



# Agenda Report

June 18, 2018

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: AMENDMENTS TO INCLUSIONARY HOUSING REGULATIONS TO INCLUDE ACCESSORY DWELLING UNITS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Acknowledge that the proposed changes to the Inclusionary Housing Regulations to include a mechanism by which Accessory Dwelling Units may be charged a reduced impact fee is not a "project" and are therefore not subject to environmental review pursuant to State California Environmental Quality Act (CEQA), the Guidelines Section 15378(b)(4) (definition of project excludes government fiscal activities which do not involve any commitment to any specific project); and
2. Adopt a Resolution of the City Council of the City of Pasadena approving the proposed changes to the Inclusionary Housing Regulations to include Accessory Dwelling Units.

## **BACKGROUND:**

On December 11, 2017 and March 12, 2018 the City Council approved a series of Zoning Code amendments to the City's Accessory Dwelling Unit Ordinance. On March 12 the City Council also approved amending the City's Inclusionary Housing Regulations to include Accessory Dwelling Units.

Chapter 4.17 (Residential Impact Fee) of the Pasadena Municipal Code, Section 4.17.050.F.1, provides for a reduced Residential Impact Fee for certain housing types:

*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 is a residential care facility for the elderly, or which are student housing residences, shall be assessed a [reduced Residential Impact] fee of \$756 per unit. This fee may annually escalate at the same percentage as the consumer price index.*

The purpose of amending the Inclusionary Housing Regulations is to add Accessory Dwelling Units as a type of residential unit eligible for the same reduced Residential Impact Fee, provided the developer of an Accessory Dwelling Unit complies with one of three restrictions on the Accessory Dwelling Unit. The three options are:

- 1) Recorded Covenant on the property requiring the homeowner to rent the Accessory Dwelling Unit to a household whose annual income does not exceed 120% of Area Median Income;
- 2) Landlord Agreement between the homeowner and the City of Pasadena committing the Accessory Dwelling Unit to be rented out exclusively to the City's rental assistance clients or a tenant currently participating in the City's rental assistance program; or
- 3) Landlord Agreement between the homeowner and the City of Pasadena committing the Accessory Dwelling Unit to be used by a family member(s)

The term for each of these options would be seven years, after which they would expire along with the rental restriction.

The purpose of the proposed resolution is to implement the City Council's approval on March 12, 2018, amending the Inclusionary Housing Regulations.

**COUNCIL POLICY CONSIDERATION:**

The proposed recommendations furthers the goals and policies of the General Plan related to housing choice, adequate and affordable housing, housing diversity and the implementation of Program 13.2 (Alternative Housing Opportunities) and Program 14 (Financial Assistance) of the Housing Element.

**ENVIRONMENTAL ANALYSIS:**

Under the California Environmental Quality Act (CEQA), the amendments to the Inclusionary Housing Regulations to include a mechanism by which Accessory Dwelling Units may be charged a reduced impact fee is not a "project" and are therefore not subject to environmental review 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).

**FISCAL IMPACT:**

The Residential Impact Fee is collected in Fund 304. Charging a reduced Residential Impact Fee when constructing an Accessory Dwelling Unit will have little impact on the City's overall budget.

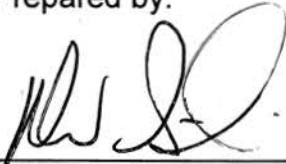
Respectfully submitted,



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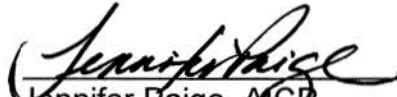
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STEVE MERMELL  
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