

Agenda Report

TO: City Council

DATE: October 3, 2005

FROM: City Manager

SUBJECT: PUBLIC HEARING: AMENDMENT TO THE SCHEDULE OF TAXES, FEES AND CHARGES TO INCLUDE THE REVISED RESIDENTIAL IMPACT FEE

RECOMMENDATION

It is recommended that the City Council, following the public hearing:

1. Adopt the attached resolution to change the Residential Impact Fee structure 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 Table 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 is workforce housing within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County, the workforce housing is eligible for a fifty percent rebate on the Residential Impact Fee; and
 - d. If at least fifteen percent of a development is workforce housing within the price range of 151 to 180 percent of AMI, the workforce housing is eligible for a thirty-five percent rebate on the Residential Impact Fee;
2. Find this amendment is not subject to CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) (definition of project excludes government fiscal activities which do not involve any commitment to any specific project.); and
3. Establish the following transition criteria for projects to which the current Residential Impact Fee would apply:

- a. Any project which has submitted a complete set of plans for building permits and paid all plan check fees prior to the effective date of the Residential Impact Fee Resolution.

BACKGROUND

On August 8, 2005, the City Council approved a recommendation to direct the City Attorney to amend Ordinance 6252 – *the New Residential Impact Fee* to change the fee structure as follows:

1. Change the fee structure used to calculate the Residential impact Fee from a flat fee per dwelling unit to one based on the number of bedrooms within a residential unit;
2. Affordable housing units should be assessed \$756 per affordable unit. If the required number of affordable housing units are build on-site, the non-affordable units shall receive a thirty percent discount on the Residential Impact Fee;
3. Provide an incentive for developers to construct workforce housing units on-site by offering a rebate of either 50 percent or 35 percent of the Residential Impact Fee for the portion of the development that is designated as workforce housing. The rebate will be based on the sales/rental price of the unit as follows:
 - For a sales/rental price within the range of 121 percent to 150 percent of Los Angeles County AMI, a 50 percent rebate of the applicable Residential Impact Fee;
 - For a sales/rental price within the range of 151 percent to 180 percent of the Los Angeles County AMI, a 35 percent rebate of the applicable Residential Impact Fee;
4. Assess residential units within skilled nursing units a fee of \$756 per unit; and
5. Assess student housing on property owned by and/or developed in conjunction with an accredited post-secondary educational institution a fee of \$756 per unit.

The purpose of this report is to implement the fee schedule approved by the City Council on August 8, 2005 by including it in the City's Schedule of Taxes, Fees and Charges.

FEE AMOUNT BASED ON NUMBER OF BEDROOMS

The bedroom fee is based on applying the per person park and open space cost factor of \$7,137 (as calculated in the June, 2004 nexus study) to Pasadena's overall average population per household by bedroom type. The nexus study further determined the number bedrooms per unit using data from the 2000 Census.

Table 1 Residential Impact Fee Amounts

Number of Bedrooms	Residential Impact Fee Amount
Studio	\$14,588
1	\$15,395
2	\$17,098
3	\$19,662
4	\$23,890
5 or more	\$27,003

The number of bedrooms was determined to be the most accurate and equitable basis on which to vary the fee as this often is an accurate measure of the number of occupants per unit, and therefore; the impact on City parks.

FISCAL IMPACT

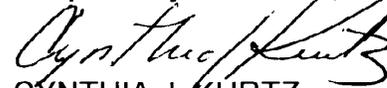
The number of residential units is difficult to project, thereby making the anticipated amount of revenue to be generated from the Residential Impact Fee also difficult to project. However, for the period of December 22, 2004 to June 22, 2005, building permits were issued for 529 units of the following sizes and types:

Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Affordable	Student
0	129	171	39	4	0	7	179

Had the new Residential Impact Fee structure been in place during this time period, it would have generated \$5,808,604.

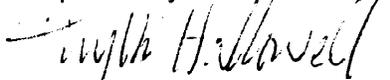
The new fee shall take effect 60 days after the adoption of the resolution.

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



Phyllis Hallowell, Management Analyst
Finance and Management Services
Department of Public Works

Reviewed by:



Brenda E. Harvey-Williams, Administrator
Finance and Management Services
Department of Public Works

Approved by:



Martin Pastucha
Director, Department of Public Works

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AMENDING THE SCHEDULE OF TAXES, FEES AND CHARGES REGARDING RESIDENTIAL IMPACT FEES LEVIED PURSUANT TO TITLE 4, SECTION 4.17 OF THE PASADENA MUNICIPAL CODE

WHEREAS, the City of Pasadena established a Residential Impact Fee consistent with the General Plan and Government Code Section 66477 through the adoption of Ordinance number 6252 in 1988; and,

WHEREAS, the purpose of this fee is to assure that neither the existing supply of park land nor the current facilities in the existing parks will be adversely impacted by new residential development, thereby maintaining the proper balance between the number of residents in the community and the amount of park and recreational facilities available; and,

WHEREAS, Ordinance No. 6252 was amended on October 3, 2005 to change the fee structure to one based on bedrooms, which is within the Nexus Study prepared by Brion & Associates in June 2004, and supplemented by memorandum dated February 15, 2005; and

WHEREAS, Ordinance No. 6252 was amended on October 3, 2005 to provide a separate, lower fee to provide incentives for the construction of an array of types of affordable housing units.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena that the Residential Impact Fee shall be implemented as follows:

Section 1. The fee is based on the number of bedrooms in a residential unit: Studio - \$14,588; One bedroom - \$15,395; Two bedrooms - \$17,098; Three bedrooms - \$19,662; Four bedrooms - \$23,890; and five bedrooms or more - \$27,003;

Section 2. 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.

Section 3. If affordable housing units are built on-site, the non affordable units shall receive a thirty percent discount on the Residential Impact Fee;

Section 4. If at least fifteen percent of a development is workforce housing within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County, the workforce housing is eligible for a fifty percent rebate on the Residential Impact Fee,

Section 5. If at least fifteen percent of a development is workforce housing within the price range of 151 to 180 percent of AMI, the workforce housing is eligible for a thirty-five percent rebate on the Residential Impact Fee.

Section 6. The fee based on the number of bedrooms in a residential unit may increase annually per the CPI on the Schedule of Taxes, Fees and Charges.

Section 7. This Resolution is subject to the adoption of an ordinance amending Title 14, Chapter 4.17 of the Pasadena Municipal Code relating to the methodology for calculating residential impact fees. It is anticipated that ordinance will take effect on about November 10, 2005. Accordingly, this Resolution shall take effect 60 days after its adoption.

Adopted at the regular meeting of the City Council on the _____ day of _____, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jane Rodriguez
City Clerk

APPROVED AS TO FORM:



Theresa E. Fuentes
Deputy City Attorney