

RESOLUTION NUMBER _____ (CCS)

(City Council Series)

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA MONICA AUTOMATICALLY ADJUSTING
THE AFFORDABLE HOUSING UNIT DEVELOPMENT COST PURSUANT
TO SANTA MONICA MUNICIPAL CODE SECTION 9.64.070(C)
BASED ON CHANGES IN CONSTRUCTION COSTS AND LAND COSTS

WHEREAS, on June 13, 2006, the City Council amended Santa Monica Municipal Code Section 9.56.070, now renumbered Section 9.64.070, to provide that the City's affordable housing unit development cost shall be established by resolution and that commencing on July 1, 2007, the affordable housing unit development cost shall be automatically adjusted annually by City Council based on changes in construction costs and land costs; and

WHEREAS, Santa Monica Municipal Code Section 9.64.020 defines "affordable housing unit development cost" as "the City's average costs to develop a unit of housing affordable to 30% income households, 50% income households, 80% income households or moderate-income households"; and

WHEREAS, in order to implement the Council's decision that the affordable housing unit development cost be adjusted based on changes in land and construction

costs, staff formulated a specific method of measuring changes in construction costs and land costs; and

WHEREAS, this proposed methodology was detailed in an April 24, 2006 letter prepared by Paul S. Silvern of HR&A Advisors, Inc. ("HR&A") on behalf of the City and approved by the Council on June 13, 2006; and

WHEREAS, pursuant to this methodology, on July 24, 2007, the City Council adopted Resolution No. 10230 (CCS) which established an affordable housing unit development cost of \$265,632; and

WHEREAS, pursuant to this methodology, on July 23, 2008, the City Council adopted Resolution No. 10330 (CCS) which incrementally adjusted this unit development cost by \$11,953; and

WHEREAS, pursuant to this methodology, on September 8, 2009, the City Council adopted Resolution No. 10423 (CCS) which incrementally adjusted this unit development cost by \$7,217; and

WHEREAS, pursuant to this methodology, on September 28, 2010, the City Council adopted Resolution No. 10530 (CCS) which incrementally decreased this unit development cost by \$3,702; and

WHEREAS, pursuant to this methodology, on June 14, 2011, the City Council adopted Resolution No. 10579 (CCS) which incrementally adjusted this unit development cost by \$5,903; and

WHEREAS, pursuant to this methodology, on September 11, 2012, the City Council adopted Resolution No. 10706 (CCS) which incrementally adjusted this unit development cost by \$2,296; and

WHEREAS, pursuant to this methodology, on August 27, 2013, the City Council adopted Resolution No. 10764 (CCS) which incrementally adjusted this unit development cost by \$2,314; and

WHEREAS, pursuant to this methodology, on August 26, 2014, the City Council adopted Resolution No. 10834 (CCS) which incrementally adjusted this unit development cost by \$20,996; and

WHEREAS, pursuant to this methodology, on August 25, 2015, the City Council adopted Resolution No. 10903 (CCS) which incrementally adjusted this unit development cost by \$15,318; and

WHEREAS, pursuant to this methodology, on August 23, 2016, the City Council adopted Resolution No. 10986 (CCS) which incrementally adjusted this unit development cost by \$11,805;

WHEREAS, pursuant to this methodology, on August 8, 2017, the City Council adopted Resolution No. 11070 (CCS) which incrementally adjusted this unit development cost by \$16,987; and

WHEREAS, pursuant to this methodology, on August 14, 2018, the City Council adopted Resolution No. 11131 (CCS) which incrementally adjusted this unit development cost by \$17,836; and

WHEREAS, Resolution No. 10230 (CCS), Resolution No. 10330 (CCS), Resolution No. 10423 (CCS), Resolution No. 10530 (CCS), Resolution No. 10579 (CCS), Resolution No. 10706 (CCS), Resolution No. 10764 (CCS), Resolution No. 10834 (CCS), Resolution No. 10903 (CCS), Resolution No. 10986 (CCS), Resolution No. 11070 (CCS), and Resolution No. 11131 (CCS) thereby established an affordable housing unit development cost of \$374,555; and

WHEREAS, in accordance with Santa Monica Municipal Code Section 9.64.070 and the City Council's approved methodology, staff has calculated the required incremental adjustment to the unit development cost based on the changes to construction costs and land costs that have occurred since the adjustment undertaken last year; and

WHEREAS, on August 1, 2019, the City published a notice that at the August 13, 2019, City Council meeting, the City Council would consider a proposed resolution to adjust the affordable housing unit development cost that private developers may pay to the City for the production of affordable housing based on this methodology and that the staff's analysis was available for review in the City Clerk's Office; and

WHEREAS, the City republished this notice on August 8, 2019; and

WHEREAS, a copy of staff's analysis has been available in the City Clerk's Office for public review since August 1, 2019; and

WHEREAS, based on this analysis, an increase in the amount of \$8,240 to the current affordable housing development cost of \$374,555 would be appropriate.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA DOES RESOLVE AS FOLLOWS:

SECTION 1. The current Affordable Housing Unit Development Cost of \$374,555 established by Resolution No. 10230 (CCS), Resolution No. 10330 (CCS), Resolution No. 10423 (CCS), Resolution No. 10530 (CCS), Resolution No. 10579 (CCS), Resolution No. 10706 (CCS), Resolution No. 10764 (CCS), Resolution No. 10834 (CCS), Resolution No. 10903 (CCS), Resolution No. 10986 (CCS), Resolution No. 11070 (CCS), and Resolution No. 11131 (CCS) shall be increased by \$8,240.

SECTION 2. Resolution No. 10230 (CCS), Resolution No. 10330 (CCS), Resolution No. 10423 (CCS), Resolution No. 10530 (CCS), Resolution No. 10579 (CCS), Resolution No. 10706 (CCS), Resolution No. 10764 (CCS), Resolution No. 10834 (CCS), Resolution No. 10903 (CCS), Resolution No. 10986 (CCS), and Resolution No. 11070 (CCS), and Resolution No. 11131 (CCS) shall remain in full force and effect and shall not be superseded or altered by this resolution in any way.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect on November 1, 2019.

APPROVED AS TO FORM:

LANE DILG
City Attorney