

RESOLUTION NO. 2016 - 116**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ESTABLISHING AN AREA STANDARD WAGE POLICY PROVIDING AN AFFORDABLE HOUSING IMPACT FEE REDUCTION FOR RESIDENTIAL AND NONRESIDENTIAL DEVELOPMENT PROJECTS PAYING AREA STANDARD WAGES**

WHEREAS, on November 22, 2016, the City Council has adopted an affordable housing ordinance that authorizes the imposition of housing impact fees for certain residential and nonresidential development projects to mitigate the impact of such projects on the need for affordable housing in the City (the "Affordable Housing Ordinance"); and

WHEREAS, on December 13, 2016, the City Council has considered and adopted a Resolution establishing housing impact fees for residential and nonresidential development projects (the "Affordable Housing Impact Fee"); and

WHEREAS, in connection with its Affordable Housing Ordinance, the City has received and considered reports from Strategic Economics and Vernazza Wolfe Associates, Inc. dated September 2015 entitled "Residential Impact Fee Nexus Study" and Commercial Linkage Fee Nexus Study" (together, the "Nexus Study"); and

WHEREAS, the Nexus Study demonstrates that residential and nonresidential development projects create a need for affordable housing in the City by creating many jobs paying such low wages that workers cannot afford market rate housing in the City; and

WHEREAS, the City Council of the City of San Bruno has determined that the development of an area standard wage policy, in addition to the City's commitment to enforcing prevailing wage requirements as to public works projects, as such projects are defined in California Labor Code Section 1720 et seq. would protect local job opportunities and increase wages of workers and residents in the City; and

WHEREAS, the City has determined that the payment by residential and nonresidential development projects of "Area Standard Wages," which shall be defined as the general prevailing wage determinations for San Mateo County as made by the State of California Director of the Department of Industrial Relations, will increase certain households' ability to afford housing in the City, thereby reducing the impact of those residential and nonresidential development projects on the need for affordable housing in the City; and

WHEREAS, in recognition of the reduced impact of projects paying Area Standard Wages, the City Council now desires to adopt an Area Standard Wage Policy that will reduce the Affordable Housing Impact Fee for all residential and nonresidential development projects that voluntarily enter into an agreement with the City to pay Area Standard Wages consistent with this Resolution; and

WHEREAS, for-sale residential projects would only qualify for the fee reduction if payment of the impact fee is approved by the City Council as an alternative compliance method to the primary requirement to construct the affordable units on site; and

WHEREAS, the staff report accompanying this Resolution and referenced documents have been presented to and considered by the City Council in support of the findings and approvals set forth in this Resolution; are hereby incorporated by reference in this Resolution; and, together with the above recitals any public testimony received, form the evidentiary basis and establish the analytical route for reaching the ultimate findings and conclusions contained in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Bruno as follows:

1. The foregoing recitals are true and correct and incorporated into this Resolution by this reference.
2. The provisions of this Resolution shall apply to all residential and nonresidential development projects, as such terms are defined in the Affordable Housing Ordinance, where the developer voluntarily enters into an "Area Standard Wage Participation Agreement" (an "Agreement") with the City, except that for for-sale residential projects, payment of the impact fee must be approved by the City Council as an alternative compliance method. The Agreement shall apply to construction of the development project and related public works that are within the customary jurisdiction of the construction trades and crafts, whether performed on or off-site, but need not include off-site work performed by materialmen, as defined under California law.
3. Upon execution of an Agreement that conforms to the requirements of this Resolution, a developer of a residential or nonresidential development project shall be entitled to a reduction of twenty-five percent (25%) of the Housing Impact Fee that would otherwise be applicable to the residential or nonresidential development project.
4. All employees performing construction work for a project subject to an Agreement shall be paid not less than the Area Standard Wage or the highest prevailing rate of per diem wages as determined and published by the California Department of Industrial Relations subject to California Labor Code Section 1733 from the commencement of construction until the issuance of the later of either a final certificate of occupancy or a final inspection, but excluding tenant improvements. Nothing in this resolution shall be construed to prohibit payment of more than Area Standard Wages.
5. Nothing in this Resolution shall preclude enforcement by the California Division of Labor Standards Enforcement for any matter over which the Division has jurisdiction.
6. The Community Development Director shall have the authority to issue guidelines, rules or regulations from time to time in furtherance of this Resolution.
7. Adoption of this Resolution is exempt from the California Environmental Quality Act because the adoption of this resolution is not a project, in that it is related to a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the Area Standard Wages provisions may have a significant effect on the environment, in that this Resolution contains no provisions modifying the physical design, development, or construction of residences or nonresidential structures CEQA Guidelines Section 15061(b)(3)).
8. This Resolution shall take effect on February 11, 2017, but only if the Affordable Housing Ordinance is adopted and effective prior to that date.

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I hereby certify that foregoing **Resolution No. 2016 - 116** was introduced and adopted by the San Bruno City Council at a regular meeting on December 13, 2016, by the following vote:

AYES: Councilmembers: Ibarra, M. Medina, R. Medina, O'Connell, Mayor Ruane

NOES: Councilmembers: None

ABSENT: Councilmembers: None

I hereby certify this to be a full, true and correct copy of the document it purports to be, the original of which is on file in my office.

Dated: April 12, 2018

Vieky S. Hasha Acting City Clerk
City Clerk of the City of San Bruno

Carol Bonner
Carol Bonner, City Clerk

