

## RESOLUTION NO. 2023-01

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROVIA CALIFORNIA, UPDATING THE TRAFFIC IMPACT FEE (TIF) SCHEDULE FOR DEVELOPMENT AND APPROVING THE TIF ANNUAL REPORT FOR FISCAL YEAR 2022

#### RECITALS

(i) On October 8, 2019, the City Council of the City of Monrovia adopted Ordinance No. 2019-05, which authorized the adoption and collection of traffic impact fees as codified in Chapter 3.22 of the Monrovia Municipal Code. The City Council also adopted Resolution No. 2019-43 on September 17, 2019 which established the purpose and amount of the traffic impact fee ultimately permitted by Ordinance No. 2019-05.

(ii) The City has caused to be prepared and published, as required by applicable law, an updated study of the impacts of contemplated future development on existing traffic facilities within the City of Monrovia, along with an analysis of the need for new traffic improvements required as a result of that new development, and said studies set forth the relationship between new development, the needed traffic improvements that result from new development, the reasonable causal relationship between the fee and the various types of new development, the estimated costs of those improvements, the proposed amount of the fee and the areas in which the fee will be imposed. The published study is entitled "Traffic Impact Fee Study for the City of Monrovia South of Huntington" dated April 2019 (the "Study"). The Study was prepared by Gibson Transportation Consulting, Inc. and has been on file in the office of the City Clerk and made available to the public as required by applicable law. The Study was adopted by the City Council as part of Resolution No. 2019-43.

(iii) Monrovia Municipal Code Section 3.22.080 allows the Traffic Impact Fee to be set and revised periodically by resolution of the City Council at the conclusion of a duly noticed public hearing, as required by law concerning the proposed adjustment of the traffic impact fees set forth herein. Adjustments are to be based on changes in the California Construction Cost Index ("CCCI").

(iv) City staff has prepared an Annual Report including TIF Fund Description, TIF Fee Schedule, TIF funds expended, and current fee, which have been on file in the Office of the City Clerk and made available for public review as required by applicable law.

(v) Staff informed the City Council that the CCCI increase in 2022 was 9.3%.

(vi) All legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE**, it is hereby found, determined and resolved by the City Council of the City of Monrovia as follows:

1. The facts set forth in the Recitals of this Resolution, are true and correct.
2. The City Council hereby specifically finds as follows:
  - a. The purpose of the fees adopted herein is to finance traffic improvements in order to reduce traffic impacts caused by new development within the City of Monrovia;
  - b. The traffic impact fees collected pursuant to this Resolution shall be used only to finance only the traffic improvements described or identified in the Study.
  - c. New development in the City of Monrovia South of Huntington Drive ("impact areas") will generate additional traffic impacts within the impacted areas as described in the Study, and will contribute to the degradation of traffic circulation within the City;
  - d. There is a need in the impact areas for traffic improvements to be constructed and said improvements have been called for in and/or are consistent with the City's Circulation and Land Use Elements of its General Plan, and with any applicable Specific Plan;
  - e. The facts and evidence presented establish that there is a reasonable causal relationship between the need for the described traffic improvements and the impacts of the types of development described in the Study, for which the corresponding fee is charged, and, also there is a reasonable relationship between the fee's use and the type of development for which the fee is charged, as these reasonable relationships or nexus are described in detail in the Study;
  - f. The cost estimates set forth in the Study, as adjusted, are reasonable cost estimates for constructing the described traffic improvements, and the fees expected to be generated by new development will not exceed the total of these costs;
  - g. All applicable requirements of Ordinance No. 2019-05 and Chapter 3.22 and California Government Code Section 66000, et seq., have been satisfied prior to or concurrent with the adoption of this Resolution, the approval of the Study and the imposition of the traffic impact fees approved herein.
3. The City Council approves the TIF adjustment based on the increases in the California Cost Construction Index (CCCI) for 2022 of 9.3%. The amount of the traffic impact fees for new development projects in the impact areas shall be \$2,353 per net new afternoon peak hour trip generated by each project, as defined in the Study.
4. The City Council hereby approves the Traffic Impact Fee (TIF) Annual Report for FY 2022 in the form and content attached hereto as Exhibit A.

5. The traffic impact fees established herein shall become effective not less than sixty (60) days following the adoption of this Resolution.


6. If this resolution or any element of it is challenged such that implementation of the new TIF fees is delayed, it is the City Council's intent that the previous TIF fee established by resolution shall remain in effect.

7. Pursuant to the California Environmental Quality Act (CEQA) and the City's local CEQA Guidelines, the adoption of this Resolution is covered by the general rule of CEQA that applies only to projects that have the potential for causing a significant effect on the environment and is therefore exempt, it is also statutorily exempt under CEQA Guidelines Section 15273 as a means to establish charges for the purpose of financing necessary capital projects.

8. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this resolution, or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this ordinance. The City Council hereby declares that it would have adopted this resolution, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

9. The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** this 17<sup>th</sup> day of January, 2023.

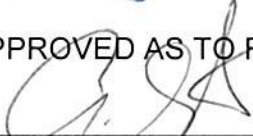
  
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Becky Shevlin, Mayor  
City of Monrovia

ATTEST:



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Alice D. Atkins, MMC, City Clerk  
City of Monrovia

APPROVED AS TO FORM:



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Craig A. Steele, City Attorney  
City of Monrovia

**EXHIBIT A**

Traffic Impact Fee (TIF) Annual Report for FY 2022



**Traffic Impact Fee (TIF) Annual Report for FY 2022**

***Background***

AB 1600, the Mitigation Fee Act was enacted by the California Legislature in 1989. These provisions, which are codified in Government Code section 66000 et seq., allow government agencies to impose development impact fees to fund improvements to mitigate anticipated impacts of new development on public services. In 2019, the City of Monrovia adopted Ordinance No. 2019-05 which authorized a Traffic Impact Fee (TIF) on specified new development south of Huntington Drive. The City ordinance is codified in Chapter 3.22 of the Monrovia Municipal Code (MMC).

AB 1600 requires that capital projects to be financed with TIF funds be identified in the Traffic Capital Improvement Plan (T-CIP). Periodic review and adjustment to the TIF is appropriate and warranted in order to insure that sufficient funds are collected to construct the improvements detailed in the T-CIP.

Government Code §66002 requires that an annual report be prepared that reviews the T-CIP and the estimated costs for constructing the identified improvements. The estimated costs for construction these facilities are adjusted each year by the CCCI. Pursuant to MMC §3.22.080, the fees are automatically adjusted pursuant to the requirements of Government Code §66018. Within 180 days after the last day of the fiscal year, the City must make the following information available.

***Public Review***

Pursuant to Government Code §66006(b)(2), the Annual Report will be available for public review not less than 15 days before the review by the City Council.

This report was made available on December 7, 2022 at Monrovia City Hall, Office of the City Clerk, 415 South Ivy Avenue, Monrovia, CA and online at [www.cityofmonrovia.org](http://www.cityofmonrovia.org).

The City Council will review the Annual Report at their regular meeting scheduled for January 17, 2023.

**REPORTING REQUIREMENTS**

**Fee Description:**

The Traffic Impact Fee (TIF) is intended to fund future anticipated traffic related improvements that will be needed to maintain *current* service levels that otherwise would be impacted by new development in Monrovia, specifically south of Huntington Drive.

The Traffic Capital Improvement Plan (T-CIP) uses the analysis of the existing conditions and the future conditions to identify traffic system improvements that will be required to maintain an acceptable Level of Service (LOS) based on projected growth. The T-CIP describes the recommended improvements, which fall into four categories:

- Signal coordination/synchronization
- Existing signal equipment upgrades
- New signal installation
- Physical right-of-way modifications (e.g. dedicated turn lane)





**Amount of Fee:**

As adopted in Resolution No. 2022-03, the current TIF is \$2,153 per new PM peak hour trip.

**Fund Balance:**

*The Annual Report must identify the beginning and ending balance of the Fund as well as the amount of the fees collected and the interest earned.*

For the Fiscal Year ending June 30, 2022, the Traffic Impact Fee Fund had the following activity:

<b>Beginning Balance July 1, 2020</b>	<b>Fees Collected</b>	<b>Other Revenue (Interest)</b>	<b>Expenditures</b>	<b>Ending Fund Balance June 30, 2022</b>
\$0	\$406,430	-\$1,597	\$0	\$404,833

The negative amount of "other revenue" is due to a fiscal year end adjustment to record cash and investments at fair market value per Governmental Accounting Standards Board (GASB) Statement No. 31.

**Public Improvements Funded using TIF revenues:**

The Annual Report must identify each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with TIF revenues.

There were no public improvements funded using TIF revenues.

As outlined in the Nexus Study, the T-CIP is a 20-year plan based on projected development in the Study Area. Since the plan is dependent on development fees, it is difficult to forecast completion dates for the listed projects. However, the City expects to complete all of the projects within the 20-year span of the plan or by 2040.

**Inter-fund transfers or loans:**

The Annual Report must give a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fee will be expended, and in the case of an inter fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No inter-fund loans were made from or to the Traffic Impact Fee fund during this reporting period.

**Refunds and allocations:**

The Annual Report must provide the amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds or allocation have been made from the TIF Fund.

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) §  
CITY OF MONROVIA )

I, ALICE D. ATKINS, MMC, City Clerk of the City of Monrovia, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution 2023-01, it was duly adopted and passed at a regular meeting of the Monrovia City Council on the 17th day of January, 2023, by the following vote:

**AYES:** Councilmembers Crudgington, Jiménez, Mayor Shevlin

**NOES:**

**ABSTAIN:**

**ABSENT:** Councilmember Dr. Kelly, Mayor Pro Tem Spicer

ATTEST:



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Alice D. Atkins, MMC, City Clerk  
City of Monrovia