E.2 Introduction of an Ordinance amending Chapter 17.18 (Affordable Housing Program) of the Newark Municipal Code by exempting residential additions from the Housing Impact Fee – from Assistant City Manager Grindall. (ORDINANCE)

Background/Discussion – On April 10, 2014 the City Council approved an Affordable Housing Impact Fee which replaced the former inclusionary housing program. The fee was set at $20 per square foot of building area for the first 1000 square feet and $8 per square foot above 1000 square feet. The Ordinance has recently become effective. As approved, the ordinance applied a fee to all residential development, including additions to existing residential dwellings. In the process of implementation staff has concluded that the application of this fee to residential additions could create a disincentive to investment in existing neighborhoods and logistical problems in implementation. Therefore, staff is recommending that the Affordable Housing Program (Municipal Code Section 17.18) be amended to exempt additions to existing residential dwellings from payment of the fee.

Attachment

Action –Staff recommends that the City Council introduce an ordinance amending the Chapter 17.18 (Affordable Housing Program) of the Newark Municipal Code Section 17.18.030(B) (Housing Fee) and Section 17.18.040(D) (Damaged Property) exempting residential additions from the Housing Impact Fee.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWARK AMENDING CHAPTER 17.18 (AFFORDABLE HOUSING PROGRAM) OF THE NEWARK MUNICIPAL CODE SECTION 17.18.030(B) (HOUSING FEE) AND SECTION 17.18.040(D) (DAMAGED PROPERTY) EXEMPTING RESIDENTIAL ADDITIONS FROM THE HOUSING IMPACT FEE

The City Council of the City of Newark does ordain as follows:

Section 1: That Chapter 17.18 of the Newark Municipal Code (Affordable Housing Program) Sections 17.18.030 (B) and 17.18.040(D) are hereby amended to exempt residential additions from the fee as attached in Exhibit A.

Section 3: Effective date. This ordinance shall take effect thirty (30) days from the date of its passage. Before expiration of fifteen (15) days after its passage, this ordinance shall be published in The Argus, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark.

Exhibit A

Sections 17.18.030 and 17.18.040 of Chapter17.18 (Affordable Housing Program) of the Newark Municipal Code are hereby amended to read as follows (~~strikeout~~ denotes deletions, underline denotes additions)

17.18.030 Housing Fee.

B. Calculation of Housing Impact Fee. The housing impact fee for residential and nonresidential development projects shall be charged on a per square foot basis for new floor area, ~~including all~~ excluding additions to existing residential dwellings. ~~where floor area is increased.~~ The amount and calculation of each such fee shall be established by resolution of the city council. The city council may review the fees from time to time at its sole discretion and may, based on that review, adjust the fee amount. Housing impact fees shall not exceed the cost of mitigating the impact of the nonresidential and residential projects on the need for affordable housing in the city.

17.18.010. Exemptions from Payment of Housing Impact Fee.

This fee shall not apply to developers of residential or nonresidential development projects which fall within one or more of the following categories:

D. Damaged Property. Any structure proposed to repair or replace a building that was damaged or destroyed by fire or other calamity, ~~so long as the square footage and use of the building remains the same,~~ and construction of the replacement building begins within one year.