



BILL NO. B-51

ORDINANCE NO. 2008-51

AN UNCODIFIED ORDINANCE OF THE CITY OF FRESNO,
CALIFORNIA, ADOPTING A POLICY TO ALLOW THE
DEFERRAL OF FEES FOR AFFORDABLE HOUSING
PROJECTS.

THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS.

(a) Many of the City's development impact fees, by adopted City ordinance or policy, require payment prior to issuance of a building permit, including the City's street fees, some water connection charges, and sewer treatment impact fees.

(b) Council finds that the requirement to pay impact fees prior to issuance of a building permit is a substantial cost to the development which may discourage affordable housing developments or make the activity financially infeasible.

(c) The continued production of affordable housing is a City priority documented in the recently adopted 2008-2013 Fresno Housing Element of the 2025 General Plan ("Housing Element"), the annual Action Plan and Consolidated Plan and the 10 X 10 Affordable Housing Goals and Strategies.

(d) The City's fair share of the Regional Housing Needs Allocation (RHNA) as stated in the 2008-2013 Housing Element of the General identified a need for the construction of 2,977 Extremely Low, 2,202 Very Low, and 3,355 Low Income housing units, in the City, over the next five year planning period.

(e) In the Council-adopted Housing Element, the City committed to provide incentives to encourage the development community to assist the City in meeting its RHNA numbers.

(f) Council finds that allowing developers of affordable housing projects to defer payment of all City impact fees until issuance of a Certificate of Occupancy will help the City meet many of the program and policy objectives in the Housing Element, including the following:

Program 1.1.3 – Reduced Housing Costs

Deferred impact fees will help eliminate upfront costs to the developer, which over the course of construction will reduce project costs

Adopted 8/26/08
Approved 9/3/08
Effective 10/4/08



Program 1.1.4 – Institutional Barriers: Deferring impact fees will help reduce institutional barriers and promote affordable housing development.

Policy 2.1 - New Construction: Facilitation of new affordable housing will help the City in meeting its Regional Housing Needs Allocation fair share categories for low-income households.

Program 2.1.3 – Central Community Plan Area Housing: Deferred impact fees will help facilitate affordable housing development in the Central Community Plan Area.

Program 2.1.4 – Inner City Residential Development: Deferred impact fees will serve as the City's efforts to reduce upfront cost for single- and multi-family developments in the Inner City of Fresno.

Program 2.1.15 – Very-low Income Large Family Single- and Multi-Family Housing: Deferred impact fees may allow developers to defer some upfront development costs and thus save money.

Program 2.1.16 – Extremely Low-, Very Low-, and Low-Income Senior Housing: Deferred impact fees may allow developers to defer some upfront development costs and thus save money.

Program 2.1.18 – Inclusionary and Alternative Housing Policy Programs: Creation of this policy exemplifies the City's intent to continue facilitation of affordable housing development.

Program 2.1.20 – Strengthening Partnerships with Affordable Housing Developers: The creation and implementation of this ordinance will help strengthen and build new partnerships with affordable housing developers by providing an incentive for these activities.

Policy 4.3 – Accountability: Serve as an incentive for all affordable housing developments to report units set aside as affordable and thus meet program goals of reporting units by the Regional Housing Needs Allocation income category.

SECTION 2. ADOPTION.

1. Notwithstanding any adopted City ordinances, whether codified or uncoded, resolutions, policies or standards that provide otherwise, any affordable housing units that meet the criteria in Section 2 may defer payment of a prorated fee of any adopted City development impact fees for each residential unit until the issuance of a Certificate of Occupancy for the residential unit.



2. An "affordable housing unit" for purposes of this ordinance, means the following:
 - (i) in the Central Area (surrounded by State Routes 180, 99, and 41), any unit in a development where at least 15 percent of the units are set aside for affordable housing by a restrictive covenant for at least 55 years for rental, and 30 years for ownership units.
 - (ii) outside the Central Area, any unit in a development that is set aside for affordable housing by a restrictive covenant for at least 55 years for rental, and 30 years for ownership units.
3. For purposes of Section 2, affordable housing means housing available to a household earning no more than 80% of area median income, as identified annually by the U.S. Department of Housing and Urban Development, at a cost that is no more than 30% of total household income.
4. For purposes of Section 2, a restrictive covenant to set aside a housing unit as an affordable housing unit must be in a form approved by the Director of the Planning and Development Department, or his or her designee, and the City Attorney's Office.
5. For purposes of implementing this ordinance, the determination of whether a housing unit is an "affordable housing unit" shall be made by the Director of the Planning and Development Department or his or her designee.
6. For purposes of implementing Section 2 in the Central Area, for any mixed-use project that combines a residential use with some other type use, such as commercial or office use, fee deferral shall only be allowed on the housing units and not on any square footage of the development intended to be built for non-residential uses.

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7. Notwithstanding anything to the contrary in this ordinance, the City may refuse to allow deferral of any fee under this policy if the fee is necessary to construct public facilities prior to occupancy as determined by the City Manager, the Director of Planning and Development Department, the Director of the Public Works Department or the Director of the Public Utilities Department.

SECTION 3. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

STATE OF CALIFORNIA)
 COUNTY OF FRESNO) ss.)
 CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the 26th day of August, 2008.

AYES : Calhoun, Caprioglio, Duncan, Xiong
 NOES : Dages
 ABSENT : Perea, Sterling
 ABSTAIN : None

Mayor Approval: September 3, 2008
 Mayor Approval/No Return: N/A, 2008
 Mayor Veto: N/A, 2008
 Council Override Vote: N/A, 2008

REBECCA E. KLISCH
 City Clerk

BY: Rebecca E. Klisch

APPROVED AS TO FORM:
 CITY ATTORNEY'S OFFICE

BY: [Signature] 7/23/08
 Kathryn C. Phelan Date
 Deputy

KCP:bfs[45851bfs/ORD]-07/23/08



August 27, 2008

Council Adoption: 8/26/08
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ALAN AUTRY

RECEIVED
REC
2008 SEP -3 PM 2:14
CITY CLERK, FRESNO CA

FROM: REBECCA E. KLISCH, City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 8/26/08, Council adopted the attached Ordinance No. 2008-51 entitled **Adding policy to allow deferral for payment of impact fees for affordable housing projects**, Item No. 1V, by the following vote:

Ayes	:	Calhoun, Caprioglio, Duncan, Xiong
Noes	:	Dages
Absent	:	Perea, Sterling
Abstain	:	None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before September 8, 2008. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

APPROVED:

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary)

Alan Autry, Mayor

Date: 9/3/08

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes	:
Noes	:
Absent	:
Abstain	: