

RESOLUTION NO. RES-2019-153

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA REVISING THE HOUSING IMPACT FEE AS PROVIDED IN CHAPTER 21-02 OF THE SANTA ROSA CITY CODE – FILE NO. PRJ19-036

WHEREAS, in October 2016, the City Council accepted the Housing Action Plan, which includes a variety of programs aimed at addressing the City's ongoing unmet housing needs. Program 1 of the Plan is to "increase inclusionary housing", which directed the consideration of the following policy options: (1) seek inclusionary units in for-sale housing projects, (2) require a minimum of 15 percent of the for-sale projects total units be affordable to a mix of low and moderate income households, (3) specify additional regulatory and financial incentives and alternative compliance measures as may be needed to maximize production of affordable housing units, and (4) encourage innovation in achieving increased inclusionary housing; and

WHEREAS, there is a need for additional housing units and the City embarked on a major effort to address the current housing crisis that has existed 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; and

WHEREAS, the City Council has an interest in incentivizing development of affordable housing projects that include construction of on-site affordable units; and

WHEREAS, the City prepared and the Council has reviewed and considered the findings and determinations as set forth in the Residential Impact Fee Nexus and Feasibility Study, dated May 2019, prepared by Strategic Economics, Inc., and the comments, statements and other evidence presented by all persons, including staff reports and members of the public, who appeared and addressed the Council at the study session held on August 27, 2019 and the public hearing held on October 1, 2019, and all comments and materials submitted prior thereto, and

WHEREAS, on October 1, 2019, the Council introduced an ordinance revising City Code Chapter 21-02, Housing Allocation Plan, to encourage developers to include inclusionary housing in residential development; and

WHEREAS, City Code Section 21-02.090.A, as amended by the Council, provides for the City Council to adopt, by resolution, a Housing Impact Fee to be used by the Housing Authority only for the development of affordable housing within the City; and

WHEREAS, The Council finds that the proposed Housing Allocation Plan Ordinance Update is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this ordinance may have significant effects on the environment, and that no further environmental review is required.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby modifies the Housing Impact Fee as follows:

- 1) All For-Rent and For-Sale Residential Development Projects located outside the Downtown, as defined in City Code Section 21-02.030:

- a) Effective the first and second year after the adoption of this resolution, the Housing Impact Fee for unrestricted (unallocated) and non-exempt units shall be as follows:

For projects between 0 and 909 square feet: \$2 per square foot.

For projects 910 square feet or above: \$5 per square foot.

- b) Effective the third and fourth year after the adoption of this resolution, the Housing Impact Fee for unrestricted (unallocated) and non-exempt units shall be as follows:

For projects between 0 and 909 square feet: \$4 per square foot.

For projects 910 square feet or above: \$8 per square foot.

- c) Effective the fifth year after the adoption of this resolution, and all future years, until such time as the fee is further amended by the Council, the Housing Impact Fee for unrestricted (unallocated) and non-exempt market-rate units shall be as follows:

For projects between 0 and 909 square feet: \$5 per square foot.

For projects 910 square feet or above: \$10 per square foot.

- 2) All For-Rent and For-Sale Multifamily Residential Projects located within the Downtown, as defined in City Code Section 21-02.030, the Housing Impact Fee for unrestricted (unallocated) and non-exempt units shall be as follows:

- a) Effective the first and second year after the adoption of this resolution, the Housing Impact Fee for unrestricted (unallocated) and non-exempt units shall be:

For projects between 0 and 909 square feet: \$1 per square foot.

For projects 910 square feet or above: \$3 per square foot.

- b) Effective the third year after the adoption of this resolution, the Housing Impact Fee for unrestricted (unallocated) and non-exempt units shall be:

For projects between 0 and 909 square feet: \$2 per square foot.

For projects 910 square feet or above: \$3 per square foot.

- 3) Effective starting the sixth year after the adoption of this resolution, the Housing Impact Fee for all unrestricted (unallocated) and non-exempt units citywide, including the Downtown, as defined in City Code Section 21-02.030, will be adjusted annually each July 1st based on the percentage change in the Bureau of Labor Statistics San Francisco/Oakland/San Jose Consumer Price Index — all Urban Consumers (CPI -U).

NOW, THEREFORE, BE IT FURTHER RESOLVED that, consistent with California Government Code section 66017, this resolution shall be effective sixty (60) days after adoption.

IN COUNCIL DULY PASSED this 1st day of October, 2019.

AYES: (5) Mayor Schwedhelm, Vice Mayor Rogers, Council Members Combs, Fleming
Sawyer

NOES: (0)

ABSENT: (2) Council Members Olivares, Tibbetts

ABSTAIN: (0)

ATTEST: _____
Acting City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney