

RESOLUTION NO. 2026-06-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, ADOPTING THE CITYWIDE IMPACT FEE NEXUS STUDY, ESTABLISHING THE FEE AMOUNTS FOR THE CITY'S DEVELOPMENT IMPACT FEES, ADOPTING A CAPITAL IMPROVEMENT PLAN AS PART OF THE NEXUS STUDY, ESTABLISHING THE FEE AMOUNTS, AND MAKING FINDINGS OF EXEMPTION PURSUANT TO CEQA

WHEREAS, The City desires to adopt DIFs on new development to fund the costs associated with increased demand for new public infrastructure, capital facilities, vehicles, equipment, and public services; and

WHEREAS, The Mitigation Fee Act (AB 1600), codified as California Government Code Section 66000 et. seq., authorizes the City to impose Development Impact Fees on new development within the City. Development Impact Fees (DIFs) are one-time charges on new development that are collected and used by the City to pay the costs incurred in connection with increased public infrastructure, capital facilities, vehicles, equipment, and public services that are necessary to serve that new development; and

WHEREAS, pursuant to the Mitigation Fee Act, local agencies are required to make specific findings when imposing fees to mitigate impacts of development projects and ensure fees are justified and used appropriately; and

WHEREAS, Assembly Bill 602 ("AB 602") amended the Mitigation Fee Act in 2021 and emphasized the need to adopt a DIF Nexus Study ("Nexus Study") at a public hearing, prior to the adoption of any new or increased DIF; and

WHEREAS, AB 602 requires in part that the Nexus Study identify the existing level of service for each public facility, identify new levels of service, include an explanation of why the new levels of service are more appropriate, and include information to support the required findings for adoption of new or increased Development Impact Fees; and

WHEREAS, independent consultant Harris & Associates prepared a Citywide Impact Fee Nexus Study, dated February 2026, attached hereto as Exhibit A and incorporated herein by reference (the "Nexus Study"); and

WHEREAS, the Nexus Study substantiates a methodology that will charge each new development project only for the costs necessary to mitigate the impacts expected to be caused by that development project; and

WHEREAS, The 2026 Nexus Study identifies: (1) the purpose of the impact fee; (2) the use of the impact fee; (3) the reasonable relationship between the use of the impact fee and the development type on which it is imposed; (4) the reasonable relationship between the need for the facilities and the type of development between the need for the type of development on which the fee is imposed; and (5) the reasonable relationship between the amount of the fee and facility cost attributable to the applicable development project. In the limited cases where the City has not calculated a fee proportionate to the square footage of the proposed units of development, the 2026 Nexus Study also provides: (1) an explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project; (2) an explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development; and (3) that other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees. The City Council hereby agrees with and incorporates all the findings set forth in the 2026 Nexus Study and adopts them as their own as if set forth in full here.

WHEREAS, the Citywide Development Impact Fees are consistent with the City's General Plan, including the City's Housing Element, because (1) they will help ensure that the City maintains appropriate growth measures to ensure that the City can provide facilities and infrastructure necessary to serve new development; (2) they require new development to meet level of service standards for necessary services and facilities; and (3) they are consistent with the City's obligation to affirmatively further fair housing because the fees are based on an essential nexus and do not exceed the calculated roughly proportional impacts of single family and multi-family residential development projects, and (4) they will not be a constraint on housing supply or affordability because the fees are necessary to ensure access to services and facilities for all new development in the City; and

WHEREAS, pursuant to Government Code Sections 66016, 66016.5, 66018, 66019, and 6062a, the City must adopt the updated Citywide Development Impact Fees only after notice and public hearing; and

WHEREAS, pursuant to Government Code Sections 66002, 66016.5, 66018, 66019, 6062a, a notice of a public hearing on the proposed fee schedule and the adoption of the Nexus Study, including the Capital Improvement Plan (CIP), was published in the Signal Tribune, a newspaper of general circulation; and

WHEREAS, pursuant to Government Code Sections 66019 and 66016.5, notice of the time and place of the meeting, including a general explanation of the matters to be considered and a statement that required data is available was mailed at least thirty (30) days prior to the meeting to those members of the public who filed a written request with the City; and

WHEREAS, at least ten (10) days prior to the public hearing referenced above, the City made available for public inspection information required under

Government Code Section 66000, et seq.; and

WHEREAS, the City Council has considered all information related to this matter, including any supporting reports by City Staff and any information provided by the public, prior to the close of the public hearing, pursuant to Government Code section 66019.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

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

SECTION 2. The City Council has been presented with and has reviewed the information related to the Citywide Impact Fee Nexus Report, including all supporting data and after being so informed hereby adopts the Citywide Impact Fee Nexus Report and supporting data.

SECTION 3. Pursuant to Government Code Section 66015.5(a)(5)(B) and in satisfaction of AB 602, the City Council hereby adopts the findings and conclusions set forth in the Citywide Impact Fee Nexus Study and incorporates them herein by reference. A copy of the 2026 Nexus Study shall be on file with the City Clerk and available during regular City business hours for public inspection.

SECTION 4. This resolution, authorizes the City to apply the development impact fees for Traffic, Water, Parks and Recreation, General Government Facilities, Police Facilities, and Program Administration provided herein. Additionally, based on the Nexus Study and consistent with the requirements of the Mitigation Fee Act, the City Council does hereby find, as fully set forth in the Citywide Impact Fee Nexus Study, the following: a. That the purpose of the impact fees has been identified; b. That the use of the fees has been identified; c. That there is a reasonable relationship between the use and the type of project on which it is imposed; d. That there is a reasonable relationship between the need for public improvements and the type of project on which it is imposed; e. That there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facilities attributable to the development on which the fee is imposed

SECTION 5. If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 6. The City Council hereby finds that adoption of the Citywide Impact Fee Nexus Study and the Capital Improvement Plan (“Capital Improvement Plan or CIP”), which serves as the Capital Improvement Program required by Government Code section 66016.5, and related amendments to the Citywide Impact Fees does not constitute a “project” under the California Environmental Quality Act (“CEQA”) pursuant to Public Resources Code section 21065 and CEQA Guidelines section 15378. While CEQA requires environmental review to occur at the earliest feasible stage, CEQA does not require review of actions that are speculative, conceptual, or preliminary in nature and that do not commit the City to a definite course of action that may result in a physical change in the environment.

The Nexus Study and Capital Improvement Plan are planning-level fiscal and policy documents that identify conceptual public facility needs and provide general cost estimates for long-range capital planning, budgeting, and rate-setting purposes only. Adoption of the Nexus Study and Capital Improvement Plan do not approve, fund, or authorize construction of any specific capital improvement project; do not establish final project descriptions, locations, designs, construction methods, phasing, or schedules; and do not commit the City to proceed with any particular project identified in the CIP. The City retains full discretion to modify, defer, redesign, relocate, or decline to pursue any project listed in the Capital Improvement Plan. Accordingly, adoption of the CIP does not represent a commitment to a definite course of action within the meaning of CEQA and does not result in any direct or reasonably foreseeable indirect physical change to the environment.

Even if adoption of the Nexus Study, Capital Improvement Plan, or fee amendments were considered a “project” for purposes of CEQA, then consistent with CEQA Guidelines section 15378(b)(4), adoption of the CIP and fee amendments constitutes the establishment of a government funding mechanism and long-range fiscal planning tool. Section 15378(b)(4) provides that a “project” does not include fiscal activities or administrative actions that do not involve any commitment to a specific project or physical development. The CIP functions solely to inform budgeting, financial planning, and infrastructure funding decisions and does not authorize or entitle any physical development.

The Nexus Study and Capital Improvement Plan also qualify as a feasibility and planning study that is exempt from CEQA under CEQA Guidelines section 15262, as it evaluates potential public facility needs and funding strategies at a conceptual level, prior to the City’s approval, adoption, or funding of any specific capital improvement project. Environmental review at this stage would be premature and speculative, as the City lacks sufficient project-level detail to meaningfully analyze environmental impacts or alternatives.

In addition, because the Nexus Study and Capital Improvement Plan are prepared in connection with the establishment and adjustment of fees and rates to finance public facilities, adoption of these documents and related fee amendments is exempt under CEQA Guidelines section 15273. Section 15273 recognizes that public agencies

must be able to engage in fiscal planning and establish funding mechanisms to meet infrastructure and capital financing needs without triggering CEQA review before any specific project has been approved or defined.

The City further finds that adoption of the Nexus Study and Capital Improvement Plan expressly reserves full discretion to the City Council and other decision-making bodies to approve, deny, modify, or pursue alternatives for any individual capital project identified in the Capital Improvement Plan, including alternative designs, locations, phasing, or funding approaches. No construction, ground-disturbing activity, or irreversible commitment of resources will occur unless and until the City takes separate future discretionary actions to approve a specific project, following appropriate environmental review under CEQA. Adoption of the Capital Improvement Plan does not limit the range of alternatives available to the City or predetermine the outcome of any future CEQA analysis.

Finally, the City Council finds that the action is exempt under the common sense exemption set forth in CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that adoption of the Nexus Study, Capital Improvement Plan, and related fee amendments, by themselves, have no possibility of resulting in a significant effect on the environment. Any future capital improvement projects would be subject to separate discretionary approvals and environmental review in accordance with CEQA and City practice.

SECTION 7. The City Council hereby adopts the Capital Improvement Plan, attached as Appendix A to the 2026 Citywide Impact Fee Nexus Study, as a part of the 2026 Citywide Impact Fee Nexus Study.

SECTION 8. The City Council hereby authorizes an automatic annual adjustment to the Citywide impact fees every year starting on July 1st, 2027. Each year, the fees shall be updated based on the percentage change in the Engineering News Record Construction Cost Index for the Los Angeles Area (Los Angeles ENR CCI) from May of the previous year to the most recent May. The base index for the first adjustment will be the May 2026 Los Angeles ENR CCI.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Signal Hill, California, on this 9th Day of June, 2026.

TINA L. HANSEN
MAYOR

ATTEST:

DARITZA PEREZ
CITY CLERK

Exhibit A - Citywide Impact Fee Nexus Study
Exhibit B - Development Impact Fee Schedule of Fees

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss
CITY OF SIGNAL HILL)

I, DARITZA PEREZ, City Clerk of the City of Signal Hill, California, hereby certify that Resolution No. 2026-06-XXXX was adopted by the City Council of the City of Signal Hill at a regular meeting held on the 9th Day of June, 2026, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DARITZA PEREZ
CITY CLERK