

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE ADOPTING DEVELOPMENT
IMPACT FEES FOR ALL NEW DEVELOPMENT WITHIN
THE CITY AND TAKING OTHER ACTIONS THERETO**

WHEREAS, the City of Arroyo Grande (the “City”), County of San Luis Obispo, State of California is duly authorized pursuant to the Mitigation Fee Act (the “Act”), commencing with California Government Code, section 66000 et seq., to impose development impact fees (“DIF”) for purposes defraying all or a portion of the costs of public facilities related to new development occurring within the City; and

WHEREAS, in accordance with requirements of the Act, the City Council has directed staff to conduct a comprehensive review of the City's DIF to determine whether those fees are adequate to defray the cost of public facilities related to new development projects; and

WHEREAS, the City contracted with Willdan Financial Services to provide a comprehensive evaluation of the City's existing DIF; and

WHEREAS, Willdan Financial Services prepared a report, entitled 2024 Development Impact Fee Nexus Study Update (the “Study”), dated January 30, 2024, attached to this Resolution as Exhibit “B,” and incorporated herein by this reference, which establishes amounts of the City's DIF and explains the nexus between the imposition of the fee and the estimated reasonable cost of constructing certain facilities for which the DIF is charged; and

WHEREAS, the Study and related documents have been made available for public review and comment as required by the Act; and

WHEREAS, the Study substantiates the need for DIF amongst eight different categories of facilities provided by the City; and

WHEREAS, the City provided notice of the public hearing and provided written notice to any interested parties that have requested such notice pursuant to the notice requirements of the Act; and

WHEREAS, in compliance with the Act, the City Council held a duly noticed public hearing on the proposed DIF on February 13, 2024 to hear all oral and written presentations from the public regarding the proposed DIF; and

WHEREAS, following the adoption of this Resolution, the City Council will adopt Ordinance No. ____, amending Arroyo Grande Municipal Code section 3.36.030 to reflect minor changes to the newly adopted DIF categories; and

RESOLUTION NO.

PAGE 2

WHEREAS, the City Council now desires to adopt the proposed DIF, in accordance with the nexus calculations and recommendations in the Study.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Arroyo Grande hereby finds as follows:

SECTION 1. Incorporation. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Findings. The City Council finds and determines that the Study, complies with the Act by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the Study:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 3. Fees for Uses Consistent with the Study. The City Council hereby determines that the fees collected pursuant to this Resolution shall be used to finance the public facilities described or identified in the Study or other such facility plans as may be proposed, modified, or amended from time to time by the City Council.

SECTION 4. Approval of Items in Development Impact Fee Study. The City Council has considered the specific project descriptions and cost estimates identified in the Study and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain DIF.

SECTION 5. Differentiation Among Fees. The City Council finds that the fees recommended in the Study are separate and different from other fees the City may impose through the implementation of a specific plan or as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing resolutions and ordinances, as may be amended from time to time.

In addition, this Resolution shall not be deemed to affect the imposition or collection of other fees the City is legally authorized to impose and collect.

RESOLUTION NO.

PAGE 3

SECTION 6. CEQA Finding. The City Council finds that this Resolution is exempt from the California Environmental Quality Act ("CEQA") because this Resolution does not qualify as a "project" under CEQA and because this Resolution will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines section 15060, subd. (c)(2), (3).) Section 15378 of the State CEQA Guidelines defines a project as the whole of an action, which could potentially result in either a direct physical change, or reasonably foreseeable indirect physical change, in the environment. Here, this Resolution will not result in any construction or development, and it will not have any other effect that would physically change the environment. This Resolution therefore does not qualify as a project subject to CEQA.

SECTION 7. Adoption of Report. The Study is hereby adopted.

SECTION 8. Amount of Fee. The City Council hereby approves and adopts the DIF as set forth in Exhibit "A" to this Resolution, attached hereto and incorporated herein by this reference. Exhibit "A" sets forth the aggregate amount imposed as a DIF for development projects and also sets forth the breakdown of each DIF by category type. The DIF set forth in Exhibit "A" are consistent with the Study. The amount of the DIF shall be modified annually to account for inflation each January 1 based on the change in the Engineering News Record, California Construction Cost Index each year. Such inflationary increases shall not constitute an increase within the meaning of the Act and may be implemented each year without the requirement to obtain approval of the City Council.

SECTION 9. Prior Resolutions Superseded. The DIF approved by this Resolution supersede previously adopted resolutions that set the amounts of DIF.

SECTION 10. Severability. If any action, subsection, sentence, clause or phrase of this Resolution or the imposition of the DIF for any project described in the Study or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this Resolution or other DIF levied by this Resolution that can be given effect without the invalid provisions or application of the DIF.

SECTION 11. Effective Date. Consistent with the Act, the DIF as identified in attached Exhibit "A" adopted by this Resolution shall take effect on April 15, 2024, a period longer than the required sixty (60) days following the adoption of this Resolution by the City Council.

SECTION 12. Records. The documents and materials associated with this Resolution that constitute the record of proceedings on which the City Council's findings and determinations are based are located at 300 E. Branch Street, Arroyo Grande, CA 93420. The City Clerk is the custodian of the record of proceedings.

PASSED AND ADOPTED by the City Council of the City of Arroyo Grande this 13th day of February 2024 by the following vote:

RESOLUTION NO.
PAGE 4

On motion of Council Member _____ seconded by Council Member _____ and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

The foregoing Resolution was passed and adopted this 13th day of February, 2024.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY

EXHIBIT "A"

2024 DEVELOPMENT IMPACT FEE SCHEDULE

Land Use	Fire Protection	Police	Parks ¹	Recreation	Transportation	Storm Drain	Wastewater	Total
Residential – per Sq. Ft.	\$ 0.24	\$ 0.17	\$ 3.22	\$ 0.17	\$ 1.37	\$ 0.03	\$ 0.59	\$ 5.79
Nonresidential – per Sq. Ft.								
Commercial	\$ 0.21	\$ 0.15	\$ -	\$ -	\$ 6.94	\$ 0.01	\$ 0.26	\$ 7.57
Office	0.32	0.23	-	-	7.27	0.01	0.29	8.12

¹ Mitigation Fee Act fee for infill development shown. Development occurring in subdivisions subject to Quimby Act fee in lieu of dedication at \$2.77 per square foot. Refer to Table 5.7 for more information.

Meter Size	Water Impact Fee per Meter
5/8 inch	\$ 2,588
3/4 inch	3,881
1 inch	6,469
1-1/2 inch	12,938
2 inch	20,701
3 inch	38,814
4 inch	64,690
6 inch	129,380

**RESOLUTION NO.
PAGE 7**

EXHIBIT "B"

2024 DEVELOPMENT IMPACT FEE NEXUS STUDY