

RECEIVED

MAR 15 2021

City of South Gate  
CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER


6:40am

AGENDA BILL

For the Regular Meeting of: March 23, 2021

Originating Department: City Manager

Interim City Manager:

  
Chris Jeffers

Interim City Manager:

  
Chris Jeffers

**SUBJECT: SECOND READING OF ORDINANCE NO. 2021-03-CC REPEALING SECTION 9.46.030 (PUBLIC INTEREST AGREEMENTS), OF CHAPTER 9.46 (DEVELOPMENT IMPACT FEE), TO TITLE 9 (BUILDINGS) OF THE SOUTH GATE MUNICIPAL CODE.**

**PURPOSE:** To consider the adoption of Ordinance No. 2021-03-CC, repealing Section 9.46.030 (Public Interest Agreements), of Chapter 9.46 (Development Impact Fee), to Title 9 (Buildings) of the South Gate Municipal Code to ensure the City is relevant, clear and/or compliant with other statutory requirements.

**RECOMMENDED ACTION:** The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-03-CC repealing Section 9.46.030 (Public Interest Agreements), in its entirety, of Chapter 9.46 (Development Impact Fee), to Title 9 (Buildings), of the South Gate Municipal Code.

**FISCAL IMPACT:** None.

**ANALYSIS:** None.

**BACKGROUND:** During the regularly scheduled City Council Meeting of March 9, 2021 by a 5-0 vote, the City Council introduced Ordinance No. 2021-03-CC. Section 9.46.030 (Public Interest Agreements) within Chapter 9.46 (Development Impact Fee) of the South Gate Municipal Code permits, under certain circumstances, the City to enter into certain agreements to credit, waive, defer or reduce any development impact fees upon an applicant for a particular development project. Such action can only be considered if the applicant is requested to construct and dedicate oversized public water system improvement that equal the normal impact fee from the impact fee schedule. The action could also be undertaken if the applicant presents evidence that the development project will provide a general benefit to the health, safety, and welfare of the citizens of the City of South Gate through sales tax measures that equal the expense of the impact fee in a two-year time frame after business begins operation or if the project employs one hundred full-time employee in the intended operation.

The purpose of Chapter 9.46 is to levy a development impact fee upon projects as it has been previously determined that new development will have a future impact upon the City's water infrastructure in which current customers are not responsible for or causing. Most municipalities have developed and implemented various development impact fees upon new development in order to appropriately assess the burden in which new development will have upon various infrastructure functions within the community. Areas such as water, sewer, streets and parks are typical examples in which development impact fees have been developed and adopted.

This Section 9.46.030 undermines the methodology used to develop the impact fee along with the determination that new development should pay its fair share to ensure safe and reliable water service. At the same time, it would shift the burden of those impacts to the City's general fund or to other water customers. In addition, changes in California law would require such developments to comply with the prevailing wage regulations.

Staff is unaware of any such agreements being entered into by an applicant and City. This action is the result of a review on various municipal code sections to ensure they are relevant, clear and/or compliant with other statutory requirements.

**ATTACHMENT:** Ordinance No. 2021-03-CC

**ORDINANCE NO. 2021-03-CC**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, REPEALING SECTION 9.46.030 (PUBLIC INTEREST  
AGREEMENTS), IN ITS ENTIRETY, OF CHAPTER 9.46  
(DEVELOPMENT IMPACT FEE), TO TITLE 9 (BUILDINGS),  
OF THE SOUTH GATE MUNICIPAL CODE**

**WHEREAS**, on March 25, 2008, the City Council adopted Ordinance No. 2247 which added Chapter 9.46 Development Impact Fee to the South Gate Municipal Code creating the development impact fee to fund water capital projects needed to support new growth or pay the fair share costs for certain water improvement projects that new development have upon those projects;

**WHEREAS**, Section 9.46.030 Public Interest Agreements is contained with Chapter 9.46 and permits the City to credit, waive, reduce or defer such fees upon development projects should they demonstrate certain actions believed to benefit the health, safety and welfare of the South Gate community;

**WHEREAS**, such agreement could have the impact of shifting such development impacts upon the City's general fund or upon the water system customers in general. In addition, development projects availing themselves to such financial assistance by the City could subject their project to the State's prevailing wayer regulations which may be more expensive than the development impact fee they would customarily pay under Chapter 9.46;

**WHEREAS**, Staff is unaware of any such agreement being entered into between the City and potential applicant of a development project since its adoption in 2008 thus likely indicating the usefulness of such action in effort to promote economic development is negligible at best; and

**WHEREAS**, the City Council did conduct a duly noticed public hearing on March 9, 2021, to take public testimony and consider adopting this Ordinance.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The City Council does hereby repeal Section 9.46.030 (Public Interest Agreements), in its entirety, of Chapter 9.46 (Development Impact Fee), to Title 9 (Buildings), of the South Gate Municipal Code.

**SECTION 3.** If any section, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council

hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 4.** This Ordinance shall take effect on the thirty-first (31<sup>st</sup>) day after its adoption.

**SECTION 5.** The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published as required by law.

**PASSED, APPROVED and ADOPTED** this 23<sup>rd</sup> day of March, 2021.


**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Maria Davila, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney