

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL RECOMMENDING APPROVAL
OF FOR-SALE HOUSING IN-LIEU FEES AND RENTAL HOUSING IMPACT FEES**

WHEREAS, on May 16, 2017 the Salinas City Council held a duly noticed public hearing to consider proposed for-sale housing in-lieu fees and rental housing impact fees; and

WHEREAS, the Salinas City Council weighed the evidence presented at said hearing, including the Staff Report which is on file at the Community Development Department, together with the record of environmental review; and

WHEREAS, Action H-8 in the City's 2015-2023 General Plan Housing Element states that the City will review its in-lieu fees; and

WHEREAS, amendments to the City's Inclusionary Housing Ordinance (Article 3 of Chapter 17 of the Salinas Municipal Code) authorize the Salinas City Council to adopt by resolution for-sale housing in-lieu fees and rental housing impact fees; and

WHEREAS, to ensure that future rental residential projects mitigate their impact on the need for affordable housing in Salinas, and to ensure that any adopted housing fees do not exceed the actual affordable housing impacts attributable to the residential developments, the City has received and considered a report from Vernazza Wolfe Associates, Inc. dated January 2016 and entitled "Housing Impact Fee Nexus Study (the "Nexus Study"); and

WHEREAS, the City has received and considered updated financial feasibility studies from Vernazza Wolfe Associates, Inc. dated March 9, 2017 and entitled "Updated Financial Feasibility Analysis" and March 27, 2017 and entitled "Updated Financial Feasibility Analysis – For Sale Housing"; and

WHEREAS, the Nexus Study and updated financial feasibility studies use widely used, appropriate methodology to determine the maximum amount needed to fully mitigate the burdens created by residential development on the need for affordable housing; and

WHEREAS, the facts and substantial evidence in the record establish that there is a reasonable relationship between the need for affordable housing and the impacts of the development described in the Nexus Study and updated financial feasibility studies for which the corresponding fee is charged; that there is also a reasonable relationship between the housing impact fee's use and the type of development for which the fee is charged, as is described in more detail in the Nexus Study and updated financial feasibility studies; and

WHEREAS, the Salinas City Council has considered proposed for-sale housing in-lieu fees and rental housing impact fees as authorized by amendments to the Inclusionary Housing Ordinance, which fees do not exceed the justified fees needed to mitigate the actual affordable housing impacts attributable to the development projects to which the fees relate, as determined

by the Nexus Study and updated financial feasibility studies.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby recommends that the City Council adopt the for-sale housing in-lieu fees and rental housing impact fees attached as Exhibit A, and that the foregoing recitations are true and correct, and are included herein by reference as findings; and

BE IT FURTHER RESOLVED that adoption of the proposed for-sale housing in-lieu fees and rental housing impact fees is not a project as defined by the California Environmental Quality Act because it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)).

BE IT FURTHER RESOLVED that the effective date of this Resolution shall take effect and be in force sixty (60) days after its adoption by the City Council.

PASSED AND APPROVED this 16th day of May 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

EXHIBIT A
FOR-SALE HOUSING IN-LIEU FEES AND RENTAL HOUSING IMPACT FEES

The fees below are applicable to residential developments subject to the Inclusionary Housing Ordinance (Article 3 of Chapter 17 of the Salinas Municipal Code) which elect to pay for-sale housing in-lieu fees or rental housing impact fees. No fee is required for residential developments that are exempt under Section 2.17.8.

For-Sale Housing In-Lieu Fee: \$12.00 per square foot of gross floor area*

Rental Housing Impact Fee:** \$2.00 per square foot of gross floor area*

**"Gross floor area" is as defined in Municipal Code Section 37.10.300 under "Floor area, gross."

**If fewer than twelve percent of units in a rental residential development are affordable to lower income households, the applicant shall be given an impact fee credit equal to the percentage of lower income units provided, divided by 12. (For instance, if 10 percent of the units are affordable to lower income households, the applicant shall receive a credit equal to 10/12 of the rental housing impact fee otherwise required.)

Fees shall be paid at the time specified in Municipal Code Section 3.17.14.

For any annual period during which the City Council does not review these fees, the fee amounts shall be adjusted once annually based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California.