



# Development Committee Memorandum

City of Arts & Innovation

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**TO: DEVELOPMENT COMMITTEE MEMBERS**                      **DATE: JULY 20, 2017**  
**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**              **WARDS: ALL**  
**DEPARTMENT**  
**SUBJECT: DISCOUNT OF FEES FOR AGE RESTRICTED SENIOR HOUSING PROJECTS**  
**- DIRECT SUBMITTAL**

**ISSUE:**

Whether discounted fees be reinstated in support of age-restricted senior housing projects.

**RECOMMENDATIONS:**

That the Development Committee direct staff to return to the Development Committee with an analysis and recommendation in January 2018.

**BACKGROUND:**

On August 27, 2015, a comprehensive user fees and charges update went before the Finance Committee (Special Meeting). During this meeting, Chair Soubirous raised the question as to whether or not fees can be lowered or waived for projects of community interest. The answer provided was that existing fee reductions or waivers for certain project types (e.g. historic preservation, senior housing, infill single-family homes, etc.) would be removed and no longer be applicable. The goal was to bring back the issue to the City Council for future discussion.

On September 8, 2015, Resolution No. 22904 was adopted to establish new fees and charges for city services, which resulted in the removal of the 60% reduction in fees for age-restricted senior housing.

**DISCUSSION:**

The City received an inquiry from a developer in June 2017, in regards to a proposed senior housing project. The developer was seeking information on permit fees and if a fee discount was applicable. Staff advised the developer that there were no longer fee discounts for senior housing projects. The developer advised staff that he had received a fee discount on previous senior housing projects.

In researching this matter, the recommendation in the August 27, 2015 Finance Committee meeting to further discuss the fee discount was discovered, and it was determined that staff has not returned to the City Council.

**Options:**

1. Maintain existing fee schedule with no housing fee discount.
2. Pursue an amendment to the fee schedule to include a housing fee discount. This would require research and consultation with the City Attorney's Office, Finance and all impacted Departments.
3. Research the matter further and bring back a recommendation relative to a housing fee discount.

Staff recommends that further research be completed in order to provide a complete analysis of the fee discount. Staff also recommends that returning to the Development Committee in January 2018 would allow for a complete analysis, and aligns with the Housing Element update program. The approval for the adoption of the Housing Element is scheduled to go before the City Council on October 10, 2017; the approval and adoption of the rezoning and general plan amendments for the Rezoning Program is scheduled to go before the City Council on December 12, 2017.

**FISCAL IMPACT:**

There is no immediate fiscal impact related to this report. However, discounting fees would impact revenue to the City as well as impacting the general fund due to the fact that each fee discount applied would require a general fund subsidy.

Prepared by: Rafael Guzman, Community & Economic Development Director  
Certified as to  
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/City Treasurer  
Approved by: Al Zelinka, FAICP, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. August 27, 2015 Report
2. August 27, 2015 Minutes
3. September 8, 2015 Report
4. September 8, 2015 Resolution
5. September 8, 2015 Minutes