------------|--|----------------------------|--------------|--------------------------------|
| TBD | Developer Reimbursement (Lewis) Pine Avenue Stage 3 | \$(1,005,000) | 100% | FY 2026 / FY 2027 |
| 2024-236 | Developer Reimbursement (Lewis) Various Water Lines | \$(381,000) | 100% | Completed 2004-2019 |

The City is currently undertaking a comprehensive reconciliation of multiple water reimbursement agreements with Lewis Management Corporation. The purpose of this reconciliation is to ensure that developer credits issued under the agreements accurately correspond with the approved land use entitlements and the applicable sewer fee schedules in effect at the time of construction.

Based on the outcome of the reconciliation and the findings documented in this Annual DIF Report, the City anticipates remitting a progress payment in the amount of approximately \$381,000 during Fiscal Year 2025–26 for eligible water infrastructure improvements previously constructed by the developer.

This effort is intended to improve financial accuracy, confirm proper application of development impact fee credits, and ensure continued compliance with the Mitigation Fee Act and the City’s adopted fee programs.

Due to the variability and unpredictability of DIF revenue, there is currently no time estimate for the funding required to complete the projects identified in the Nexus and Calculation Report.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimates for current and future projects.

There were no loans from the Water Source Storage and Distribution Fund in FY 2024-25.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 262: The Preserve Sewage Collections System Summary

Chino Municipal Code Chapter 3.45 establishes a Sewage Collection DIF. This fee is established to finance the installation of sewage collection and transmission mains in accordance with the City's Sewer Master Plan.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Sewage Collection System Schedule of Fees

| Land Use: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$3,833.38/unit |
| Detached Medium Density Residential | \$3,833.58/unit |
| Attached Medium Density Residential | \$2,927.06/unit |
| Attached Dwelling RD 16/20 Residential | \$2,927.06/unit |
| Attached Dwelling RD/CC 30 Residential | \$2,927.06/unit |
| Commercial Lodging | \$2,927.06/unit |
| Commercial/Retail | \$2.59/SF |
| Office/Business Park Uses | \$2.71/SF |
| Industrial Uses | \$0.93/SF |
| Institutional/Meeting Places | \$1.24/SF |

The following table shows the balances, receipts, and expenditures of the Sewage Collection Systems DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|-------------------|---------------------|----------------|---------------------|---------------------|-------------------|
| Beg. Balance | \$ 95,354 | \$ 526,702 | \$ 380,968 | \$ 506,161 | \$ 311,410 | \$ 556,331 |
| Fees Collected | \$ 428,616 | \$ 51,897 | \$ 134,168 | \$ 185,963 | \$ 727,254 | \$ 439,681 |
| Interest Earned | \$ 8,982 | \$ 2,370 | \$ (8,976) | \$ 19,286 | \$ 18,084 | \$ 38,302 |
| <u>Expenditures</u> | <u>\$ (6,250)</u> | <u>\$ (200,000)</u> | <u>\$ -</u> | <u>\$ (400,000)</u> | <u>\$ (500,417)</u> | <u>\$ 250,663</u> |
| Ending Balance | \$ 526,702 | \$ 380,969 | \$ 506,160 | \$ 311,410 | \$ 556,331 | \$ 1,284,977 |
| Credits Issued | \$ 598,446 | \$ 513,694 | \$ 1,214,255 | \$ 583,149 | \$ 175,183 | \$ 266,915 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

Key Findings:

Developers in The Preserve have completed most of the sewer improvements within The Preserve Specific Plan area between 2004 to present.

Accordingly, any developer constructing DIF-eligible facilities is entitled to receive DIF credits or reimbursements. The City has entered into agreements with these developers, and the terms of most agreements have been fulfilled. However, for agreements involving the City's master developer, Lewis Management Corporation, the City conducts an annual true-up. During this process, the DIF credits issued annually are deducted from the amount owed to the developer. This approach ensures transparency and accurate accounting of DIF obligations while maintaining compliance with the terms of the agreement. The annual true-up process

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

allows the City to manage fund balances effectively and provide timely updates to the developer regarding outstanding reimbursements.

The table below summarizes planned future expenditures for the Sewage Collection DIF and anticipated construction start dates. The information presented reflects prior-year data and will be updated upon completion of the current fiscal year reconciliation.

As of FY 2025, the Sewage Collection DIF program has an ending balance of \$1.2 million.

| Project / Contract | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End* |
|---------------------------|---|-----------------------------|----------------------------|--------------|--------------------------------|
| 2019-220 | Developer Reimbursement (Lewis) Sewer Lift Station | \$ - | \$(500,000) | 100% | Completed FY 2024 |
| 2023-133 | Developer Reimbursement (Lewis) Various Sewer Lines (2004-2019) | \$ - | \$(500,000) | 100% | Completed 2004-2019 |
| SW201 | Sewer Lift Station Expansion Project | \$(250,663) | \$0.00 | 100% | FY 2025 / FY 2026 |

The City is currently undertaking a comprehensive reconciliation of multiple sewer reimbursement agreements with Lewis Management Corporation. The purpose of this reconciliation is to ensure that developer credits issued under the agreements accurately correspond with the approved land use entitlements and the applicable sewer fee schedules in effect at the time of construction.

Based on the outcome of the reconciliation and the findings documented in this Annual DIF Report, the City anticipates remitting a progress payment in the amount of approximately \$1,000,000 during Fiscal Year 2025–26 for eligible sewer infrastructure improvements previously constructed by the developer.

This effort is intended to improve financial accuracy, confirm proper application of development impact fee credits, and ensure continued compliance with the Mitigation Fee Act and the City’s adopted fee programs.

Due to the variability and unpredictability of DIF revenue, there is currently no time estimate for the funding required to complete the projects identified in the Nexus and Calculation Report.

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include a revised cost estimates for current and future projects.

There were no loans from the Sewage Collections System Facilities Fund in FY 2024-25.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Fund 266: The Preserve Miscellaneous Residential Communities Summary

Chino Municipal Code Chapter 3.45 establishes a Miscellaneous Residential Amenities DIF. This fee is established to finance the relocation and/or construction of construction of various open space amenities such as paseos and trails.

The fee amount is established by Resolution No. 2025-030 and is summarized as follows:

Miscellaneous Residential Amenities Schedule of Fees

| Residential: | Preserve Fee |
|--|---------------------|
| Detached Low Density Residential | \$1,884.30/unit |
| Detached Medium Density Residential | \$1,884.30/unit |
| Attached Medium Density Residential | \$1,556.28/unit |
| Attached Dwelling RD 16/20 Residential | \$1,556.28/unit |
| Attached Dwelling RD/CC-30 Residential | \$1,204.15/unit |

The following table shows the balances, receipts, and expenditures of the Miscellaneous Residential Amenities DIF Fund for the current and last five fiscal years:

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bed. Balance ⁽¹⁾ | \$ 1,120,894 | \$ 1,413,146 | \$ 1,577,473 | \$ 1,550,676 | \$ 1,830,572 | \$ 2,194,378 |
| Fees Collected | \$ 264,877 | \$ 158,238 | \$ - | \$ 245,610 | \$ 275,094 | \$ 79,112 |
| Interest Earned | \$ 27,375 | \$ 6,089 | \$ (26,797) | \$ 34,286 | \$ 88,712 | \$ 114,155 |
| <u>Expenditures</u> | <u>\$ -</u> |
| Ending Balance | \$ 1,413,146 | \$ 1,577,473 | \$ 1,550,676 | \$ 1,830,572 | \$ 2,194,378 | \$ 2,273,490 |
| Credits Issued ⁽²⁾ | \$ 356,012 | \$ 319,038 | \$ 1,341,076 | \$ 166,186 | \$ 155,078 | \$ 260,682 |

Notes:

- Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.*
- DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification*

The Preserve Specific Plan describes the Community Paseo and Open Space System as a network of trails and linear open spaces that link key features within The Preserve, including the Community Core, residential areas, and public facilities. This system is also an integral part of The Preserve's mobility framework, providing options for walking, equestrian use, and bicycling circulation.

The master developer in The Preserve is responsible for landscaping and trail improvements within the Southern California Edison (SCE) easement, as well as perimeter and paseo enhancements, under the Miscellaneous Residential Amenities DIF program. According to Chapter 3.45 of the City's Municipal Code, developers who construct public facilities identified in the DIF Nexus and Calculation Report may qualify for fee credits or reimbursements for eligible costs.

Recently, the City validated \$3,278,269.60 in eligible costs for SCE Trail improvements and reconciled \$8,433,065 in DIF credits issued to the master developer through April 2024, leaving a remaining credit balance of \$5,154,795.40. This credit balance will be applied to the future enhancements to the SCE Trail along Pine Avenue moving into the future. The future trail enhancements are contingent upon the construction of Pine Avenue Stage 3 being completed, which is anticipated in December 2026.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Key Findings:

The FY 2025 Miscellaneous Residential Amenities DIF program concludes with a balance of \$2.2 million. These funds are designated for future reimbursements to the master developer for constructing the perimeter trail, paseos, and the community core commons promenade, which includes enhanced hardscaped and landscaped features.

The master developer will continue to accrue Miscellaneous Residential Amenities DIF program credits for future permits. Staff will closely monitor the credit-to-progress ratio to ensure that the developer’s accrued credits remain aligned with established project milestones and completion timelines.

It should be noted, there were no loans or transfers from the Miscellaneous Residential Communities DIF Fund in FY 2024-25.

Miscellaneous Residential Communities Expenditures

The table below summarizes planned future expenditures for the Miscellaneous Residential Amenities DIF and anticipated construction start dates. The information presented reflects prior-year data and will be updated upon completion of the current fiscal year reconciliation.

| DIF Project | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End* |
|--------------------|------------------------------|-----------------------------|----------------------------|--------------|--------------------------------|
| PA-001 | Paseos & Trail | \$ - | \$(630,878) | 100% | FY 2026 / FY 2028 |
| PA-002 | Perimeter Trail | \$ - | \$(2,554,647) | 100% | FY 2026 / FY 2028 |
| PA-003 | Landscaping of SCE Easements | \$ - | \$(6,324,709) | 100% | FY 2026 / FY 2028 |
| PA-004 | Community Core Commons | \$ - | \$(7,613,098) | 100% | FY 2026 / FY 2028 |

**Construction start / end dates are estimates and are subject to change.*

The costs reflected in the current DIF do not account for the construction escalation observed in recent years. To address these cost increases, the City is preparing a comprehensive update to the DIF program, which will include revised cost estimates and actual costs for these project.

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

Funds 340 & 341: Residential Park & Recreation Fees Summary

Chapter 18 of the City’s Municipal Code establishes the process for developing park land values throughout the city as well as the cost to construct public parks on a per acre basis. The Chino Municipal Code requires that a land appraisal be performed annually to determine the current park land values for The Preserve and Citywide programs. The cost for construction per acre is calculated by the Municipal Code as 1.12 times the land value. Note, the Park Fees are unrelated (but are referenced) to the 2017 DIF Nexus & Calculation Report. The Residential Park Development Fee is adjusted per the City’s Municipal Code, Title 18, and is included as part of the DIF Fee Schedule, refer to Resolution 2025-030 adopting the DIF and other related development fees, which are summarized below:

Residential Parks and Recreation Fee (Fund 340 – Citywide DIF)

| Land Use: | Citywide Fee |
|---------------------|------------------|
| Single Family Units | \$20,428.00/Unit |
| Multi-Family Units | \$15,839.00/Unit |
| Mobile Home Units | \$13,656.00/Unit |

Residential Parks and Recreation Fee (Fund 340 – The Preserve DIF)

| Land Use: | Preserve Fee |
|---------------------|------------------|
| Single Family Units | \$15,442.00/Unit |
| Multi-Family Units | \$11,973.00/Unit |

The following table shows the balances, receipts, and expenditures of the Parks and Recreation DIF Fund for the current and last five fiscal years:

| Fund 340 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------|
| Beg. Balance* | \$6,222,894 | \$6,618,492 | \$ 4,812,631 | \$ 4,086,440 | \$ 3,692,020 | \$ 2,165,148 |
| Fees Collected | \$1,535,479 | \$ 492,882 | \$ 1,553,223 | \$ 596,828 | \$ 868,800 | \$ 1,123,923 |
| Interest Earned | \$ 210,491 | \$ 31,416 | \$ (148,742) | \$ 215,785 | \$ 384,296 | pending |
| <u>Expenditures</u> | <u>\$(1,350,371)</u> | <u>\$(2,330,160)</u> | <u>\$(2,130,671)</u> | <u>\$(1,207,033)</u> | <u>\$(2,779,967)</u> | <u>pending</u> |
| Ending Balance | \$6,618,492 | \$4,812,631 | \$4,086,440 | \$ 3,692,020 | \$ 2,165,148 | \$ 3,289,071 |

| Fund 341 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|--------------|--------------|--------------|--------------|---------------|----------------|
| Beg. Balance* | \$ 2,694,470 | \$ 5,141,483 | \$ 6,182,173 | \$ 6,077,157 | \$ 7,992,013 | \$ 10,506,390 |
| Fees Collected | \$ 2,353,806 | \$ 1,015,872 | \$ - | \$ 1,784,468 | \$ 2,130,984 | \$ 959,010 |
| Interest Earned | \$ 93,206 | \$ 4,819 | \$ (105,017) | \$ 130,389 | \$ 383,393 | pending |
| <u>Expenditures</u> | <u>\$ -</u> | <u>pending</u> |
| Ending Balance | \$ 5,141,483 | \$ 6,182,173 | \$ 6,077,157 | \$ 7,992,013 | \$ 10,506,390 | \$11,465,400 |
| Credits Issued** | \$ 2,768,362 | \$ 2,015,812 | \$ 8,655,006 | \$ 1,209,940 | \$ 1,139,766 | \$1,608,362 |

Notes:

1. Beginning balances are carried forward from the prior fiscal year ending balance. All other figures are based on the best information available to staff at the time of report preparation.
2. DIF credits issued to developers have not yet been fully reconciled and are presented as preliminary amounts subject to final verification

Per The Preserve Development Agreement, the master developer is required to construct several public parks with an

DIF Annual Report – FY 2024–25
(Preliminary Draft Posted December 23, 2025)
(Revised January 28, 2026)

estimated total 79.70 acres. The requirements set forth in the agreement stipulate that the developer shall receive fee credits for the construction of public parks until the issuance of the 6,323rd residential building permit.

Key Findings:

As of FY 2025, the Parks and Recreation DIF programs have an ending balance of \$3.2 million in the Citywide area and \$11.4 million in The Preserve. Fund balances are earmarked for the following projects:

Residential Park & Recreation Fees

The table below summarizes planned future expenditures for the Residential Park & Recreation Fees and anticipated construction start dates. The information presented reflects prior-year data and will be updated upon completion of the current fiscal year reconciliation.

| Fund | Project No. | Project Name | FY 2025 Expenditures | Future Expenditures | % DIF | Construction Start/End |
|-------------|---------------------|----------------------|-----------------------------|----------------------------|--------------|-------------------------------|
| Fund 340 | PK200 | Chino Rancho Park | \$ - | \$(4,795,476) | 34% | FY 2026 / FY 2028 |
| Fund 341 | N/ A ⁽²⁾ | The Preserve Block 9 | \$ - | \$(9,506,390) | 100% | FY 2027 / FY 2028 |
| Fund 341 | N/A ⁽³⁾ | Splash Pad Block 9 | \$ - | \$(1,000,000) | 100% | FY 2027 / FY 2028 |

- (1) The Preserve Block 9 park project is developer driven. This project is currently entitled; therefore, the construction start and end dates are subject to change.*
- (2) The City is taking the lead on the splash pad as park of the Block 9 park project. The construction of the splash pad is contingent on the construction of the park; therefore, the construction start and end dates are subject to change.*

It should be noted, there were no loans or transfers from the Residential Park & Recreation DIF Funds 340 and 341 in FY 2024-25.

Section 3 – Fiscal Years 2019-2020 through 2023-2024 Five-Year Report

In accordance with Government Code Section 66001, this section addresses the five-year requirements with respect to any remaining funds in the DIF accounts, regardless of whether those funds are committed or uncommitted for FY 19-20 through FY 23-24. The following section provides information necessary to meet the legal requirement for the Five-Year report for the DIF funds.

Requirement 1. Identification of the purpose to which the fees are to be put.

The purpose of the DIFs imposed and collected on new development within the City during FY 19-20 through FY 23-24 was to fund public facilities that are needed to serve the new development within the City as identified in the City’s adopted DIF Nexus and Calculation Report. The purpose of each fee is identified within Section 2 of the Annual AB1600 Report.

Additionally, an in-lieu of construction fee (often shortened to in-lieu fee) is a monetary payment made by a developer or property owner instead of physically constructing specific improvements or infrastructure that would otherwise be required as a condition of development approval. This mechanism is typically used when constructing the required improvements is impractical, inefficient, or unnecessary at the time of development. The City has collected Underground Utilities In-Lieu, Transportation In-Lieu, Storm Drain In-Lieu, and Water In-Lieu fees over the last several years when applicable.

Requirement 2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a proportional relationship between the impact fees charged on new development based upon the need for additional public facilities to serve the additional residents and employees that will be generated by the new development. The City does not have the capacity in its existing public facilities to accommodate these new residents and employees. By charging the fee based on the additional demand created by each land use, the fees directly correlate to the demand created by each new development. The fees for Parks and Recreation, Storm Drainage, Circulation / CMP, Water, Sewer, Public Use, Miscellaneous Residential Amenities, General Facilities, Law Enforcement, Fire Facilities, were approved on June 17, 2025, by Resolution 2025-030 adopting the City of Chino’s Updated DIF Nexus and Calculation Report. Each fee had to undergo rigorous nexus requirements that: identify the purpose of the fee; identify the use to which the fee is to be put; determine how there is a reasonable relationship between the fees use and the type of development project on which the fee is imposed; determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed; and determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

Requirements 3&4.

Identification of all sources and amounts of funding anticipated to complete financing for improvements identified as part of the City’s annual report and approximate dates on which funding is expected to be deposited into appropriate account or fund.

Developers have completed most of the public improvements in all DIF categories. The current CIP includes only a few projects that are development driven, these are typically larger regional facilities requiring input from constituents and funding plans along with cash flow analyses to fully fund these projects moving forward. As such, City-driven projects necessitated by development are very much in the preliminary engineering and design phase, making it difficult to determine a definitive fiscal analysis at this time. Please refer to the Annual Report and the accompanying tables regarding developments within The Preserve Specific Plan area, where the timelines for anticipated construction are outlined, along with explanations of expenditures and future expenditures. Additionally, refer to the City’s 4-Year CIP .