

RESOLUTION NO. 2016-115**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ESTABLISHING AFFORDABLE HOUSING IMPACT FEES FOR RESIDENTIAL AND NONRESIDENTIAL DEVELOPMENT PROJECTS AND ESTABLISHING A STANDARDIZED LIST OF USES AND EXEMPTIONS WITH RESPECT TO THE PAYMENT OF NONRESIDENTIAL HOUSING IMPACT FEES**

WHEREAS, on April 14, 2015 the City Council of the City of San Bruno adopted its 2015-2023 Housing Element which contemplates, among other things, an ordinance to adopt affordable housing impact fees as a mechanism to increase the supply of affordable housing in the City, pursuant to Housing Element Programs 3-J and 5-J; and

WHEREAS, to implement the affordable housing goals, policies and programs of the City's 2015-2023 Housing Element, the City Council has considered and introduced on this same date an affordable housing ordinance that, among other things, authorizes the imposition of affordable housing impact fees for certain residential and nonresidential development projects to mitigate the impact of such projects on the need for affordable housing in the City (the "Affordable Housing Ordinance"); and

WHEREAS, to ensure future development projects mitigate their impact on the need for affordable housing in San Bruno, and to ensure that any adopted housing impact fees do not exceed actual affordable housing impacts attributable to the development projects to which the fees relate, the City agreed to participate in the preparation of a nexus study through the countywide 21 Elements collaboration project; and

WHEREAS, the City has received and considered reports from Strategic Economics and Vernazza Wolfe Associates, Inc. dated October 2015 entitled "Residential Impact Fee Nexus Study" and "Commercial Linkage Fee Nexus Study" (together, the "Nexus Study"); and

WHEREAS, the Nexus Study uses widely applied, appropriate methodology to determine the maximum amount needed to fully mitigate the need for affordable housing created by residential and nonresidential development; and

WHEREAS, to ensure that development projects remain economically feasible, the recommended housing impact fees as shown in the attached Exhibits A and B do not exceed the justified fees needed to mitigate the actual affordable housing impacts attributable to the development projects to which the fees relate, as determined by the Nexus Study; and

WHEREAS, the Affordable Housing Ordinance authorizes the City Council to adopt by resolution affordable housing impact fees for residential and nonresidential development, and the City Council desires to do so; and

WHEREAS, the Affordable Housing Ordinance authorizes the City Council to adopt by resolution a standardized list of specific uses that shall be exempt from the payment of housing impact fees, and the City Council desires to do so; and

WHEREAS, the Affordable Housing Ordinance authorizes the City Council to adopt by resolution the percentage of affordable units needed to fully mitigate the impact of residential or nonresidential development projects on the need for affordable housing, and the City Council desires to do so; and

WHEREAS, the Affordable Housing Ordinance authorizes the City Council to adopt by resolution a fee for processing applications for waivers from or modifications to the housing impact fees, and the City Council desires to do so; and

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues, in accordance with Government Code Section 66019; and

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to any persons or organizations who had requested notice, in accordance with Government Code Section 66019; and

WHEREAS, notice of the hearing on the proposed fee was published twice in the manner set forth in Government Code Section 6062a as required by Government Code Sections 66004 and 66018; and

WHEREAS, the City Council has reviewed the information contained in this Resolution and the accompanying staff report and any attachments at a meeting held on November 9, 2016.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Bruno as follows:

1. The foregoing recitals are true and correct and incorporated into this Resolution by this reference.
2. The findings of the Nexus Study have been considered and are hereby incorporated into this Resolution by this reference.
3. The facts and substantial evidence in the record establish that there is a reasonable relationship between the need for affordable housing and the impacts of the development described in the Nexus Study for which the corresponding fee is charged, and that there is also a reasonable relationship between the use of the affordable housing impact fee and the type of development for which the fee is charged, as is described in more detail in the Nexus Study.
4. The Nexus Study sets forth cost estimates, in 2015 dollars, that are reasonable for constructing affordable housing, and the fees expected to be generated by new development will not exceed these costs.
5. The City Council hereby adopts those affordable housing impact fees for residential development projects shown on Exhibit A, attached hereto and incorporated by reference herein.
6. The City Council hereby adopts those affordable housing impact fees for nonresidential development projects shown on Exhibit B, attached hereto and incorporated by reference herein.
7. All housing impact fees collected shall be deposited into the City's Affordable Housing Fund to be used to increase and preserve the supply of housing affordable to households of extremely low, very low, low, and moderate incomes (including necessary administrative costs).
8. The City Council hereby adopts the "Land Use Exemptions" set forth in Exhibit C, attached hereto and incorporated by reference herein.
9. The City Council may review affordable housing impact fees from time to time. For any annual period during which the City Council does not review the housing impact fee, fee amounts shall be adjusted once by the Community Development Director based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California.
10. The City Council hereby determines that the following percentages of affordable units will mitigate the impacts of residential development on the need for affordable housing:

| Required Affordable Units per Residential Project* | | | |
|---|----------------------|--------------------|------------------|
| | Single Family | Condominium | Apartment |
| Very Low Income | - | - | 6% |
| Low Income | 6% | 6% | 9% |
| Moderate Income | 9% | 9% | - |
| TOTAL | 15% | 15% | 15% |

*Definitions of project types and affordability categories are contained in the Nexus Study.

11. The City Council further determines that the following number of affordable units will mitigate the impacts of nonresidential development on the need for affordable housing:

| Required Affordable Units per 100,000 sf in a Nonresidential Project* | | | |
|---|----------|--------------|----------------------|
| | Hotel | Retail, etc. | Office, R&D, Medical |
| Very Low Income | 1 | 1 | 1 |
| Low Income | 1 | 1 | 1 |
| Moderate Income | 1 | 1 | 1 |
| TOTAL | 3 | 3 | 3 |

*Definitions of project types and affordability categories are contained in the Nexus Study.

12. The City Council hereby adopts a fee for processing applications for waivers from or modifications as shown on Exhibit D, attached hereto and incorporated by reference herein.

13. The City Council finds that all of the housing impact fees adopted pursuant to this Resolution do not exceed the actual affordable housing impacts of the development projects to which those housing impact fees relate, as further set forth in the Nexus Study.

14. Adoption of this Resolution is exempt from the California Environmental Quality Act because the adoption of this resolution is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, in that this resolution contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures (CEQA Guidelines Section 15061(b)(3)).

15. This Resolution shall take effect on February 11, 2017, but only if the Affordable Housing Ordinance is adopted and effective prior to that date.

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I hereby certify that foregoing **Resolution No. 2016 - 115** was introduced and adopted by the San Bruno City Council at a regular meeting on December 13, 2016, by the following vote:

AYES: Councilmembers: Ibarra, M. Medina, R. Medina, O'Connell, Mayor Ruane

NOES: Councilmembers: None

ABSENT: Councilmembers: None



Carol Bonner
 Carol Bonner, City Clerk

I hereby certify this to be a full, true and correct copy of the document it purports to be, the original of which is on file in my office.

Dated: April 12, 2018

Vivian S. Nardis
 City Clerk of the City of San Bruno

EXHIBIT A

Housing Impact Fees for Residential Development Projects

*Residential impact fees for residential projects shall be calculated using the net new square footage of Residential Floor Area for the dwelling unit to which the housing impact fee relates.

As used in the Nexus Study, "Residential Floor Area" for Single-Family Detached Homes, Townhomes, Duplexes, and Triplexes includes all horizontal areas of the several floors of such buildings measured from the exterior faces of exterior walls or from the center line of party walls separating two (2) buildings, minus the horizontal areas of such buildings used exclusively for parking.

As used in the Nexus Study, "Residential Floor Area" for Apartments and Condominiums includes all horizontal areas of the several floors of such buildings measured from the exterior faces of exterior walls or from the center line of party walls separating two (2) buildings, minus the horizontal areas of such buildings used exclusively for parking, elevators, stairwells or stairs between floors, hallways, and between-unit circulation.

Fees shall be paid that are in effect at the time of issuance of the building permit for the residential development, based on the effective rate at the time of building permit issuance.

| Type of Residential Unit | Fee per Square Foot of Net New Residential Floor Area |
|-----------------------------|--|
| Single-Family Detached Home | \$27.00 |
| Condominiums | \$25.00 |
| Apartments | \$25.00 |

EXHIBIT B

Commercial Linkage Fees for Nonresidential Development Projects

*All commercial linkage fees for nonresidential projects, including new construction and conversion of a residential use to a nonresidential use shall be calculated using the gross floor area of net new nonresidential space, excluding structured parking.

| Nonresidential Use | Fee per Square Foot of Net New Gross Floor Area |
|---|--|
| Hotel | \$12.50 |
| Retail, Restaurants and Services | \$6.25 |
| Office, Medical Office and Research and Development Uses | \$12.50 |

EXHIBIT C

LAND USE EXEMPTIONS

In accordance with Section 12.230.050 of the Affordable Housing Ordinance, the following specific nonresidential uses are exempt from the payment of the housing impact fee:

1. Public Uses and Quasi-Public Uses, as defined in Section 2-3, Land Use Framework, of the 2009 San Bruno General Plan, including, but not limited to, government offices, fire and police facilities, transit stations, airports, and cemeteries;
2. Open Space Uses, as defined by Section 12.96.170 of the San Bruno Zoning Code, including, but not limited to, public and private parks, schools and cemeteries;
3. Child Care Centers, including Family Child Care Homes;
4. Recreational facilities for public use and enjoyment within commercial or industrial developments;
5. Housing for the elderly, nursing homes, rest homes, and residential care facilities, as defined by Section 12.80 of the San Bruno Zoning Code; and
6. Public and private schools.

EXHIBIT D

FEE FOR WAIVERS AND MODIFICATIONS

Waivers and Modifications of Requirements of Affordable Housing Ordinance:

Initial Deposit of \$1,500

To be charged on a cost recovery basis, where the staff charges their time and other costs against the initial deposit, recovering the actual cost of project review.