

Introduced by:

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 4, CHAPTER 4.17 (THE NEW RESIDENTIAL IMPACT FEE ORDINANCE), SECTION 4.17.050, AND TITLE 4, CHAPTER 4.32 (CONSTRUCTION TAX ORDINANCE), SECTION 4.32.050 TO REDUCE THE RESIDENTIAL IMPACT FEES AND CONSTRUCTION TAX AND FOR QUALIFYING ACCESSORY DWELLING UNITS**

The People of the City of Pasadena ordain as follows:

**SECTION 1.** This ordinance, due to its length and corresponding cost of publication, will be published by title and summary as permitted in Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

**“Summary**

This proposed ordinance amends Pasadena Municipal Code Title 4, Chapter 4.17 (the New Residential Impact Fee Ordinance), Section 4.17.050, and Title 4, Chapter 4.32 (Construction Tax Ordinance), Section 4.32.050, to reduce or waive the Construction Tax and Residential Impact Fee for qualifying accessory dwelling units (“ADU”) including junior accessory dwelling units. The construction tax will be reduced by 25% for ADUs that are 900 square feet or fewer and will be waived for ADUs that enter into an affordability covenant or landlord agreement in accordance with the City’s Inclusionary Housing Regulations or that utilize a pre-reviewed ADU Standard Plan. The Residential Impact Fee will be waived for ADUs that are 900 square feet or fewer.

Ordinance No. \_\_\_\_\_ shall take effect upon publication.”

**SECTION 2.** Pasadena Municipal Code, Title 4, Chapter 4.17 (The New Residential Impact Fee Ordinance), Section 4.17.050, is amended to read as follows:

“4.17.050 - Fee for parkland acquisition, capital improvements and maintenance.

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.

- 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.
- C. The fee shall be paid upon issuance of certificate of occupancy or the final inspection, whichever occurs last.
- D. Fee Schedule. The fees established by resolution may annually escalate the same percentage as the Consumer Price Index.
- E. Changes in Fees Schedule. The city council, by resolution, may, from time to time, at its discretion, revise, alter, amend and/or delete any of the fees set forth in this section. The fees shall be reviewed no less than once every 8 years. Such review shall be based upon a survey of residential land values in the city.
- F. Affordable Housing and Accessory Dwelling Unit Incentives.
  - 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 is a residential care facility for the elderly, or which are student housing residences, shall be assessed a fee of \$756 per 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 on-site, the noninclusionary residences shall receive a 30 percent discount on the residential impact fee.

3. If a new residential development project offers 15 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 50 percent rebate on the residential impact fee, after proving to the city's satisfaction that the workforce housing units are occupied by qualified individuals.
  4. If a new residential development project offers 15 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 35 percent rebate on the residential impact fee, after proving to the city's satisfaction that the workforce housing units are occupied by qualified individuals.
  5. Hotels or motels converted to 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 a Hotel Conversion Permit shall be exempt from the residential impact fee.
  6. Notwithstanding any other provision of Section 4.17.050, Accessory Dwelling Units that are 900 square feet or fewer (including Junior Accessory Dwelling Units), or that are entered into an affordability covenant or landlord agreement for ADUs in accordance with the city's Inclusionary Housing Regulations and in a form approved by the city attorney, shall be exempt from the residential impact fee.
- G. Dedication of Land. When the residential impact fee assessed to the residential development project equals or exceeds \$500,000.00, the developer may request to dedicate land, either on-site or off-site, and develop a park in lieu of payment of said fee. Such dedication of land shall be subject to acceptance of the dedication by the city council. The dedication of land and development of a park shall be in conformity with

the conditions, provisions, standards, and formulas contained in this chapter.

1. Procedure.

- a. A developer who request to dedicate land and develop a park shall submit a written proposal describing the property to be dedicated and the park development plans to the city manager. The proposal shall include an appraisal of the property to be dedicated.
- b. The city manager shall determine whether the proposal complies with existing park standards and requirements. If the city manager determines the proposal meets the standards and requirement, the city manager shall prepare a report to the city council regarding the proposed dedication.
- c. The city council may accept or decline the dedication and determine the amount of the residential impact fee to be waived. If the property being dedicated and the park development is accepted by the city council in lieu of the residential impact fee or any portion thereof, the city council shall, by resolution, waive the fee or any portion thereof upon the dedication of the property to the city. The resolution shall also indicate the time for completion of the park development.
- d. Real property dedicated to the city shall be conveyed in fee by grant deed, free and clear of encumbrances. Deeds in a form acceptable to the city shall be executed and delivered to the city at the time the first building permit is issued. The grantor shall provide all instruments required to convey the land and shall also provide a preliminary title report and title insurance in favor of the city in an amount equal to the value of the property being conveyed. The developer dedicating

land in fee by grant deed shall develop and construct the park to current safety standards.

- e. Real property dedicated to the city by way of an easement for park purposes shall be conveyed free and clear of encumbrances that would impede the use of the property for park purposes. The conveyance of the easement shall be in a form acceptable to the city and shall be executed and delivered at the time the first building permit is issued. The developer dedicating land by way of an easement for park purposes shall construct and maintain a park on the dedicated land in accordance with current safety standards. The developer shall assume all liability for the dedicated land and shall maintain liability insurance in an amount acceptable to the city and wherein the city shall be named as an additional insured. Any such insurance documentation shall be in a form acceptable to the city.”

**SECTION 3.** Pasadena Municipal Code, Title 4, Chapter 4.32 (Construction Tax Ordinance), Section 4.32.050, is amended to read as follows:

“4.32.050 - Exemption.

- A. Any residential housing unit which is affordable to persons of very low, low or moderate income as defined in Section 17.80.020(A) is exempt or partially exempt from payment of the tax required by this chapter, according to the schedule provided each year on the resolution of fees, taxes and charges adopted by the board. Such schedule shall reflect the formula approved by the board on November 21, 1991, and may be amended from time to time by the board.
- B. The city council, by resolution, may authorize an exemption from the payment of plan check and building permit fees for projects meeting the following criteria:
  - 1. A project sponsored by an organization having nonprofit status under Section 501(c)(3) of the Internal Revenue Code, which



- project will rehabilitate housing occupied by low-income (or very low-income) senior citizen homeowners, or low-income (or very low-income) or handicapped homeowners. The terms "low-income" and "very low-income" shall have the meanings specified in Section 17.12.129(A) of the Pasadena Municipal Code;
2. A single-family residential remodeling project not exceeding 250 square feet, or, in the event of remodeling projects or improvements which do not result in an expansion of the square footage of the residence, less than \$20,000.00 in valuation;
  3. A reroofing project valued at \$5,000.00 or less for a single-family residence;
  4. A seismic retrofit project for a single-family residence.
- C. Any construction project with the "Research and Development-Office" or "Research and Development-Non-Office" land use designation as defined in Chapter 17 of the Pasadena Municipal Code. The director shall determine whether a full or partial waiver will be granted and shall base his/her decision on his/her determination as to what portion of the construction project is being built to specifically accommodate "Research and Development" uses.
- D. Hotels or motels converted to 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 a Hotel Conversion Permit are exempt from the payment of the tax required by this chapter.
- E. Wood-framed multiple-family buildings which are retrofitted pursuant to Chapter 14.08 are exempt from the payment of the tax required by this chapter.
- F. Accessory Dwelling Units ("ADU") and Junior Accessory Dwelling Units ("JADU") that are entered into an affordability covenant or landlord agreement for ADUs in accordance with the city's Inclusionary Housing Regulations and in a form approved by the city attorney, or ADUs that utilize an ADU Standard Plan pre-reviewed by the City and are eligible for

ADU Standard Plan processing, are exempt from the payment of the tax required by this chapter. ADUs that are 900 square feet or less (including JADUs) shall receive a 25% reduction of the tax required by this chapter.”

**SECTION 4.** The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

**SECTION 5.** This ordinance shall take effect upon publication.

Signed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Victor Gordo  
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 meeting held this \_\_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Date Published:

\_\_\_\_\_  
Mark Jomsky  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
Caroline Monroy  
Assistant City Attorney