

RESOLUTION 2024-0233

Adopted by the Sacramento City Council

June 25, 2024

Modifications to the Reduced Residential Development Impact Fees for Affordable Dwelling Units Program

BACKGROUND

- A. On October 30, 2018, Council passed a resolution reducing certain development impact fee rates for “affordable dwelling units” (as that term is defined in the resolution) to a zero-dollar rate (Resolution No. 2018-0428).
- B. On May 28, 2019, Council rescinded Resolution No. 2018-0428 and adopted a new resolution (Resolution No. 2019-0185) that similarly provides a zero-dollar impact fee rate for “affordable dwelling units” (as that term is defined in the resolution), but provides more flexibility for determining whether a new development project would provide “affordable dwelling units.”
- C. The reduction of development impact fees to zero dollars for “affordable dwelling units” is known as the “Reduced Residential Development Impact Fees for Affordable Dwelling Units Program” or the “Zero-Dollar Rate Program” (hereafter called the “Program”). On August 9, 2022, staff presented a 3.5-year evaluation of this Program to Council.
- D. On December 6, 2022, Council passed Resolution No. 2022-0386 to fund the Program through FY 2022/23. The Program subsequently received funding through the City’s budget in the amount of \$3 million for FY 2023/24. The FY 2023/24 funding was fully expended as of April 2024.
- E. On June 11, 2024, Council passed Resolution No. 2024-0193 to fund the Program through the City’s budget in the amount of \$3 million for FY 2024/25.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

The City Manager or the City Manager’s designee is authorized to modify the Program so that development impact fees are reduced up to a maximum of \$10,000 for “affordable dwelling units” (as that term is defined in Resolution No. 2019-0185).

SECTION 2.

The City Manager or the City Manager’s designee is authorized to modify the Program to allow Program funds to be set aside for reduction of development impact fees for “affordable dwelling units” (as that term is defined in Resolution No. 2019-0185) at the time a letter of funding award is received for projects receiving Low-Income Housing Tax Credit (“LIHTC”) or HomeKey funding (or future iterations of the LIHTC or HomeKey financing programs should the program names or other minor elements of the programs change). For all other projects not receiving LIHTC or HomeKey funding, the development impact fees for “affordable dwelling units” (as that term is defined in Resolution No. 2019-0185) may be reduced when the building permit for the project is “Ready to Issue.”

Adopted by the City of Sacramento City Council on June 25, 2024, by the following vote:

Ayes: Members Jennings, Kaplan, Maple, Talamantes, Thao, Valenzuela, and Vang

Noes: None

Abstain: None

Absent: Member Guerra and Mayor Steinberg

Attest:  07/10/2024

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.