

RESOLUTION NO. 2018-0428

Adopted by the Sacramento City Council

October 30, 2018

Reduction of Existing Development Impact Fee Residential Rates for New Affordable Dwelling Units to A Zero-Dollar Rate

BACKGROUND

- A. On April 19, 2018, City Council directed staff to modify the City's development impact fee programs to reduce impact fee rates for affordable dwelling units to a zero-dollar rate.
- B. Development impact fees, as set forth in Exhibit A, are monetary exactions established and imposed according to various sections of Sacramento City Code and collected as fees at rates established by resolution, to finance the design, construction, installation, and acquisition of public infrastructure or to recover the costs of adding capacity in existing public infrastructure.
- C. Funding for affordable housing has been fallen dramatically ever since the official dissolution of the state's 400 plus redevelopment agencies in 2012.
- D. Affordable housing production has dropped precipitously due to increased construction costs and an overall decline in Federal and State funding.
- E. The payment of development impact fees constitutes a barrier for the construction of affordable housing units.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Findings.

- A. The Background statements set forth above are true and correct and are incorporated herein by reference as findings.
- B. The City has determined that reducing certain residential rates for development impact fees established by previous resolutions to a zero-dollar rate for affordable housing dwelling units, as set forth in Exhibit A, would not significantly alter the

City's ability to finance the design, construction, installation, and acquisition of public infrastructure or significantly impact existing finance plans.

- C. The reduction of existing residential rates for development impact fees to zero-dollar rate for affordable dwelling units is consistent with the City's general plan and housing element, and the City Council has considered the effects of the reduction of the fees with respect to the City's and region's housing needs.

Section 2. Reduction of Existing Development Impact Fees for Affordable Dwelling Units to a Zero-Dollar Rate

The City Council hereby approves and adopts the reduction of residential rates for affordable dwelling units to a zero-dollar rate for the impact fees identified in Exhibit A, subject to the following:

- A. Any shortfall that results from this fee reduction shall not be made up from revenue from fees paid by others within any of the relevant fee programs.
- B. The City shall monitor the production of affordable dwelling units which qualify for zero-rate fees and evaluate potential impacts to affected finance plans annually and re-evaluate every 3 years to assess the performance of incentives. If significant impacts occur, the City shall conduct further analysis, and if required, report back to City Council with recommendations.
- C. For the purposes of this resolution, an "affordable dwelling unit" for a rental unit means a unit that is subject to a rent restriction for a period of at least 30 years under a recorded regulatory agreement between the property owner and the City, the Sacramento Housing and Redevelopment Agency, or another local, state or federal agency requiring that the dwelling unit (1) be occupied by low or moderate income households as defined in section 50093 of the California Health and Safety Code; and (2) is offered at an affordable rent as defined in section 50053 of the California Health and Safety Code.
- D. For the purposes of this resolution, an "affordable dwelling unit" for a for-sale unit means a unit sold at an *affordable housing price* as defined in section 17.712.020 of Sacramento City Code, subject to a recorded regulatory agreement for a period of at least 30 years between the original property owner and the City, the Sacramento Housing and Redevelopment Agency, or another local, state or federal agency requiring that the dwelling unit be occupied by low income households as defined in section 50079.5 of the California Health and Safety Code.
- E. For purposes of this resolution, "residential rates" refers to any of the rates that

were adopted by the resolutions identified in Exhibit A and labelled residential rates or rates that were not labelled as residential rates but which are applicable to residential projects or units.

Section 3. Effective date.

This resolution takes effect on December 30, 2018.

Section 4. Exhibits.

Exhibit A is part of this resolution.

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Exhibit A-Reduction of Existing Residential Rates for Development Impact Fees to Zero-Dollar Rate for Affordable Dwelling Units

Adopted by the City of Sacramento City Council on October 30, 2018, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2018.11.29 15:58:12
-08'00'
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

EXHIBIT A

**Reduction of Existing Residential Rates for Development Impact Fees
to Zero-Dollar Rate for Affordable Dwelling Units**

Code Section	Fee Name	Dept.	Fee Rate for Affordable Dwelling Units*	Fee for All Other Projects
Ch. 13.04.820	Water system development fee	DOU	\$0.00	Per Resolution 2007-0365
Ch. 13.08.480	Sewer development fee	DOU	\$0.00	Per Resolution 2008-0394
Ch. 13.08.490	Combined sewer development fee	DOU	\$0.00	Per Resolution 2005-0162
Ch. 18.24	North Natomas Planning Area Development Fees	PIF	\$0.00	Per Resolution 2018-0058
Ch. 18.56, Article II	Park Development Impact Fee	Parks	\$0.00	Per Resolution 2017-0070
Ch. 18.56, Article V	65 th Street Area Impact Fee	PIF	\$0.00	Per Resolution 2017-0073
Ch. 18.56, Article VII	Jacinto Creek Planning Area Impact Fee	PIF	\$0.00	Per Resolution 2017-0400
Ch. 18.32	Willowcreek Impact Fee	PIF	\$0.00	Per Resolution 1997-576
Ch. 18.56, Article VI	River District Fee	PIF	\$0.00	Per Resolution 2017-0075
Ch. 18.56 Article VIII	Central City Impact Fee	PIF	\$0.00	Per Resolution 2018-0134
Ch 18.56 Article IX	Railyards Impact Fee	PIF	\$0.00	Per Resolution 2018-0383

* Zero-dollar rate fees shall apply only to deed-restricted affordable dwelling units that are subject to regulatory agreements as described in Section 2 (c) of this resolution. Zero-rate fees shall be applied proportionately according to the number of proportion of affordable dwelling units in the project.