

ORDINANCE NO. 26-0002

AN ORDINANCE OF THE CITY OF MANHATTAN BEACH
ADOPTING A DEVELOPMENT IMPACT FEE PROGRAM,
AMENDING THE MANHATTAN BEACH MUNICIPAL CODE,
AND MAKING FINDINGS OF EXEMPTION PURSUANT TO
CEQA

The City Council of the City of Manhattan Beach does hereby ordain as follows:

SECTION 1. PROCEDURAL FINDINGS. The City Council makes the following procedural findings in connection with the adoption of this Ordinance:

A. On February 3, 2026, the City Council held a duly noticed public hearing regarding the adoption of the proposed Development Impact Fee program, pursuant to Government Code Sections 66016 and 66018. Following the receipt of all staff reports, public testimony and other evidence, the public hearing was closed.

B. All other prerequisites to the adoption of this Ordinance, the approval of the *Development Impact Fee Nexus Study* prepared by Harris & Associates and dated January 2026 ("2026 Nexus Study"), and the proposed General Government Facilities, Police Facilities, Fire Facilities, Transportation, Storm Drainage, Water, Wastewater (Sewer), and Program Administration development impact fees, as specified by the Mitigation Fee Act (Cal. Gov. Code § 66000 *et seq.*) and other applicable laws, have been satisfied.

SECTION 2. The City Council makes the following findings pursuant to the Mitigation Fee Act (Government Code Section 66001) in connection with the adoption of this Ordinance:

A. General Government Facilities Development Impact Fee Findings

1. The purpose of the General Government Facilities Fees is to fund the portion of administration and public works facilities that are needed to serve new development in the City and necessary to maintain the existing level of service. Each new resident and worker generates increased demand for civic services and the General Government Facilities Fee funds capital improvements that ensure City facilities, systems, and equipment remain functional, accessible, and capable of supporting the continued delivery of general government services to residents and workers, consistent with applicable code, safety, and operational standards. In order to accommodate these needs, the improvements identified in Table 3-5 of the 2026 Nexus Study will be constructed.

2. The General Government Facilities Fees will be used to fund the construction of new general government facilities and improvements as summarized in Table 3-5. These projects were identified by the City as facilities which will mitigate the impact of new development in the City by constructing additional general government facilities or reconfiguring poorly used space to generate additional functional space.

3. There is a reasonable relationship between the General Government Facilities Fee's use and the type of development project on which the fee is imposed. The General Government Facilities Fees will be used to fund general government facilities projects consisting of new administration and public works facilities necessary to serve the increased residents and workers in the City as shown in Table 3-5 of the 2026 Nexus Study. The General Government Facilities Fees are calculated based on the level of service of the existing general government facilities provided to the City's existing service population. Workers are weighted at a lower weight than residents to reflect their lesser impact on the facilities. This weighting is calculated as resident equivalents and is used to calculate a cost per capita to maintain the existing level of service as shown in Table 3-2. The cost per capita is spread to each land use based on the persons per household and employment density assumptions as defined in Section 2 of the 2026 Nexus Study ensuring a reasonable relationship between the fees use and the type of development project as shown in Table 3-3.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each new development is anticipated to generate new residents or workers. The addition of these new residents and workers directly creates the need for additional general government facilities for administration and public works facilities, which are necessary in order to maintain the existing level of service. The fees are based on the number of resident equivalents each new development is expected to generate, thus ensuring that the need for the facility is directly related to a particular development's impact. New workers generate a smaller demand than a resident and thus one worker is considered, on average, as equivalent to 0.37 times that of a resident based on the accessibility of general government facilities in relation to a resident. The relationship between the need for the facility and the type of development project is shown in Table 3-3 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the General Government Facilities fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The General Government Facilities Fees will provide funding for maintaining the existing level of service of the City's general government facilities for administration and public works facilities. These City's existing facilities and costs are summarized in Table 3-1 of the 2026 Nexus Study. The cost per capita is derived by dividing the existing facilities based on the existing service population in the City as shown in Table 3-2. The cost per capita is spread to each land use based on the number of new residents or workers that the land use will generate as shown in Table 3-3. Allocating fees based on the number of new residents or workers that the land use will generate, ensures each new development is only paying for their fair share of the required facilities since the need for the facilities directly correlates to the addition of new residents and worker equivalents. The required facilities, capital expansion, vehicles and equipment to maintain the existing level of service and accommodate the 4,600 additional residents and workers are shown in Table 3-5. Improvements such as the renovations to City Hall, modernization and electrical upgrades are classified as optimization of existing City facilities and are necessary to ensure City facilities, systems, and equipment remain functional, accessible, and capable

of supporting the continued delivery of general government services to residents and workers, consistent with applicable code, safety, and operational standards. Projects such as the City Yard expansion are directly expanding the square footage of facilities to accommodate the additional vehicles and equipment necessary to continually provide the same level of service as development occurs. New development is projected to fund approximately \$7.6 million of the total \$18.5 million in programmed facility improvements. Because new development accounts for approximately 10% of the buildout service population, the projected fee revenue, which represents approximately 9% of total buildout general government facilities valuation reflects only the proportional share attributable to growth. The remaining \$10.9 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions and grants as shown in Table 3-6.

B. Police Facilities Development Impact Fee Findings

1. The purpose of the Police Facilities Fees is to fund the portion of police facilities that are needed to serve new development in the City and necessary to maintain the existing level of service. Each new resident and worker generates increased demand for police services and the Police Facilities Fee funds capital improvements that ensure Police facilities, vehicles, technology, and equipment remain functional, reliable, and capable of supporting the continued delivery of law enforcement services to residents and workers, consistent with applicable safety, operational, and performance standards. In order to accommodate these needs, new facilities will be built, or existing facilities will be expanded as shown within Table 4-5 of the 2026 Nexus Study.

2. The Police Facilities Fees will be used to fund or partially fund the Police Facilities summarized in Table 4-5 of the 2026 Nexus Study. The fee will be used to fund new police facilities that are necessary to serve the increased residents and workers in the City. New development generates additional residents and workers which increases the demand for police facilities.

3. The Police Facilities Fees will be used to fund or partially fund the expansion of the City's Police Department as shown in Table 4-5 of the 2026 Nexus Study. The Police Facilities Fees are calculated based on the current level of service of the existing police facilities provided to the existing service population. Workers are weighted at a lower weight than residents to reflect their lesser impact on the facilities. This weighting is calculated as resident equivalents and is used to calculate a cost per capita to maintain the existing level of service as shown in Table 4-2. The cost per capita is spread to each land use based on the persons per household and employment density assumptions as defined in Table 2-3, ensuring a reasonable relationship between the fees use and the type of development project as shown in Table 4-3.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each new development is anticipated to generate new residents or workers. The addition of these new residents and workers directly creates the need for additional police facilities, which

are necessary in order to maintain the existing level of service. The fees are based on the number of resident equivalents each new development is expected to generate, thus ensuring that the need for the facility is directly related to a particular development's impact. New workers generate a smaller demand than a resident and thus one worker is considered, on average, as equivalent to 0.37 times that of a resident based on the accessibility of police facilities in relation to a resident. The relationship between the need for the facility and the type of development project is shown in Table 4 3.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The Police Facilities Fees will provide funding for maintaining the existing level of service of the City's police facilities. These City's existing facilities and costs are summarized in Table 4-1 of the 2026 Nexus Study. The cost per capita is derived by dividing the existing facilities based on the existing service population in the City as shown in Table 4-2. The cost per capita is spread to each land use based on the number of new residents or workers that the land use will generate as shown in Table 4-3. Allocating fees based on the number of new residents or workers that the land use will generate, ensures each new development is only paying for their fair share of the required facilities since the need for the facilities directly correlates to the addition of new residents and worker equivalents. The required facilities, capital expansion, vehicles and equipment to maintain the existing level of service to provide police services to the additional 4,600 residents and workers are shown in Table 4-5. Improvements such as the drone as first responder, new public safety radios and system are classified as optimization of existing services and are necessary as the service population continues to grow and densify because the probability of simultaneous incidents requiring police response increases and the addition and expansion of these facilities mitigates the increased operational loads associated with serving a larger population. Projects such as the Police Substation/Training Facility, real time crime center and acquisition of a new mobile command center and crime negotiation vehicles are directly expanding the square footage of facilities or capabilities of the City's police department. New development is projected to fund approximately \$3.9 million of the total \$25.4 million in programmed facility improvements. Because new development accounts for approximately 10% of the buildout service population, the projected fee revenue, which represents approximately 6.6% of total buildout police facilities valuation reflects only the proportional share attributable to growth. The remaining \$21.5 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions and grants as shown in Table 4-6.

C. Fire Facilities Development Impact Fee Findings

1. The purpose of the Fire Facilities Fees is to fund the portion of fire facilities that are needed to serve new development in the City and necessary to maintain the existing level of service. Each new resident and worker generates, on average, more annual calls-for-service increasing the likelihood of simultaneous and potentially competing calls-for-service for fire suppression, rescue, and emergency response services. The capacity of any fire station is finite and will reach practical limits through its call-for-service frequency and incident time. In order for the City to provide adequate

response times as benchmarked by the National Fire Prevention Authority Standard 1710, new facilities will be built, or existing facilities will be expanded as shown within Table 5-5 of the 2026 Nexus Study.

2. The Fire Facilities Fees will be used to fund or partially fund the Fire Facilities summarized in Table 5-5 of the 2026 Nexus Study. The fee will be used to fund new fire facilities that are necessary to serve the increased residents and workers in the City. New development generates additional residents and workers which increases the demand for fire facilities.

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Fire Facilities Fees will be used to fund or partially fund the expansion of the City's Fire Department including the construction, expansion or acquisition of fire facilities, apparatus, and specialized equipment as shown in Table 5-5 of the 2026 Nexus Study. The Fire Facilities Fees are calculated based on the current level of service of the existing fire facilities provided to the existing service population. Workers are weighted at a lower weight than residents to reflect their lesser impact on the facilities. This weighting is calculated as resident equivalents and is used to calculate a cost per capita to maintain the existing level of service as shown in Table 5-2. The cost per capita is spread to each land use based on the persons per household and employment density assumptions as defined in Table 2-3, ensuring a reasonable relationship between the fees use and the type of development project as shown in Table 5-3.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each new development is anticipated to generate new residents or workers. The addition of these new residents and workers directly creates the need for additional fire facilities, which are necessary in order to maintain the existing level of service. The fees are based on the number of resident equivalents each new development is expected to generate, thus ensuring that the need for the facility is directly related to a particular development's impact. New workers generate a smaller demand than a resident and thus one worker is considered, on average, as equivalent to 0.37 times that of a resident based on the accessibility of fire facilities in relation to a resident. The relationship between the need for the facility and the type of development project is shown in Table 5-3 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The Fire Facilities Fees will provide the funding for maintaining the existing level of service of the City's fire facilities. These City's existing facilities and costs are summarized in Table 5-1 of the 2026 Nexus Study. The cost per capita is derived by dividing the existing facilities based on the existing service population in the City as shown in Table 5-2. The cost per capita is spread to each land use based on the number of new residents or workers that the land use will generate as shown in Table 5-3. By allocating fees based on the number of new residents or workers that the land use will generate, each new development is only paying for their fair share of the

required facilities since the need for the facilities directly correlates to the addition of new residents and worker equivalents. The required facilities, capital expansion, vehicles and equipment to maintain the existing level of service and provide fire suppression, rescue and emergency medical services to the additional 4,600 residents and workers are shown in Table 5-5. Improvements such as the breathing, light and rehab unit, Training Tower/Public Safety Training Facility and the acquisition of a new 107' Quint Tiller, Rescue Ambulance, Highrise Equipment Inventory and utility vehicle for fire prevention are directly expanding the square footage of facilities or capabilities of the City's fire department. The addition of vehicles and equipment necessary to serve high rise development is directly related to new development as the City does not currently have the capability to serve high rise development that is now allowable to develop under the City's Zoning Code. New development is projected to fund approximately \$3.5 million of the total \$5.3 million in programmed facility improvements. Because new development accounts for approximately 10% of the buildout service population, the projected fee revenue, which represents approximately 9.9% of total buildout fire facilities valuation reflects only the proportional share attributable to growth. The remaining \$1.8 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions and grants as shown in Table 5-6.

D. Transportation Development Impact Fee Findings

1. The purpose of the Transportation Fee is to fund transportation facilities included by the Manhattan Beach's Public Works Department through the capital improvement planning process required to serve future development in the City of Manhattan Beach. In order to accommodate this need, new facilities must be built and/or existing facilities expanded to ensure that demands from population growth do not degrade the service levels of facilities, leading to congestion, safety concerns, and a diminished quality of life for those who rely on the transportation system.

2. The Transportation Fee will be used to fund or partially fund the transportation facilities identified in Table 6-1 of the 2026 Nexus Study. The improvements were identified through the capital improvement planning process completed by the Manhattan Beach Public Works Department, as the facilities that are required to mitigate the impact of new development in the City and to ensure that the new development has adequate access to a functional transportation network. These improvements include roadway widening, intersection signalization, ADA improvements, or transit and mobility system improvements including new bicycle infrastructure.

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Transportation Fee will be used to fund the new transportation facilities and improvements that are necessary to serve the increase in transportation due to new development in the City through 2040. The fee for each development project is calculated by taking the cost per trip shown in Table 6-7 of the 2026 Nexus Study and applying this to the estimated trip generation rates of each land use as identified in Table 6-3. The fee calculations are shown in Table 6-7 and Table 6-8. This correlation to trips ensures that each new development pays their fair share of the transportation costs.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each new residential and non-residential development within the City will generate additional trips that incrementally add to the need for new transportation infrastructure and facilities to serve the increased residents and businesses within the City and ensure that transportation facilities can accommodate the increased demand. Without the expansion and improvement of transportation facilities, growth can lead to congestion and exacerbate safety risks by increasing potential conflicts at intersections, pedestrian crossings, and other high-use areas. Therefore, the transportation infrastructure projects identified in the 2026 Nexus Study are essential to support the anticipated growth. Each new residential and non-residential development pays an impact fee based on the additional trips that are expected to be generated by the new development. This calculation is shown in Table 6-7 and Table 6-8 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The transportation facilities and capital expansion projects that are necessary to accommodate the additional 1,622 PM peak hour trips generated by the 4,600 additional residents for new development are summarized in Table 6-1 of the 2026 Nexus Study. Improvements are classified into four categories: roadway improvements, bicycle improvements, traffic signal improvements, and accessibility improvements. Roadway improvements and traffic signal improvements are designed to optimize the existing roadway network to increase multimodal traffic throughput while bicycle improvements and accessibility improvements provide multimodal alternatives to vehicle trips which increase the capacity of the comprehensive transportation network. Because the fee is calculated utilizing the system plan methodology which calculates a fee per trip based on the total cost of the existing and future improvements, existing deficiencies are not spread to future development. Future development projects within the City were identified and EDUs were calculated based on the estimated trip generation rates for the various land uses. To ensure that each land use only pays their fair share of the transportation improvements based on their trip generation rate, the existing Transportation fund balance is added to the existing and future transportation improvements to determine the total cost of the City's transportation network as identified in Table 6-7, the cost of the transportation network is divided by the total trips estimated in 2040 to calculate the cost per trip. The transportation fee calculation spreading the appropriate costs to the various land uses is shown in Table 6-8. The fee methodology ensures that each land use only pays for their fair share of the transportation improvements based on the amount of trips generated by that land use. New development is projected to fund approximately \$5.7 million of the total \$22.4 million in programmed facility improvements. Because new development accounts for approximately 5.4% of the buildout PM peak hour trips, the projected fee revenue, which represents approximately 5.4% of total buildout transportation network valuation reflects only the proportional share attributable to growth. The remaining \$16.6 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions and grants as shown in Table 6-10.

E. Storm Drainage Development Impact Fee Findings

1. The purpose of the Storm Drainage Fee is to fund the facilities that are necessary to convey stormwater runoff from the increased impervious area created by future development in the City. To accommodate this increased stormwater runoff, new facilities must be built and/or existing facilities expanded..

2. The Storm Drainage Fee will be used to fund the storm drainage projects shown in Table 7-1 of the 2026 Nexus Study. These storm drainage projects were identified in the City of Manhattan Beach Storm Drainage Master Plan, dated 2021 and the City's adopted 2026-2030 Capital Improvement Plan and subsequently updated by City Staff, as the facilities required to mitigate the impact of new development in the City to ensure that the new development would have adequate storm drainage supply and pressure..

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Storm Drainage Fee will be used to fund the new storm drainage facilities and improvements that are necessary to serve the increase in storm drainage demand due to new development in City. The fee for each development project is calculated based on the estimated impervious factor of each land use type identified in the City. This correlation ensures that the fee is equal to the need generated by that specific land use. The fee calculations are shown in Table 7-6 and Table 7-7 of the 2026 Nexus Study.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. New development requires sufficient capacity in the storm drainage system to convey stormwater runoff created by the increased impervious area within the City. Ensuring there is sufficient capacity to accommodate stormwater runoff in the City's storm drainage system requires the construction of new storm drainage lines or upsizing existing storm drainage lines. Each new residential and non-residential development pays an impact fee based on the amount of impervious acres it is expected to generate. This calculation is shown in Table 7-6 and Table 7-7 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The storm drainage improvements and capital expansion projects that are necessary to accommodate the additional 52.4 acres of impervious surface generated by future development and mitigate flooding under a 25-year storm urban flood event are shown in Table 7-1 of the 2026 Nexus Study. The projects have been classified into five classifications where three classifications are based on prioritization of anticipated construction timing and anticipated demand for the facilities and two categories that increase water quality at system outfalls while maintaining ADA compliance. Projects were prioritized into short term (3-5 years), near future (5-20 year) and long term (20 year – Buildout) utilizing a weighted need matrix as defined in the 2021 Storm Drainage Master Plan. To ensure that each land use only pays their fair share of the storm drainage improvements based on their impervious

acreage generated, the total costs of the planned storm drainage facilities are divided by the total impervious acres, as shown in Table 7-6, to calculate costs per impervious acre. The storm drainage fee calculation to spread the appropriate costs over the various land uses is shown in Table 7-7. The fee methodology ensures that each land use only pays for their fair share of the storm drainage improvements based on the amount of impervious acreage generated by that land use. New development is projected to fund approximately \$6.4 million of the total \$74.1 million in programmed facility improvements. Because new development accounts for approximately 5.3% of the buildout acres of impervious surface area, the projected fee revenue, which represents approximately 5.3% of total buildout storm drainage network valuation reflects only the proportional share attributable to growth. The remaining \$67.8 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions, Measure W, special tax assessments and grants as shown in Table 7-9.

6. Furthermore, for storm drainage fees, square footage is not an appropriate metric to calculate the fees imposed on residential housing projects for the storm drainage fees because:

a. Square footage is not an appropriate metric to calculate storm drainage fees imposed on housing development project because storm drainage fees should be assessed based on the increase in impervious surface area, as this directly correlates with stormwater runoff. Square footage is not an appropriate metric because multi-story structures with identical footprints do not increase runoff proportionally to their total floor area. Fees that are calculated based on the estimated impervious surface, more accurately account for storm drainage impacts. Higher-density developments typically generate more impervious coverage per acre than lower-density developments, and the fee structure reflects this variation. Using impervious area as the basis for storm drainage fees ensures a hydraulically relevant and equitable assessment of storm drainage impacts;

b. Charging the storm drainage fees on a per acre basis bears a reasonable relationship between the fee charged and the burden posed by the development. The fees vary based on the impervious area each land use is expected to generate based on the per acre impervious factors included in the Storm Drainage Master Plan. Because the fee is based on the additional impervious acres generated by each land use, this methodology provides a reasonable relationship between the amount of the fee charged and the burden posed by each development; and

c. The other policies in the fee structure support smaller developments or otherwise ensure that smaller developments are not charged disproportionate fees. The storm drainage fees are structured across various residential land use categories and reflect the relationship between density and impervious area. Higher-density developments typically have more units per acre with smaller unit sizes. Charging fees by acre results in a lower cost per-unit for larger, detached single family residential units which aligns with the expected stormwater generation. The fee calculation is based on the estimated impervious acreage associated with each land

use category, ensuring that the fees are proportional to the impacts created by the project. By utilizing an impervious acreage methodology for determining the fee, smaller developments are not charged disproportionate fees.

F. Water Development Impact Fee Findings

1. The purpose of the Water Fee is to fund the facilities that are necessary to provide adequate water supply, treatment and distribution to future development in the City. To accommodate this increased demand, new facilities must be built and/or existing facilities expanded.

2. The Water Fee will be used to fund or partially fund the water projects shown in Table 8-1 of the 2026 Nexus Study. These water projects were identified in the City of Manhattan Beach Water Master Plan, dated 2022 and subsequently updated by City Staff, as the facilities required to mitigate the impact of new development in the City to ensure that the new development would have adequate water supply and pressure.

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Water Fee will be used to fund or partially fund the new water facilities and improvements that are necessary to serve the increase in water demand due to new development in City. The fee for each development project is calculated based on the estimated water use of each land use type identified in the City. This correlation ensures that the fee is equal to the need generated by that specific land use. The EDU calculations based on the water demand factor for each land use are shown in Table 8-3 of the 2026 Nexus Study. The fee calculations are shown in Table 8-7 and Table 8-8.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. New development requires the addition of new or upsized water lines to serve the increased residents and businesses within the City and to ensure that the required water pressure can be met. Each new residential and non-residential development pays an impact fee based on the amount of water it is expected to use. This calculation is shown in Table 8-7 and Table 8-8 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The water improvements and capital expansion projects that are necessary to accommodate the additional water demand of the 452.6 EDUs generated by development are shown in Table 8-1 of the 2026 Nexus Study. Improvements are classified into three categories: Facility Improvement Projects, Fire Flow Improvement Projects, and Pipe Replacement Projects. Facility Improvement Projects are directly related improvements for the Block 35 Facility to address functionality and optimization of the facility as discussed in the Water Master Plan dated 2021. Fire Flow Improvement Projects and Pipeline Replacement Projects are designed to increase the residual pressure of the water system, address velocity concerns and increase the reliability of the system to meet the criteria discussed in the Water Master Plan. Future

development projects within the City were identified and EDUs were calculated based on the estimated daily demand for the various land uses as shown in Table 8-3. The calculation of water costs per EDU is shown in Table 8-7. The water fee calculation to spread the appropriate costs over the various land uses is shown in Table 8-8. The fee methodology ensures that each land use only pays for their fair share of the water improvements based on the amount of water required by that land use. New development is projected to fund approximately \$18.2 million of the total \$62.2 million in programmed facility improvements. Because new development accounts for approximately 3.1% of the buildout average water demand EDUs in terms of gallons per day per acre, the projected fee revenue, which represents approximately 3.1% of total buildout water network valuation reflects only the proportional share attributable to growth. The remaining \$44 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions, water enterprise fund and grants as shown in Table 8-10.

6. Furthermore, for water fees, square footage is not an appropriate metric to calculate the fees imposed on residential housing projects for the water fees because:

a. Water fees should be assessed based on the increase in water demand generated by each new residential unit. Square footage is not an appropriate metric because residential units do not proportionally increase water demand with increases in square footage. For example, if a kitchen is 200 square feet larger in one single family home than the adjacent single-family home, the additional square footage does not necessarily increase the water demand of the home. Collecting a water fee based on meter size ensures that the fees paid are proportional to the water demand of that unit. Higher-density developments typically generate more water demand per acre than lower-density developments, and as a result will require larger water meters to accommodate the water demand of the development. Collecting a fee based on meter size reflects this variation. Using meter size as the basis for water fees ensures a hydraulically relevant and equitable assessment of water impacts;

b. The water fees are charged on a meter size basis with one category for single family units and 10 fee categories for non-residential development based on the necessary hydraulic capacity in order to meet the water demands of the development project. The fees vary based on the water demand each development project is expected to generate based on the water demand factors included in the City's Water Master Plan. Because the fee is based on the additional water demand generated by each land use, this methodology provides a reasonable relationship between the amount of the fee charged and the burden posed by each development; and

c. The water fees are structured across meter size categories and reflect the relationship between density and water demand. Higher-density developments typically have more units per acre with smaller unit sizes served by a common water meter that are often subsequently sub metered. Charging fees based on meter size results in a lower cost per unit than larger, detached single family residential units which aligns with the expected water demand of each unit. The fee calculation is

based on the estimated water demand associated with each meter size, ensuring that the fees are proportional to the impacts created by the project. By utilizing a meter size methodology for determining the fee, smaller developments are not charged disproportionate fees.

G. Wastewater (Sewer) Facilities Development Impact Fee Findings

1. The purpose of the Wastewater (Sewer) Fee is to fund the facilities that are necessary to provide sewer to future development in the City. To accommodate this increased demand, new facilities must be built and/or existing facilities expanded.

2. The Wastewater (Sewer) Fee will be used to fund the sewer projects shown in Table 9-1 of the 2026 Nexus Study. These sewer projects were identified in the City of Manhattan Beach Wastewater Master Plan, dated 2010 and subsequently updated by City Staff, as the facilities required to mitigate the impact of new development in the City to ensure that the new development would have adequate sewer conveyance and treatment capacity.

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Wastewater (Sewer) Fee will be used to fund the new sewer facilities and improvements that are necessary to serve the increase in sewer demand due to new development in City. The fee for each development project is calculated based on the estimated sewer use of each land use type identified in the City. This correlation ensures that the fee is equal to the need generated by that specific land use. The EDU calculations based on the sewer demand factor for each land use are shown in Table 9-3 of the 2026 Nexus Study. The fee calculations are shown in Table 9-7 and Table 9-8.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. New development requires the addition of new or upsized sewer lines to serve the increased residents and businesses within the City and to ensure that the required sewer conveyance and treatment demand can be met. Each new residential and non-residential development pays an impact fee based on the amount of sewer it is expected to use. This calculation is shown in Table 9-7 and Table 9-8 of the 2026 Nexus Study.

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The sewer improvements and capital expansion projects that are necessary to accommodate the additional sewer flow rates generated by the anticipated 155 EDUs in terms of gallons per day per acre are shown in Table 8-1 of the 2026 Nexus Study. The improvements are categorized into three categories: Collection System Capacity Improvement Projects, Collection System Condition Improvement Projects and Pump Station Improvements. These projects are essential to maintain system reliability, protect public health, and prevent overflows. Future development projects within the City were identified and EDUs were calculated based on the estimated daily demand for the various land uses as shown in Table 9-3.

The calculation of sewer costs per EDU is shown in Table 9-7. The sewer fee calculation to spread the appropriate costs over the various land uses is shown in Table 9-8. The fee methodology ensures that each land use only pays for their fair share of the sewer improvements based on the amount of sewage discharge generated by that land use. New development is projected to fund approximately \$16.2 million of the total \$30.6 million in programmed facility improvements. Because new development accounts for approximately 7.7% of the buildout sewer flow generation EDUs in terms of gallons per day per acre, the projected fee revenue, which represents approximately 7.7% of total buildout sewer network valuation reflects only the proportional share attributable to growth. The remaining \$14.4 million in required funding will be derived from a combination of other funding sources including but not limited to general fund contributions, wastewater enterprise fund and grants as shown in Table 9-10.

H. Program Administration Development Impact Fees Findings

1. The purpose of the Program Management Fee is to provide the funding necessary to administer and update the City of Manhattan Beach Impact Fees. This includes consultant and City staff time related to services such as posting of nexus studies and fee schedules on the City's website, annual fee adjustments, annual fee reporting, additional fee reporting every five years, application and tracking of fee credits/reimbursements, periodic nexus study updates and the preparation of Master Plans to support the nexus study updates, staff and consultant time related to fee preparation, collection, tracking and administration.

2. The Program Management Fee will be used to fund the management and administration of the City of Manhattan Beach Impact Fees. This includes consultant and City staff time related to services such as posting of nexus studies and fee schedules on the City's website, annual fee adjustments, annual fee reporting, additional fee reporting every five years, application and tracking of fee credits/reimbursements, periodic nexus study updates and the preparation of Master Plans to support the nexus study updates, staff and consultant time related to fee preparation, collection, tracking and administration.

3. There is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. The Program Administration Fee will be used to fund consultant and City staff time related to services such as providing fee quotes, updated the fee program, tracking revenue and expenditures, calculating credits and issuing reimbursements and the required annual reporting under AB 1600 which are required to successfully and legally implement the City of Manhattan Beach's Impact Fee Program. New residents and employees that result from new development increases the demand for new infrastructure and facilities. These facilities will be funded through the City of Manhattan Beach's Impact Fee Program, which requires City staff and consultant time to manage and administer. The administration of the City of Manhattan Beach's Impact Fee Program will be funded through the Program Administration fee which is calculated as a fee of five percent of the total City of Manhattan Beach Impact Fee Program for each land use.

4. There is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. Each new development adds residents or workers to the City and in order to maintain the City's desired level of service, general government, police, fire, transportation, storm drainage, water, and wastewater (sewer) facilities must be built. These facilities are funded through the City's Impact Fees. To ensure these fees for new development are administered according to state law, regular updates, tracking and reporting are required. In addition, City staff must provide fee quotes for new development. To collect the funding for these resulting activities, the Program Administration Fee is five percent (5%) of the total City of Manhattan Beach Impact Fees as summarized in Table 10-1, Table 10-2, and Table 10-3. Using a percentage of the City of Manhattan Beach Impact fees ensures that each new development is charged their fair share based on the impacts to the City's infrastructure. A five percent (5%) fee is in alignment with the industry standard range of three to six percent (3-6%).

5. There is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The Program Administration Fee provides the funding to administer the City's Impact Fee Program. The City is adopting a policy of collecting a five percent (5%) of the total Impact fees to administer their fee program effectively. Since this fee is calculated as a percentage of the other City of Manhattan Beach Impact Fees as summarized in Table 10-1, Table 10-2, and Table 10-3 of the 2026 Nexus Study, each land use pays for their fair share of the management costs based on their impact to the City's infrastructure.

Section 2. CEQA. The City Council makes the following California Environmental Quality Act findings in connection with the adoption of this Ordinance:

A. City staff has evaluated the potential environmental impacts of the adoption of this Ordinance, the approval of the 2026 *Nexus Study* and the proposed General Government Facilities, Police Facilities, Fire Facilities, Transportation, Storm Drainage, Water, Wastewater (Sewer), and Program Administration development impact fees pursuant to the California Environmental Quality Act ("CEQA"). City staff has determined that these actions do not constitute a "project" under CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because these actions involve the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. In addition, City Staff has determined that these actions are statutorily exempt from CEQA under CEQA Guidelines Section 15273(a)(4) because these actions and documents are merely establishing a fee to obtain funds for those capital projects necessary to maintain service within existing service areas and these actions do not provide for the creation of new service areas. The capital projects described in the *Nexus Study* will maintain the level of service currently provided by the City's existing general government facilities, police facilities, fire facilities, transportation, storm drainage, water, and sewer systems by ensuring that the impacts of new development will not negatively impact existing service levels. City staff has also determined that approval of the 2026 Nexus Study and the adoption of the DIFs specified in this

Resolution will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the adoption of DIFs and no specific development is authorized by the adoption of the 2026 Nexus Study or the adoption of new DIFs.

B. The City Council concurs with City staff's determination that the adoption of this Ordinance, the approval of the 2026 *Nexus Study*, and the adoption of the proposed General Government Facilities, Police Facilities, Fire Facilities, Transportation, Storm Drainage, Water, Wastewater (Sewer) Facilities, and Program Administration development impact fees (collectively "DIFs") do not constitute a project under CEQA pursuant to CEQA Guidelines Section 15378(b)(4). The City Council additionally concurs with City staff's determination that the adoption of this Ordinance, the approval of the 2026 Nexus Study, and the adoption of the proposed DIFs are statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273(a)(4). The City Council also finds that approval of the 2026 Nexus Study and the adoption of the proposed DIFs will not have a significant impact on the environment and are exempt from CEQA pursuant to Section 15061(b)(3) of State CEQA Guidelines because these actions involve the adoption of DIFs and no specific development is authorized by the adoption of the 2026 Nexus Study or the adoption of new DIFs.

C. The City Council hereby directs City staff to prepare and file a Notice of Exemption with the County Clerk pursuant to CEQA Guidelines Section 15062 within five (5) days of the date that this Ordinance is adopted.

Section 3. A new Chapter 8.40 (Development Impact Fees) is hereby added to Title 8 (Finance, Revenue and Taxation) of the Manhattan Beach Municipal Code to read as follows:

"Chapter 8.40 - DEVELOPMENT IMPACT FEES

Sections:

- 8.40.010 General government facilities development impact fee.**
- 8.40.020 Police facilities development impact fee.**
- 8.40.030 Fire facilities development impact fee.**
- 8.40.040 Transportation development impact fee.**
- 8.40.050 Storm drainage development impact fee.**
- 8.40.060 Water development impact fee.**
- 8.40.070 Wastewater (Sewer) facilities development impact fee.**
- 8.40.080 Program administration development impact fee.**
- 8.40.090 Reserved.**
- 8.40.100 Reserved.**
- 8.40.110 Exemptions; Reductions; Credits.**

8.40.120 Appeals.

8.40.130 Use of Funds.

8.40.010 General government facilities development impact fee.

A. Residential General Government Facilities Fee Required.

1. The required general government facilities development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required general government facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the general government facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the general government facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential General Government Facilities Fee Required.

1. The required general government facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required general government facilities development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the general government facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the general government facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the general government facilities development impact fee amount, an applicant subject to the payment of general government facilities development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential general government facilities development impact fees or subsection B.1 of this section for non-residential general government facilities development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.020 Police facilities development impact fee.

A. Residential Police Facilities Fee Required.

1. The required police facilities development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required police facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the police facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the police facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Police Facilities Fee Required.

1. The required police facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required police facilities development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the police facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the police facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the police facilities development impact fee amount, an applicant subject to the payment of police facilities development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential police facilities development impact fees or subsection B.1 of this section for non-residential police facilities development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.030 Fire facilities development impact fee.

A. Residential Fire Facilities Fee Required.

1. The required fire facilities development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required fire facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the fire facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the fire facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Fire Facilities Fee Required.

1. The required fire facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required fire facilities development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the fire facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the fire facilities development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the fire facilities development impact fee amount, an applicant subject to the payment of fire facilities development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential fire facilities development impact fees or subsection B.1 of this section for non-residential fire facilities development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.040 Transportation development impact fee.

A. Residential Transportation Fee Required.

1. The required transportation development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required transportation development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the transportation development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the transportation development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, “certificate of occupancy” shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Transportation Fee Required.

1. The required transportation development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required transportation development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the transportation development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the transportation development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. **Fee Amount Applicable to Pending Projects.** Except as may otherwise be provided in the resolution that adopts the transportation development impact fee amount, an applicant subject to the payment of transportation development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential transportation development impact fees or subsection B.1 of this section for non-residential transportation development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.050 Storm drainage development impact fee.

A. Residential Storm Drainage Fee Required.

1. The required storm drainage development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required storm drainage development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever

occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the storm drainage development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the storm drainage development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Storm Drainage Fee Required.

1. The required storm drainage development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required storm drainage development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the storm drainage development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the storm drainage development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the storm drainage development impact fee amount, an applicant subject to the payment of storm drainage facilities development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential storm drainage development impact fees or subsection B.1 of this section for non-residential storm drainage development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.060 Water development impact fee.**A. Residential Water Fee Required.**

1. The required water development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required water development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Public Works Director, or his or her designee, shall be responsible for calculating the amount of the water development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the water development impact fee. In calculating such fee, the Public Works Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Water Fee Required.

1. The required water development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required water development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code..

2. The Public Works Director, or his or her designee, shall be responsible for calculating the amount of the water development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the water development impact fee. In calculating such fee, the Public Works Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the water development impact fee amount, an applicant subject to the payment of water development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential water development impact fees or subsection B.1 of this section for non-residential water development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development

project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.070 Wastewater (Sewer) facilities development impact fee.

A. Residential Wastewater (Sewer) Facilities Fee Required.

1. The required wastewater (sewer) facilities development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required wastewater (sewer) facilities development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Public Works Director, or his or her designee, shall be responsible for calculating the amount of the wastewater (sewer) facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the wastewater (sewer) facilities development impact fee. In calculating such fee, the public works director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Wastewater (Sewer) Facilities Fee Required.

1. The required wastewater (sewer) facilities development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required wastewater (sewer) facilities development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Public Works Director, or his or her designee, shall be responsible for calculating the amount of the wastewater (sewer) facilities development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the wastewater (sewer) facilities development impact fee. In calculating such fee, the Public Works

Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. Fee Amount Applicable to Pending Projects. Except as may otherwise be provided in the resolution that adopts the wastewater (sewer) facilities development impact fee amount, an applicant subject to the payment of wastewater (sewer) facilities development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential wastewater (sewer) facilities development impact fees or subsection B.1 of this section for non-residential wastewater (sewer) facilities development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.080 Program administration development impact fee.

A. Residential Program Administration Fee Required.

1. The required program administration development impact fee for a residential building shall be paid in an amount established by resolution of the City Council. The required program administration development impact fee shall be due and paid on a lump-sum basis on the date the first dwelling in the development or development phase receives its certificate of occupancy or its temporary certificate of occupancy, whichever occurs first, unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the program administration development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the program administration development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

3. For the purposes of this section, "certificate of occupancy" shall mean the official document issued by the City of Manhattan Beach allowing the occupancy or use of a building and certifying that the structure, building or development complies with all the applicable building codes, this Municipal Code, and conditions of approval.

B. Nonresidential Program Administration Fee Required.

1. The required program administration development impact fee for a nonresidential development shall be paid in an amount established by resolution of the City Council. The required program administration development impact fee shall be due and paid on a lump-sum basis on the date the first structure in the development or

development phase is issued a building permit unless an alternative fee payment deadline applies under the California Government Code.

2. The Community Development Director, or his or her designee, shall be responsible for calculating the amount of the program administration development impact fee required for each development project based on the applicable land use category and corresponding rate specified in the resolution that adopts the program administration development impact fee. In calculating such fee, the Community Development Director shall utilize the fee rate that is assigned to the land use category that is most applicable to the development project.

C. **Fee Amount Applicable to Pending Projects.** Except as may otherwise be provided in the resolution that adopts the program administration development impact fee amount, an applicant subject to the payment of program administration development impact fees required by subsections A or B of this section must pay the amount of the fee that is in effect when the fee becomes due as provided in subsection A.1 of this section for residential program administration development impact fees or subsection B.1 of this section for non-residential program administration development impact fees. The amount of the fee is the amount specified by resolution of the City Council, as amended from time to time. The fee imposed on a development project for which vested rights have been acquired through a vesting tentative subdivision map shall be the fee in effect at the time the rights became vested, plus any adjustment for inflation made between that date and the date the fee becomes due.

8.40.090 Reserved.

8.40.100 Reserved.

8.40.110 Exemptions; Reductions; Credits.

A. **Fee Exemptions.** The following uses and types of developments are eligible for an exemption from the payment of development impact fees:

1. **Residential Structures.** The remodeling or rebuilding of an existing residential structure, provided the remodeling or rebuilding does not:

a. Increase the square footage of the existing residential structure; and

b. Change the residential use of the existing residential structure to a non-residential use;

2. **Accessory Dwelling Units.** Accessory dwelling units, as defined in Section 10.74.020 of this Code, less than 750 square feet.

3. **Non-Residential Structures.** The remodeling or rebuilding of an existing non-residential structure, provided the remodeling or rebuilding does not:

- a. Increase the square footage of the existing non-residential structure;
- b. Change the use of the property or structure; and
- c. Increase the average daily trips generated from the property above the amount generated by the prior use of the property, as determined by the City's traffic engineer.

B. Fee Reductions.

1. A developer may be allowed a reduction in fees from the development impact fee requirements of this chapter if the developer enters into a development agreement with the City pursuant to which development impact fees are assessed to the developer, or equivalent or comparable improvements are constructed and implemented by the developer.

2. A developer may be entitled to a reduction in the amount of development impact fees required by this chapter if the developer constructs improvements pursuant to the most current capital improvement plan, as applicable. The development impact fee may be reduced by the amount of improvement costs that would be reasonably incurred by the City in building those same improvements. The amount of such reduction shall be subject to the approval of the City Manager prior to construction of the improvement.

C. Fee Credits. The Community Development Director or his or her designee has the authority to approve fee credits for existing structures on a property.

D. If a fee exemption or a fee reduction is granted pursuant to this section, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the fee exemption or fee reduction, and the applicant shall be subject to the development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

E. No refund or payment shall be due to an applicant in the event that the fee credit calculated for the existing development exceeds the fee due for the proposed development.

F. State law. The City will comply with any fee reduction or fee adjustment requirements imposed by state law.

8.40.120 Appeals.

A. A developer subject to the development impact fee required by this chapter for a particular project may apply to the City Council for: (a) a fee adjustment based upon a showing of substantial evidence of a lesser impact upon the level of service for a development impact fee category or categories; or (b) a land use category adjustment

based upon a showing of substantial evidence that another land use category is more appropriate for a particular development. The written appeal and the applicable appeal fee must be filed with the City Clerk's office, prior to the issuance of building permit. The City Council shall establish the appeal fee by Resolution. The appeal shall state in detail the factual basis for the request for adjustment.

B. The City Council shall consider the appeal at a public meeting to be held within 60 calendar days after the appeal application has been filed. The decision of the City Council shall be final. The decision of the City Council shall be in writing and shall be mailed to the applicant.

C. If an adjustment is granted pursuant to this section, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, shall invalidate the adjustment, and the applicant shall be subject to the development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change or expansion, less any amount previously paid.

D. If an adjustment is not granted pursuant to this section, then upon the payment of the required fees, the City shall provide the applicant a written notice of the amount of the fees or a description of the dedications, reservations, or other exactions, and shall also provide notification that the 90-day protest period has begun, pursuant to Government Code Section 66020.

8.40.130 Use of Funds. Pursuant to California Government Code Section 66006, all development impact fees paid and collected pursuant to this chapter shall be placed into one or more separate account(s) established for such fees and used solely for the purpose of constructing improvements pursuant to the most current capital improvement plan, as applicable; provided, however, that if the City Manager authorizes minor alterations to such plans, then those alterations shall not affect the ability of the city to use development impact fees collected pursuant to this section for the purpose of constructing improvements in accordance with the most current capital improvement plan, as applicable, and as altered or amended."

Section 4. INTERNAL CONSISTENCY. Any provisions of the Municipal Code, or any other resolution or ordinance of the City, to the extent that they are inconsistent with this Ordinance are hereby repealed, and the City Clerk shall make any necessary changes to the Municipal Code for internal consistency.

Section 5. SEVERABILITY. If any part of this Ordinance or the exhibits hereto, or its application, is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or their application and, to this end, the provisions of this Ordinance and of its exhibits are severable.

Section 6. CERTIFICATION. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published within 15 days after its passage, in accordance with Section 36933 of the Government Code.

ADOPTED on February 17, 2026.

DAVID LESSER
Mayor

ATTEST:

LIZA TAMURA
City Clerk

APPROVED AS TO FORM:

QUINN M. BARROW
City Attorney