

RESOLUTION NO. RES-2022-248

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA RESCINDING RESOLUTION NO. 2018-169 AND ESTABLISHING PAYMENT OPTIONS FOR WATER AND WASTEWATER DEMAND FEES AND AMENDING THE ELIGIBILITY CRITERIA FOR THE HIGH-DENSITY MULTI-FAMILY RESIDENTIAL INCENTIVE PROGRAM TO INCREASE HIGH DENSITY DEVELOPMENT AND AFFORDABLE HOUSING DOWNTOWN

WHEREAS, there is a need for additional housing units and the City embarked on a major effort to address the current housing crisis since before the October 2017 fires; and

WHEREAS, the City Council has an interest in incentivizing the location and development of high density residential units within the downtown area and close to transit pursuant to a high-density residential incentive program; and

WHEREAS, the City has specifically identified the payment of water and wastewater demand fees in the course of construction as an impediment to the development of such high-density residential development downtown and wants to provide options for payment of such fees as part of the incentive program; and

WHEREAS, an independent assessment of the need for an Incentive Program provided by real estate consultant, Keyser Marston Associates, Inc., illustrates the unique challenges facing high-density projects within the boundaries of the Downtown Station Area Specific Plan and General Plan Downtown Core Boundary and affirms the need for incentives to enable projects to move forward in the near term; and

WHEREAS, on September 25, 2018, the City Council adopted Resolution No. RES-2018-169, establishing the High-Density Multi-Family Residential Incentive Program (Incentive Program) to increase high density development and affordable housing downtown by setting forth payment options for Water and Wastewater Demand Fees for high-density residential within the Downtown boundaries as depicted in the attached map at Exhibit A and made part hereof; and

WHEREAS, the City Council determines that this Incentive Program is not a “project” under CEQA and is therefore exempt from review pursuant to CEQA Guidelines section 15378(b)(4), and further determines that payment options are exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) in that the activity in question will not have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby rescinds Resolution No. 2018-169 and establishes payment options for water and wastewater demand fees and amends the eligibility criteria for the Incentive Program as follows:

Residential projects located within the boundaries of Downtown as depicted on Exhibit A attached hereto shall be eligible for the Incentive Program if such projects meet the following criteria:

1. Residential projects of at least three stories in height with two or more floors dedicated to residential use; and
2. The residential project must break ground before August 31, 2026. “Breaking ground” is defined as securing a foundation permit; and
3. For purposes of the Incentive Program, floors are considered “residential” if at least twenty-five (25%) of gross floor area is dedicated to habitable space; and
4. Payment option one: Deferral of payment of residential water and wastewater demand fees until after 75% occupancy of all residential units within the project or six months from the date of final inspection approval, whichever is sooner; and
5. Payment option two: Five-year payment plan for residential water and wastewater demand fees in five equal annual payments subject to interest based on the Prime interest rate, as published on the Bloomberg on-line internet site ([www.bloomberg.com](http://www.bloomberg.com)).

The above payment options shall be subject to owner/developer executing a promissory note and deed of trust to be recorded against the subject property to secure the payment of all deferred water and wastewater demand fees, as well as such other documents deemed reasonably necessary, in a form approved by the City Attorney’s Office and the Director of Santa Rosa Water. A project seeking to participate in one of the above payment options shall not be eligible to participate in any other payment plan for water or wastewater demand fees.

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BE IT FURTHER RESOLVED that the Council hereby delegates authority to the Director of Santa Rosa Water to approve and execute such agreements necessary to carry out the above defined payment options.

IN COUNCIL DULY PASSED this 13th day of December, 2022.

AYES: (7) Mayor C. Rogers, Vice Mayor Alvarez, Council Members Fleming, MacDonald, N. Rogers, Sawyer, Schwedhelm

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
City Clerk Mayor

APPROVED AS TO FORM: \_\_\_\_\_  
City Attorney

Exhibit A – Map of Downtown