

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JESSICA JONES, SUPERVISING PLANNER
PLANNING AND ECONOMIC DEVELOPMENT
SUBJECT: ACCESSORY DWELLING UNIT UTILITY CONNECTION FEES

AGENDA ACTION: ORDINANCE

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council introduce an ordinance amending Title 20 of the Santa Rosa City Code, amending Section 20-42.130(D)(3)(b), Utility Connection Fees, to no longer require new or separate utility connection or related connection fee or capacity charge for accessory dwelling units that are 750 square-feet or smaller.

EXECUTIVE SUMMARY

On December 5, 2017, the City Council introduced an ordinance amending the Santa Rosa Zoning Code to allow for Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) in compliance with State law and in support of the City's Housing Action Plan, and approved a resolution reducing capital facilities and park impact fees for new ADU's. Subsequently, on December 12, 2017, the Council adopted the aforementioned ordinance, and, on December 19, 2017, the Council approved a second resolution to reduce the Southeast and Southwest Area Development Impact fees (SEADIF and SWADIF, respectively) for new ADU's. Staff finds that an additional amendment to the City Code regarding ADUs to no longer require new or separate utility connection or related connection fee or capacity charge for accessory dwelling units that are 750 square-feet or smaller will help facilitate additional smaller housing units consistent with the City's Housing Action Plan and state law.

BACKGROUND

In October 2016, the Council accepted the Housing Action Plan (HAP), which was prepared to address the City's ongoing, unmet housing needs and to implement the City's General Plan Housing Element. The HAP identifies policies to incentivize "affordable by design" housing that is smaller in scale, efficiently designed and less expensive to construct, and directs staff to evaluate financial obstacles and reduce development costs of ADUs.

In June 2017, the Council adopted the City's top priorities for the year, which included implementation of a comprehensive housing strategy, "housing for all". Similarly, in February 2018, the Council adopted the current top priorities, which also include the comprehensive housing strategy as a Tier 1 priority; reaffirming the Council's housing goals.

On December 5, 2017, the Council introduced an ordinance amending the Santa Rosa Zoning Code to allow for ADUs and JADUs in compliance with State law and in support of the City's Housing Action Plan, and approved a resolution reducing capital facilities and park impact fees for new ADU's.

On December 12, 2017, the Council adopted Ordinance No. ORD2017-024, amending Title 20 of the City Code and implementing changes to the Code with respect to ADUs.

On December 19, 2017, the Council approved a resolution to reduce the SEADIF and SWADIF fees for new ADU's.

PRIOR CITY COUNCIL REVIEW

See Background section above.

ANALYSIS

The changes made to Zoning Code Section 20-42.130, Accessory Dwelling Units, in December 2017 were developed to address recent changes in State law, as well as to implement direction provided by the City Council through the City's 2016 HAP. As mentioned in the Background section of this report, the HAP includes specific policies and directives to incentivize smaller scale units that are considered "affordable by design", as well as evaluation of financial obstacles and reduction in the development costs for ADUs.

With the adoption of the initial Zoning Code amendment, two resolutions were also adopted that addressed reductions in capital facilities and park impacts fees, as well as SEADIF and SWADIF fees. While the language in the ordinance excludes "new or separate utility connection or related connection fee or capacity charge" for internal conversions of existing space, it does not address utility fees and connections for newly constructed ADUs.

Due to the significant housing shortage in Santa Rosa, particularly that available for moderate and lower income households, staff has determined that no longer requiring the utility connection fees for smaller ADUs (750 square feet or smaller) would support the Council's housing goals, and would further implement the direction provided in the City's HAP, to incentivize smaller, more affordable units and would be consistent with the intent and direction in California Government Code Section 65852.2(f)(2).

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FISCAL IMPACT

The proposed Zoning Code amendment would no longer require utility connection fees for ADUs that are 750 square-feet or smaller. The overall revenue impact is not expected to be significant based on the anticipated number of these smaller ADUs.

ENVIRONMENTAL IMPACT

Adoption of the proposed ordinance and associated resolution, related to utility connection fees for ADUs, has been reviewed in compliance with the California Environmental Quality Act (CEQA). The proposal has been found to be statutorily exempt pursuant to CEQA Section 15282(h), because it will implement California Government Code 65852.1 and 65852.2 regarding accessory dwelling units.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Pursuant to Zoning Code Chapter 20-64, Amendments, proposed amendments to the Zoning Code are required to be reviewed by the Planning Commission, who then makes a recommendation to the City Council. However, as identified in Zoning Code Section 20-50.020, Table 5-1: Review Authority, the Planning Commission's purview lies with land use decisions; the Commission does not have authority to take action on City fees.

Given that the proposed amendment to Section 20-42.130, Accessory Dwelling Units, is related to utility connection fees only, staff has determined that consideration and recommendation by the Planning Commission, prior to City Council action, is not required for the proposed amendment.

On September 20, 2018, staff presented the proposed changes to the Board of Public Utilities.

NOTIFICATION

Pursuant to Zoning Code Section 20-66.020(D), Alternative to Mailing, if the number of property owners to whom notice would be mailed would exceed 1,000, the City may, as an alternative to mailing and on-site posting, provide notice by placing an advertisement of at least one-eighth page in at least one newspaper of general circulation 10 days prior to the hearing. The proposed Zoning Code amendment would affect properties Citywide, therefore, a one-eighth page advertisement was placed in the Press Democrat. The notice was also emailed to the City's Community Advisory Board and the Board of Public Utilities.

ATTACHMENTS

- Attachment 1 – Zoning Code Section 20-42.130(D)(3)(b), Proposed Changes in Strikeout and Underline Format
- Ordinance

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