



# City of Chula Vista

## Legislation Details (With Text)

<b>File #:</b>	17-0203	<b>Name:</b>	Telegraph Canyon Sewer DIF Repealing Ordinance
<b>Type:</b>	Consent Item	<b>Status:</b>	Passed
		<b>In control:</b>	City Council
<b>On agenda:</b>	5/16/2017	<b>Final action:</b>	5/16/2017
<b>Title:</b>	ORDINANCE NO. 3402 OF THE CITY OF CHULA VISTA REPEALING ORDINANCE NO. 2533, RELATING TO THE ESTABLISHMENT OF THE TELEGRAPH CANYON SEWER BASIN DEVELOPMENT IMPACT FEE (SECOND READING AND ADOPTION)		

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Item 3 - Ordinance, 2. Item 3 - Attachment 1 - Ordinance 2533, 3. Item 3 - Attachment 2 - Map of Telegraph Canyon Sewer Basin

Date	Ver.	Action By	Action	Result
5/16/2017	1	City Council	approve	Pass

ORDINANCE NO. 3402 OF THE CITY OF CHULA VISTA REPEALING ORDINANCE NO. 2533, RELATING TO THE ESTABLISHMENT OF THE TELEGRAPH CANYON SEWER BASIN DEVELOPMENT IMPACT FEE (SECOND READING AND ADOPTION)

### RECOMMENDED ACTION

Council adopt the ordinance.

### SUMMARY

On November 10, 1992, the City Council adopted Ordinance No. 2533 (Attachment 1) establishing the Telegraph Canyon Sewer Basin Development Impact Fee (the "Telegraph Canyon Sewer Basin DIF"). The fee was established to provide sewer improvements within the Telegraph Canyon Sewer Basin to accommodate incremental increases in sewage flow anticipated to result from new development. All of the facilities identified in Ordinance 2533 have been constructed and repeal of the fee is now recommended.

### ENVIRONMENTAL REVIEW

#### Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. In addition, notwithstanding the foregoing, the "Project" also qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

#### Environmental Determination

The Director of Development Services 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 because the activity consists of administrative/fiscal actions that will not result in a physical change to the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. In addition, notwithstanding the foregoing, the Director of Development Services has also determined that the “Project” qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Thus, no environmental review is required.

## **BOARD/COMMISSION RECOMMENDATION**

Not Applicable

## **DISCUSSION**

### **Background**

Chula Vista’s *General Plan* and “Growth Management” ordinance require that adequate public facilities be available to accommodate increased population created by new development. In the early 1990’s, developers proposed construction of new homes within the boundaries served by the Telegraph Canyon Sewer Basin (“Basin”) (see Attachment 2), which handled a limited amount of wastewater. Recognizing that improvements to the Basin would be necessary to accommodate the additional population that new homes would bring, the City Council passed Resolution No. 15449 on January 23, 1990, requiring the preparation of the Telegraph Canyon Basin Improvement and Financing Plan (“Basin Plan”).

The Basin Plan dated July 31, 1992 (“Original Plan”) and the subsequent addendum dated September 25, 1992 (“Addendum”) determined that new development within the Basin would create adverse impacts on the City’s existing sewer facilities. Sewage expected to be generated from new development within the Basin would exceed the capacity of the existing sewer system. This impact would need to be mitigated by financing and constructing certain sewer facilities. The Basin Plan also justified sewer improvements and a fee levied on all new development discharging into the Basin.

On October 20, 1992, the City Council held a public hearing and determined the necessity of a sewer facilities development impact fee to be levied on all developments for which building permits had not yet been issued within the Basin service area. Following the public hearing, on November 10, 1992, the City Council adopted Ordinance No. 2533 establishing the Telegraph Canyon Sewer Basin DIF to fund improvements to the Basin and the amount of the fee levied so as not to exceed the estimated costs of providing such improvements. The initial fee was set at \$184 per equivalent dwelling unit (EDU).

The Telegraph Canyon Sewer Basin DIF was subsequently increased to \$216.50 per EDU via Resolution 19156 on September 1, 1998. The 1998 update implemented inflationary adjustments contemplated in the original ordinance. The fee has remained unchanged at \$216.50 since the 1998 action.

### **Telegraph Canyon Sewer Basin Improvements**

At this time, the necessary improvements as identified within the Basin Plan have been completed and no additional funding is required. Section XVII. “*Expiration of this Ordinance*” of Ordinance No. 2533 specifies that, “This ordinance shall be of no further force and effect when the City Council determines that the amount of Fees which have been collected reaches an amount equal to the cost

of the Facilities.”

Therefore, in accordance with Section XVII of Ordinance No. 2533, staff recommends the repeal of Ordinance No. 2533.

An amendment of Chapter 16 (Development and In-Lieu Fees) of the City’s Master Fee Schedule to remove the Telegraph Canyon Sewer Basin DIF is also recommended. If approved, the resolution would be effective upon the 2<sup>nd</sup> reading of the ordinance.

### **DIF Accounting**

The Telegraph Canyon Sewer Basin DIF fund balance was exhausted entirely in the construction of eligible facilities, resulting in a zero balance in the account. No refunds will be issued.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Councilmembers and has found that Mayor Casillas Salas, Councilmember McCann and Councilmember Aguilar have real property holdings within 500 feet of the boundaries of the property which is the subject of this action. However, to the extent that any decision would have a reasonably foreseeable financial effect on the member’s real property, the effect would be nominal, inconsequential, or insignificant. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702(b), this item does not present a real property-related conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, *et seq.*).

Staff is not independently aware, and has not been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

### **LINK TO STRATEGIC GOALS**

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. Completion of improvements to the Basin and repealing a completed development impact fee program supports the Operational Excellence and Strong and Secure Neighborhoods goals because it provides adequate public facilities that Chula Vista’s *General Plan* and “Growth Management” ordinance require.

### **CURRENT YEAR FISCAL IMPACT**

All staff costs associated with the preparation of this report are included in the adopted budget. Approval of the repeal Ordinance will stop all future collection of the Telegraph Canyon Sewer Basin DIF.

The Telegraph Canyon Sewer Basin DIF has exhausted its balance in the construction of eligible facilities. Following Council action the fund will be closed.

### **ONGOING FISCAL IMPACT**

There is no ongoing fiscal impact as a result of this action.

### **ATTACHMENTS**

Attachment 1 - Ordinance No. 2533

Attachment 2 - Map of Telegraph Canyon Sewer Basin

*Staff Contact: Kimberly Vander Bie - Associate Planner*