

RESOLUTION NO. 19-068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ESTABLISHING INTERIM DEVELOPMENT IMPACT FEES AND AMENDING THE COMPREHENSIVE SCHEDULE OF FEES PREVIOUSLY ADOPTED BY RESOLUTION NO. 18-093.

WHEREAS, on July 17, 2018, the City Council adopted Resolution No. 18-093 amending the City of Carson's Schedule of Fees, and the resulting Schedule of Fees is currently in place; and

WHEREAS, upon the effective date of Ordinance No. 19-1931 establishing the Interim Development Impact Fee (IDIF) program (60 days after the adoption of Ordinance No. 19-1931), the City of Carson (the "City") will have authority to impose and collect IDIFs on new development as described in said Ordinance; and

WHEREAS, the intent and purpose of the IDIF to ensure that new development will not burden the City's existing population with the cost of traffic, parks facilities, and other City facilities required to accommodate growth; and

WHEREAS, the City of Carson engaged the services of Kelly Associates Management Group ("KAMG") to analyze the need for public facility improvements and calculate IDIFs to meet that need;

WHEREAS, KAMG provided an Interim Development Impact Fee Nexus Study (the "Fee Study"), dated March 19, 2019, attached hereto as Exhibit A and incorporated herein by this reference, which identifies the need for, and calculates the amount of, Interim Development Impact Fees to pay for necessary public facility improvements to serve and mitigate the impacts of new development; and

WHEREAS, the IDIFs are reasonably calculated to provide funds for facilities and capital improvements, the needs for which are attributable to impacts of development projects upon which the fee will be imposed; and

WHEREAS, upon the effective date of this Resolution, the City of Carson will collect, administer, and expend all IDIFs pursuant to the Resolution, Ordinance No. 19-1931, and State law; and

WHEREAS, on March 21, 2019 and March 28, 2019, notices of the public hearing to be held on April 2, 2019 regarding the proposed IDIFs were published in *Our Weekly*; and

WHEREAS, all interested parties that requested notice of the proposed IDIFs were notified, in writing, fourteen days prior to the public hearing to be held on April 2, 2019, regarding the same; and

WHEREAS, at least ten days prior to the April 2, 2019, public hearing, the City made

available in the City Clerk's Office and on the City's website the Fee Study and other public data indicating the amount of the cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues; and

WHEREAS, on April 2, 2019, the City Council held a duly noticed public hearing at which oral and written testimony was received and considered; and

WHEREAS, the City Council now desires to adopt new Interim Development Impact Fees, in accordance with the nexus calculations and recommendations in the Fee Study; and

WHEREAS, the City Council now desires to adopt the IDIFs as set forth in the proposed amended Schedule of Fees; and

WHEREAS, the City Council may determine it to be in the public interest to adopt fees less than the maximum justifiable fee presented in the Fee Study;

WHEREAS, faced with the demands on Public Facilities and services resulting from new development, without an Interim Development Impact Fee, the City will not be able to sustain its existing level of Public Facilities and services due to the fact that:

1. Carson is a very low property tax city, meaning it had no local property rate in the three years preceding the adoption of Prop. 12 in 1978, and therefore, has a permanently small share of the 1% property tax allowed by Prop. 13 as compared to other cities;
2. The City's assessed property values have not increased at the same rate as neighboring cities in part due to the heavy industrial presence in the City of petroleum and other industrial and manufacturing uses, resulting in slower property tax revenue growth;
3. Carson also has one of, if not the lowest, utility users tax in the region. Prior to the 1950s the County of Los Angeles allowed cities to incorporate as full property tax cities;
4. Carson incorporated in 1968 and was required to accept low property tax status in order for the County to agree to city formation. Although, many cities use property and utility user's taxes to fund City services, the low tax property tax and low utility user's tax rates in Carson amplify the City's fiscal challenges; and
5. While Carson was long able to rely on redevelopment revenues to fund capital costs in the City, the State's decision to terminate redevelopment has stripped the City of those revenues.

THE CITY COUNCIL OF THE CITY OF CARSON HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and incorporated fully herein.

Section 2. The City Council has considered the information in the Fee Study, which analyzes the need for capital improvements and/or public facilities in the following six Interim Development Impact Fee Categories:

- (1) Traffic;
- (2) Parks;
- (3) Beautification;
- (4) General Government Facilities;
- (5) Transportation Infrastructure; and
- (6) Utilities and Sustainability.

Section 3. The City Council determines the following:

1. Based on the information and analysis presented in the Fee Study, the City Council finds a reasonable relationship exists between the IDIF use and the type of developments subject to the IDIF because:
 - a. The IDIFs are one-time charges on new development to either fully or partially recover the estimated reasonable costs of providing the public infrastructure needed to mitigate the impacts of such new development.
 - b. The Parks IDIF is based on the costs of land acquisition and basic improvements to ready the land for park development to provide new parkland at a ratio of 3 acres/1000 additional population or employees equivalent to population.
 - c. The Traffic IDIF is based on the costs estimates for the specific Traffic Circulation System Improvements needed for the additional traffic related to new development.
 - d. The IDIFs for Beautification, General Government Facilities, Transportation Infrastructure, and Utilities and Sustainability are based on new developments' **proportional** share (proportion determined by costs distributed between new development and existing development) of the City's estimated cost of each eligible Capital Project as identified by the Fee Study. IDIFs will be used for acquisition, design and development (installation and construction) of public facilities.
2. Based on the information and analysis presented in the Fee Study, the City Council finds a reasonable relationship exists between the need for public facilities and the type of development subject to the IDIF because:
 - a. New development will result in additional population and employees (population equivalents) who will require additional public facilities capacity.
 - b. Based on those population equivalents, the IDIFs are calculated based on development type, and how the developments are predicted to increase the population's demands on existing City facilities.
 - c. The Fee Study analyzed the impacts of five years of growth based on the City's list of 23 major projects which are projected to add 1,470 multiple family

dwelling units; 810,000 sq. ft. of commercial; 68,360 sq. ft. of office; 1,073,280 sq. ft. of industrial/business park; 2,187 truck yard spaces; 247 hotel rooms; 599,000 sq. ft. of recreational development and 300 dormitory rooms.

3. Based on the information and analysis presented in the Fee Study, the City Council finds a reasonable relationship exists between the fee amount and the cost of public facilities subject to the IDIF because:
 - a. The IDIFs are calculated based on the estimated cost of additional or improved public facilities to meet the impacts of development.
 - b. The Parks cost is from the Los Angeles Countywide Comprehensive Park & Recreation Needs Assessment analysis of future park costs in Carson.
 - c. The Traffic cost is from the WGZE study of the specific needed traffic improvements.
 - d. The Fee Study determined that Parks and Traffic facilities and improvements are only needed due to new development, and therefore, the IDIFs for these two categories are based on new development paying for Parks and Traffic facilities and improvements necessitated by a development project's impact.
 - e. Unlike Parks and Traffic facilities needs created solely by new development, development projects' impacts on facilities described in the Fee Study under the categories of Beautification, General Government Facilities, Transportation Infrastructure, and Utilities and Sustainability contribute to, but are not solely responsible for, the need for new public facilities. Therefore, the Fee Study analyzed the cost of public facilities in those four categories, and spread the cost between new and existing development based on an estimated level of benefit with new development adding just over 4% to the need for these improvements and receiving just over 4% of the benefit. As a result, new development subject to IDIFs in those four categories will pay just over 4% to the total costs of each of the improvements within these four categories.
4. The method of allocation of the Interim Development Impact Fees to a particular development bears a fair and reasonable relationship to each development's burden on, and benefit from, the facilities and/or compensation measures to be funded by the six aforementioned Interim Development Impact Fee Categories, and
5. The Interim Development Impact Fees will be used towards the improvements identified in the IDIF study that include costs attributable to the increased demand for capital improvements and/or public facilities related to new Development.

Section 4. The Fee Study is hereby approved and adopted because the Fee Study:

1. Identifies the purpose of each IDIF;
2. Identifies the use to which each fee will be put; and
3. Demonstrates reasonable relationships as required by the Mitigation Fee Act.

Section 5. The fee schedule previously adopted by Resolution No. 18-093 is amended to include the following Interim Development Impact Fees, and the amended Schedule of Fees is attached as Exhibit B:

| RESOLUTION 19-068 INTERIM DEVELOPMENT IMPACT FEES | | |
|---|-------------------------|-------------------------------------|
| Project Type | Development Unit | FINAL RATES** |
| Residential MFR Studio / 1 Bedroom | Unit | \$ 11,200.00 |
| Residential MFR All Other | Unit | \$ 14,000.00 |
| Commercial | KSF | \$ 4,371.98 (\$4.37 per sq. ft.) |
| Office | KSF | \$ 3,032.88 (\$3.03 per sq. ft.) |
| Dormitory | Bed | \$ 974.78 |
| Hotel | Room | \$ 1,605.55 |
| Truck Yard | Truck Space | \$ 694.78 |
| Recreational | KSF | \$ 4,368.82 (\$4.37 per sq. ft.) |
| Industrial / Business Park | KSF | \$ 2,439.38 (\$2.44 per sq. ft.) |
| KSF = 1,000 Square Feet | | |
| | | |
| MFR = Multifamily Family Residential | | |
| *Not all fees may apply, refer to Ordinance No. 19-1931 (Article XI of C.M.C) | | |
| *Includes 12% Administration Fee added to Final IDIF Amount | | |

Section 6. Unless otherwise revised, the fees established by this Resolution shall be annually

adjusted each fiscal year, beginning on July 1, 2020, based on the State of California Construction Cost Index (the "CCCI") increase for the previous calendar year as determined on March 1 of each year.

Section 7. The adoption of the Fee Study and the IDIFs are categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The intent of the fee Study and the IDIFs are to provide a funding mechanism for projects that have been or will be analyzed under CEQA.

Section 8. This Resolution shall become effective 60 days after the City Council's adoption of Ordinance No. 19-1931 establishing the IDIF program.

Section 9. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

[signatures on the following page]

PASSED, APPROVED AND ADOPTED by the City Council of the City of Carson, California, at a regular meeting held on the ____ day of _____, 2019.

ATTEST:

Mayor Albert Robles

City Clerk Donesia Gause-Aldana

APPROVED AS TO FORM:

City Attorney Sunny K. Soltani

Exhibit A
Interim Development Impact Fee Nexus Study

As of March 22, 2019, the documentation of costs supporting adoption of IDIFs can be found in the Interim Development Impact Fee Study, prepared by Kelly Associates Management Group, located in City Hall and also posted on the City's website:

<http://ci.carson.ca.us/CommunityDevelopment/planningprojects.aspx>

INSERT IDIF STUDY

Exhibit B
Amended Schedule of Fees

[**As of the printing and posting of the Agenda for the April 2, 2019 City Council Meeting, the Finance Department was unable to access the revised fee schedule on the City's system. Therefore, as an attachment to the Agenda item presenting this Resolution, Staff is providing the existing Schedule of Fees (previously adopted by Resolution 18-093) for reference. If the City Council adopts this Resolution, then the Schedule of Fees adopted by Resolution 18-0983 shall be amended to include the IDIFs approved by the City Council in Section 5 above, and the amended Schedule of Fees shall be inserted into this Exhibit B.**]