

ORDINANCE NO. 3050

ORDINANCE OF THE CITY OF CHULA VISTA AMENDING
CHAPTER 3.50 OF THE CHULA VISTA MUNICIPAL CODE
RELATING TO DEVELOPMENT IMPACT FEES TO PAY FOR
VARIOUS PUBLIC FACILITIES WITHIN THE CITY OF
CHULA VISTA

WHEREAS, on January 8th, 1991, the City Council of the City of Chula Vista adopted Ordinance No. 2432, establishing the Public Facilities Development Impact Fee (PFDIF or Impact Fee); and

WHEREAS, on June 14th, 2005, the City Council of the City of Chula Vista adopted Ordinance No. 3010, increasing the PFDIF from \$5,048 to \$5,480 per single family dwelling unit; and

WHEREAS, cost estimates for the current list of needed public facilities have been updated; and

WHEREAS, PFDIF allocation factors have been recalculated using General Plan Fiscal Impact Model analysis; and

WHEREAS, the Impact Fee is solely based upon that portion of the project costs which are attributable to new development; and

WHEREAS, the fee increase was developed in conjunction with developers and the Building Industry Association (BIA); and

WHEREAS, development is considered to take place in accordance with the Phasing Plan established by the City's Planning Department, which is subject to change depending on actual development phasing; and

WHEREAS, the City's Environmental Review Coordinator has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA.

NOW, THEREFORE, BE IT ORDAINED, that the City Council of the City Of Chula Vista does hereby adopt and amend Chapter 3.50 of the Chula Vista Municipal Code relating to development impact fees to pay for various public facilities as follows:

SECTION 1: Findings

The City Council finds, after consideration of the evidence presented to it including the "Public Facilities Development Impact Fee, March 2006 Update," that certain amendments to Chapter 3.50 of the Chula Vista Municipal Code are necessary in order to assure that there are sufficient funds available to finance the public facilities necessary to serve new development within the City of Chula Vista by the development impact fee; and

The City Council finds, based on the evidence presented at the public hearing, and consistent with the City's General Plan, that the imposition of public facility impact fees on all development within the City of Chula Vista for which building permits have not been issued is necessary in order to protect the public health, safety and welfare by providing for the public facilities and services to assure effective implementation of the City's General Plan; and

The City Council finds that the amount of the amended fees levied by this ordinance does not exceed the estimated cost of providing the public facilities.

SECTION 2: That the existing Ordinance Nos. 2432, 2320, 2554, 2810, 2855 and 2886 are hereby superseded, and Chapter 3.50 of the Chula Vista Municipal Code is amended to read as follows:

3.50.010 General intent.

The City's general plan land use and public facilities elements require that adequate public facilities be available to accommodate increased population created by new development within the City of Chula Vista.

The City Council of the City of Chula Vista has determined that new development will create adverse impacts on the City's existing public facilities which must be mitigated by the financing and construction of certain public facilities which are the subject of this chapter. New development contributes to the cumulative burden on these public facilities in direct relationship to the amount of population generated by the development or the gross acreage of the commercial or industrial land in the development.

The City Council of the City of Chula Vista has determined that a reasonable means of financing the public facilities is to charge a fee on all developments in the City of Chula Vista. Imposition of the public facilities development impact fee on all new development for which building permits have not yet been issued is necessary in order to protect the public safety and welfare, thereby ensuring effective implementation of the City's general plan. (Ord. 2887 § 1, 2002).

3.50.020 Definitions.

For the purposes of this chapter, the following words or phrases shall be construed as defined in this section, unless from the context it appears that a different meaning is intended:

- A. "Building permit" means a permit required by and issued pursuant to the Uniform Building Code, as adopted by reference by this City.
- B. "Developer" means the owner or developer of a development.
- C. "Development permit" means any discretionary permit, entitlement or approval for a development project issued under any zoning or subdivision ordinance of the City.
- D. "Development project" or "development" means any activity described as the following:
 - 1. Any new residential dwelling unit developed on vacant land;

2. Any new commercial/office or industrial development constructed on vacant land;
 3. Any expansions to established developments or new developments on nonvacant land in those land use categories listed in subsections (D)(1) and (2) of this section, if the result is a net increase in dwelling units. The fee shall be based solely on this net dwelling unit increase;
 4. Any new or expanding special land use project;
 5. Any special purpose project developed on vacant land or nonvacant land, or expanded within a pre-existing site, if the result is a net increase in dwelling units. The fee shall be based solely on this net dwelling unit increase;
 6. Any other development project not listed above but described in Section 65927 and 65928 of the State Government Code.
- E. "Community purpose facility" means a facility which serves one of the following purposes:
1. Social service activities, including such services as Boy Scouts and Girl Scouts, Boys and Girls Club, Alcoholics Anonymous and services for the homeless;
 2. Public schools;
 3. Private schools;
 4. Day care;
 5. Senior care and recreation;
 6. Worship, spiritual growth and development.
- F. "Special land use" means any nonresidential, non-commercial/office or nonindustrial development project (e.g., Olympic Training Center, hospitals, utilities), or non-special purpose project.
- G. "Special purpose project" means any for-profit community purpose facility (e.g., day care).
- H. "Engineer report" refers to the April 20, 1993, "development impact fees for public facilities" report.
- I. "Extraordinary project cost increases" means increases resulting from costs that could not have been reasonably foreseen at the time a project budget was established.
- J. "Extraordinary dwelling unit change" means an increase or decrease in the number of remaining planned residential dwelling units or commercial/industrial acres for which building permits have not yet been pulled, which changes the existing total by more than 2,000 dwelling units or 200 commercial/industrial acres. (Ord. 2887 § 1, 2002).

3.50.030 Public facilities to be financed by the fee.

- A. The public facilities (facilities), which are the subject matter of the fee, include buildings, equipment and related one-time start-up costs or portions thereof, as detailed in subsection (C) of this section and in the engineer report on file in the Office of the City Clerk.

B. The City Council of the City of Chula Vista may modify or amend this list of facilities by written resolution in order to maintain compliance with the City's general plan or the capital improvement program.

C. The facilities are as follows:

1. Civic Center expansion;
2. Police department facilities and equipment;
3. Corporation yard relocation/expansion;
4. Library system expansion;
5. Fire suppression system expansion;
6. ** *Geographic information system expansion;*
7. ** *Computer system expansion;*
8. ** *Telecommunication system expansion;*
9. ** *Records management system expansion;*
10. Major recreation facilities (community centers, gymnasiums, swimming pools). (Ord. 2887 § 1, 2002).

***Facility projects are complete. No future projects will be added.*

3.50.040 Territory to which fee applicable.

The area of the City of Chula Vista to which the fee herein established shall be applicable shall be the territorial limits of the City of Chula Vista (territory), as they may from time to time be amended. (Ord. 2887 § 1, 2002).

3.50.050 Establishment of fee.

A development impact fee (fee) is hereby established to pay for the facilities within the territory. The fee shall be paid upon the issuance of building permits for each development project within the City of Chula Vista, except that, at the discretion of the City Manager, a developer may prepay all or part of Civic Center expansion fees that would be applicable to the developer's future development projects. Prepayment would occur at the then current rate; however, the developer has sole responsibility for paying subsequent fee increases resulting from (1) extraordinary project cost increases, or (2) normal annual adjustments in the Consumer Price Index (CPI) or Building Construction Index (BCI), or (3) extraordinary dwelling unit changes. (Ord. 2887 § 1, 2002).

3.50.060 Determination of fees by land use category.

For purposes of this fee, single-family dwelling units shall include single-family detached homes and detached condominiums; multifamily dwelling units shall include attached condominiums, townhouses, duplexes, triplexes, and apartments. Commercial/office and industrial development projects shall be charged on a per acre basis. Development impact fees for single-family, multifamily, commercial and industrial land uses shall be based on the demand for service generated by that land use, for each public facility set forth in CVMC 3.50.030:

| Public Facility | Service Demand Generated by Land Use | | | |
|--|--------------------------------------|---------------------------|-----------------|-----------------|
| | Single-Family Dwelling Unit | Multifamily Dwelling Unit | Commercial Acre | Industrial Acre |
| Police department facilities and equipment | .150 | .747 | .075 | .028 |
| Corporation yard relocation/expansion | .125 | .465 | .228 | .182 |
| Library system expansion (residential only) | .178 | .822 | .000 | .000 |
| Fire suppression system expansion | .212 | .707 | .060 | .020 |
| Major recreation facilities (residential only) | .178 | .822 | .000 | .000 |
| General Government | | | | |
| Civic Center expansion | .169 | .742 | .058 | .031 |
| Administration | .169 | .742 | .058 | .031 |

The rate for each special land use development project, as defined in CVMC 3.50.020, shall be equivalent to the commercial/office rate per gross acre of land. The Olympic Training Center shall be equivalent to the industrial rate per gross acre of land. The rate for each special purpose project, as defined in CVMC 3.50.020, shall be equivalent to one-half the commercial/office rate per gross acre of land. The charges shall be those outlined in CVMC 3.50.090(C). The fee multiplied by the total number of dwelling units or acres within a given development project represents a developer’s fair share (fair share) for that development project. (Ord. 2887 § 1, 2002).

3.50.070 Time to determine amount due.

The fee for each development shall be calculated at the time of building permit issuance and shall be the amount as indicated at that time, and not when the tentative map or final map were granted or applied for, or when the building permit plan check was conducted, or when application was made for the building permit, except that a developer of a development project providing low- and/or moderate-income housing in accordance with Section III, Objective 1 of the 1991 housing element of the general plan may request authorization to prepay or defer the fee for up to 500 equivalent dwelling units (EDUs) and said request may be approved at the sole discretion of the City Manager. In order to facilitate those low- and/or moderate-income projects which are planned for construction through March 24, 2005, the fee for said projects shall be the fee existing as of March 25, 2002. (Ord. 2887 § 1, 2002).

3.50.080 Purpose and use of fee.

The fee collected shall be used by the City for the following purposes, in such order and at such time as determined by the City Council:

- A. To pay for such of the facilities that the City Council determines should be constructed, installed or purchased at that time, or to reimburse the City for facilities funded by the City from other sources.
- B. To reimburse developers who have been required or permitted by CVMC 3.50.140(A) to construct, install or purchase approved facilities listed in CVMC 3.50.030(C), in such amounts as the Council deems appropriate.
- C. To repay any and all persons who have, pursuant to prior fee Ordinance Nos. 2320 or 2432, or pursuant to this chapter, advanced or otherwise loaned funds for the construction of a facility identified herein.
- D. To repay the City for administration costs associated with administration of the fee. (Ord. 2887 § 1, 2002).

3.50.090 Amount of fee.

- A. The fee shall be the amounts set forth in subsections (B) and (C) of this section. The fee shall be adjusted, starting on October 1, 2005, and on each October 1st thereafter, based on the following two indexes:

For the Civic Center expansion, libraries, fire suppression and major recreation facilities: the Engineering News Record, Building Construction Cost Index for the Los Angeles Area.

For the police, corporation yard, geographic information systems, computer systems, telecommunications systems, records management and administration components: The U.S. Department of Labor, Bureau of Labor Statistics (San Diego Metropolitan Statistical Area).

Adjustments of the fee based upon annual changes to these two indexes shall be automatic and shall not require further action by the City Council. The PFDIF may also be reviewed and amended by the City Council as necessary based on changes in the type, size, location or cost of the facilities to be financed by the fee; changes in land use designation in the City's general plan; and upon other sound engineering, financing and planning information. Adjustments to the fee resulting from these discretionary reviews may be made by resolution amending this section.

- B. The fee shall have portions which are, according to the engineer report, allocated to a specific facility (fee components), which correspond to the costs of the various facilities, plus the administration cost for the fee.

C. The fee shall be the following, depending on the land use:

| Land Use | Fee |
|---------------------------------------|---------------|
| Residential – Single-family dwellings | \$7,891/DU |
| Residential – Multifamily dwellings | \$7,477/DU |
| Commercial/Office | \$25,181/acre |
| Industrial | \$7,958/acre |
| Special land use | \$25,181/acre |
| Olympic Training Center | \$7,958//acre |
| Public purpose | Exempt |
| Nonprofit community purpose facility | Exempt |
| Special purpose project | \$12,590/acre |

(Ord. 3010 § 1, 2005; Ord. 2887 § 1, 2002).

3.50.100 Development projects exempt from the fee.

- A. Development projects by public agencies shall be exempt from the provisions of the fee if those projects are designed to provide the public service for which the agency is charged (public purpose).
- B. Community purpose facilities which are not operated for profit (nonprofit community purpose facilities) are also exempt inasmuch as these institutions provide benefit to the community as a whole, including all land use categories which are the subject matter of the fee. The City Council hereby determines that it is appropriate to spread any impact such nonprofit community purpose facilities might have to the other land use categories subject to the fee. In the event that a court determines that the exemption herein extended to community purpose facilities shall for any reason be invalid, the City Council hereby allocates the nonprofit community purpose facilities’ fair share to the City of Chula Vista and not to any of the land use categories which are the subject matter of the development impact land use categories.
- C. Development projects which are additions or expansions to existing dwelling units or businesses, except special land use projects, shall be exempt if the addition or expansion does not result in a net increase in dwelling units or commercial/industrial acreage. (Ord. 2887 § 1, 2002).

3.50.110 Authority for accounting and expenditures.

A. Fees Collected Before the Effective Date of the Ordinance Codified in This Chapter.

1. All fees which have accrued shall remain in separate accounts (accounts) corresponding to the facilities listed in CVMC 3.50.030, as established by the Director of Finance, and shall only be expended for the purposes associated with each facility account.
2. The Director of Finance is authorized to maintain accounts for the various facilities identified in this chapter and to periodically make expenditures from the accounts for the purposes set forth herein.

B. Funds Collected On or After the Effective Date of the Ordinance Codified in This Chapter.

1. The fees collected shall be deposited into a public facility financing fund (public facilities development impact fee fund, or alternatively herein “fund”), which is hereby created and shall be expended only for the purposes set forth in this chapter.
2. The Director of Finance is authorized to establish a single fund for the various facilities identified in this chapter and to periodically make expenditures from the fund for the purposes set forth herein. (Ord. 2887 § 1, 2002).

3.50.120 Findings.

The City Council of the City of Chula Vista finds that collection of the fee established by this chapter at the time of the building permit issuance is necessary to provide funds for the facilities and to ensure certainty in the capital facilities budgeting for growth impacted public facilities. (Ord. 2887 § 1, 2002).

3.50.130 Fee additional to other fees and charges.

This fee is in addition to the requirements imposed by other City laws, policies or regulations relating to the construction or the financing of the construction of public improvements within subdivisions or developments. (Ord. 2887 § 1, 2002).

3.50.135 Mandatory oversizing of facility – Duty to tender reimbursement offer.

Whenever a developer of a development project is required as a condition of approval of a development permit to cause a facility or a portion of a facility to be built to accommodate the demands created by the development project, the City may require the developer to install, purchase or construct the facility according to design specifications approved by the City, that being with such supplemental size or capacity required by the City (oversized capacity requirement). If such an oversized capacity requirement is imposed, the City shall offer to reimburse the developer from the fund either in cash or over time, with interest at the fair market value of money, as fees are collected, at the option of the City, for costs incurred by the developer for the design and construction of the facility, not to exceed the estimated cost of that particular facility as included in the calculation and updating of the fee. The City may update the fee calculation as the City deems appropriate prior to making such offer. This duty to offer reimbursement shall be independent of the developer’s obligation to pay the fee. (Ord. 2887 § 1, 2002).

3.50.140 Developer construction of facilities.

- A. Whenever a developer of a development project would be required by application of City law or policy as a condition of approval of a development permit to construct or finance a facility, or if a developer proposes to design and construct a portion of a facility in conjunction with the prosecution of a development project within the territory, and follows the procedure for doing same hereinbelow set forth, the City Council shall, in the following applicable circumstances, tender only the credit or reimbursement hereinbelow identified for that circumstance:
1. If the cost of the facility, incurred by the developer and acceptable to the City, is less than or equal to that portion of the developer's fair share related to the fee component for that facility, the City may only give a credit (developer credit) against that portion of the developer's fair share related to the fee component for that facility (fair share of the fee component); or
 2. If the cost of the facility, incurred by the developer and acceptable to the City, is greater than that portion of the developer's fair share related to the fee component for that facility, but less than or equal to the developer's total fair share, the City may give a credit, which credit shall first be applied against that portion of the fair share related to the fee component for that facility, and the excess costs for the facility shall then be applied as credits against such other fee components of the developer's total fair share as the City Manager, in his sole and unfettered discretion, shall determine; or
 3. If the cost of the facility, incurred by the developer and acceptable to the City, is greater than the developer's total fair share, the City may give a credit against the developer's total fair share as the City Manager, in his sole and unfettered discretion, shall determine; and/or the City may tender to the developer a reimbursement agreement to reimburse said developer only from the fund as moneys are available, over time, with interest at the fair market value of money, at the option of the City.
- B. Unless otherwise stated herein, all developer credits shall be calculated on a dollar basis and converted into dwelling units at the time building permits are pulled, based on the then-current fee. (Ord. 2887 § 1, 2002).

3.50.150 Procedure for issuance of credits or tender of reimbursement offer.

The City's extension of credits or tender of a reimbursement offer to a developer pursuant to CVMC 3.50.140 shall be conditioned on the developer complying with the terms and conditions of this section:

- A. Written authorization shall be requested by the developer from the City and issued by the City Council by written resolution before developer may incur any costs eligible for reimbursement relating to the facility.

- B. The request for authorization shall contain the information listed in this section and such other information as may from time to time be requested by the City.
- C. If the council grants authorization, it shall be by written agreement with the developer, and on the following conditions among such other conditions as the council may from time to time impose:
- D.
 - 1. Developer shall prepare all plans and specifications and submit same for approval by the City;
 - 2. Developer shall secure and dedicate any right-of-way required for the facilities;
 - 3. Developer shall secure all required permits and environmental clearances necessary for construction of the facilities;
 - 4. Developer shall provide performance bonds in a form and amount and with a surety satisfactory to the City (where the developer intends to utilize provisions for immediate credit, the performance bond shall be for 100 percent of the value of the project);
 - 5. Developer shall pay all City fees and costs;
 - 6. The City shall be held harmless and indemnified, and upon tender by the City, defended by the developer for any of the costs and liabilities associated with the construction of the facilities;
 - 7. The City will not be responsible for any of the costs of constructing the facilities. The developer shall advance all necessary funds to construct the facilities;
 - 8. The developer shall secure at least three qualified bids for work to be done. The construction contract shall be granted to the lowest qualified bidder. If qualified, the developer may agree to perform the work at a price equal to or less than the low bid. Any claims for additional payment for extra work or charges during construction shall be justified and shall be documented to the satisfaction of the director of public works;
 - 9. The developer shall provide a detailed cost estimate which itemizes those costs of the construction attributable to the facilities and exclude any work attributable to a specific subdivision project. The estimate is preliminary and subject to final determination by the director of public works upon completion of the facilities;
 - 10. The City may grant partial credit for costs incurred by the developer on the facility upon determination of satisfactory incremental completion of the facility, as approved and certified by the director of public works, in an amount not to exceed 75 percent of the cost of the construction completed to the time the partial credit is granted, thereby retaining 25 percent of such credits until issuance by the City of a notice of completion;

11. When all work has been completed to the satisfaction of the City, the developer shall submit verification of payments made for the construction of the facility to the City. The director of public works shall make the final determination on expenditures which are eligible for credit or reimbursement. (Ord. 2887 § 1, 2002).

3.50.155 Developer transfer of credits.

A developer who, in accordance with the provisions of CVMC 3.50.140 and 3.50.150, receives credits against future payments of the fee for one or more fee components may transfer those credits as provided herein to another developer.

- A. The developer shall provide the City with written notice of such transfer within 30 days. The notice shall provide the following information:
 1. The name of the developer to whom the credits were transferred;
 2. The dollar value of the transferred credits;
 3. The fee component(s) against which the credits will be applied; and
 4. The projected rate, by fiscal year, that the credits will be applied, until said credits have been fully redeemed.
- B. Credits received by a developer of a low-and/or moderate-income project in accordance with CVMC 3.50.070 can only be transferred to another low-and/or moderate-income development project. (Ord. 2887 § 1, 2002).

3.50.160 Procedure for fee modification or reduction.

Any developer who, because of the nature or type of uses proposed for a development project, contends that application of this fee is unconstitutional or unrelated to mitigation of the burdens of the development may apply to the City Council for a modification or reduction of the fee. The application shall be made in writing and filed with the City Clerk not later than 10 days after notice of the public hearing on the development permit application for the project is given, or if no development permit is required, at the time of the filing of the building permit application. The application shall state in detail the factual basis for the claim of modification or reduction. The City Council shall make reasonable efforts to consider the application within 60 days after its filing. The decision of the City Council shall be final. If a reduction or modification is granted, any change in use within the project shall subject the developer to payment of the fee. The procedure provided by this section is additional to any other procedure authorized by law for protection or challenging this fee. (Ord. 2887 § 1, 2002).

3.50.170 Fund loans.

- A. Loans by the City. The City may loan funds to the fund to pay for facilities should the fund have insufficient funds to cover the cost of said facility. Said loans, if granted, shall be approved upon the adoption of the annual City budget and shall carry interest rates as set by the City Council for each fiscal year. A schedule for repayment of said loans shall be established at the time they are made and approved by the Council, with a maximum term not to exceed the life of the fund.

B. Developer Loans. A developer may loan funds to the City as outlined in CVMC 3.50.140 and 3.50.150. The City may repay said developer loans with interest, under the terms listed in subsection (A) of this section. (Ord. 2887 § 1, 2002).

3.50.180 Effective date.


This chapter shall become effective sixty (60) days following its second reading and adoption. (Ord. 2887 § 1, 2002).

SECTION 3:


This chapter shall become effective sixty (60) days following its second reading and adoption.

Presented by

Approved as to form by



Edward Van Eenoo
Budget and Analysis Director



Ann Moore
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 7th day of November 2006, by the following vote:

AYES: Councilmembers: Chavez, McCann, and Padilla

NAYS: Councilmembers: None

ABSENT: Councilmembers: None

ABSTAIN: Councilmembers: Castaneda, Rindone



Stephen C. Padilla, Mayor

ATTEST:



Susan Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Susan Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 3050 had its first reading at a regular meeting held on the 24th day of October, 2006 and its second reading and adoption at a regular meeting of said City Council held on the 7th day of November 2006.

Executed this 7th day of November 2006.



Susan Bigelow, MMC, City Clerk