



## City of Pasadena

# Residential Impact Fee Information Packet

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## **City of Pasadena Residential Impact Fee Fact Sheet**

The Residential Impact Fee was established in 1988 with the adoption of Ordinance 6252 – *the New Residential Impact Fee* (Chapter 4.17 of PMC). This fee was created to provide funds to mitigate the impact of new residential development on City parks and park facilities.

As of December 3, 2005, the Residential Impact Fee structure was amended in the following manner:

- a. From the flat fee of \$10,977 per unit to a variable fee based on the number of bedrooms within a residential unit as outlined in Attachment 1 which ranges from \$14,588 for a studio apartment to \$27,003 for a five or more bedroom unit;
- b. Affordable housing units, student housing on property owned by and/or developed in conjunction with an accredited post-secondary educational institution, and skilled nursing units shall be assessed a fee of \$756 per unit. If the required amount of affordable housing units are built on-site per Title 17.42 of the Pasadena Municipal Code, the non-affordable units shall receive a thirty percent discount on the Residential Impact Fee;
- c. If at least fifteen percent of a development's units are workforce housing units within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County, the workforce housing units are eligible for a fifty percent rebate on the Residential Impact Fee as outlined in Attachment 2; and
- d. If at least fifteen percent of a development's units are workforce housing units within the price range of 151 to 180 percent of AMI, the workforce housing units are eligible for a thirty-five percent rebate on the Residential Impact Fee as outlined in Attachment 2.

### **1. What type of development is subject to pay the fee?**

This fee applies to all new residential development in the City. "New residential development" means any of the following:

- a. New construction intended to be occupied, in whole or in part, as a residence, including but not limited to, subdivisions, single-family dwelling units, multi-family dwelling units, work/live units, and any other form of residence, regardless of the zoning designation for the property.
- b. Additions of new residences to preexisting construction.
- c. The conversion of a commercial or industrial structure to residences.
- d. This does not apply to remodeling of any residence which does not create an entirely new living unit.

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**2. How is the fee calculated?**

The method for calculating the residential impact fee is based on the number of bedrooms per unit in a new residential development. There is also a fee for new residential developments without bedrooms, such as studios and lofts.

In addition, the fee is reduced on certain categories of housing, including affordable, student and certain types of senior care housing. A rebate is also available for new residential units that are sold or rented as workforce housing. The fees are outlined in Attachment 1 of this fact sheet.

**3. What is the definition of a “Bedroom”?**

For the purposes of Ordinance 6252 only, a bedroom is defined as a room appropriate for sleeping that is at least 90 square feet (excluding closet space), with a fixed closet, and at least one window or exterior entry; and excluding all kitchens, hallways, bathrooms, closets, attics/basements, storage areas, laundry areas, living rooms and dining rooms.

**4. What qualifies as “student housing”?**

For the purposes of Ordinance 6252 only, student housing are residences located on property owned by, and/or developed in conjunction with an accredited post-secondary educational institution.

**5. What qualifies as a “skilled nursing unit”?**

For the purposes of Ordinance 6252 only, a skilled nursing unit is defined as a residence within a life/care facility which is reserved and equipped to provide 24-hour medical care to residents who cannot take care of themselves because of physical, emotional, or mental conditions. This care must be supervised by a doctor and regulated by the State of California Health Department. A skilled nursing unit differs from an independent living unit within a life/care facility in that it has medical staff available onsite 24 hours per day.

**6. What qualifies as “Affordable Housing”?**

New residences which are rented or sold to persons and families of low or moderate income (as defined in the Health and Safety Code Section 50093) pursuant to the City’s Inclusionary Housing Regulations. For more information, please call (626) 744-8300.

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**7. What is “workforce housing”?**

For the purpose of Ordinance 6252 only, workforce housing is defined as residences offered to persons or families who live or work in the City of Pasadena, and earn between 121 – 180 percent of the average median income (AMI) for Los Angeles County; and are restricted by a covenant recorded with the County of Los Angeles, to remain as workforce housing for a minimum of fifteen years. For more information, please call (626) 744-8300.

**8. What is the workforce housing rebate?**

A rebate is available to developers for workforce housing units as follows:

- a. If a new residential development project offers fifteen percent of its units as workforce housing for rent or sale within the price range of 121 to 150 percent of AMI, the workforce housing units shall receive a fifty percent rebate on the residential impact fee, after proving to the City’s satisfaction that the workforce housing units are occupied by qualified individuals.
- b. If a new residential development project offers fifteen percent of its units as workforce housing for rent or sale within the price range of 151 to 180 percent of AMI, the workforce housing units shall receive a thirty-five percent rebate on the residential impact fee, after proving to the City’s satisfaction that the workforce housing units are occupied by qualified individuals.

For more information, please call (626) 744-8300.

**9. Is credit given for demolished residential units that are replaced by new development?**

Yes, credit is given for demolished residential units that are directly related to the new construction project. Credit is given for like number of units and bedrooms. If the bedroom count is different, the developer will still receive credit for the next like unit (i.e. if a single family home with one bedroom is demolished and a duplex is built with two bedrooms in one unit and three bedrooms in the second unit, credit is given for the two bedroom unit.)

Attachment 1

Residential Impact Fee Structure as of 7/1/08

Development Type	Number of Bedrooms per Unit	Residential Impact Fee Amount per Unit	30% Reduction for Non-Affordable Units if Affordable Housing Built On-site
New Residential	Studio	\$15,566.64	\$10,896.65
New Residential	1	\$16,427.77	\$11,499.44
New Residential	2	\$18,245.02	\$12,771.51
New Residential	3	\$20,981.03	\$14,686.72
New Residential	4	\$25,492.66	\$17,844.86
New Residential	5 or more	\$28,814.50	\$20,170.15
Affordable Housing	Any	\$806.72	
Student Housing	Any	\$806.72	
Skilled Nursing Unit	Any	\$806.72	

**Attachment 2  
Workforce Rebate**

Workforce Housing Incentive: If the development includes at least 15 percent workforce housing units, the workforce housing units are eligible for the following rebate after the housing units have been sold and/or rented:

- 1) if the unit is sold/rented at a price between 121 to 150 of the AMI, the unit is eligible for a 50 percent rebate of the Residential Impact Fees.
- 2) if the unit is sold/rented at a price between 151 to 180 of the AMI, the unit is eligible for a 35 percent rebate of the Residential Impact Fees.

Development Type	Number of Bedrooms per Unit	Residential Impact Fee Amount per Unit	35% Reduction for Workforce Units	50% Reduction for Workforce Units
New Residential	Studio	\$15,566.64	\$10,118.32	\$7,783.32
New Residential	1	\$16,427.77	\$10,678.05	\$8,213.89
New Residential	2	\$18,245.02	\$11,859.26	\$9,122.51
New Residential	3	\$20,981.03	\$13,637.67	\$10,490.52
New Residential	4	\$25,492.66	\$16,570.23	\$12,746.33
New Residential	5 or more	\$28,814.50	\$18,729.43	\$14,407.25

Workforce housing is restricted by a covenant recorded with the County of Los Angeles to remain as workforce housing for a minimum of fifteen years.

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Residential Impact Fee Worksheet**

**Attachment 3**

Instructions: To calculate the fee per unit type, indicate how many units with each bedroom count are in the development. If at least fifteen percent of the development are affordable housing, use the thirty percent reduction column to calculate the fee for the remaining units.

# of Bedrooms	Rate	# of Units	30% Reduction for Non-Affordable Units if Affordable Housing Built On-site	# of Units	Total Fee per Unit Type
Studio	\$15,566.64		\$10,896.65		
1 Bedroom	\$16,427.77		\$11,499.44		
2 Bedrooms	\$18,245.02		\$12,771.51		
3 Bedrooms	\$20,981.03		\$14,686.72		
4 Bedrooms	\$25,492.66		\$17,844.86		
5 or more Bedrooms	\$28,814.50		\$20,170.15		
<b>Other Housing Options</b>		<b># of Units</b>			
Affordable Housing	\$806.72				
Student Housing	\$806.72				
Skilled Nursing Units	\$806.72				
				<b>TOTAL FEE ESTIMATE</b>	

Will the development include workforce housing?  No  Yes

If yes, number of units: \_\_\_\_\_

(See Workforce Housing Rebate sheet – Attachment 2 - for rebate structure)