

RESOLUTION NO. 2002-171

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
IMPOSING AFFORDABLE HOUSING FEES**

WHEREAS, upon its incorporation the City of Elk Grove (hereinafter also referred to as "City") adopted the Sacramento County General Plan as the City's General Plan (hereinafter "General Plan");

WHEREAS, the City is in the process of preparing its first General Plan as required by State law following the incorporation of a new city;

WHEREAS, as part of preparing the City's General Plan, the Housing Element of its General Plan will include strategies for meeting State Housing Law requirements;

WHEREAS, the Sacramento Area Council of Government's (SACOG) Regional Housing Needs Allocation (RHNA) process has assigned housing for new residential construction needs by income level for the City;

WHEREAS, the City is required by State Housing Law to identify adequate sites for its housing needs and to facilitate the development of affordable housing;

WHEREAS, the City has caused to be prepared a Housing Nexus Study that identified a causal connection between the development of market rate housing and the demand for affordable housing units;

WHEREAS, the City has caused to be prepared a Housing Fee Impact Analysis that identified the cost of creating an affordable housing units;

WHEREAS, the creation of an Affordable Housing Fee is not a "project" subject to the California Environmental Quality Act because it is a funding mechanism having no physical effect on the environment;

WHEREAS, in order to protect the health, safety and welfare of the community and to ensure that adequate housing for very low and low income households is provided in the City of Elk Grove, establishment of a citywide affordable housing fee to be imposed upon all residential development that does not provide housing consistent with the City's RHNA is necessary;

WHEREAS, the City Council finds that the fee schedule detailed in Exhibit A attached hereto is consistent with the Elk Grove General Plan;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove:

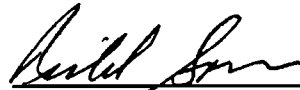
1. Findings:

- a. New residential development in the City that does not provide for housing opportunities for all income levels consistent with the City's RHNA (regional fair share allocation) reduces the City's ability to meet these needs in the future.
- b. The City's projected need for affordable housing exceeds its current mix of housing; consequently, development of additional residential projects with the same affordability mix as currently exists in the City, or similar thereto, will exacerbate this problem by reducing the City's ability to meet these current and future needs.
- c. In order to ensure that all future residential development pays its proportional share for very low and low income household new construction needs, the imposition of an affordable housing fee is necessary.
- d. Adequate funding is necessary to ensure that housing opportunities exist for very low and low income households. In order to ensure sufficient funds to facilitate construction of very low and low income housing units during the RHNA planning period, the City must be able to collect affordable housing fees from new residential development.
- e. Any delay in securing adequate funding will result in a deterioration of the City's ability to provide these opportunities and will threaten the City's ability to provide sufficient housing opportunities in the future and creates an immediate harm.
- f. Fee waivers will be provided for new residential units that will be affordable to very low and low income households.

2. Approval of Fees. The fees applicable to new market-rate residential development in the City, as set forth in Exhibit "A" attached hereto, are hereby approved.

3. Authorization. Pursuant to California Government Code Sections 66016 through 66018.5 and the findings found in Section 1 above, this resolution shall take effect immediately.

Passed and adopted on October 16, 2002.



RICHARD SOARES, MAYOR

ATTEST:



PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:



ANTHONY B. MANZANETTI,
CITY ATTORNEY

AYES: Soares, Briggs, Cooper
Scherman, Leary
NOES: None
ABSTAIN: None
ABSENT: None

EXHIBIT A

AFFORDABLE HOUSING FEE SCHEDULE

The affordable housing fee shall be collected from new residential development, on a per unit basis, according to the following schedule:

Single Family Residential Unit	\$ <u>3685.00</u>
Multifamily Residential Unit	\$ <u>1837.00</u>