



Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: OCTOBER 3, 2005

FROM: CITY ATTORNEY

SUBJECT: ORDINANCE AMENDING THE PASADENA MUNICIPAL CODE TO CHANGE THE METHOD OF CALCULATING, AND AMOUNT OF, THE RESIDENTIAL IMPACT FEE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 4.17 OF THE PASADENA MUNICIPAL CODE RELATING TO METHODOLOGY FOR CALCULATING RESIDENTIAL IMPACT FEES

PURPOSE OF ORDINANCE:

On August 8, 2005, the City Council approved a change in the method of calculating the Residential Impact Fee set forth in the Pasadena Municipal Code, Title 4, Chapter 4.17, and directed the City Attorney's Office to draft an ordinance amending Chapter 4.17 in that regard. Council's direction also included providing incentives for certain categories of affordable housing, by providing for reduced or reimbursed fees. The proposed ordinance will amend Title 4 to provide that the residential impact fee is calculated based on the number of bedrooms in a new residence, by providing a reduced fee for certain categories of affordable housing, and provide for reduced or reimbursed fees if inclusionary or workforce housing is built on site.

REASON WHY LEGISLATION IS NEEDED:

In September of 2004, the City approved a "nexus study" which approved a very large increase in the residential impact fee, on a per-unit basis. Community reaction to the impact of the per unit fee on development in general, and particularly on student and senior housing, was strong. In response, in December of 2004 the City Council directed staff to propose a variable residential impact fee calculation methodology based on the size of the development and size of the unit, and to address concerns regarding the fee's impact on student, senior, affordable and workforce housing. The proposed ordinance addresses community concerns by reducing the fee, or providing fee rebates, if certain types of affordable housing are constructed onsite. The proposed ordinance also more narrowly calculates the fee based on a per bedroom basis, which City staff believes may reflect a more accurate impact on parks from new residential construction.

MEETING OF 10/03/2005

AGENDA ITEM NO. 9.A.1.

FISCAL IMPLICATIONS:

Adoption of the proposed ordinance will not have any fiscal impact, since the ordinance does not change the fees to be charged, but only changes the method by which the residential impact fee may be calculated and allows for certain reductions or rebates in the fee. The fees will actually be changed pursuant to a resolution.

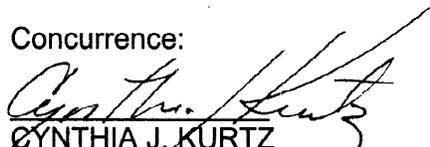
Respectfully submitted,


MICHELE BEAL BAGNERIS
City Attorney

Prepared by:


THERESA E. FUENTES
Deputy City Attorney

Concurrence:


CYNTHIA J. KURTZ
City Manager

Introduced by _____

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 4.17
OF THE PASADENA MUNICIPAL CODE RELATING TO METHODOLOGY
FOR CALCULATING RESIDENTIAL IMPACT FEES**

WHEREAS, in June of 2004, the City conducted a “nexus study” to determine the methodology as to how the residential impact fee be recalculated, which recommended a single impact fee (per unit) for all types of residential development, and which retained a lower fee for affordable housing units, and which was approved by the City Council in September of 2004; and

WHEREAS, in response to community concern regarding the impact of the per unit fee on development in general, and particularly on student and senior housing, in December of 2004 the City Council directed staff to propose a variable residential impact fee calculation methodology based on the size of the development and size of the unit, and to address concerns regarding the fee's impact on student, senior, affordable and workforce housing; and

WHEREAS, in February of 2005, the City developed an alternative park impact fee calculation based on the number of bedrooms, using the same underlying analysis in the June, 2004 nexus study, which the City finds more accurately reflects the impact a residence may have on a park than the previous per-unit fee; and

WHEREAS, the economic impact on certain categories of housing, including affordable, student and certain types of senior care housing, will be reduced by providing for a separate, lower fee, for these types of housing.

NOW THEREFORE, the people of the City of Pasadena ordain as follows:

SECTION 1. The title to Section 4.17.030 of Chapter 4.17 of the Pasadena Municipal Code is hereby changed to "Definitions" from "New residential development defined," and Section 4.17.030 is amended to read as follows:

A. "New residential development" means any of the following:

1. 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.

This term shall exclude remodeling of any residence which does not create an entirely new living unit, regardless of whether the already-existing residence existed as of the effective date of Ordinance No. 6252. This term shall only apply to the construction of new residences, including the addition of new residences to preexisting construction.

2. The conversion of a commercial or industrial structure to residences.

B. "Bedroom," for purposes of this Chapter 4.17 only, is defined as a room appropriate for sleeping, of 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.

C. "Workforce housing," for purposes of this Chapter 4.17 only, is defined as residences offered to persons or families who earn between 121-180 percent of the average median income for Los Angeles County ("AMI"); and which are restricted by a

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covenant recorded with the County of Los Angeles, to remain as workforce housing for a minimum of fifteen years.

D. "Skilled nursing unit," for purposes of this Chapter 4.17 only, 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.

E. "Student housing," for purposes of this Chapter 4.17 only, are residences located on property owned by, and/or developed in conjunction with, accredited post-secondary educational institutions.

SECTION 2. A new Section 4.17.035, titled "Fee Calculation Methodology," is added to Chapter 4.17 of the Pasadena Municipal Code as follows:

The method for calculating the residential impact fee shall be as established by the June, 2004, "nexus study" by Brion & Associates and sponsored by the City, and revised by memorandum (option #2), dated February 15, 2005. Option #2 establishes a fee based on the number of bedrooms in the new residential development, and establishes a set fee for new residential development without bedrooms, such as studios and lofts. The implementing fee schedule which shall operate to change the fee shall be adopted by resolution.

SECTION 3. Section 4.17.050 of Chapter 4.17 of the Pasadena Municipal Code is hereby amended to read as follows:

A. Subdivisions

1. As a condition of approval for a tentative tract map or preliminary parcel map, the subdivider shall pay into the residential impact fund a fee established by resolution and as set forth in the fee schedule. Payment of fees required by this section shall be made prior to the approval of the final map by the City Council. This section does not apply to commercial or industrial subdivisions or to condominium projects or stock cooperative projects which consist of the subdivision of airspace in an existing building when no new residences are added. Any new residence shall be assessed the fee.

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B. Building Permits. Any person seeking a building permit for a new residential development, which was not required to pay a fee pursuant to subsection A above, shall pay into the fund a fee as set forth in the fee schedule.

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SECTION 4. Section 4.17.050 of Chapter 4.17 of the Pasadena Municipal Code is hereby amended as follows:

F. Affordable Housing Incentive.

1. Notwithstanding any other provision contained in this Chapter, new residences which are rented or sold to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093) pursuant to the City's Inclusionary Housing Regulations, or which are skilled nursing units, or which are student housing residences, shall be assessed a fee of \$756 per

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unit. This fee may annually escalate at the same percentage as the Consumer Price Index.

2. If a new residential development project is subject to the City's inclusionary housing ordinance, and all of the inclusionary housing units are built onsite, the non-inclusionary residences shall receive a thirty percent discount on the residential impact fee.

3. 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.

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4. 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..

SECTION 5. This ordinance shall take effect upon publication.

Signed and approved this _____ day of _____, 2005.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held on _____, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Published:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM

Theresa E. Fuentes
Deputy City Attorney