#### **ORDINANCE NO. 1130-387**

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AMENDING ZONING ORDINANCE ARTICLE 29 (REQUIREMENTS FOR AFFORDABLE HOUSING)

**WHEREAS**, on February 13, 2023, the City Council of the City of Redwood City (the "City Council") adopted the 2023-2031 Housing Element (the "Housing Element"), which is the City of Redwood City's plan for guiding future residential growth and development; and

**WHEREAS**, the Housing Element is a policy document that requires associated Municipal Code, Zoning Ordinance, Zoning Map, and Affordable Housing Ordinance amendments (the "Amendments") to implement its goals, policies, and programs; and

**WHEREAS**, on June 25, 2018, the City Council adopted Ordinance 1130-375, the Affordable Housing Ordinance, set forth in Article 29 of the Redwood City Zoning Code (the "Ordinance"); and

WHEREAS, the purpose of the Amendments to the Ordinance (the "Ordinance Amendment") is to meet the goals of the Housing Element by (i) providing certainty and flexibility for residential or nonresidential development project proponents to help these projects move forward, which would help the City meet its housing goals; and (ii) increasing the inventory of land suitable and available for residential development project to meet the City's regional housing need allocation through land donations. The purpose and findings supporting the Ordinance Amendment are more specifically outlined in Section 29.1 of the Ordinance Amendment and are incorporated herein by this reference; and

**WHEREAS**, on June 6, 2023, the Planning Commission held a duly-noticed public hearing on the proposed Ordinance Amendment in accordance with all applicable requirements; and

**WHEREAS**, after the public hearing, the Planning Commission voted unanimously, with one member abstaining, to adopt a resolution recommending that the City Council adopt the Affordable Housing Ordinance Amendments shown in Exhibit A; and

**WHEREAS**, on June 16, 2023, a public notice of these Amendments was circulated in the San Mateo Daily Journal; and

**WHEREAS**, on June 26, 2023, the City Council held a duly noticed public hearing as required by State Law and the Redwood City Zoning Ordinance Section 49.3, to review and consider the Amendments; and

**WHEREAS**, after the public hearing, the City Council has considered the whole of the record for the Amendments, including all relevant testimony, and determined that it desires to adopt the Zoning Code Amendments recommended by the Planning Commission and shown in Exhibit A.

# NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDWOOD CITY, DOES ORDAIN AS FOLLOWS:

## SECTION 1. RECITALS

The foregoing recitals are true and correct, are hereby incorporated herein by this reference as if fully set forth in their entirety and constitute findings in this matter.

## **SECTION 2. FINDINGS**

The City Council finds that the proposed Ordinance Amendment is in the public interest and consistent with the Redwood City General Plan as described in the accompanying staff report.

# SECTION 3. CEQA

The City Council finds, based on its own independent judgment, that the proposed Ordinance Amendment has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.). The passage of the Ordinance Amendment is not considered a project under Public Resources Code Section 21605 and CEQA Guidelines Section 15378, because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. In addition, the Amendment is exempt from CEQA as it can be seen with certainty that there is no possibility for causing a significant effect on the environment (CEQA Guidelines Section 15061(b)(3)) as described in the staff report. Pursuant to CEQA Guidelines Section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from the Office of the City Clerk at 1017 Middlefield Road, Redwood City, California. The City Clerk is the custodian of records for all matters before the City.

# SECTION 4. ARTICLE 29 AMENDED AND RESTATED

The City Council adopts the Ordinance Amendment revising the Redwood City Zoning Ordinance Article 29, as shown in Exhibit A, attached hereto and incorporated herein by this reference. The amendments to Article 29 are identified by added text shown in double underline (<u>example</u>) and deleted text shown in strikeout (<del>example</del>). Wording in brackets ([example]) is informational only and is not to be included in the published ordinance.

## SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Redwood City hereby declares that it would have passed this ordinance and each section or subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

## **SECTION 6. EFFECTIVE DATE**

This Ordinance shall take effect and will be enforced thirty (30) days after the date of its adoption.

# SECTION 7. PUBLICATION AND POSTING

The City Clerk is directed to cause this ordinance to be published in the manner required by law.

# Exhibit A

[Article 29 is amended in its entirety to read as follows]

# 29.1 Authority and Purpose.

# A. Authority.

- 1. This Article shall be known and may be cited as the "Affordable Housing Ordinance."
- 2. The fees established pursuant to this Article are adopted under the authority of California Constitution Article XI, Section 7, which provides: "A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws," and in accordance with the purpose set forth in the o<u>O</u>rdinance codified in this Article.
- 3. This Article shall apply to the extent permitted by the statutes and laws of the State of California.
- **B. Purpose.** The purpose of this Article is to:
  - 1. Increase the supply of affordable housing by imposing an inclusionary requirement for residential development projects;
  - 2. Ensure that smaller-size developments continue to be encouraged as an important component of the City's housing strategy;
  - 3. Require <u>D</u>developers to mitigate the impact of their developments on the need for affordable housing;
  - 4. Reduce displacement of lower income residents by providing affordable housing opportunities for lower income households through the imposition of a local preference;
  - Implement TL-1 of the Green House Gas (GHG) Reduction Strategies of the City's Climate Action Plan, dated November 2020, by encouraging orderly growth with job/housing balance and reduce vehicle miles travelled (VMT);
  - 6. Implement the 2015-2023 Housing Element of the City's General Plan, as such may be amended (the "Housing Element") by creating a mechanism to provide affordable housing, intended to meet the needs of all community members;
  - Implement the Housing Element by taking actions to meet the City's stated goal to "create and maintain a jobs/housing balance that reflects the labor force needs of city residents, supports employment opportunities, and generates revenue for the City;" and
  - 8. <u>Provide certainty and flexibility for residential or nonresidential development</u> project proponents to help these projects move forward, which would help the <u>City meet its housing goals</u>;
  - <u>9</u>. <u>Increase the inventory of land suitable and available for residential development</u> <u>project to meet the City's regional housing need allocation through land</u> <u>donations; and</u>

- <u>10</u>. Support the housing objectives contained in State law.
- **C. Findings.** The City Council finds and determines that the lack of access to affordable housing has a direct impact upon the health, safety, and welfare of the residents of the City.
  - 1. The amendments made to this Article are necessary in order to provide increased affordable housing opportunities for very low to moderate income residents and very low to moderate income persons employed in the City are in the public interest and consistent with the Housing Element as described in the accompanying staff report.
  - 2. As of the adoption of this amendment, approximately forty-six thirty-nine (39) percent of households (more than three thousand (3,000)11,750 households) are cost-burdened paying more than thirty percent (30%) of their household income for housing, and of those cost-burdened households twenty-five forty-nine percent (4925%) of those are severely cost-burdened paying rent over fifty percent (50%) of their household income for housing. Approximately eighty percent seventy-three percent (7380%) of lower income households in the City pay more than thirty percent (30%) of their income for housing, and fifty percent forty-four percent (4450%) of lower income households are severely rent burdened paying over fifty percent (50%) of their income for housing. The number of homes affordable to lower income households are significantly lower than the proportion of lower income households in Redwood City.
  - 3. Housing production in the City has not kept up with employment growth. Over the last decade, job growth has outpaced housing units permitted by more than eight (8) jobs to one (1) housing unit. The City's 2007-2023 Regional Housing Needs Allocation (RHNA) data shows a significant mismatch between demand for housing affordable from very low, low and moderate income households and production of housing affordable to very low, low and moderate income households. As of the 2020 Annual Progress Report, the City has an affordable housing production deficit of five hundred two (502) units for moderate income, one hundred twenty-eight (128) units for low income, and four hundred nineteen (419) units for very low-income households. As of the 2022 Annual Progress Report, the City has an affordable housing production deficit of five hundred two (502) units for moderate income and three hundred sixty-three (363) units for very low-income households. Additionally, for the City's 2023-2031 RHNA, there is a need for one thousand one hundred fifteen (1,115) very low income units, six hundred forty-three (643) low income units and seven hundred eighty nine (789) moderate income units.
  - 4. Because of the high cost of both existing and newly constructed housing, the City will be limited in its ability to contribute to the attainment of State housing goals. <u>The amendments made to this Article will contribute and to maintaining</u> a thriving mixed-income community.

- 5. A significant trend driving displacement of low-income households is the steadily increasing cost of housing in the City. Low-income households are struggling with housing prices and instability.
- 6. As of the adoption of this amendment, less than fifteen percent (15%) of lowwage earners who work in the City live in the City; sixty-six percent (66%) of low wage employees in Redwood City commute more than ten (10) miles to work; forty-eight percent (48%) commute more than twenty-five (25) miles. The City's Climate Action Plan identified a lack of affordable housing near the urban core and urban sprawl among contributing factors that lead to increased Vehicles Miles Travelled (VMT).
- Implementation of a local preference <u>will-helps</u> the City: (1) reduce the impacts of the jobs/housing imbalance; (2) reduce displacement of lower income households; and (3) have the benefit of reducing GHG emissions and VMT.
- 8. The City commissioned a Live/Work Policy Analysis Study (2021) to review supporting data for the proposed local preference and to analyze the potential impact of the local preference. The study concluded that the data and analysis demonstrate the significant need for the City's proposed local preference and that the imposition of such a preference is unlikely to result in violations of fair housing laws.
- 9. The California Legislature has required each local government agency to develop a comprehensive, long-term plan establishing policies for future development. As specified in Government Code Section 65583(c), the plan must (1) encourage the development of a variety of types of housing for all income levels, including multifamily rental housing; and (2) "[a]ssist in the development of adequate housing to meet the needs of extremely low, very low, low- and moderate-income households." The City is also charged by the Legislature to use the powers vested in it to make adequate provision for the housing needs of all economic segments of the community (Section 65580(d)).
- 10. The City previously received and considered the nexus study from Strategic Economics and Vernazza Wolfe Associates, Inc. dated September 2015 entitled "Residential Impact Fee Nexus Study" and "Commercial Linkage Fee Nexus Study" which the City Council will continue to rely on.
- <u>11</u>. <u>Providing developers various alternative methods of compliance is in the best</u> <u>interest of the City and the developers by maximizing compliance with the</u> <u>Ordinance and alignment with state laws.</u>
- 12. Scarcity of land with adequately zoned capacity contributes to increased land prices and housing development costs. Accepting land donations increases the sites with appropriate zoning, development standards, and infrastructure capacity to accommodate affordable residential developments.

# 29.2 Definitions.

- A. "Affordable housing fund" means a fund or account designated by the City to maintain and account for all monies received pursuant to this Article.
- B. <u>"Affordable Housing Guidelines" means the guidelines adopted pursuant to Section</u> 29.6(G) to implement this Ordinance.
- <u>C</u>. "Affordable ownership cost" means the sales price of a for-sale affordable unit resulting in projected average monthly housing payments, during the first calendar year of a household's occupancy, including interest, principal, mortgage insurance, property taxes, homeowners insurance, homeowners' association dues, if any, and a reasonable allowance for utilities, property maintenance, and repairs, not exceeding the sales prices specified <u>under California Health and Safety Code</u> by Section 50052.5 of the California Health and Safety Code and California Code of Regulations Title 25, Sections 6910-6924.
- "Affordable rent" means the total monthly housing expenses for a rental affordable <u>D</u>. unit not exceeding the rents specified by Section 50053 of the California Health and Safety Code and California Code of Regulations Title 25, Sections 6910-6924, except that the City may permit alternative criteria, when necessary, to be consistent with pertinent state and federal statutes and regulations governing publicly assisted rental housing. As allowed under Government Code Section 65915(c)(1)(B)(ii), if one hundred percent (100%) of all units in the development, including total units and density bonus units (exclusive of manager's unit(s)), are restricted for lower income households consistent with Government Code Section 65915(b)(1)(G), then the rent for at least twenty percent (20%) of the units in the development shall be set at affordable rents not exceeding the rents specified under Health and Safety Code Section 50053 and the rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for lower income households as determined by the California Tax Credit Allocation Committee. As used in this Chapter, "affordable rent" shall include the total of monthly payments by the tenant for all of the following:
  - 1. Use and occupancy of the affordable unit and land and all facilities associated with the affordable unit, including but not limited to parking (whether unbundled or not), bicycle storage, storage lockers, and use of all common areas;
  - 2. Any additional separately charged fees or service charges assessed by the owner, other than security deposits;
  - 3. An allowance for utilities paid by the tenant as established by the San Mateo County Housing Authority which may be updated from time to time, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuel, but not telephone service, cable TV or Wi-Fi/internet; and

- 4. Any other interest, taxes, fees or charges for use of the land or affordable unit or associated facilities and assessed by a public or private entity other than the owner, and paid by the tenant.
- <u>E</u>. "Affordable unit" means a dwelling unit in a residential development project that is occupied by, or available to, moderate, low, very low or extremely low income households at an affordable rent or an affordable ownership cost as required by this Article.
- <u>F</u>. "Below Market Rate ("BMR") Tenant Selection and Management Plan," applicable to the affordable units shall include, at a minimum, procedures and requirements for determining tenant eligibility, occupancy requirements, initial and ongoing marketing policies, application process, waitlist management, income verification requirements, annual recertification, rejection of ineligible applicants and eligibility termination.
- <u>G</u>. "Building permit" includes full structural building permits as well as partial permits such as foundation-only permits and demolition permits.
- <u>H</u>. "Developer" means the person(s) or legal entity(ies), who also may be the property owner, who is seeking residential development project or non-residential <u>nonresidential</u> development project permits or approvals from the City or developing a particular residential development project or non-residential <u>nonresidential</u> <u>nonresidential</u> development project or <u>non-residential</u> <u>nonresidential</u> <u>nonresiden</u>
- I. "Extremely low income households" means households with incomes no greater than the maximum income for extremely low income households, as published annually by the City for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for San Mateo County.
- <u>J</u>. "For-sale unit" means a residential dwelling unit that may be sold individually in conformance with the Subdivision Map Act. For-sale units also include units that are converted from rental units to for-sale units.
- <u>K</u>. "Housing impact fee" means the fee paid by developers of residential and nonresidential development projects to mitigate the impacts that such developments have on the demand for affordable housing in the City.
- L. "Low income households" means households with incomes no greater than the maximum income for low income households, as published annually by the City for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for San Mateo County.
- <u>M</u>. "Market rate unit" means a dwelling unit in a residential development project that is not an affordable unit.

- <u>N</u>. "Moderate income households" means households with incomes no greater than the maximum income for moderate-income households, as published annually by the City for each household size, based on the California Department of Housing and Community Development (HCD) income limits for San Mateo County.
- <u>O</u>. "Nexus Study" means a nexus study or report that uses widely used, appropriate methodology to determine the maximum amount needed to mitigate the burdens created by residential and nonresidential development <u>projects</u> on the need for affordable housing in the City.
- P. "Nonresidential development project" means an application for a planning permit or building permit that includes the new construction of gross square feet of nonresidential space or the conversion of a residential use to a nonresidential use.
- <u>Q</u>. "Nonresidential use type" means the categories of nonresidential development <u>projects</u> <u>e</u>stablished by resolution of the City Council, broadly categorized to adopt appropriate housing impact fees based on impact.
- <u>R</u>. "Planning permit" means any discretionary approval of a residential development project, including, without limitation, a general or specific plan adoption or amendment, rezoning, tentative map, parcel map, conditional use permit, variances, or design review.
- <u>S</u>. "Rental unit" means a dwelling unit that is intended to be offered for rent or lease and that cannot be sold individually in conformance with the Subdivision Map Act.
- <u>T</u>. "Residential development project" means an application for a planning permit or building permit at one (1) location to create one (1) or more additional dwelling units, convert nonresidential uses to dwelling units, subdivide a parcel to create one (1) or more separately transferable parcels intended for residential development <u>project</u>, or implement a condominium conversion, including development constructed at one (1) time and in phases. "One (1) location" includes all adjacent parcels of land under common ownership or control, the property lines of which are contiguous at any point, or the property lines of which are separated only by a public or private street, road, or other public or private right-of-way, or separated only by the lands owned or controlled by the developer.
- <u>U</u>. "Review authority" means the City staff person or body authorized to approve or deny an application for a planning or building permit for a residential development project.
- ⊻. "Very low income households" means households with incomes no greater than the maximum income for very low income households, as published annually by the City for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for San Mateo County.

# 29.3 Applicability.

The requirements of this Article 29 apply to new nonresidential development projects and residential development projects as set forth below.

- A. Housing Impact Fee. A housing impact fee is imposed on all developers of nonresidential development projects and residential development projects between five (5) to nineteen (19) units, subject to the exemptions in Section 29.5 (Payment of a Housing Impact Fee).
- **B. On-Site Construction of Affordable Housing.** Residential development projects of twenty (20) units or more (excluding accessory dwelling units) are required to construct affordable units on site per Section 29.4 (Requirements for Inclusion of Affordable Housing) and other applicable provisions of this Article.
- **C.** Four (4) or Fewer Dwelling Units. Residential development projects of four (4) or fewer dwelling units are exempt from the requirements of this Article.

## 29.4 Requirements for Inclusion of Affordable Housing.

- A. Number of Affordable Units and Level of Affordability. The number of affordable units must be constructed as specified below unless an alternative is approved per Section 29.8 (Alternatives). For the purposes of this Section, "total units" does not include units awarded above the otherwise-allowable maximum density as part of a density bonus in Section 32.19 (Affordable Housing Density Bonuses).
  - 1. Rental Projects. Ten percent (10%) of the proposed units in a rental residential development <u>project</u> shall be affordable to moderate income households, five percent (5%) of the proposed units in a rental residential development <u>project</u> shall be affordable to low income households, and five percent (5%) of the proposed units shall be set aside for very low income households. Alternative percentages and levels of affordability may be considered as part of the Affordable Housing Plan and Agreement (Section 29.7) and the review authority may approve or conditionally approve such an alternative if it determines, based on substantial evidence, that such alternative percentages and levels of affordable units at the same or lower income levels or will otherwise provide greater public benefit than the standard requirement.
  - 2. Ownership Projects. Fifteen percent (15%) of the proposed units shall be affordable to moderate income households.
  - **3. Fractional Units.** In calculating the number of affordable units required, any fraction of a whole number shall be satisfied by either developing one (1) additional affordable unit or by paying an affordable housing in-lieu fee.

- B. Density Bonus. Affordable units that satisfy the requirements of this Chapter may be counted toward the number of affordable units required for a density bonus under California Government Code Sections 65915-65918. To be eligible, the affordable units shall meet all of the applicable requirements in California Government Code Section 65915. These requirements, including application submittal requirements and replacement housing obligations are summarized in Section 32.19 (Affordable Housing Density Bonuses).
- **C.** Affordable Housing In-Lieu Fee. The affordable housing in-lieu fee for fractional units shall be established by resolution of the City Council and updated from time to time. Affordable housing in-lieu fees shall not exceed the fractional cost of providing an affordable unit.

## 29.5 Payment of a Housing Impact Fee.

- A. Amount. The base amount of the housing impact fee shall be established from time to time by resolution of the City Council. Fees may be based on a fee per market-rate unit, fee per square foot, or any other reasonable basis. The City Council may review the fees from time to time at its sole discretion and, based on the review, may adjust the fee amount within the range justified by the most recently adopted Nexus Study. However, the housing impact fees shall not exceed the cost of mitigating the impact of nonresidential and residential development projects on the need for affordable housing in the City. The fee amounts approved by the City Council may be adjusted once per fiscal year by the Community Development Director based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California, provided that any increased adjustment does not exceed the amounts justified by the most recently adopted Nexus Study. Such adjustments will be reflected in the City's Master Fee Schedule.
- **B.** Timing of Payment. Payment of the residential and nonresidential development project housing impact fees shall be due prior to the issuance of the first building permit for the development. The fees shall be calculated based on the fee schedule in effect at the time the building permit is issued.
- **C. Exemptions.** The housing impact fee shall not apply to developers of residential or nonresidential development projects, which fall within one (1) or more of the following categories:
  - 1. Four (4) or Fewer Dwellings. The housing impact fee shall not apply to developers of residential development projects consisting of four (4) or fewer dwelling units; the creation of four (4) or fewer parcels, provided that no more than four (4) dwelling units are allowed; or accessory dwellings created under Article 37 of the Redwood City Zoning Code.

- 2. Twenty (20) or More Dwellings. Residential development projects of twenty (20) units or more (excluding accessory dwelling units) that are required to construct affordable units on site per Section 29.4 (Requirements for Inclusion of Affordable Housing) of this Article.
- 3. Nonresidential Development of Five Thousand (5,000) Square Feet or Less. The housing impact fee shall not apply to developers of nonresidential development projects adding five thousand (5,000) square feet or less of net new square footage.
- Government-Owned. Residential or nonresidential development projects located on property owned by the state of California, the United States of America, or any of its agencies and used exclusively for governmental or educational purposes.
- 5. Damaged or Destroyed. Any development project proposed to repair or replace a structure that was damaged or destroyed by fire or other calamity, so long as the square footage and permitted use of the structure remains the same, and the planning application for the project is filed within one (1) year of the damage's occurrence. If and to the extent there is a change in the permitted use or an increase in the square footage of the structure, then the housing impact fee shall be calculated based on the net new square footage of the structure at the rate applicable to the type of permitted use (residential or nonresidential).
- 6. Demolished Structures. Any development project proposed to replace a structure previously located on site but which has been demolished, so long as the square footage and permitted use of the structure remains the same, and the planning application for the project is filed within two (2) years of the demolition of the structure being replaced. If and to the extent there is a change in the permitted use or an increase in the square footage, then the housing impact fee shall be calculated based on the net new square footage at the rate applicable to the type of permitted use (residential or non-residential).
- 7. Abandoned Structures. Any development project proposed to replace a structure located on site but which is not being used for its permitted use and which does not otherwise meet the exemptions under Section 29.5(C)(5) (Damaged and Destroyed) or 29.5(C)(6) (Demolished Structures), so long as the square footage and permitted use of the structure remains the same, and the planning application for the project is filed within two (2) years of the last permitted use of the site. If and to the extent there is a change in the permitted use or an increase in the square footage, then the housing impact fee shall be calculated based on the net new square footage at the rate applicable to the type of permitted use (residential or non-residential nonresidential).

- 8. Vested Right to Proceed. Residential or nonresidential development projects to the extent they have received a vested right to proceed without payment of housing impact fees pursuant to state law, including those that are the subject of development agreements currently in effect with the City, if such development agreements were approved prior to the effective date of the e<u>O</u>rdinance from which this Article is derived and where such agreements expressly preclude the City from requiring payment of the housing impact fee.
- 9. Provision of Affordable Housing. A residential or nonresidential development project may mitigate its impact on the need for affordable housing by providing affordable housing units instead of paying the impact fee, so long as the affordable units are provided in accordance with an affordable housing plan (Section 29.7) and meet all of the standards in Section 29.6 and 29.8.A and the <u>Ddeveloper</u> provides reasonable assurances required by the City that the affordable units will be timely completed.
- 10. The following specific nonresidential uses are exempt from the payment of the housing impact fee:
  - a. Public Uses, as defined by Article 2, Section 2.2 of the Redwood City Zoning Code, including, but not limited to, public schools, parks, playgrounds, hospitals, and administrative and service facilities;
  - b. Quasi-Public Uses, as defined by Article 2, Section 2.2 of the Redwood City Zoning Code, including, but not limited to, houses of worship, schools and colleges, recreational facilities, cultural institutions and private hospitals;
  - c. Child Care Centers, including Family Child Care Homes;
  - d. Recreational facilities for public use and enjoyment within commercial or industrial developments;
  - e. Housing for the Elderly, nursing homes, rest homes, residential care facilities, and skilled nursing facilities as defined by Article 2, Section 2.2 of the Redwood City Zoning Code;
  - f. Schools, public and private, as defined by Article 2, Section 2.2 of the Redwood City Zoning Code; and
  - g. Property eligible for the California Property Tax Welfare Exemption in that it is (1) used exclusively for charitable purposes, and (2) owned or held in trust by nonprofit organizations operating for those purposes and that have a current tax exempt letter from the Internal Revenue Service or the Franchise Tax Board.
- 11. Any other uses that may be specified by resolution of the City Council.

## 29.6 Standards for Affordable Housing.

- **A. Quality of Construction and Number of Bedrooms.** All affordable units required by this Article shall be comparable to the overall quality of construction to market-rate units in the same housing development as follows:
  - 1. The exterior appearance of the affordable units shall be compatible with that of market-rate units.
  - 2. Interior finishes and amenities may not differ from those provided in the base model market rate units.
  - 3. The number of bedrooms in the affordable units shall be comparable to the average number of bedrooms in the market-rate units, include comparable square feet by unit size and the affordable units shall be reasonably dispersed within the residential development <u>project</u>, with unit locations comparable to those of the market-rate units, subject to review and approval by the Community Development Director.
  - 4. The affordable units shall have access to the same amenities as the market rate units included within the affordable ownership cost or affordable rent for the affordable unit. For example, residents of the affordable units shall not be excluded from common open space, parking, storage, and other community facilities or amenities in the residential development project, nor shall households residing in affordable units be charged more than an affordable rent or an affordable ownership cost as defined in Section 29.2 (Definitions) for the use of such facilities and amenities.

## B. Availability for Occupancy.

- 1. Residential Development <u>Project</u>. All affordable units required by this Article shall be made available for occupancy concurrently with the market-rate units. For the purposes of this subsection, "concurrently" means that the City may not issue building permits for more than fifty percent (50%) of the market-rate units until it has issued building permits for all of the affordable units, and the City may not approve any final inspections or certificates of occupancy (including a temporary certificate of occupancy) for more than fifty percent (50%) of the market-rate units, or in the case of a multi-structure residential development project, any structure(s) containing more than fifty percent (50%) of the market-rate units, until it has issued final inspections or certificates of occupancy for all of the affordable units, until it has issued final inspections or certificates of occupancy for all of the affordable units.
- Nonresidential Development <u>Project</u>. Pursuant to Section 29.8 (Alternatives), if the developer of a nonresidential development <u>project</u> opts to comply with the impact fee requirements by developing or causing the development of affordable units, including purchase of existing units for conversion to affordable units, all

of the affordable units shall be made available for occupancy concurrently with or prior to the nonresidential development <u>project</u>. For the purposes of this subsection, "concurrently" means that the City may not approve any final inspections or certificates of occupancy (including a temporary certificate of occupancy) for more than fifty percent (50%) of the nonresidential development <u>project</u> (on a square foot basis), or in the case of a multi-structure development project, any structure(s) representing more than fifty percent (50%) of the total project square footage of the development project, until it has issued final inspections or certificates of occupancy (including a temporary certificate of occupancy) for all of the affordable units.

- C. Duration of Affordability. All affordable units for sale produced as required by this Article shall be legally restricted to occupancy by households of the income levels for which the units were designated at an affordable ownership cost for a period of at least thirty (30) years. All affordable units for rent produced as required by this Article shall be legally restricted to occupancy by households of the income levels for which the units were designated at an affordable rent produced as required by this Article shall be legally restricted to occupancy by households of the income levels for which the units were designated at an affordable rent for a period of at least fifty-five (55) years. The legal restrictions requiring affordable units shall be recorded against the applicable property in the form specified in Section 29.7(F). <u>The recorded legal restriction securing the affordable units required under the Ordinance are land use covenants that run with the land and must at all times remain a lien recorded in first lien priority and may not be subordinated to any lien securing a mortgage or indebtedness without the prior written consent of the City, which consent can be withheld at the City's sole and absolute discretion.</u>
- **D. Eligibility.** No household may occupy an affordable unit until the Community Development Director or designee has approved a Below Market Rate Tenant Selection and Management Plan prepared by the developer, which plan shall include eligibility requirements specific to the project.
- E. Principal Residence. Any household that occupies an affordable unit must occupy that unit as its principal residence, unless otherwise approved in writing for rental to a third party for a limited period of time due to household hardship, as determined and approved by the City in advance.
- **F.** Local Preference. To the extent permitted by applicable law including fair housing laws, developers shall grant a preference in the affordable units produced as required by this Article, to: (1) eligible households displaced by any activity (including the exercise of police powers and code enforcement) of the City or as provided in Health and Safety Code Section 33411.3 or by public projects implemented by the City; and (2) eligible households that live (or have ever lived), work or have been offered work in the City of Redwood City. The preferences stated in this Article apply to the affordable units for the applicable term specified in 29.6(C). Notwithstanding anything to the contrary herein, nothing in this Section shall require that the preference be based on a minimum duration for residency or employment. To the extent, the preferences required under this Article conflict with the requirements under <u>Internal</u>

<u>Revenue Code</u> of Section 42 of the Internal Revenue Code and implementing guidelines, the requirements of Section 42 will supersede. This Section shall be read to allow developers to impose other legally required or permitted preferences to affordable housing units, so long as such additional preferences are approved in writing by the Community Development Director. All applicable preferences shall be identified in the Affordable Housing Plan and expressly incorporated into the implementing agreements and documents required under Section 29.7(F).

- **G. Guidelines.** The Community Development Director may from time to time adopt "<u>Affordable Housing G</u>guidelines" for determining household income and affordable housing cost, determining buyer eligibility, monitoring, and <u>other</u> relevant administrative provisions, <u>providing guidance related to requirements under the Ordinance</u>, and determining acceptable alternative means of compliance within the requirements of this Chapter.
- **H. Conflict of Interest.** Officials, employees, or consultants of the City and members of City boards and commissions shall comply with all applicable laws, regulations, and policies relating to conflicts of interest as to their eligibility to develop, construct, sell, rent, lease, occupy, or purchase an affordable unit.

# 29.7 Affordable Housing Plan and Agreement.

- A. Required. An "affordable housing plan" is required for any residential or nonresidential development project that provides affordable units, either on-site or off-site and for projects applying for any alternative method of compliance under <u>Section</u>-29.8. The affordable housing plan shall be in compliance with the <u>Affordable</u> <u>Housing</u> Guidelines and, at a minimum, describe:
  - 1. How the proposed units conform to the requirements of this Article and <u>the</u> City and State Density Bonus law requirements, as applicable;
  - 2. The location, structure (attached or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate (as applicable) and affordable units and the basis for calculating the number of affordable units provided;
  - 3. A floor or site plan depicting the location of the affordable units;
  - 4. A phasing plan that provides for the timely development of the number of affordable units in accordance with Section 29.6 (Standards for Affordable Housing);
  - 5. If off-site units, or other alternatives are proposed under Section 29.8 (Alternatives), any additional information deemed necessary by the City to support the findings required for approval of such alternatives;
  - <u>6</u>. If the project includes a development partner(s) of the developer for the provision of the affordable units, on-site or off-site, land donation or other alternative</u>

means of compliance, a term sheet describing the principal terms of the arrangements between the developer and development partner(s), including any additional information required in the Affordable Housing Guidelines; and

<u>7</u>. Any other information reasonably requested by the Community Development Director to assist with evaluation of the Affordable Housing Plan under the standards of this Article.

Affordable housing plans are not required if the developer is only paying an affordable housing impact fee, in compliance with <u>the</u> City requirements.

- **B.** Submittal and Review. The affordable housing plan must be submitted prior to with the first planning permit application for the residential or nonresidential development project being deemed complete. The affordable housing plan shall be processed concurrently with all other permits required for the residential or nonresidential development project. Affordable housing plans that meet all of the requirements of this Article shall be approved by the review authority. An affordable housing plan that requests a waiver of any the requirements set forth in this Article shall require approval by the City Council.
- **C. Approval of On-site Affordable Units.** The review authority may approve or conditionally approve an affordable housing plan that proposes on-site affordable units if it makes findings, based on substantial evidence, that:
  - 1. The proposed affordable units comply with the applicable standards in this Article, including, without limitation, the requirement that the affordable units be made available for concurrent occupancy per Section 29.6B.
  - 2. The affordable units will mitigate the impact of the project on the need for affordable housing if the units are being provided under the Affordable Housing Impact Fee program.
- D. Approval of Off-Site Affordable Units. If a developer proposes off-site affordable housing units, land donation, or any other alternative method of compliance under Section 29.8, in the affordable housing plan, the review authority may approve such a proposal if the review authority it is able to make the above findings in Section C (Approval of On-Site Affordable Units) and the proposal meets all of the following conditions:
  - 1. Financing or a viable financing plan, which may include public funding sources, is in place for the proposed affordable housing units;
  - 2. The proposed location is suitable for the proposed affordable housing, is consistent with the Housing Element, general plan, and zoning, and will not cause residential segregation; and

- 3. The proposed affordable units comply with the applicable standards in this Article, including, without limitation, the requirement that the affordable units be made available for concurrent occupancy per Section 29.6B.
- **E. Amendments.** The approved affordable housing plan may be amended prior to issuance of any building permit for the residential or nonresidential development project. A request for a minor modification of an approved affordable housing plan may be granted by the Community Development Director if the modification is substantially in compliance with the original affordable housing plan and conditions of approval. Other modifications to the affordable housing plan shall be processed in the same manner as the original plan.
- F. Agreements. As a condition of approval, affordable housing agreements acceptable to the Community Development Director shall be recorded against the residential or nonresidential development project prior to approval of any final or parcel map, or issuance of any building permit, whichever occurs first. The affordable housing agreement shall specify the number, type, location, size, and phasing of all affordable units, provisions for income certification and screening of potential purchasers or renters of units, and resale control mechanisms, including the financing of ongoing administrative and monitoring costs, consistent with the approved affordable housing plan, as determined by the Community Development Director. The form of the affordable housing agreement may vary depending on the way the provisions of this Article are satisfied for a particular development project. The affordable housing agreement shall be recorded against the property in the form of a resale or rental restrictions, deeds of trust, option agreements, or regulatory agreement, as applicable, in a form approved by the City Attorney and executed by the City Manager to ensure the continued affordability of the affordable units and implementation of the local preference required under this Article. The agreement securing the affordable units required under the Ordinance must at all times remain a lien recorded in first lien priority and may not be subordinated to any lien securing a mortgage or indebtedness or other security financing interest without the prior written consent of the City Council, which consent can be withheld at the City's sole and absolute discretion. Approval of an affordable housing agreement is a condition of any discretionary or ministerial permit for any development project to which this Article applies, unless the developer is only paying an affordable housing impact fee, in compliance with the City requirements.

## 29.8 Alternatives.

An applicant or the City may propose an alternative means of compliance with this  $\Theta \underline{O}$  rdinance subject to the following provisions:

A. Alternatives Available to Projects Requiring an Impact Fee. As an alternative to compliance with the impact fee requirements included in this Article, developers of residential or nonresidential development projects may propose to mitigate the affordable housing impacts of such development through the construction of

affordable units on-site or through an alternative mitigation program proposed by the developer and the Community Development Director, such as the provision of offsite affordable units, donation of land for the construction of affordable units, or purchase of existing units for conversion to affordable units. <u>Property donated or dedicated shall meet the requirements under Section 29.8(H)</u> be suitable for construction of affordable housing at a feasible cost, shall be served by utilities, streets and other infrastructure, and shall have no hazardous materials or other conditions that constitute material constraints on development of affordable housing on the property.

- 1. The City Council may adopt by resolution the percentage of affordable units needed to mitigate the impact of residential or nonresidential development projects on the need for affordable housing.
- 2. Any affordable rental or for-sale units proposed as an alternative to the payment of the housing impact fee shall be subject to the requirements described in Section 29.6 (Standards for Affordable Housing) and demonstrate financing or a viable financing plan, which may include public funding sources, is in place for the proposed affordable housing units.

# B. Alternatives Available to Projects Requiring On-Site Construction of Affordable Units.

- 1. Payment of an In-Lieu Fee. The City may accept payment of an in-lieu fee in place of construction of on-site units if all of the following findings can be made:
  - a. The City determines that the in-lieu fee is adequate to cover the cost of providing at least an equivalent number of affordable units as would otherwise be required under this Article based upon an affordability gap analysis provided by the applicant.
  - b. The average unit size in the project seeking to pay an in-lieu fee is two thousand (2,000) square feet or four (4) bedrooms.
- 2. Any applicable in-lieu fees will be collected by the City prior to the issuance of the first building permit for the development. The fees shall be calculated based on the fee schedule in effect at the time the building permit is issued.
- **3. Unit Size.** In projects where the market rate units all exceed two thousand (2,000) square feet, the size of the affordable units may be up to twenty percent (20%) smaller than the Market Rate Units.
- **C. Approval of Off-Site Affordable Units.** If a developer proposes off-site affordable units or any other alternative in the affordable housing plan required under Section

29.6 (Standards for Affordable Housing), the review authority may approve such a proposal if it finds the proposal meets all of the following conditions:

- 1. Financing or a viable financing plan, which may include public funding sources, is in place for the proposed affordable housing units; and
- The proposed location <u>must be</u>is suitable for the proposed affordable housing, <u>allow residential uses</u>, <u>accommodate the required affordable units</u>, <u>must be</u> is consistent with the Housing Element, general plan, and zoning, and <u>should</u>will not cause <u>or exacerbate</u> residential segregation; and
- 3. Any affordable rental or for-sale units proposed as an alternative to the payment of the housing impact fee shall be subject to the requirements described in Section 29.6 (Standards for Affordable Housing).
- **D.** Alternatives to the Standards for Affordable Housing. The City may consider alternatives to the requirements under Section 29.6 (Standards for Affordable Housing) and the review authority may approve such a proposal.
  - 1. As an alternative to Section 29.6(B) (Availability for Occupancy), the City may require, in-lieu of concurrent occupancy of the market-rate residential units and/or the non-residential nonresidential development project and the required affordable housing units, that the developer be allowed to obtain a certificate of occupancy (including a temporary certificate of occupancy) for the market-rate residential units and/or the non-residential nonresidential development project so long as concurrently with the issuance of the certificate of occupancy (including a temporary certificate of occupancy) for the market-rate residential units and/or the nonresidential development project, the completion of the affordable units is secured by the developer through an agreement under which the developer provides a completion guaranty for the construction of the affordable units and also agrees to pay a deposit or provide a letter of credit in the amount of the affordable housing impact fee and/or the in-lieu fee in the amount due under Section 29.5 calculated based on the amount of the fees due on the date the entitlements for the market-rate residential units and/or the nonresidential development project were approved; or agrees to provide some other alternative mean of compliance allowed under the Affordable Housing Guidelines. Upon written request by the developer, the City, in the Community Development Director's reasonable discretion, shall release a portion or all of the deposit upon the completion of construction milestones for the affordable units identified in the Affordable Housing Guidelines. The City shall release the completion guaranty at the time the certificate of occupancy (including a temporary certificate of occupancy) for the affordable units has been issued. The City shall release all of the deposit and the completion guaranty at the issuance of the building permit for the affordable units if the developer of the affordable units provides the City with evidence that: (i) the developer holds

sufficient funds or binding commitments for sufficient funds to complete construction of the affordable units; (ii) the funding commitments include funding from a federal, state or local agency or any state or municipal finance authority which restricts one hundred percent (100%) of the units in the development for household at or below 80% AMI (excluding manager's unit(s)); and (iii) the developer and/or the project sponsor has provided an irrevocable unconditional guarantee as a condition to receive the federal, state or local agency or any state or municipal finance authority funding.

2. As an alternative to Section 29.6(B) (Availability for Occupancy), the City may require, in-lieu of concurrent occupancy of the market-rate residential units and/or nonresidential development project and the required affordable housing units, that the developer be allowed to obtain a certificate of occupancy (including a temporary certificate of occupancy) for the marketrate residential units and/or the nonresidential development project so long as concurrently with the issuance of the certificate of occupancy (including a temporary certificate of occupancy) for the market-rate residential units and/or the nonresidential development project, the developer has secured building permits for the required affordable housing units and the completion of the affordable units is secured by the developer through an agreement under which the developer provides a completion guaranty for the construction of the affordable units or agrees to pay a deposit or provide a letter of credit in the amount of the affordable housing impact fee and/or the in-lieu fee in the amount due under Section 29.5 calculated based on the amount of the fees due on the date the entitlements for the market-rate residential units and/or the nonresidential development project were approved; or agrees to provide some other alternative mean of compliance allowed under the Affordable Housing Guidelines. Upon written request by the developer, the City, in the Community Development Director's reasonable discretion, shall release a portion or all of the deposit upon the completion of construction milestones for the affordable units identified in the Affordable Housing Guidelines. The City shall release the completion guaranty at the time the certificate of occupancy (including a temporary certificate of occupancy) for the affordable units has been issued. The City shall release all of the deposit and the completion guaranty at the issuance of the building permit for affordable units if the developer of the affordable units provides the City with evidence that: (i) the developer holds sufficient funds or binding commitments for sufficient funds to complete construction of the affordable units; (ii) the funding commitments include funding from a federal, state or local agency or any state or municipal finance authority which restricts one hundred percent (100%) of the units in the development for household at or below 80% AMI (excluding manager's unit(s)); and (iii) the developer and/or the project sponsor has provided an irrevocable unconditional guarantee as a condition to receive the federal, state or local agency or any state or municipal finance authority funding.

- 3. The City will have the option to exercise the guaranty, deposit, letter of credit, or any other forms of assurance for timely delivery in the event that the affordable units are not completed within five (5) years from the date of the first building permit issued, with any allowable extensions, or other alternative.
- E. Other Alternatives. The City may consider an alternative mitigation program proposed by the developer and the Community Development Director, such as the provision of off-site affordable units, donation of land for the construction of affordable units consistent with Section 29.8(H) and the requirements set forth in the Affordable Housing Guidelines, purchase of existing units for conversion to affordable units or alternatives to the Standards for Affordable Housing.
- **F.** Agreement with <u>the</u> City for Financing. If the City enters into a financing agreement with the applicant, the parties may agree to alter the requirements of Section 29.6 (Standards for Affordable Housing).
- **G. Significant Number of Affordable Units.** If an applicant exceeds the maximum percentage of affordable units set forth in the State Density Bonus law for low or very low income rental or moderate income ownership units, the City will consider an applicant's request to alter the requirements of Section 29.6 (Standards for Affordable Housing) in conjunction with its review of the planning application for the project and may reject or accept the request in its sole discretion.
- H. Land Donation. To increase the inventory of land suitable and available for residential development projects to meet the City's regional housing need the City Council may consider land donations if all of the following conditions are satisfied or waived by the City Council, at the sole and absolute discretion of the City Council.
  - <u>The City has an opportunity to review a preliminary title report for the property</u> to be donated and has approved the condition of title, at its sole and absolute discretion. Under no circumstances may the property to be donated be, at the time of donation, encumbered by any lien securing the repayment of debt or any other security instrument.
  - 2. <u>The developer transfers fee ownership of the property to the City, or a City approved qualifying designee as defined in the Affordable Housing Guidelines, and the transfer of the property to be donated must occur prior to or concurrent with the issuance of building permits for the residential development project or the nonresidential development project. If the property is donated to a City designee, the grant deed shall contain an irrevocable offer to dedicate the property to the City and an affordable housing restrictive covenant shall be recorded against the property in primary lien position, requiring the donee to provide the City a right of reverter, right of first refusal, an option to acquire the donated property, or any combination thereof approved by the City at its sole and absolute discretion.</u>

- 3. <u>The developer provides an Affordable Housing Plan prepared in a manner</u> <u>consistent with the requirements in Section 29.7.</u>
- 4. <u>The value of the property to be donated is equal to or greater than the</u> <u>Affordable Housing Impact Fee and/or Affordable Housing In-Lieu Fee</u> <u>amount required to be paid calculated based on the amount of the fees due</u> <u>on date the entitlements for the market-rate residential units and/or the</u> <u>nonresidential development project were approved.</u>
- 5. <u>The property to be donated must be: (i) at least one acre in size; or (ii) be of a sufficient size to accommodate the greater of (A) 40 units (excluding any units required to satisfy replacement housing obligations), or (B) not less than 110% the number of affordable units (excluding any units required to satisfy replacement housing obligations) required to be constructed as a condition of the approval of the nonresidential development project or the residential development project.</u>
- 6. <u>The property to be donated is, or will at the time of donation be, served by</u> <u>adequate utilities, streets, public facilities and other infrastructure suitable to</u> <u>accommodate the required affordable units.</u>
- 7. <u>The property shall have no hazardous materials or is subject to a property mitigation response plan or property closure report and the developer agrees to comply with all necessary regulations and approvals by the San Mateo County Environmental Health Division and/or the California Department of Toxic Substances Control, the State Water Resource Control Board, or any other applicable agency with jurisdiction over the property and there are no other conditions that constitute material constraints on development of affordable housing on the property.</u>
- 8. <u>The property to be donated is vacant undeveloped property; except that the</u> <u>City, at its sole and absolute discretion, may accept property with existing</u> <u>improvements, so long as the donor takes all necessary steps to avoid</u> <u>impacts on residents of existing residential structures.</u>
- 9. If the property to be donated has existing residential units, the developer must provide evidence of compliance with the California Relocation Assistance Act, codified California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq., prepared a relocation plan, approved by the City prior to or concurrently with the resolution approving the acceptance of the land to be donated, the donor is solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. The donor must indemnify, defend (with counsel reasonably chosen by the City), and hold harmless to the fullest

extent permitted by law the City, its boards and commissions, officers, officials, employees and agents from and against any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way related to relocation obligations to residential tenants, homeowners, or businesses permanently or temporarily displaced from the donated property.

- 10. <u>Financing or a viable financing plan, shall be in place for construction of the</u> <u>affordable units on the property to be donated</u>
- 11. <u>The property to be donated is served by quality public transit, as further</u> <u>described in the Affordable Housing Guidelines.</u>
- 12. Developer or property owner irrevocably assigns to the City, and grants to the City a security interest in and rights to the following: all contracts with architects, landscape architects, planners, geologists, surveyors, engineers, economists, or other development consultants entered into for the property to be donated; and all plans, specifications, drawings, data, and studies produced by these architects and development consultants. Developer or property owner shall ensure that the third parties to the contracts referenced above for Project work consent to the assignment of these contracts to Lender.
- 13. <u>The property meets any additional land donation criteria in the Affordable</u> <u>Housing Guidelines.</u>

# 29.9 Waiver of Requirements.

- **A. Timing of Request.** A developer may apply for a reduction, adjustment, or waiver of the requirements of this Article as part of an application for the first approval of a planning or building permit for a residential development project.
- **B.** Application Requirements. The developer must show that applying the requirements of this Article would result in an unconstitutional taking of property or would result in any other unconstitutional result. The developer shall set forth in detail the factual and legal basis for the claim, including all supporting technical documentation, and shall bear the burden of presenting the requisite evidence to demonstrate the alleged unconstitutional result.
- **C. City Assumptions.** The City may assume each of the following when applicable:
  - 1. The developer will benefit from the incentives set forth in State Density Bonus law and the zoning ordinance; and

- 2. The developer will be obligated to provide the most economical affordable housing units feasible in terms of financing, construction, design, location and tenure.
- **D. Decision.** The review authority, based upon legal advice provided by or at the behest of the City Attorney, may approve a reduction, adjustment, or waiver of the requirements of this Article if the review authority determines that applying the requirements of this Article would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property. The reduction, adjustment, or waiver may be approved only to the extent necessary to avoid an unconstitutional result after adoption of written findings, based on legal analysis and the evidence.
- E. Changes to the Project. If a reduction, adjustment, or waiver is granted, any change in the residential development project shall invalidate the reduction, adjustment, or waiver, and a new application shall be required for a reduction, adjustment, or waiver per this Section.

# 29.10 Housing Fund.

- **A. Establishment of the Fund.** There is hereby established in the City of Redwood City an "Affordable Housing Fund." All affordable housing impact fees or other funds collected under this Article, including payment of any in-lieu fees, shall be deposited into the City's Affordable Housing Fund.
- **B.** Use of Funds. The monies in the Affordable Housing Fund and all earnings from investment of the moneys in the Fund shall be expended exclusively to provide housing affordable to extremely low income, very low income, lower income, and moderate income households in the City, consistent with the goals and policies contained in the City's Housing Element and the purposes for which the fees were collected, and for administration and compliance monitoring of the affordable housing program.
- **C. Guidelines.** The City Council may, from time to time, adopt guidelines for expenditure of monies in the affordable housing fund.

## 29.11 Enforcement.

- A. Payment Obligation. Payment of the housing impact fee is the obligation of the developer for a residential or nonresidential development project. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance herewith, including, but not limited to, actions to revoke, deny, or suspend any permit or development approval.
- **B.** City Attorney Enforcement. The City Attorney shall be authorized to enforce the provisions of this Article and all affordable housing agreements, regulatory

agreements, and all other covenants or restrictions placed on affordable units, by civil action and any other proceeding or method permitted by law.

- **C. Developer Responsibility.** Failure of any official or agency to enforce the requirements of this Article shall not excuse any developer or owner from the requirements of this Article. No permit, license, map, or other approval or entitlement for a residential development <u>project</u> shall be issued, including without limitation a final inspection or certificate of occupancy, until all applicable requirements of this Article.
- **D. Remedies.** The remedies provided for in this Section shall be cumulative and not exclusive and shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.

# ORDINANCE NO. 1130-387

At a Joint City Council/Successor Agency Board/Public Financing

Authority Meeting thereof held on the 24<sup>th</sup> day of July 2023 by the following

votes:

AYES, and in favor of the passage and adoption of the foregoing ordinance:

- AYES: Aguirre, Howard, Martinez Saballos, Sturken, Vice Mayor Espinoza-Garnica, and Mayor Gee
- NOES: None
- ABSENT: None
- ABSTAINED: None
- RECUSED: Eakin

Jeff Gee Mayor of the City of Redwood City

Attest:

Yessika Castro, CMC, CPMC Interim City Clerk of Redwood City

I hereby approve the foregoing Ordinance this 25<sup>th</sup> day of July 2023.

Jeff Gee Mayor of the City of Redwood City