

ORDINANCE NO. 2026-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMECULA AMENDING CHAPTER 15.08 OF THE TEMECULA MUNICIPAL CODE, WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM, TO ESTABLISH CONSTRUCTION COST INDEX ADJUSTMENTS AND REVISE THE DEFINITIONS OF “MULTI-FAMILY RESIDENTIAL UNIT” AND “SINGLE FAMILY RESIDENTIAL UNIT” TO THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM AND FINDING THIS ORDINANCE EXEMPT FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, the City of Temecula is a member agency of the Western Riverside Council of Governments (“WRCOG”), a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials in Western Riverside County (the “Regional System”) could be made up in part by a Transportation Uniform Mitigation Fee (“TUMF”) on future residential, commercial and industrial development; and

WHEREAS, in furtherance of this plan, the WRCOG Executive Committee adopted the “Western Riverside County Transportation Uniform Fee Nexus Study”, dated October 18, 2002 (the “2002 Nexus Study”); and

WHEREAS, based on the 2002 Nexus Study, the City adopted Ordinance No. 03-01 on January 14, 2003 pursuant to California Government Code sections 66000 et seq. authorizing the City to impose the Transportation Uniform Mitigation Fee (“TUMF”) upon new development; and

WHEREAS, the ordinances of the City establishing and governing TUMF have been codified as Chapter 15.08, Western Riverside County Transportation Uniform Mitigation Fee Program (“Chapter 15.08”); and

WHEREAS, in 2016, the TUMF Nexus Study (2016 Nexus Study”) was updated for the purpose of updating the fees. On July 10, 2017, the WRCOG Executive Committee reviewed the 2016 Nexus Study and TUMF Program and recommended TUMF Participating Jurisdictions amend their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction in order to update the TUMF Program; and

WHEREAS, on March 28, 2006 the City adopted Ordinance No. 06-04 which adopted the 2016 Nexus Study and updated Chapter 15.08; and

WHEREAS, in 2018, the TUMF Program was altered to adopt a process in which WRCOG calculates and collects TUMF on behalf of member agencies under the Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2018; and

WHEREAS, the City Council adopted Ordinance No. 19-01 on February 12, 2019 amending Chapter 15.08 allowing WRCOG to calculate and collect TUMF on behalf of the City; and

WHEREAS, WRCOG, with the assistance of TUMF Participating Jurisdictions, prepared an updated nexus study entitled “Transportation Uniform Mitigation Fee Nexus Study: 2024 Update” (“2024 Nexus Study”) pursuant to California Government Code sections 66000 et seq. (the Mitigation Fee Act), for the purpose of updating the fees; and

WHEREAS, in September 2024, the WRCOG Executive Committee reviewed the 2024 Nexus Study and TUMF Program and recommended TUMF Participating Jurisdictions amend their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction in order to update the TUMF Program; and

WHEREAS, on February 25, 2025 the City Council approved Ordinance No. 2025-02, amending Chapter 15.08 which adopted the 2024 Nexus Study and its findings; and

WHEREAS, the TUMF Administrative Plan calls for a Construction Cost Index (“CCI”) adjustment to be brought forth to the WRCOG Executive Committee on an annual basis; and

WHEREAS, on December 1, 2025, the WRCOG Executive Committee approved the implementation of an automatic CCI adjustment for all TUMF land uses tied to the September indices of the National Association of Realtors and Engineering News Record with a cap at 5% of any annual adjustments; and

WHEREAS, an automatic CCI adjustment ensures that fee levels keep pace with increases in cost of constructing transportation projects and avoids large increases at comprehensive TUMF Nexus Study updates; and

WHEREAS, this approach also allows for consistency and predictability for the TUMF Program, while ensuring that the fair share principles under “AB 1600,” the Mitigation Fee Act (Government Code Section 66000 et seq.) are satisfied; and

WHEREAS, the City Council desires to provide for automatic inflationary adjustments to the TUMF to reflect changes in construction costs over time, without modifying the underlying fee nexus, land use assumptions, or fee methodology; and

WHEREAS, this Ordinance also includes minor updates to the definitions portion of the previous Ordinance to clarify the definitions of residential units.

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. The definition of “Multi-Family Residential Unit” in Section 15.08.030 of the Temecula Municipal Code is hereby amended to read as follows:

“ ‘Multi-Family Residential Unit’ means a residential dwelling unit that is physically attached to one or more other dwelling units by a shared wall, floor, ceiling, roof, or structural foundation, regardless of the lot or parcel configuration, ownership structure, or type of subdivision (including condominium subdivisions). Multi-family residential units include, but are not limited to, duplexes, townhomes, apartments, and condominiums with attached units. As outlined in this Chapter, accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs), as defined by state law, are exempt from TUMF and shall not be counted in determining residential land use classification.”

SECTION 3. The definition of “Single Family Residential Unit” in Section 15.08.030 of the Temecula Municipal Code is hereby amended to read as follows:

“ ‘Single Family Residential Unit’ means a residential dwelling unit that is physically detached from any other dwelling unit, sharing no common wall, floor, ceiling, roof, or structural foundation with another dwelling unit, regardless of the lot or parcel configuration, ownership structure, or type of subdivision (including condominium subdivisions). As outlined in the Ordinance, accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs), as defined by state law, are exempt from TUMF and shall not be counted in determining residential land use classification.”

SECTION 4. Section 15.08.045, Annual Automatic Adjustments of TUMF, is hereby added to Chapter 15.08 of the Temecula Municipal Code to read as follows:

“15.08.045 Annual Automatic Adjustments of TUMF

“A. Beginning July 1, 2026, and annually thereafter, the Transportation Uniform Mitigation Fee (TUMF) shall be automatically adjusted to reflect changes in construction costs.

“B. The annual adjustment shall be calculated by WRCOG based on a blended Construction Cost Index derived from: (1) the National Association of Realtors – Median Sales Price of Existing Single-Family Homes, and (2) the Engineering News-Record (ENR) Construction Cost Index, using the September values of each index from the prior calendar year.

“C. The percentage adjustment applied to the TUMF shall equal the annual percentage change in the blended index; provided, however, that in no event shall the annual adjustment exceed five percent (5%), whether positive or negative.

“D. The calculated adjustment shall be implemented on July 1 of the year following index calculation.

“E. If either referenced index is discontinued or materially altered, WRCOG shall apply a comparable, industry-recognized index that most closely reflects regional transportation construction costs.”

SECTION 5. Effect. No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit or reimbursement of such payment. This Ordinance does not create any new TUMF.

SECTION 6. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional. If for any reason any portion of this Ordinance is found to be invalid by a court of competent jurisdiction, the balance of this Ordinance shall not be affected.

SECTION 7. No Procedural Defenses. Prohibition of Jurisdictions from raising procedural defenses, including without limitation a statute of limitations, laches, the California Government Tort Claims Act, and necessary parties in a dispute with WRCOG regarding the matters set forth herein.

SECTION 8. Judicial Review. Any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance shall made in accordance with the provisions of Government Code Sections 66020 to 66025.

SECTION 9. CEQA. The amendments to the Chapter 3.70 as described in this Ordinance is not a "project" within the meaning of Section 15378(3)(4) of the CEQA Guidelines, and is therefore exempt from the requirements of CEQA. Section 15378(b)(4) of the CEQA Guidelines states that a project does not include the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The Ordinance does not approve the construction nor cause the construction of any specific transportation improvements within Riverside County. This Ordinance will have no effect on the environment. Pursuant to CEQA Guidelines Section 15061(d) and 15062, a Notice of Exemption will be prepared, executed and filed for the foregoing determination in the manner required by law, that this is not a project under the California Environmental Quality Act and therefore, no environmental impact assessment is necessary.

SECTION 10. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula
this day of , .

Jessica Alexander, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Ordinance No. 2026- was duly introduced and placed upon its first reading at a meeting of the City Council of the City of Temecula on the 24th day of March, 2026, and that thereafter, said Ordinance was duly adopted by the City Council of the City of Temecula at a meeting thereof held on the day of , , by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk