

RESOLUTION NO. RES-2024-175

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA ADOPTING AN AFFORDABLE HOUSING CAPITAL FACILITIES FEE PILOT PROGRAM REDUCING THE CAPITAL FACILITIES FEE FOR CERTAIN DEED RESTRICTED AFFORDABLE RESIDENTIAL UNIT TYPES TO ENCOURAGE THE NEAR-TERM DEVELOPMENT OF SPECIFIC AFFORDABLE HOUSING UNITS NEEDED TO COMPLY WITH THE REGIONAL HOUSING NEEDS ALLOCATION

WHEREAS, Chapter 21-04 of the Santa Rosa City Code (City Code) includes formulas for establishing Capital Facilities impact fees (CFF) to pay for certain public infrastructure facilities required to serve new development within the City of Santa Rosa; and

WHEREAS, Chapter 21-04.050(D) of the City Code identifies the application and calculation of CFF and enables the City council to establish and adjust the amount of the CFF by resolution; and

WHEREAS, there is a need for additional housing units at specific affordability levels to achieve the State of California's Regional Housing Needs Allocation (RHNA) requirements for the 2023-2031 RHNA cycle; and

WHEREAS, deed restricted affordable housing projects often rely on various financing programs available from various sources, including the State of California to compete the development of affordable housing projects; and

WHEREAS, the reduction of the Capital Facilities Fee associated with the development of restricted affordable housing units may act as a catalyst to increase the number of deed restricted affordable units during a time in which budget reductions at the State level may reduce the funding availability for housing programs; and

WHEREAS, since the adoption of the current nexus fee study related to Capital Facilities Fees, funding availability through the competitive grant process at the State and Federal levels has increased for public infrastructure project types that are identified in the existing fee study and may assist with offsetting the loss of revenue experienced through the adopted fee waiver program; and

WHEREAS, the City of Santa Rosa desires to establish an Affordable Housing Capital Facilities Fee Pilot Program by reducing Capital Facilities Fees by one hundred percent (100%) on certain deed restricted affordable residential unit types to encourage the near-term development of specific affordable housing units needed to comply with the Regional Housing Needs Allocation; and

WHEREAS, this Affordable Housing Capital Facilities Fee Pilot Program has been reviewed in compliance with the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a

direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby adopts the Affordable Housing Capital Facilities Fee Pilot Program with the following parameters:

- a) The program will terminate three (3) years from the effective date of this resolution or upon adoption of a new impact fee nexus study addressing the Capital Facilities Fee, whichever occurs first.
- b) The Capital Facilities Fee for new housing units, deed restricted through the City's Housing Authority, administered by the Department of Housing and Community Services, at the following Area Median Income (AMI) categories, as defined by the California Department of Housing and Community Development's (HCD) 2023-2031 Regional Housing Needs Allocation (RHNA) for Santa Rosa, will be set at zero dollars (\$0.00):
 - a. Very Low Income – 0-50% of AMI, including Acutely Low (0-15%) and Extremely Low (15-30%)
 - b. Low Income – 50-80% of AMI
 - c. Moderate Income – 80-120% of AMI
- c) Residential units receiving locally sourced financial assistance from the City or the Housing Authority's loan programs will not be eligible for the fee program.
- d) For projects that elect to convert temporary housing units approved under City Code Section 20-16.030 (ORD-2018-006) to permanent housing units, the zero fee will apply to any units that are identified in section b if the required approval to convert the temporary housing units to permanent housing units is obtained during the program's lifespan.
- e) The fee reductions will apply to building permit applications proposing vertical construction of the dwelling unit issued during the program's lifespan.
- f) For eligible units within the Low Income affordability category, the zero dollar fee will no longer apply if the City reaches the required unit totals within the Low Income affordability category, as determined through the current RHNA cycle.

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BE IT FURTHER RESOLVED that this resolution shall become effective sixty (60) days following adoption of the resolution.

IN COUNCIL DULY PASSED this 12th day of November 2024.

AYES: (6) Mayor N. Rogers, Vice Mayor Stapp, Council Members Alvarez, Fleming, MacDonald, C. Rogers

NOES: (0)

ABSENT: (1) Council Member Okrepkie

ABSTAIN/RECUSE: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
City Attorney