

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JESSICA JONES, SUPERVISING PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: ACCESSORY DWELLING UNIT IMPACT FEE REDUCTION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution, reduce the Southeast and Southwest Area Development Impact fees for new Accessory Dwelling Units.

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. During the meeting, it was noted that the Southeast and Southwest Area Development Impact fees (SEADIF and SWADIF, respectively) pose a significant cost burden on development of ADU's in the southeast and southwest areas of the City. The City is currently working on an impact fee program update, including potentially eliminating the SEADIF and SWADIF, however, the update will likely not be considered by Council until the early 2018. In the interest of time, Council directed staff to return with a resolution to reduce the SEADIF and SWADIF fees for new ADU's immediately.

BACKGROUND

The SEADIF and SWADIF fees were established approximately 20 years ago to address capital improvement needs and funding in the southeast and southwest areas of the City. These programs fund transportation and utility infrastructure, as well as fire and library facilities.

Through the impact fee program update, which commenced in August 2016, the City is considering the elimination of the SEADIF and SWADIF fees for a number reasons,

ACCESSORY DWELLING UNIT IMPACT FEE REDUCTION
PAGE 2 OF 3

including the fact that many of the public improvements associated with these fees have been constructed.

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. Because Council will likely not consider the impact fee program update until early 2018, Council directed staff to return with a resolution to reduce the SEADIF and SWADIF fees for new ADU's immediately.

PRIOR CITY COUNCIL REVIEW

See the Background section of this report.

ANALYSIS

In the course of community outreach for the ADU amendment project, the primary feedback received by staff was that the cost of construction of ADUs, including the City's permit fees, was prohibitive. As a result, staff proposed SEADIF and SWADIF fee reductions, as identified below. The proposed reductions would further incentivize smaller sized ADUs (affordable by design), and would supplement the Council's December 5, 2017 resolution that similarly reduced Capital Facilities and Park Impact fees:

Unit Size (Square Feet)		Current SEADIF Fee	Current SWADIF Fee	% of Proposed Fees Assessed	Proposed SEADIF Fee	Proposed SWADIF Fee
Larger Than	Up To					
Internal Conversion		\$6,245	\$8,164	0%	\$0	\$0
-	750	\$6,245	\$8,164	0%	\$0	\$0
751	950	\$6,245	\$8,164	25%	\$1,561.25	\$2,041
951	1,200	\$6,245	\$8,164	50%	\$3,122.50	\$4,082

FISCAL IMPACT

In recent years, the City has received less than 10 requests annually for ADU permitting. Future increases in ADU permitting are not anticipated to occur without the proposed fee reductions. With the lowered fee structure, the City would expect additional permitting that would offset the loss of fees to some degree, and may result in additional revenue. Impact to the General Fund from approving this item is expected to be negligible.

ENVIRONMENTAL IMPACT

The proposed fee reduction is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273, which exempts the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares and charges by public agencies. The project is also exempt under the general rule, Section 15061(b)(3), that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

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 fee reduction would affect residential properties citywide, therefore, a one-eighth page advertisement was placed in the Press Democrat. The notice was also emailed to a list of stakeholders, including the City's Community Advisory Board, developers, advocates, neighborhood groups, and other interested individuals, and the notice was posted at City Hall.

ISSUES

None.

ATTACHMENTS

- Resolution 1

CONTACT

Jessica Jones
(707) 543-3410
jjones@srcity.org