

# Christopher Homes Project

## Fiscal Impact Analysis

### City of Rialto

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A S S O C I A T E S

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## EXECUTIVE SUMMARY

This report provides the projected ongoing fiscal impacts to the City of Rialto for the proposed Christopher Homes Project. The proposed Project includes 184 new homes on about 16 acres at 1096 W. Foothill Boulevard on the northern side of Foothill Boulevard, between Larch Avenue and Spruce Avenue as shown in Figure 1. The Project will be accessed through a gated entrance on Foothill Boulevard.

### Projected Fiscal Impacts

The fiscal impact analysis is based on the land use description provided by the applicant, Christopher Development Group, Inc. The recurring fiscal impacts to the City include projected impacts with the City's current utility users tax. On June 5, 2018 Rialto voters approved Measure M to indefinitely extend the existing utility users tax (UUT). Fiscal impacts are presented in constant 2019 Dollars with no adjustment for future inflation.

As shown in Table 1, a recurring annual deficit of \$46,420 is projected at buildout of the Christopher Homes Project. Based on the 184 units proposed for the Project, the projected annual deficit is rounded to \$250 per unit.

**Table 1**  
**Summary of Projected Fiscal Impacts after Buildout**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Category	Buildout
Annual Recurring Revenues	\$412,680
Annual Recurring Costs	<u>459,100</u>
<b>Annual Recurring (Deficit)</b>	<b>(\$46,420)</b>
Revenue/Cost Ratio	0.90
<u>Annual (Deficit) per Unit</u>	
Number of Units	184
<b>Annual (Deficit) per Unit</b>	<b>(\$250)</b>

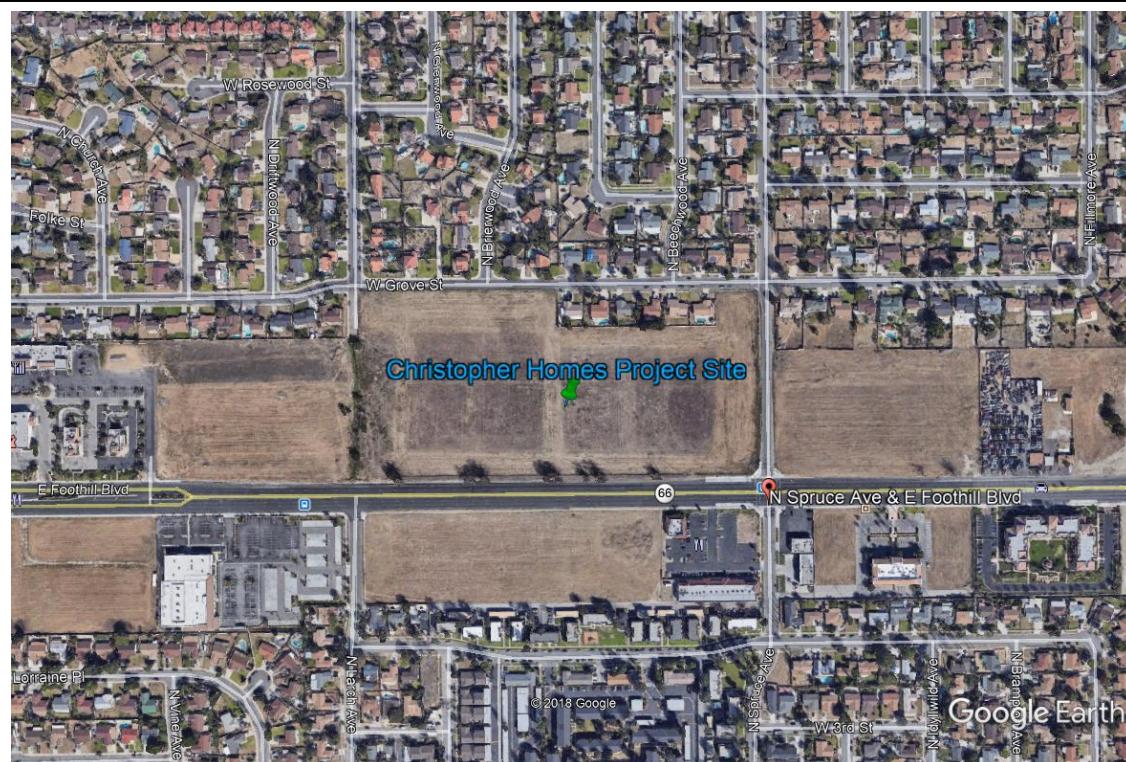
Source: Stanley R. Hoffman Associates, Inc.

# Figure 1

## Project Site Location

### Christopher Homes Project

#### Fiscal Impact Analysis, City of Rialto



Sources: Stanley R. Hoffman Associates, Inc.  
Christopher Development Group, Inc., *Christopher Homes Project Location, August 17, 2018*

## CHAPTER 1

### INTRODUCTION

The fiscal impact analysis for the Christopher Homes Project provides an assessment of the annual recurring impacts to the City's General Fund after buildout of the proposed Project.

#### 1.1 Approach and Methodology

The fiscal analysis is based on data and assumptions from the following sources:

- Revenue and expenditure information is from the *City of Rialto, Annual Budget 2018–2019*.
- Revenue and cost factors are based on the January 1, 2019, City population estimate from the California Department of Finance (DOF) and the 2019 employment estimate from the Southern California Association of Governments (SCAG), *Adopted 2016 Regional Transportation Plan (RTP)*.
- Cost factors are based on the current level of services provided by the City.
- Land use and valuation information is from the applicant, Christopher Developer Group, Inc.
- Property tax revenue projection to the City General Fund is based on the assessed valuation of the proposed development and the property tax allocation to the City for the tax rate area (TRA) in which the project is located (14.03 percent of the basic one percent property tax levy).
- Revenue and cost factors are projected in constant 2019 Dollars, with no adjustment for future inflation.

#### 1.2 Organization of the Report

Chapter 2 contains the development description of the proposed Christopher Homes Project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Project is provided in Chapter 3. Chapter 4 covers the revenue and cost assumptions used for the fiscal analysis. Appendix A includes supporting tables for the fiscal assumptions, and Appendix B lists the project references utilized in this study.

## CHAPTER 2

### PROJECT DESCRIPTION

This chapter presents the development description for the Christopher Homes Project provided by Christopher Development Group, Inc., the project applicant. The conceptual site plan for the Christopher Homes Project is included as Figure 2-1. Table 2-1 includes the units, estimated population, net assessed valuation, projected property tax and projected retail sales and use tax captured in the City from taxable purchases made by future residents of the project.

#### **2.1 Residential Development**

The project site includes a total of 16.40 gross acres and will have 184 new single family residential units on 15.98 net acres after buildout. Of the total units, 66 detached single family units and 118 attached townhomes are planned.

As shown in Panel B of Table 2-1, population of the proposed Christopher Homes Project is estimated at 672 after buildout. The average household size based on the population and housing data from DOF for the City is estimated at 4.07. Because the proposed project includes only single family detached and attached units, an analysis of the U.S. Census *American Community Survey, Public Use Microdata Survey (PUMS)* for Rialto was prepared. As shown in Appendix Table A-1, the average household size per single family detached unit is 3.73 and the average persons per single family attached unit is 3.61. Therefore, these household sizes are used for estimating the buildout population for the proposed project.

#### **2.2 Net Assessed Valuation Increase and Projected Property Tax**

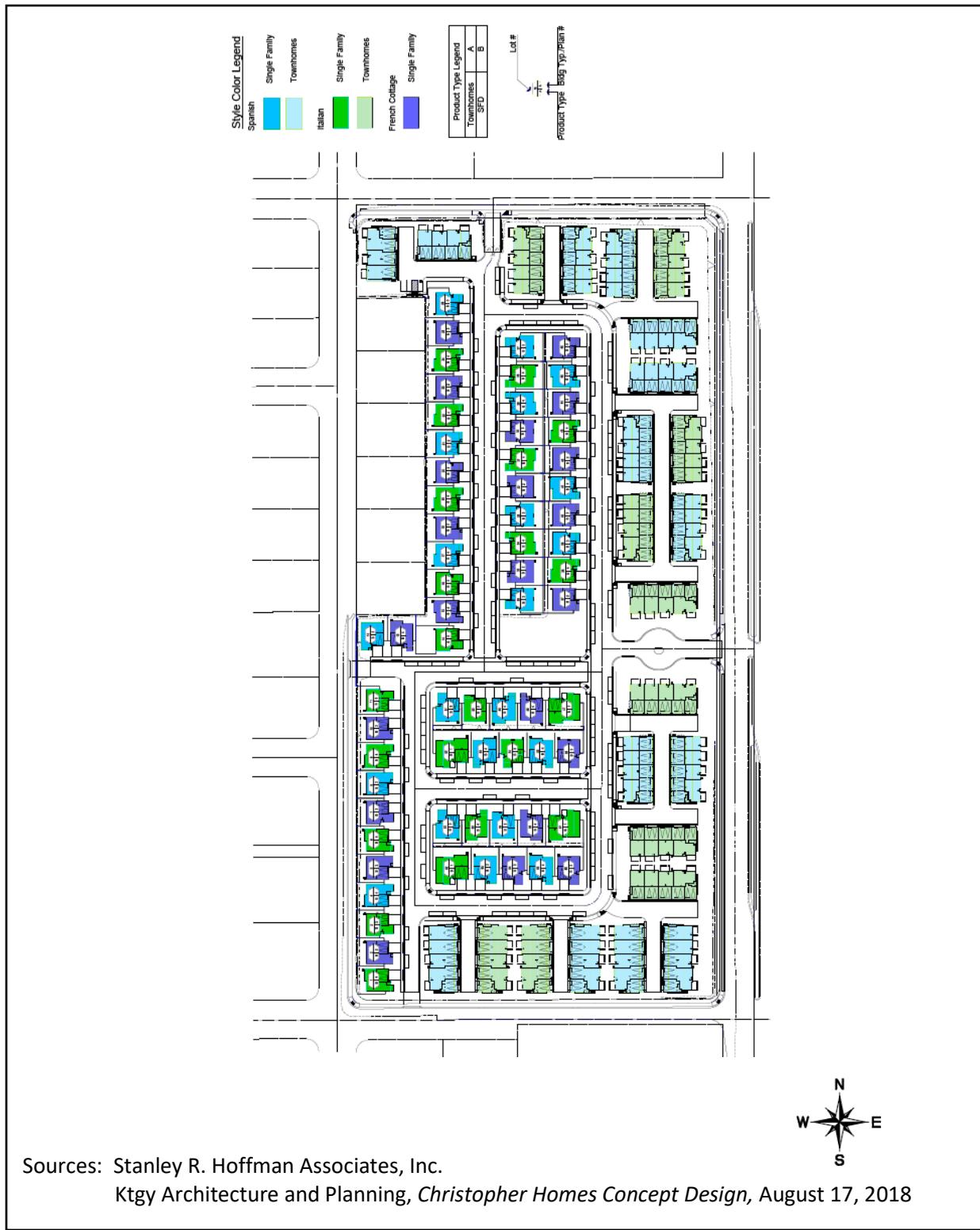
##### **Assessed Valuation**

As shown in Panel C of Table 2-1, new residential valuation is projected at \$69.72 million after buildout based on average value of \$437,767 per detached single family unit and \$345,959 per attached townhome as provided by the Project applicant. When the existing valuation of about \$4.78 million for the Project site (see Table 2-2) is subtracted from the new valuation, the net new valuation for the Project is estimated at about \$64.94 million.

##### **Projected General Fund Property Tax**

Panel D of Table 2-1 presents the projected property tax to the City's General Fund for the Christopher Homes Project after buildout. Based on the estimated net new assessed valuation

**Figure 2-1**  
**Conceptual Site Plan**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**



**Table 2-1**  
**Detailed Development Description after Buildout**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Category	Buildout
<b>A. PROJECT SITE ACRES</b>	
Gross Parcel Acres	16.40
Net Site Acres	15.98
<b>B. RESIDENTIAL DEVELOPMENT</b>	
<b>Units</b>	
Detached Single Family (1,646 to 2,406 square feet)	66
Attached Townhomes (1,131 to 1,553 square feet)	<u>118</u>
Total Units	184
<b>Population<sup>1</sup></b>	
Detached Single Family (@ 3.73 persons per unit)	246
Attached Townhomes (@ 3.61 persons per unit)	<u>426</u>
Total Population	672
<b>C. ESTIMATED NET NEW ASSESSED VALUATION</b>	<b>Average Value per Unit<sup>2</sup></b>
Detached Single Family	\$437,767
Attached Townhomes	\$345,959
Total New Valuation	\$69,715,784
Existing Valuation	<i>minus</i>
	\$4,775,746
Net New Assessed Valuation	\$64,940,038
<b>D. ESTIMATED RECURRING PROPERTY TAX</b>	
1% Property Tax Levy	\$649,400
City of Rialto Share of 1% Percent Levy	<i>times</i>
	14.03%
Estimated Recurring Property Tax to General Fund <sup>3</sup>	\$91,110
<b>E. ESTIMATED RECURRING IN LIEU PROPERTY TAX (VLF)</b>	
Net New Assessed Valuation (AV)	\$64,940,038
In Lieu Property Tax (VLF) per \$1,000,000 AV	<i>times</i>
	\$1,420
Estimated Recurring In Lieu Property Tax (VLF) <sup>3</sup>	\$92,210
<b>F. ESTIMATED RETAIL SALES AND USE TAX</b>	
Estimated Project Population	672
Average City Retail Sales and Use Tax per Capita	<i>times</i>
	\$116
Estimated Recurring Sales and Use Tax <sup>3</sup>	\$77,950

1. Population is estimated based on the persons per unit by unit type, as calculated from the 2017 American Community Survey for the City of Rialto, and shown in Appendix Table A-1.

2. The average value per unit type is provided by the project applicant.

3. Estimated property tax, in lieu property tax (VLF) and sales and use tax are rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, Assistant City Administrator/Development Services Director

Christopher Development Group, Inc., Applicant

**Table 2-2**  
**Estimated 2018 Assessed Valuation of Project Site**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
(In Constant 2019 Dollars)

Parcel Number	2018 Assessed Valuation (AV)						Tax Rate	Parcel Acres
	Land Value	Improvement Value	Personal Property	AV Total	Less Real Estate Exemptions	Net AV <sup>1</sup>		
0128-051-10-0000	\$786,062	\$0	\$0	\$786,062	\$0	\$786,062	6111	2.810
0128-051-27-0000	1,546,650	0	0	1,546,650	0	1,546,650	6111	5.270
0128-051-34-0000	<u>2,443,034</u>	<u>0</u>	<u>0</u>	<u>2,443,034</u>	<u>0</u>	<u>2,443,034</u>	6111	<u>8.324</u>
Total	\$4,775,746	\$0	\$0	\$4,775,746	\$0	\$4,775,746		16.404

1. The net assessed valuation was calculated by subtracting the total real estate exemptions from the sum of the land value, improvement value, and personal property.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County, Assessor-Recorder-County Clerk, *2018 Roll Values and Parcel Map*

of about \$64.94 million, the basic 1 percent property tax levy is estimated at \$649,400. The property tax allocation to the City for tax rate area (TRA) 6111 in which the Project is located is 14.03 percent, as shown in Table A-4. Therefore, the recurring property tax increase to the City's General Fund for the Project after buildout is estimated at \$91,110 when rounded to the nearest tens.

### **2.3 Projected In Lieu Property Tax - Vehicle License Fees (VLF)**

The City's General Fund will also receive in lieu property tax - VLF based on the increase in assessed valuation in the City. As shown in Appendix Table A-5, the VLF - property tax in lieu in the City is projected to increase at the rate of \$1,420 per million dollars of new assessed valuation (AV). Therefore, as shown in Panel E of Table 2-1, based on the net new assessed valuation of \$64.94 million and the factor of \$1,420 per million dollars, in lieu property tax - VLF is projected at \$92,210 annually after buildout.

### **2.4 Projected Off-Site Retail Sales and Use Tax Captured in Rialto**

Sales and use tax is projected for the retail taxable sales that will be captured in the City from purchases made by the future residents of the proposed Christopher Homes Project subdivision. As shown in Panel F of Table 2-1, estimated annual residential retail sales and use tax by future Christopher Homes Project residents is projected at \$77,950 after buildout.

Retail sales and use tax from taxable purchases made by future Christopher Homes Project residents is projected at \$116 per capita, as shown in Table 2-3. Point-of-sale sales tax in the City is estimated at \$17.02 million for 2018 based on sales and use tax data from the City, as shown in Appendix Table A-7.

Based on the most recent distribution of retail and non-retail taxable sales from the City, 43 percent of taxable sales are retail, as shown in Appendix Table A-7. Applying this 43 percent to the City estimated sales tax of \$17.02 million, retail sales are estimated at \$10.89 million. Based on the City population estimate of 107,271, Citywide per capita retail sales tax is estimated at \$102 per capita. Use tax, estimated at 13.3 percent of point-of-sale sales tax results in an additional \$14 of tax per capita. Total average retail sales and use tax is estimated at \$116 per capita, as shown in Table 2-3.

**Table 2-3**  
**Estimated Residential Retail Sales and Use Tax Factor**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Category	Amount
Total Point-of-Sale Sales Tax <sup>1</sup>	\$17,022,451
Retail Percent of Total <sup>2</sup>	43%
Estimated Retail Sales Tax (@ 43% of Total)	\$10,894,369
Estimated City Population	107,271
Retail Sales Tax per Capita	\$102
Use Tax @ 13.3 Percent of Point-of-Sale Sales Tax <sup>3</sup>	<u>\$14</u>
<b>Total Retail Sales and Use Tax per Capita</b>	<b>\$116</b>

1. As shown in Appendix Table A-7, City reported about \$17.02 million of point-of-sale sales during 2018.
2. As also shown in Appendix Table A-7, retail sales represent about 45 percent of total point-of-sales sales tax in the City during 2018.
3. The calculation of the use tax is included in Appendix Table A-7.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, Assistant City Administrator/Director of Development Services, 2018 Sales Tax Information

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities*

*Counties and the State - January 1, 2011-2019*, Sacramento, May 2019

## CHAPTER 3

### FISCAL IMPACTS

This chapter presents the fiscal analysis of the Christopher Homes Project. The fiscal analysis is based on the land use description provided by Christopher Development Group, Inc. Fiscal impacts are presented in constant 2019 dollars with no adjustment for inflation.

#### 3.1 Projected Fiscal Impacts

As shown in Panel A of Table 3-1, a recurring annual deficit of \$46,420 is projected after buildout of the Christopher Homes Project. The annual projected recurring deficit of \$46,420 after buildout is based on projected recurring revenues of \$412,680 and recurring costs of \$459,100, including a 5% contingency/reserves factor. Based on the 184 units in the project, an average recurring deficit of \$250 per unit is projected, as shown in Panel B of Table 3-1.

**Projected Recurring Revenues.** About 44 percent of the total projected revenues after buildout are comprised of property tax and in lieu property tax – VLF. Utility user tax accounts for about 19 percent of total projected revenues after buildout. Sales and use tax from projected taxable retail purchases made by Project residents in the City also represents about 19 percent of recurring revenues after buildout. As discussed earlier, Rialto voters approved Measure M with an indefinite extension of the utility users tax (UUT) on June 5, 2018.

**Projected Recurring Costs.** Police protection and fire protection are the largest projected recurring costs and account for about 66 percent of total projected recurring costs after buildout. The next largest cost is general government, projected at about 13 percent of total projected recurring costs after buildout. The fiscal analysis also includes a 5 percent contingency and reserves cost.

**Table 3-1**  
**Detailed Projected Fiscal Impacts after Buildout**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
(In Constant 2019 Dollars)

Category	Buildout <sup>1</sup>	Percent of Total
<b>A. PROJECTED RECURRING FISCAL IMPACT</b>		
<b><u>Recurring Revenues</u></b>		
Property tax	\$91,110	22.1%
In lieu property tax (VLF)	92,210	22.3%
Property transfer tax-turnover	1,250	0.3%
Residential retail sales and use tax	77,950	18.9%
Franchise fees	19,350	4.7%
Proposition 172 Sales Tax-Public Safety	5,590	1.4%
Utility user tax	79,950	19.4%
Animal licenses and fees	970	0.2%
Fines and forfeitures	2,370	0.6%
Motor vehicle in lieu tax	350	0.1%
County LF excavation charges	1,960	0.5%
Current services	15,970	3.9%
Rents and concessions	1,740	0.4%
Administrative/passport/misc. fees	4,800	1.2%
Transfer from Gas Tax Fund	9,390	2.3%
Other transfers	3,630	0.9%
Interest on invested revenues	4,090	1.0%
Total Projected Revenues	\$412,680	100.0%
<b><u>Recurring Costs</u></b>		
Fire protection	\$121,150	26.4%
Animal control	4,620	1.0%
Police protection	181,830	39.6%
Development services	12,560	2.7%
Public works-administration	5,240	1.1%
Public works-engineering services & projects	2,410	0.5%
Pubic works-park maintenance	17,150	3.7%
Public works-street maintenance/traffic signals	8,860	1.9%
Public works-graffiti removal	580	0.1%
Public works-traffic safety	5,540	1.2%
Public works-storm drain program	340	0.1%
Recreation and community services	17,080	3.7%
General government	59,880	13.0%
Subtotal Recurring Costs	\$437,240	95.2%
5% contingency/reserves	\$21,860	4.8%
Total Recurring Costs	\$459,100	100.0%
<b><u>Annual Net Recurring Surplus or (Deficit)</u></b>	<b>(\$46,420)</b>	
<b><u>Revenue/Cost Ratio</u></b>	0.90	
<b>B. ANNUAL (DEFICIT) PER UNIT</b>		
Number of Units	184	
<b><u>Annual (Deficit) per Unit</u></b>	<b>(\$250)</b>	

1. Amounts are rounded to the nearest ten, except for the revenue/cost ratio.

Source: Stanley R. Hoffman Associates, Inc.

## CHAPTER 4

### CITY OF RIALTO FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the Christopher Homes Project fiscal impact analysis. Revenue and cost assumptions are based on the *City of Rialto, Annual Budget 2018 – 2019*, and the general assumptions presented in this Chapter.

The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs

#### **4.1 City General Assumptions**

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Based on the available data, some fiscal impacts are projected based on other factors as well, such as per unit or per acre factors. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2018/2019 budget categories by the City's resident population, employment or total service population. Table 4-1 provides the City's general assumptions for this fiscal analysis.

##### **Population**

Rialto's total population of 107,271 is based on the State Department of Finance (DOF) estimate as of January 1, 2019. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvened gas taxes.

##### **Household Size**

The average household size based on the population and housing data from DOF for the City is estimated at 4.07. Because the proposed project includes only single family detached and attached units, an analysis of the U.S. Census *American Community Survey, Public Use Microdata Survey* (PUMS) for Rialto was prepared. As shown in Appendix Table A-1, the average household size per single family detached unit is 3.73 and the average persons per single family attached unit is 3.61. Therefore, these household sizes are used for estimating the buildout population for the proposed project.

**Table 4-1**  
**City Population, Housing and Employment Assumptions**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Assumption	Description
	<b><u>Population and Housing</u></b> <sup>1</sup>
106,824	Household Population
<u>447</u>	<u>Group Quarters Population</u>
107,271	Total Population
27,553	Total Housing Units
20,395	Single Family Units
5,412	Multi-Family Units
1,746	Mobile Homes
26,346	Occupied Housing Units
4.06	Citywide Average Persons per Household
	<b><u>Household Size</u></b> <sup>2</sup>
3.73	Owner-occupied single family detached persons per unit
3.61	Owner-occupied single family attached persons per unit
	<b><u>Employment</u></b> <sup>3</sup>
23,960	Total City Employment
11,980	Employment Weighted at 50% <sup>3</sup>
	<b><u>Service Population (Population and Employment)</u></b>
107,271	Total Population
<u>11,980</u>	<u>Employment Weighted at 50%</u> <sup>4</sup>
119,251	Service Area Population (Population + Weighted Employment)

1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2019.
2. The persons per unit for owner-occupied single family detached and attached townhomes is calculated based on U. S. Census data, as cited below and presented in Appendix Table A-1.
3. Estimated employment for 2019 represents an interpolation of the SCAG 2012 and 2020 City employment from SCAG's RTP 2016 , as presented in Appendix Table A-2.
4. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and Counties and the State - January 1, 2011-2019*, Sacramento, May 2019

U. S. Census, American Community Survey (ACS) 2017, Public Use Microdata Survey for Rialto  
 City of Rialto, Assistant City Administrator/Development Services Director

Southern California Association of Governments (SCAG), *Adopted 2016 Regional Transportation Plan (RTP)*

## **Employment**

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. Total 2019 employment for the City is estimated at 23,960. As shown in Appendix Table A-2, the 2019 employment estimate is based on interpolation of the 2012 and 2020 employment from the Southern California Association of Governments (SCAG), *Adopted 2016 Regional Transportation Plan (RTP)*.

## **Service Population**

Fiscal factors that are impacted by both population and employment growth are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the total estimated City employment. Employment is weighted at 50 percent to account for the estimated less frequent use of City services by employment versus population.

As shown in Table 4-1, the service population for the City is estimated at 119,251. The service population estimate includes the resident population of 107,271 and the weighted employment of 11,980 (50 percent of 23,960).

## **4.2 City Revenue Assumptions**

The General Fund Fiscal Year (FY) 2018/2019 revenues are presented in Appendix Table A-3. Projected recurring revenues to the City General Fund include property tax; in lieu property tax (VLF); sales and use tax; property transfer tax; transient lodging tax; franchise fees; Proposition 172 sales tax-public safety; utility users tax; business licenses and permits; animal licenses and permits; fines, and forfeitures; motor vehicle in lieu tax; County landfill excavation charges; charges for current services; interest on investments; rents and concessions; administrative fees; transfers from the Gas Tax Fund; and transfers from other funds to the General Fund.

The revenue factors for the recurring revenues projected in the fiscal analysis are summarized in Table 4-2 and described in the remainder of this section. These factors are based on the City's Fiscal Year (FY) 2018/2019 revenues shown in Appendix Table A-3 and the appropriate projection basis, as presented in Table 4-1.

**Table 4-2**  
**General Fund Recurring Revenue Factors**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Revenue Source	Projected FY 2018/2019 Budget	Projection Basis <sup>1</sup>	Projection Factor <sup>1</sup>
<b>Tax Revenue</b>			
Property Taxes <sup>2</sup>	\$12,131,700	Assessed Valuation	1% Basic tax levy
In Lieu Property Tax (VLF)	\$12,047,360	Case Study	14.03% General Fund share of 1% levy
Sales and Use Tax	\$16,834,000	Taxable Sales	\$1,420 per \$1,000,000 assessed valuation
Use Tax Factor		Use Tax as Percent of Sales Tax	1% of projected taxable sales
Property Transfer Tax	\$541,000	Property turnover and valuation assumptions	13.3% of sales tax
Transient Lodging Tax	\$175,000	Room Receipts	3.5% residential turnover rate
Franchise Fees	\$3,433,700	Service Population = 119,251	\$0.55 per \$1,000 assessed valuation
Proposition 172 Sales Tax-Public Safety	\$892,700	Population = 107,271	
Utility Users Tax	\$14,188,100	Service Population = 119,251	\$118.98 per service population
<b>Licenses and Permits</b>			
Business/Contractors/Truckers Licenses <sup>3</sup>	\$2,935,000	Employment = 23,960	not projected
Dog Licenses	\$140,000	Population = 107,271	\$1.31 per capita
<b>Fines, Forfeits &amp; Penalties</b>			
<b>Revenue From Other Agencies</b>			
Motor Vehicle in Lieu Tax	\$56,000	Population = 107,271	\$0.52 per capita
County LF Excavation Charges <sup>4</sup>	\$347,500	Service Population = 119,251	\$2.91 per service population
<b>Charges for Current Services</b>			
Animal Control Fees	\$15,000	Population = 107,271	\$0.14 per capita
Other Police Related Fees <sup>5</sup>	\$402,900	Service Population = 119,251	\$3.38 per service population
Ambulance Service Fees	\$1,800,000	Service Population = 119,251	\$15.09 per service population
Ambulance Subscriptions	\$60,000	Population = 107,271	\$0.56 per capita
Weed & Lot Cleaning	\$40,000	Service Population = 119,251	\$0.34 per service population
Engineering General Services	\$500,000	Service Population = 119,251	\$4.19 per service population
Other Current Services	\$24,800	Service Population = 119,251	\$0.21 per service population
<b>Interest on Investments</b>			
	\$665,000	Percent of Projected Non Interest	1.0% of projected recurring revenues
		Recurring Revenues of \$70,205,615	
<b>Rents &amp; Concessions</b>	\$309,000	Service Population = 119,251	\$2.59 per service population
<b>Administrative/Passport Fees/Miscellaneous</b>	\$766,900	Population = 107,271	\$7.15 per capita
<b>Transfers In</b>			
Gas Tax Fund Transfer	\$1,500,000	Population = 107,271	\$13.98 per capita
Other Transfers <sup>6</sup>	\$643,855	Service Population = 119,251	\$5.40 per service population

1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50% of the total employment estimate.
2. The fiscal analysis projects property tax to the General Fund at the tax rate area (TRA) allocation of 14.05% percent of the basic 1% levy on assessed value. This factor is based on the allocation for TRA 6000 in which the project is located (see Appendix Table A-3).
3. Business licenses are not projected because there is no employment proposed for the project.
4. City administrative staff estimates that about 10 percent of the total \$3,475,000 County Landfill revenues (or \$347,500) are contributed from the City.
5. The other police related fees category includes fingerprinting, police false alarm responses, accident reports, general services, impound fees and crime analysis charges.
6. The other transfers in this category includes transfers to the General Fund from other funds, such as engineering, community facilities districts, Community Development Block Grant, landscaping maintenance and the water utility fund.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, California Annual Budget 2018-2019

State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State - January 1, 2011-2019,

Sacramento, May 2019

Southern California Association of Governments (SCAG), Adopted 2016 Regional Transportation Plan (RTP)

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### **Property Tax**

General Fund property tax is projected based on assessed valuation times the property tax allocation of the basic 1 percent levy for the tax rate area (TRA) in which the Project is located. As shown in Appendix Table A-4, the Project is located in TRA 6111 and the property tax allocation to Rialto for this TRA is 14.03 percent of the basic one percent property tax levy.

### **In Lieu Property Tax (VLF)**

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table A-4, the property tax in lieu of VLF in the City is projected to increase at an average of \$1,420 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the last 5 years.

### **Property Transfer Tax**

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2013-2017 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 3.5 percent per year (Appendix Table A-5).

### **Sales and Use Tax**

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is

allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table A-6 presents the City sales and use tax for Calendar Year 2018 provided by Assistant City Administrator/Director of Development Services. Use tax revenues to the City of Rialto are estimated at an additional 13.3 percent of point-of-sale sales tax.

### **Franchise Fees**

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and wastewater businesses within Rialto for use of public rights-of-way. Based on the City Fiscal Year (FY) 2018/2019 franchise revenues of \$3,443,700, franchise taxes are projected at \$28.79 per service population (119,251), as shown in Table 4-2.

### **Proposition 172 Sales Tax – Public Safety**

These revenues are projected at \$8.32 per capita based on the City FY 2018/2019 revenue amount of \$892,700 and the population estimate of 107,271.

### **Utility User Tax**

Rialto levies a utility users tax on the sale of electricity, natural gas, telephone/mobile, water, wastewater and cable/satellite services within the City. As shown in Table 4-2, based on the City FY 2018/2019 revenue amount of \$14,188,100 and the City's estimated service population of 119,251, utility user tax is projected at \$118.98 per service population.

### **Licenses and Permits**

Business/contractors/truckers licenses and dog licenses are included in this category.

**Business Licenses.** Business/contractors/truckers licenses are not projected for the Christopher Homes Project because there are no employees associated with the Project.

**Dog Licenses.** Dog licenses are projected at \$1.31 per capita based on the FY 2018/2019 revenue amount of \$140,000 and the City population estimate of 107,271. These projected revenues are combined with projected animal control fees in the fiscal analysis.

### **Fines and Forfeitures**

As shown in Table 4-2, these revenues are projected at \$3.53 per service population based on FY 2018/2019 revenues of \$421,100 thousand and the service population estimate of 119,251.

Revenues in this category include parking fines, court fines, and other fines/forfeitures/penalties.

### **Motor Vehicle in Lieu Tax**

Motor vehicle in lieu tax revenues are projected at \$0.52 per capita based on the City of Rialto FY 2018/2019 revenues of \$56,000 and the City population estimate of 107,271.

### **County Landfill Charges**

City Administrative staff estimates that about 10 percent of the FY 2018/2019 County landfill revenues of \$3,475,000, or \$347,500, are disposal fees from City sources. Based on this estimate of \$347,500 of revenues and the City's estimated service population of 119,251, these revenues are projected at \$2.91 per service population, as shown in Table 4-2.

Based on discussion with the City Director of Administrative and Community Services, these revenues are the City's portion of tonnage fees collected at the County-owned landfill located in the City. The City's waste hauler, Burrtec Industries, has an exclusive franchise with the City and part of the franchise agreement is that Burrtec Industries will dispose of the waste collected from the City at the County-owned landfill located in the City. Therefore, these revenues are assumed to increase with the growth planned for the Christopher Homes Project.

### **Charges for Current Services**

Current service charges include animal control, other police department fees, ambulance service fees/subscriptions, weed and lot cleaning, engineering general services and other current services. These revenues for current services are projected as follows.

**Animal Control Fees.** These fees are projected at \$0.14 per capita based on revenues of \$15,000 and the current city population estimate of 107,271. Projected animal control fees are combined with future dog licenses in the projected fiscal impacts.

**Other Police Related Fees.** These revenues are projected at \$3.38 per service population based on FY 2018/2019 revenues of \$402,900 and the estimated current City service population of 119,251. Revenues from fingerprinting, police false alarm responses, accident reports, general services, impound fees and crime analysis charges are included in this category.

**Ambulance Service Fees.** These revenues are projected at \$15.09 per service population based on FY 2018/2019 ambulance service fees of \$1,800,000 and the estimated current City service population, as shown in Table 4-2. These revenues are combined with Ambulance Subscriptions in the fiscal analysis.

**Ambulance Subscriptions.** These revenues are projected at \$0.56 per capita based on FY 2018/2019 ambulance subscriptions of \$60,000 and the estimated current City population of 107,271, as shown in Table 4-2. These revenues are combined with Ambulance Service Fees in the fiscal analysis.

**Weed and Lot Cleaning Fees.** These revenues are projected at \$0.34 per service population based on FY 2018/2019 revenues of \$40,000 and the estimated current City service population of 119,251.

**Engineering General Services.** These revenues are projected at \$4.19 per service population based on FY 2018/2019 revenues of \$500,000 and the estimated current City service population of 119,251.

**Other Current Services.** Based on mid-year FY 2018/2019 revenues of \$24,800 and the City service population of 119,251, these revenues are projected at \$0.21 per service population.

### **Interest on Investments**

These revenues are projected at 1.0 percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2018/2019 estimated interest earnings of \$665,000 and non-interest General Fund projected recurring revenues of \$70,205,615.

### **Rents and Concessions**

As shown in Table 4-2, these revenues are projected at \$2.59 per service population based on FY 2018/2019 revenues of \$309,000 and the City service population estimate of 119,251.

### **Administrative, Passport and Miscellaneous Fees**

These revenues are projected at \$7.15 per capita based on mid-year FY 2018/2019 revenues of \$766,900 and the City population estimate of 107,271.

### **Transfers In**

These revenues include the following transfers to the City General Fund:

**Gas Tax Fund Transfer.** Gas tax revenues are earmarked for road related costs including capital and maintenance functions. State gasoline taxes transferred to the General Fund are projected at \$13.98 per capita based on the FY 2018/2019 revenue amount of \$1,500,000 and the City population estimate of 107,271.

**Other Transfers.** These revenues include transfers to the General Fund from other funds, such as engineering, community facility districts (CFDs), Community Development Block Grant (CDBG), landscaping maintenance and the water utility fund. As shown in Table 4-2, other transfers to the General Fund are projected at \$5.40 per service population based on the FY 2018/2019 revenue amount of \$643,855 and the City's estimated service population of 119,251.

### **4.3 City Cost Assumptions**

The General Fund cost factors that are used in preparing the fiscal analysis for the Christopher Homes Project are presented in Table 4-3. These factors are based on the City's Fiscal Year (FY) 2018/2019 Budget shown in Table 4-3 and the City's population and service population estimates that are presented in Table 4-1.

Projected General Fund expenditures include general government, or overhead functions, and the following direct government services of fire, animal control, police, development services, public works and recreation. The fiscal analysis also projects contingency costs at 5 percent of recurring costs.

#### **General Government**

As shown in Panel A of Table 4-4, general government costs such as City Administrator, City Council, City Clerk, Management Services, City Treasurer, Human Resources, Finance, Purchasing and Non-Departmental expenditures provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental direct costs, such as police, fire and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to direct departmental costs.

As shown in Panel B of Table 4-4, FY 2018/2019 general government costs of \$15,256,300 represent about 21.2 percent of direct departmental costs of \$71,922,620. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 15.9 percent of direct costs.

#### **Fire**

As shown previously in Table 4-3, fire protection costs are projected at \$180.29 per service population based on FY 2018/2019 expenditures of \$21,499,538 and the City's estimated 119,251 service population.

#### **Police (excluding Animal Control)**

Police costs are projected at \$270.58 per service population, as shown in Table 4-3. These costs

**Table 4-3**  
**General Fund Recurring Cost Factors**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

General Fund Cost Category	FY 2018-2019 Cost		Projection Basis <sup>1</sup>	Cost Factor <sup>1</sup>
	Total	Adjusted		
General Government	\$15,216,300	\$11,412,225	Percent of General Fund Costs	15.9% of direct department costs, at a 75% marginal rate
Fire	\$21,499,538	\$21,499,538	Service Population = 119,251	\$180.29 per service population
Police (excluding animal control)	\$32,267,190	\$32,267,190	Service Population = 119,251	\$270.58 per service population
Animal Control	\$737,515	\$737,515	Population = 107,271	\$6.88 per capita
Development Services: Planning, Building, Code Enforcement and Economic Development <sup>2</sup>	\$4,979,701	\$2,229,701	Service Population = 119,251	\$18.70 per service population
Business Licensing	\$202,492	\$202,492	Employment = 23,960	not projected
Public Works: Public Works Administration	\$929,763	\$929,763	Service Population = 119,251	\$7.80 per service population
Engineering Services and Projects <sup>3</sup>	\$3,123,837	\$426,337	Service Population = 119,251	\$3.58 per service population
Park Maintenance	\$2,737,482	\$2,737,482	Population = 107,271	\$25.52 per capita
Street Maintenance/Street Sweeping/ Traffic Signals <sup>4</sup>	\$1,572,562	\$1,572,562	Service Population = 119,251	\$13.19 per service population
Graffiti Removal	\$103,435	\$103,435	Service Population = 119,251	\$0.87 per service population
Traffic Safety	\$983,806	\$983,806	Service Population = 119,251	\$8.25 per service population
Storm Drain Maintenance	\$59,960	\$59,960	Service Population = 119,251	\$0.50 per service population
Recreation and Community Services	\$2,725,340	\$2,725,340	Population = 107,271	\$25.41 per capita
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs

1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50% of the total employment estimate.
2. Net development services - planning, building, code enforcement and economic development costs of \$2,229,701 are the budgeted costs of \$4,979,701 minus projected one-time fees, permits and charges for services revenues of \$2,750,000, as shown in Table A-8.
3. Net public works engineering services and projects costs of \$426,337 are the budget costs of \$3,123,837 minus projected one-time fees for services of \$2,697,500, as shown in Table A-9.
4. Traffic/street sweeping/street maintenance funding is primarily provided through the Gas Tax Fund. According to the City's Fiscal Policy for New Development and Annexations, the City requires that new development annex into Landscaping and Lighting Maintenance District No. 2, or other appropriate financing for landscape maintenance of arterials and street lighting.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, California *Annual Budget 2018-2019*

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and Counties and the State - January 1, 2011-2019*, Sacramento, May 2019

Southern California Association of Governments (SCAG), *Adopted 2016 Regional Transportation Plan (RTP)*

City of Rialto, Administrative, Development Services and Public Works Departments

**Table 4-4 (page 1 of 2)**  
**Calculation of City General Government Overhead Rate**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

<b>General Fund Operating Expenditures<sup>1</sup></b>		<b>Fiscal Year 2018-2019</b>		
		<b>Total Budget</b>	<b>General Government</b>	<b>Non-General Government</b>
<b>General Government</b>				
City Administrator		\$758,783	\$758,783	
City Council		468,166	468,166	
City Clerk		714,151	714,151	
Management Services		803,555	803,555	
City Treasurer		474,697	474,697	
Human Resources		865,988	865,988	
Finance		1,648,273	1,648,273	
Purchasing		<u>229,406</u>	<u>229,406</u>	
Subtotal		\$5,963,020	\$5,963,020	
Non Department Expenditures: <sup>2</sup>		\$11,978,620		
	<i>minus</i>			
	<i>Recreation and Community Services Transfer equals</i>	2,725,340		\$2,725,340
Net Non Department Expenditures		\$9,253,280	\$9,253,280	
<b>Non-General Government</b>				
Engineering and Development Services:				
Planning Commission		\$2,250	\$2,250	
Administration		1,104,269	1,104,269	
Economic Development		181,097	181,097	
Planning Services		919,615	919,615	
Building Services		1,742,601	1,742,601	
Business Licensing		202,492	202,492	
Code Enforcement		<u>1,029,869</u>	<u>1,029,869</u>	
Total Engineering and Development Services		\$5,182,193	\$5,182,193	
Fire		\$21,499,538		\$21,499,538
Police Services:				
Police		\$32,267,190	\$32,267,190	
Animal Control		<u>737,515</u>	<u>737,515</u>	
Total Police Services		\$33,004,705	\$33,004,705	
Public Works:				
Administration		\$929,763	\$929,763	
Engineering Services		2,181,837	2,181,837	
Engineering-Projects		942,000	942,000	
Park Maintenance		2,737,482	2,737,482	
Street Maintenance - MOE		1,572,562	1,572,562	
Graffiti		103,435	103,435	
Traffic Safety		983,806	983,806	
Community Buildings		<u>59,960</u>	<u>59,960</u>	
Public Works Total		\$9,510,845		\$9,510,845
<b>GRAND TOTAL GENERAL FUND</b>		<b>\$87,138,921</b>	<b>\$15,216,300</b>	<b>\$71,922,621</b>

**Table 4-4 (page 2 of 2)**  
**Calculation of City General Government Overhead Rate**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

<b>B. GENERAL FUND OVERHEAD RATE</b>	
<b><u>Current General Government Overhead Rate</u></b>	
General Government Expenditures	\$15,216,300
	<i>divided by</i>
Direct General Fund Expenditures	\$71,922,621
	<i>equals</i>
Current General Government Overhead Rate	21.2%
<b><u>Overhead Rate At 75% Marginal Increase</u></b>	<b>15.9%</b>

1. Capital Projects Fund expenditures of \$3,985,600 are not included in General Fund operating expenditures.
2. Non Departmental transfers to the recreation and community services of \$2,725,340 are considered as direct departmental costs and are removed from Non Departmental expenditures. The remaining Non-Departmental costs of \$9,293,800 are assumed to be non direct costs or overhead costs.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, California Annual Budget 2018-2019

City of Rialto, City Administrator and Development Services Department

are based on FY 2018/2019 expenditures of \$32,267,190 and the City's service population estimate of 119,251.

### **Animal Control**

These costs are projected at \$6.88 per capita based on 2018/2019 expenditures of \$737,515 and the City's estimated population of 107,271.

### **Development Services**

Development services include building, planning and economic development; business licensing; and code enforcement. Based on the City FY 2018/2019 amounts these costs for development services are projected as follows.

**Building, Planning, Economic Development and Other Development Services.** Based on FY 2018/2019 net costs of \$2,229,700 and the City's estimated service population of 119,251, these costs are projected at \$18.70 per service population. As shown in Table 4-3, the total General Fund costs of \$4,979,701 are offset by one-time development related permit and fee revenues. Appendix Table A-8 presents the calculation of the net cost factor.

**Business Licensing.** Non-fee supported business licensing costs are not projected for the residential project because there are no businesses associated with the project.

## Public Works

Public works costs include department administration, engineering services and projects, park maintenance, street maintenance/street sweeping/traffic signals, graffiti removal, traffic safety, and storm drain maintenance. While the proposed Christopher Homes Project is a gated community and interior infrastructure will not be maintained by the City, public works costs are projected for the Project's impact on existing City infrastructure.

**Administration.** As shown previously in Table 4-3, public works administration costs are projected at \$7.80 per service population based on FY 2018/2019 costs of \$929,763 and the City service population estimate of 119,251.

**Engineering Services and Projects.** Total General Fund FY 2018/2019 public works engineering costs of \$3,123,837 are offset by one-time development related permit and fee revenues, as shown in Appendix Table A-9. Therefore, these costs are projected at \$3.58 per service population based on net costs of \$426,337 and the City service population estimate.

**Park Maintenance.** While public parks are not planned for the Christopher Homes Project, the impact on existing parks from future Project residents is projected at \$25.52 per capita. This cost factor is based on FY 2018/2019 budget costs of \$2,737,482 for park maintenance for the existing 134 City park acres and the City population estimate of 107,271.

**Street Maintenance/Street Sweeping/Traffic Signals.** Based on FY 2018/2019 General Fund costs of \$1,572,562 and the City service population estimate of 119,251, General Fund street maintenance/street sweeping/traffic signal costs are estimated at \$13.19 per service population, as shown in Table 4-3. These costs represent the project's impact on maintaining existing City street infrastructure.

**Graffiti Removal.** Public works costs for graffiti removal are projected at \$0.87 per service population. This factor is based on the mid-year FY 2018/2019 budget amount of \$103,435 and the City service population estimate of 119,251, as shown in Table 4-3.

**Traffic Safety.** Public works costs for traffic safety are projected at \$8.25 per service population. This factor is based on the FY 2018/2019 budget amount of \$983,806 and the City service population estimate of 119,251.

**Storm Drain Program.** Costs for the public works storm drain program are projected at \$0.50 per service population based on FY 2018/2019 costs of \$59,960 and the current City service population estimate of 119,251.

## Recreation and Community Services

General Fund recreation and community services costs are projected at \$25.41 per capita based on FY 2018/2019 expenditures of \$2,725,340 and the City's population estimate of 107,271, as shown in Table 4-3.

### **Contingency**

The fiscal analysis assumes a 5 percent contingency cost factor, based on discussion with city finance staff, to account for unanticipated costs that may be incurred due to economic and State Budgetary uncertainties. The 5 percent contingency factor is applied to the projected total costs, including general government.

**APPENDIX A**  
**SUPPORTING FISCAL ASSUMPTIONS TABLES**

**Table A-1**  
**Estimated Household Size**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Category	Rialto PUMA <sup>1</sup>		
	Housing Tenure		
	Owner	Renter	Total
<b><u>Household Population by Housing Tenure</u></b>			
Single Family Detached	69,831	23,880	93,711
Single Family Attached	1,730	448	2,178
Multifamily <sup>2</sup>	447	11,535	11,982
Mobile Homes	<u>1,737</u>	<u>152</u>	<u>1,889</u>
<b>Total</b>	<b>73,745</b>	<b>36,015</b>	<b>109,760</b>
<b><u>Households by Housing Tenure</u></b>			
Single Family Detached	18,733	4,855	23,588
Single Family Attached	479	78	557
Multifamily <sup>2</sup>	<u>253</u>	<u>3,962</u>	<u>4,215</u>
<b>Total</b>	<b>830</b>	<b>70</b>	<b>900</b>
	19465	8895	29260
<b><u>Household Size by Housing Tenure</u></b>			
Single Family Detached <sup>3</sup>	3.73	4.92	3.97
Single Family Attached	3.61	5.74	3.91
Multifamily <sup>2</sup>	1.77	2.91	2.84
Mobile Homes	2.09	2.17	2.10
<b>Total</b>	<b>3.79</b>	<b>4.05</b>	<b>3.75</b>

1. The City of Rialto is included in Public Use Microdata Area (PUMA) 07109.
2. Includes apartment buildings with 2 or more units.
3. The household sizes for the Christopher Homes project are highlighted in the table.

Source: Stanley R. Hoffman Associates, Inc.

Census American Community Survey (ACS) 2017, Public Use Microdata Survey

**Table A-2**  
**City Employment Estimate**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Category	2012 <sup>1</sup>	2020 <sup>1</sup>	Average Annual Growth Rate	2019 Estimate <sup>2</sup>
Rialto Employment	21,100	24,400	1.83%	23,960

1. The 2012 and 2020 employment numbers are obtained from the SCAG report cited below.

2. The 2019 estimate is an interpolation of the 2012 to 2020 SCAG growth forecast.

Sources: Stanley R. Hoffman Associates, Inc.

Southern California Association of Governments (SCAG), *Adopted 2016 Regional Transportation Plan (RTP)*

**Table A-3 (page 1 of 3)**  
**General Fund Revenues, Fiscal Year 2018/2019**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Revenue Category	Fiscal Year 2018-2019 Budget	Revenue Amount <sup>1</sup>		
		One-Time Licenses, Permits and Charges for Services	Not Projected in Fiscal Analysis	Revenue Projected in Fiscal Analysis
<b>A. OPERATING REVENUES</b>				
<b>Tax Revenue</b>				
Property Taxes	\$11,726,000	\$0	\$0	11,726,000
In Lieu Property Tax (VLF)	12,047,360	0	0	12,047,360
Sales Tax	16,834,000	0	0	16,834,000
Transient Lodging Tax	175,000	0	0	175,000
Unitary Property Tax	405,700	0	0	405,700
Franchise Fees	3,255,700	0	0	3,255,700
Franchise Fees-PD	178,000	0	0	178,000
Proposition 172 Sales Tax-Public Safety	892,700	0	0	892,700
Property Transfer Tax	541,000	0	0	541,000
UUT-Telephone/Mobile	2,457,300	0	0	2,457,300
UUT-Gas/Electric	7,429,000	0	0	7,429,000
UUT-Water	2,016,200	0	0	2,016,200
UUT-Cable/Satellite	694,800	0	0	694,800
UUT-Wastewater	<u>1,590,800</u>	0	0	<u>1,590,800</u>
<i>Total Tax Revenue</i>	<i>\$60,243,560</i>	<i>\$0</i>	<i>\$0</i>	<i>\$60,243,560</i>
<b>Licenses and Permits</b>				
Business Licenses	\$2,800,000	\$0	\$0	2,800,000
Contractors Licenses	95,000	0	0	95,000
Truck Delivery Licenses	40,000	0	0	40,000
Dog Licenses	140,000	0	0	140,000
Earthquake Fees	60,000	60,000	0	0
Building Permits	1,250,000	1,250,000	0	0
Plumbing Permits	130,000	130,000	0	0
Electrical Permits	300,000	300,000	0	0
Mechanical Permits	175,000	175,000	0	0
Overload Permits	10,000	10,000	0	0
State Business License Fee	12,000	0	12,000	0
SB 1473 State Revolving Fund Fee	15,000	0	15,000	0
Mobile Home Modification Permits	1,000	0	1,000	0
Alarm Installation Permits	60,000	0	60,000	0
Fire Permits	156,000	0	156,000	0
Mobile Home Park State OPS Permit	17,200	0	17,200	0
Certificates of Occupancy	8,000	8,000	0	0
Temporary Sign Permits	7,000	7,000	0	0
Demolition Permits	1,000	1,000	0	0
Other Licenses and Permits	<u>15,500</u>	<u>15,500</u>	0	0
<i>Total Licenses &amp; Permits</i>	<i>\$5,292,700</i>	<i>\$1,956,500</i>	<i>\$261,200</i>	<i>\$3,075,000</i>
<b>Fines, Forfeitures and Penalties</b>				
Parking Fines (City)	\$330,000	\$0	\$0	\$330,000
Court Fines (County)	130,000	0	130,000	0
Other Fines/Forfeits/Penalties	<u>91,100</u>	0	0	91,100
<i>Total Fines and Forfeitures</i>	<i>\$551,100</i>	<i>\$0</i>	<i>\$130,000</i>	<i>\$421,100</i>
<b>Use of Money &amp; Property</b>				
Interest Income from Other	\$29,700	\$0	\$29,700	\$0
Rents & Concessions	309,000	0	0	309,000
Investment Income	<u>665,000</u>	0	0	665,000
<i>Total Use of Money &amp; Property</i>	<i>\$1,003,700</i>	<i>\$0</i>	<i>\$29,700</i>	<i>\$974,000</i>

**Table A-3 (page 2 of 3)**  
**General Fund Revenues, Fiscal Year 2018/2019**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Revenue Category	Fiscal Year 2018-2019 Budget	Revenue Amount <sup>1</sup>		
		One-Time Licenses, Permits and Charges for Services	Not Projected in Fiscal Analysis	Revenue Projected in Fiscal Analysis
<b><u>Revenue From Other Agencies</u></b>				
Motor Vehicle in Lieu Tax	\$56,000	\$0	\$0	\$56,000
Disaster Assistance	25,000	0	25,000	0
State Mandated Reimbursements	55,000	0	55,000	0
Police Officers Standard Training (POST)	7,500	0	7,500	0
RUSD-Fiscal Affairs/DARE	110,000	0	110,000	0
State Local Assistance	2,000,000	0	2,000,000	0
DUI Emergency Response	6,000	0	6,000	0
County Reimbursement	8,840	0	8,840	0
County LF Excavation Charges <sup>2</sup>	3,475,000	0	3,127,500	347,500
<i>Total Revenue From Outside Agencies</i>	<i>\$5,743,340</i>	<i>\$0</i>	<i>\$5,339,840</i>	<i>\$403,500</i>
<b><u>Charges For Current Services</u></b>				
Planning Variance Reviews	\$8,000	\$8,000	\$0	\$0
Lot Line and Lot Splits	8,000	8,000	0	0
Specific Plan Reviews/Changes	9,000	9,000	0	0
Issuance Fee	100,000	100,000	0	0
Tentative Map Reviews	96,000	96,000	0	0
Sale of Maps/Publications	0	0	0	0
Zone Change	12,000	12,000	0	0
Conditional Development Reviews	80,000	80,000	0	0
Environmental Reviews	48,000	48,000	0	0
Animal Control Fees	15,000	0	0	15,000
Building Plan Check	950,000	950,000	0	0
Energy Plan Check	3,000	3,000	0	0
Public Improvement Inspection	300,000	300,000	0	0
Grading Inspection	14,000	14,000	0	0
Fingerprinting	1,000	0	0	1,000
Reproduction Charges	4,600	0	0	4,600
General Plan Amendment	7,000	0	7,000	0
Precise Plan Review	166,000	166,000	0	0
Police False Alarm Response	120,000	0	0	120,000
Police Accident Reports	60,000	0	0	60,000
Engineering General Services	500,000	0	0	500,000
Fire General Services	7,000	0	0	7,000
Police General Services	221,300	0	0	221,300
Engineering Improvement Plan Check	820,000	820,000	0	0
Special Investigation Fee	500	0	0	500
Ambulance Service Fees	1,800,000		0	1,800,000
Ambulance Subscriptions	60,000		0	60,000
Weed & Lot Cleaning	40,000		0	40,000
Fire Plan Check Fee	75,000		75,000	0
Nuisance Review	5,000	5,000	0	0
On Site Improvement Inspection	560,000	560,000	0	0
Planning General Services	12,000	0	0	12,000
Inspections for Multi-Family Rentals	200,000	0	200,000	0
Police Impound Fees	70,000	0	70,000	0
Crime Analysis Research	100	0	0	100
Other Charges for Current Services	1,200	0	0	1,200
Department-Premium Engineering	312,000	312,000	0	0
<i>Total Charges for Current Services</i>	<i>\$6,685,700</i>	<i>\$3,491,000</i>	<i>\$352,000</i>	<i>\$2,842,700</i>

**Table A-3 (page 3 of 3)**  
**General Fund Revenues, Fiscal Year 2018/2019**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
(In Constant 2019 Dollars)

Revenue Category	Fiscal Year 2018-2019 Budget	Revenue Amount <sup>1</sup>		
		One-Time Licenses, Permits and Charges for Services	Not Projected in Fiscal Analysis	Revenue Projected in Fiscal Analysis
<b><u>Other Revenue</u></b>				
Damage/Recovery Restitution	\$19,500	\$0	\$19,500	\$0
RUA Lease Payments	2,000,000	0	2,000,000	0
RUA Contract Payments	1,140,530	0	1,140,530	0
Administrative Fee	433,000	0	0	433,000
Passport Services Fees	300,000	0	0	300,000
Miscellaneous Revenue	<u>33,900</u>	0	0	<u>33,900</u>
<i>Total Other Revenue</i>	<b>\$3,926,930</b>	<b>\$0</b>	<b>\$3,160,030</b>	<b>\$766,900</b>
<b><u>Transfers In</u></b>				
Transfers-Gas Tax	\$1,500,000	\$0	\$0	\$1,500,000
Transfers-GEMT	325,000	0	0	325,000
Transfers-Waste Management	38,490	0	0	38,490
Transfers-Fire Development	1,260	0	0	1,260
Transfers-Landscaping & Lighting District	34,005	0	0	34,005
Transfers-AQMD 2766	6,190	0	0	6,190
Transfers-CDBG	75,000	0	0	75,000
Transfers-Traffic Development	51,300	0	0	51,300
Transfers-Casa Grande Debt Service	12,610	0	0	12,610
Transfers-Water Utility Fund	100,000	0	0	100,000
Transfers-CFD 87-1	36,940	0	36,940	0
Transfers-CFD 2006-1	<u>123,170</u>	0	<u>123,170</u>	0
<i>Total Transfers In</i>	<b>\$2,303,965</b>	<b>\$0</b>	<b>\$160,110</b>	<b>\$2,143,855</b>
<i>Subtotal Operating Revenues</i>	<b>\$85,750,995</b>	<b>\$5,447,500</b>	<b>\$9,432,880</b>	<b>\$70,870,615</b>
<b><u>B. NON OPERATING REVENUES</u></b>				
Transfers-PERS Property Tax	\$200	\$0	\$200	\$0
Airport Asset Sales	2,228,645	0	2,228,645	0
Development Agreements	3,400,000	0	3,400,000	0
County Landfill/Waste Rebates	<u>46,000</u>	0	<u>46,000</u>	0
<i>Subtotal Non Operating Revenues</i>	<b>\$5,674,845</b>	<b>\$0</b>	<b>\$5,674,845</b>	<b>\$0</b>
<b>General Fund Total</b>	<b>\$91,425,840</b>	<b>\$5,447,500</b>	<b>\$15,107,725</b>	<b>\$70,870,615</b>

- Projected one-time revenues from fees, permits and charges for services are deducted from budgeted costs for development services and public works engineering services and project costs, as shown in Appendix Tables A-8 and A-9. Revenues that would not be impacted by the proposed project are not projected in the fiscal analysis.
- City administrative staff estimates that about 10 percent, or \$320,300, of the total County Landfill revenues are contributed from disposal by the City.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Rialto, California Annual Budget 2018-2019

**Table A-4**  
**Property Tax Allocations of Basic One Percent Levy: TRA 6111**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Agency Code	Agency	TRA 6111
AB01 GA01	San Bernardino County General Fund	0.15307690
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.23179467
BF02 GA01	Flood Control Zone 2	0.02717455
BF07 GA01	Flood Control District, Administration, Zones 1 and 2	0.00191085
BL01 GA01	San Bernardino County Free Library	0.01482304
BS01 GA01	County Superintendent of Schools, Countywide	0.00525255
BS01 GA02	Superintendent of Schools, General Tax Levy - ROP	0.00090053
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00206612
BS01 GA04	County Superintendent of Schools, Mentally Handicapped	0.00165897
BS01 GA05	County Superintendent of Schools, Development Center	0.00054159
<b>CC28 GA01</b>	<b>City of Rialto</b>	<b>0.14031905</b>
SC54 GA01	San Bernardino Community College	0.05379922
SU50 GA01	Rialto Unified School District	0.33692736
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00206957
WU23 GA01	San Bernardino Valley Municipal Water	0.02768503
	Total	1.00000000

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, 11/01/18

**Table A-5**  
**Estimated In Lieu Property Tax of Vehicle License Fees (VLF) Factor**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
(In Constant 2019 Dollars)

Fiscal Year	In Lieu Property Tax (VLF) <sup>1</sup>	Assessed Valuation (AV) <sup>2</sup>	VLF per \$1,000,000 AV <sup>3</sup>
2014-2015	\$9,340,333	\$6,463,213,559	\$1,450
2015-2016	\$10,043,391	\$6,937,195,374	\$1,450
2016-2017	\$10,622,341	\$7,336,854,968	\$1,450
2017-2018	\$11,300,000	\$7,907,052,182	\$1,430
2018-2019	\$12,047,360	\$9,145,525,738	\$1,320
<b>Average of Five Years</b>			<b>\$1,420</b>

1. The property tax in lieu VLF amounts are from the City's budget as cited below.
2. City assessed valuation is from the County Assessor report as cited below.
3. Estimated VLF per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, *Fiscal Year 2018-19 Budget, Fiscal Year 2017-18 Budget*  
County of San Bernardino, *Assessed Rolls 2014, 2015, 2016, 2017, 2018*

**Table A-6**  
**Estimated Annual Residential Turnover**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

City of Rialto	Occupied Housing Units	Percent Turnover
<b>Total Owner Occupied Units</b>	<b>16,521</b>	
Moved in 2015 or later	636	
Moved in 2010 to 2014	3,621	
Moved in 2000 to 2009	<u>5,493</u>	
Total Moved 2000 to 2017	9,750	
<b>Annual Turnover Rate: 2000 to 2017<sup>1</sup></b>	<b>574</b>	<b>3.5%</b>

Note: 1. The annual turnover rate is based on the assumption of seventeen years for the 2000 through 2017 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2013-2017 *American Community Survey (ACS) 5-Year Estimates, Tenure by Year Householder Moved Into Unit, Report B25038, Rialto, California*

**Table A-7**  
**Calculation of Use Tax Factor**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**

Rialto	Amount	
<b>A. Total Sales and Use Tax<sup>1</sup></b>		
<u>Use Tax Pool</u>	\$2,263,490	
	<i>plus</i>	
<u>Point-of-Sale Sales Tax</u>		Percent of Total
Retail Group	\$7,234,748	43%
Business Group	<u>\$9,787,703</u>	<u>57%</u>
Total Point-of-Sale Sales Tax	\$17,022,451	100%
<u>Total Sales and Use Tax</u>	\$19,285,941	
<b>B. Use Tax Rate</b>		
<u>Use Tax</u>	\$2,263,490	
	<i>divided by</i>	
<u>Total Point of Sale Sales Tax</u>	\$17,022,451	
	<i>equals</i>	
<u>Use Tax Rate</u>	13.3%	

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, Assistant City Administrator/Director of Development Services, 2018 Sales Tax Information

**Table A-8**  
**General Fund Net Development Cost Factors**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Category	FY 2018-2019 Amount
<b>General Fund Development Services &amp; Engineering Costs</b> (Includes Engineering Costs (includes Planning, Building and Code Enforcement Divisions)	\$4,979,701
<b>Total One-Time Licenses, Permits and Charges for Services</b>	
<b>One-Time Licenses and Permits</b>	
Building Permits	1,250,000
Certificates of Occupancy	8,000
Temporary Sign Permits	7,000
Total One-Time Licenses and Permits	\$1,265,000
	<i>plus</i>
<b>One-Time Charges for Current Services</b>	
Planning Variance Reviews	\$8,000
Lot Lines and Lot Splits	8,000
Specific Plan Reviews/Changes	9,000
Issuance Fees	100,000
Tentative Map Reviews	96,000
Zone Change	12,000
Conditional Development Reviews	80,000
Environmental Reviews	48,000
Building Plan Check	950,000
Energy Plan Check	3,000
Precise Plan Review	166,000
Nuisance Review	5,000
Total One-Time Charges for Services	\$1,485,000
Total One-Time Licenses, Permits and Charges for Services	\$2,750,000
<b>Net Development Services &amp; Engineering Costs per Service Population</b>	
General Fund Development Services & Engineering Costs	\$4,979,701
minus	<i>equals</i>
Total One-Time Licenses, Permits and Charges for Services	\$2,750,000
Recurring Net Development Services & Engineering Costs	<i>divided by</i>
City Service Population	119,251
<b>Net Development Services &amp; Engineering Costs per Service Population</b>	<i>equals</i>
	<b>\$18.70</b>

Sources: Stanley R. Hoffman Associates, Inc.  
 City of Rialto, California *Annual Budget 2018-2019*  
 City of Rialto, City Administrator and Development Services Department

**Table A-9**  
**General Fund Net Public Works Engineering Cost Factor**  
**Christopher Homes Project**  
**Fiscal Impact Analysis, City of Rialto**  
**(In Constant 2019 Dollars)**

Category	FY 2018-2019 Amount
<b>Total General Fund Public Works Engineering Services and Projects</b>	
Engineering Services	\$2,181,837
Engineering - Projects	<u>942,000</u>
Total Public Works Engineering Services and Projects Costs	<u>\$3,123,837</u>
<b>Total One-Time Licenses, Permits and Charges for Services</b>	
<u>One-Time Licenses and Permits</u>	
Earthquake Fees	\$60,000
Plumbing Permits	130,000
Electrical Permits	300,000
Mechanical Permits	175,000
Overload Permits	10,000
Demolition Permits	1,000
Other Licenses and Permits	<u>15,500</u>
Total One-Time Licenses and Permits	<u>\$691,500</u>
	<i>plus</i>
<u>One-Time Charges for Services</u>	
Public Improvement Inspection	\$300,000
Grading Inspection	14,000
Engineering Improvement Plan Check	820,000
On Site Improvement Inspection	560,000
Department-Premium Engineering	<u>312,000</u>
Total One-Time Charges for Service	<u>\$2,006,000</u>
	<i>equals</i>
Total One-Time Licenses, Permits and Charges for Services	<u>\$2,697,500</u>
<b>Net Public Works Engineering Services Costs per Service Population</b>	
Total Public Works Engineering Services and Projects Costs	<i>minus</i> \$3,123,837
Total One-Time Licenses, Permits and Charges for Services	<i>equals</i> \$2,697,500
Recurring Public Works Engineering Services and Project Costs	<i>divided by</i> \$426,337
City Service Population	<i>equals</i> 119,251
<b>Net Public Works Engineering Services Costs per Service Population</b>	<i>equals</i> \$3.58

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, California Annual Budget 2018-2019

City of Rialto, City Administrator and Development Services Department

## APPENDIX B PROJECT REFERENCES

### **City of Rialto**

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Daniel Casey, Associate Planner, Development Services Planning Division  
909.820.2525

[yourrialto.com](http://yourrialto.com)

### **Applicant/Developer**

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Christopher Development Group, Inc.