

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JESSICA JONES, SUPERVISING PLANNER
PLANNING AND ECONOMIC DEVELOPMENT
SUBJECT: TEMPORARY HOUSING DEVELOPMENT IMPACT 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, adding Section 20-16.030(E), Impact Fees, to Chapter 20-16, Resilient City Development Measures, to address waiving of capital facilities, housing and parks impact fees for temporary housing.

EXECUTIVE SUMMARY

Zoning Code Chapter 20-16, Resilient City Development Measures, was prepared to address housing needs and economic development Citywide following the Tubbs and Nuns fires of October 2017. On April 10, 2018, the City Council adopted the sections of the ordinance that relate to temporary housing and structures, and accessory dwelling units. On May 22, 2018, the Council adopted the remaining sections of the ordinance, related to reduced review authority for residential, lodging and childcare facilities. As part of the temporary housing section, the ordinance includes language to waive water and wastewater connection and demand fees. However, the City's other development impact fees, including capital facility, housing and parks impact fees, were not addressed. Due to the temporary nature of the housing, it has been determined that omitting a waiver of these additional impact fees was an oversight and should be added to Chapter 20-16.

BACKGROUND

On April 10, 2018, the City Council adopted an ordinance adding Chapter 20-16, Resilient City Development Measures, to the Zoning Code to address housing needs and economic development within the City following the Tubbs and Nuns fires of October 2017. At that meeting, Sections 20-16.010 through 20-16.050, related to temporary housing, temporary structures and accessory dwelling units, were adopted.

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On May 22, 2018, the City Council adopted the remaining sections of Chapter 20-16, including Sections 20-16.060 through 20-16.110, related to reduced review authority for residential, lodging and childcare facilities.

PRIOR CITY COUNCIL REVIEW

See Background section above.

ANALYSIS

Zoning Code Chapter 20-16, Resilient City Development Measures, was developed to address housing needs and economic development within the City following the Tubbs and Nuns fires of October 2017. The proposed measures will be in place for a period of three years from the effective date of the ordinance, or until May 11, 2021, unless otherwise amended by subsequent action of the Council.

The Resilient City Development Measures include a number of specific sections, one of which is for temporary housing. Section 20-16.030, Temporary Housing, allows for habitation of temporary structures on any residential or non-residential parcel within the City, with the approval of a Temporary Use Permit. The duration of the Temporary Use Permit is determined through the entitlement process, but cannot exceed a period of five years from the date of the Temporary Use Permit approval.

As a temporary use, which must be removed from the site by the expiration date of the Temporary Use Permit, Section 20-16.030 included specific language regarding how water and wastewater services would be provided. Included is a waiver of the connection and demand fees, which requires an agreement from the property owner assuring termination of the connections at the expiration of the temporary use.

Since the adoption of Chapter 20-16, the City has received its first application for a temporary housing development under this Chapter. The proposal is for Veterans Village, a 14-unit project for chronically homeless veterans, on Russell Avenue. Following approval of the Temporary Use Permit, the applicant submitted a building permit application and was notified of the required fees, which include capital facilities and parks impact fees that total just over \$162,000.

A question has since been raised as to why a waiver of water connection and demand fees were included in Chapter 20-16 for temporary housing, but the other impact fees (capital facilities, housing and parks) were not. Staff has determined that omitting a waiver of these impact fees was an oversight. Because housing developments approved under this ordinance would be temporary, and are required to be removed at the end of their approved duration, a waiver of the capital facilities, housing and parks impact fees would be appropriate.

As proposed, the language would be similar to that of the water/wastewater fee waiver. Specifically, property owners would be required to enter into an agreement with the City

to assure termination of the use at the expiration of the temporary use.

FISCAL IMPACT

The proposed Zoning Code amendment would waive the capital facilities, housing and parks impact fees for temporary housing projects developed under Zoning Code Chapter 20-16. The waiving of such fees would potentially impact the funds related to capital facilities, housing and parks projects. However, because the housing would be temporary, and the property owner would be required to enter into an agreement to ensure termination of the use upon expiration of the Temporary Use Permit, impacts to these City funds, and the projects that they pay for, would be minimal.

ENVIRONMENTAL IMPACT

Adoption of the proposed ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to the following exemptions set forth in the CEQA Guidelines.

- Adoption of the ordinance is exempt under the “common sense exemption” set forth in CEQA Guidelines Section 15061(b)(3), which provides that CEQA applies only to projects having the potential to cause a significant effect on the environment. “Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” The proposed project would amend the City’s Zoning Code, adding Section 20-16.030(E), Impact Fees, to address waiving of capital facilities, housing and parks impact fees for temporary housing. The proposed Zoning Code amendment would not in and of itself allow the development of any new structures or alteration of lands; rather, any future projects utilizing the proposed fee waiver would require their own entitlement permit and CEQA review process.
- Adoption of the ordinance is exempt under CEQA Guidelines section 15273, which provides that “CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of:
 - 1) Meeting operating expenses, including employee wage rates and fringe benefits;
 - 2) Purchasing or leasing supplies, equipment, or materials;
 - 3) Meeting financial reserve needs and requirements;
 - 4) Obtaining funds for capital projects, necessary to maintain service within existing service areas; or
 - 5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter.”

The proposed addition of Section 20-16.030(E), Impact Fees, would address waiving of capital facilities, housing and parks impact fees for temporary

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housing. The waiving of such fees would potentially impact the funds related to city projects supported by these impact fees. However, because the housing would be temporary, and the property owner would be required to enter into an agreement to ensure termination of the use upon expiration of the Temporary Use Permit, impacts to these City funds would be less than significant.

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 Chapter 20-16 is related to impact 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.

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.

The Resilient City Development Measures web site (<https://srcity.org/2802/19802/Resilient-City-Development-Measures>), which is located on the Planning and Economic Development Departments web page, was created for the initial development of this Zoning Code chapter. The site provides a summary of the proposed amendment, as well as information about the date, time and location of the public hearing.

ATTACHMENTS

- Attachment 1 – Zoning Code Section 20-16.030 – Proposed Changes in Strikeout and Underline Format
- Ordinance

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