

## RESOLUTION NO. 2025-030

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHINO, CALIFORNIA, AUTHORIZING THE ANNUAL ADJUSTMENT OF DEVELOPMENT IMPACT FEES, PARK DEVELOPMENT FEES, AND ADMINISTRATIVE FEE FOR FISCAL YEAR 2025-26, IN ACCORDANCE WITH CHAPTERS 3.40 (DEVELOPMENT IMPACT FEES), 3.45 (PRESERVE DEVELOPMENT IMPACT FEES), AND TITLE 18 (PARK LAND DEDICATION AND PARK DEVELOPMENT FEES) OF THE CHINO MUNICIPAL CODE

**WHEREAS**, the City of Chino imposes Development Impact Fees (DIF) pursuant to Chapters 3.40 and 3.45 of the Chino Municipal Code to finance the construction and improvement of public infrastructure necessary to mitigate the impacts of new development; and

**WHEREAS**, the City's DIF program is supported by the 2017 Development Impact Fee Nexus and Calculation Report and associated Master Facilities Plan, which together establish the proportional cost allocation methodology in compliance with the Mitigation Fee Act (Government Code § 66000 et seq.); and

**WHEREAS**, the adopted Nexus Study provides for annual fee adjustments based on changes to established construction cost escalation indices, including those published by Engineering News-Record (ENR) and the U.S. Bureau of Labor Statistics; and

**WHEREAS**, the City has reviewed the most recent index values and determined the following escalation factors for Fiscal Year 2025–26:

<u>Index</u>	<u>Increase</u>	<u>Applicable DIF Category</u>
CPI (Consumer Price Index) February 2025	3.1%	Law Enforcement
CCI (Construction Cost Index) April 2025	4.8%	Circulation, Congestion Management Program, Water, Sewer, Storm Drain, and Miscellaneous Residential Amenities
BCI (Building Cost Index) April 2025	11.8%	Fire Facilities, General Facilities, and Public Use Facilities

**WHEREAS**, the Parkland Acquisition Fees have been recalculated in accordance with the adopted fee formula based on updated appraised land values as follows:

- a) \$880,000 per acre for development outside The Preserve (General City Area)
- b) \$1,140,000 per acre for development within The Preserve

**WHEREAS**, Park Development Fees for Fiscal Year 2025–26 have been updated in accordance with Title 18 of the Chino Municipal Code and are calculated using the following formulas:

a) **Acquisition Formula:**

$$DU \times DF \times 3 \text{ acres} \times FMV \div 1,000 = \text{Acquisition Cost}$$

b) **Construction Formula:**

$$DU \times DF \times 3 \text{ acres} \times (1.12 \times FMV) \div 1,000 = \text{Construction Cost}$$

*(Where DU = Dwelling Units; DF = Dwelling Factor; FMV = Fair Market Value)*

**WHEREAS**, during the 14-day public comment period, the City received formal comments from the Building Industry Association (BIA) in response to the proposed 90% increase to the Park Development Fees in The Preserve; and

**WHEREAS**, the BIA expressed concern that such a significant increase could discourage new housing construction, particularly due to current economic challenges, including high interest rates, escalating home insurance costs, and broader market uncertainty; and

**WHEREAS**, although the City's Title 18 formula for Park Development Fees is based on the cost of a fully built and amenitized park, this standard may differ from the more conventional park development assumptions used in fee calculations under the Mitigation Fee Act; and

**WHEREAS**, in response to the concerns raised during the public comment period, the City engaged with the BIA to develop a more phased approach and is therefore proposing a reduced interim fee increase of 11%; and

**WHEREAS**, the City is concurrently updating the Park Development Fee structure through the forthcoming Development Impact Fee Nexus and Calculation Report, which will include revised land and construction cost estimates, regional comparisons, and an updated schedule of fees reflecting current market conditions and statutory requirements; and

**WHEREAS**, the City's recent User Fee Study captured both direct and indirect administrative overhead costs associated with development-related services. Direct costs include staff time, materials, consultant services, and other resources directly tied to processing applications, permits, and inspections. Indirect costs include broader support services such as department management, IT, finance, and facility operations; and

**WHEREAS**, as a result of this cost redistribution, the 12% administrative surcharge on DIF collections is no longer fully justified. The City therefore proposes reducing the DIF Administrative Fee from 12% to 3%, which reflects only the staff and consultant time directly attributable to DIF program administration and oversight; and

**WHEREAS**, this reduction does not diminish the City's cost recovery efforts, but instead reallocates overhead expenses to applicable user fees, ensuring accurate assignment of costs to the development services where they occur. The revised 3% DIF Administrative Fee will take effect on 60 days after City Council approval, to coincide with the implementation of the updated user fee schedule, pending City Council approval on June 17, 2025; and

**WHEREAS**, On June 17, 2025, the City Council conducted a duly-noticed public hearing in accordance with Government Code Section 66016, considered all documentary and oral evidence, closed the public hearing and approved this Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHINO AS FOLLOWS:**

**SECTION 1.** The City Council hereby authorizes the implementation of the updated Development Impact Fee schedule, as calculated in accordance with the adopted Nexus and Calculation Report, utilizing the Fiscal Year 2025–26 escalation rates specified herein. The revised fees shall become effective 60 days after City Council approval, and shall apply to all building permits and entitlements deemed complete and accepted for processing on or after that date.

**SECTION 2.** The updated Parkland Acquisition component of the Park Development Fee shall utilize the Fair Market Values specified herein:

- a) The final fee amounts shall be reflected in Exhibit A, which is incorporated herein by reference and available for public inspection in the Office of the City Clerk.

**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution and ensure that it is posted and published in accordance with applicable law.

**PASSED, APPROVED, AND ADOPTED THIS 17<sup>th</sup> DAY OF JUNE 2025.**

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EUNICE ULLOA, MAYOR

ATTEST:

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NATALIE GONZAGA, CITY CLERK

State of California                    )  
County of San Bernardino        ) ss  
City of Chino                        )

I, Natalie Gonzaga, City Clerk of the City of Chino, do hereby certify the foregoing Resolution was duly adopted by the Chino City Council at a regular meeting held on the 17<sup>th</sup> day of June 2025, by the following votes:

AYES:     COUNCIL MEMBERS:

NOES:     COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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NATALIE GONZAGA, CITY CLERK