

**ORDINANCE NO. 2006-09**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON  
ADOPTING AMENDMENTS TO CHAPTER 19.28 OF THE ZONING ORDINANCE  
ADDRESSING INCLUSIONARY HOUSING REQUIREMENTS**

**WHEREAS**, the City adopted an Inclusionary Housing Requirements Ordinance in 2001 as Chapter 19.28 of the Zoning Ordinance to implement the inclusionary housing program set forth in the Housing Element of the City of American Canyon General Plan; and

**WHEREAS**, City of American Canyon is experiencing a severe shortage of housing affordable to very low, low, and moderate income households and has determined that the Inclusionary Housing Requirements chapter of the Zoning Ordinance is deficient in providing for affordable housing; and

**WHEREAS**, the City has completed studies and prepared amendments to the Zoning Ordinance to provide for additional applicability and more accountability regarding Inclusionary Alternatives, including payment of an in-lieu contribution; and

**WHEREAS**, the City has determined that these revisions are not subject to the California Environmental Quality Act (CEQA), because the ordinance does not have the potential to cause a significant effect on the environment, consistent with CEQA Guidelines Section 15061 (b)(3).

**WHEREAS**, a duly-noticed public hearing was held by the City Council on September 5, 2006 on the Zoning Ordinance Amendment, at which time all those in attendance were given the opportunity to speak;

**NOW, THEREFORE BE IT ORDAINED**, by the City Council of the City of American Canyon to amend the Zoning Ordinance as set forth in Section 1, based upon the Findings below.

**FINDINGS:**

1. The amendments are consistent with the goals and policies of the General Plan; and
2. The amendments are consistent with the purposes of Title 19 of the Municipal Code, as set forth in Chapter 19.01, Authority, Purposes, and Effects of the Zoning Ordinance.

**SECTION 1:**

Zoning Ordinance Chapter 19.28, Inclusionary Housing Requirements is amended as follows:

- I. Amend **19.28.020 Definitions**
  - A. "Above moderate-income households" are those households with income of more than one hundred twenty percent of area median income for Napa County, as published by the State of California Department of Housing and Community Development, and its successors.
  - B. (no change)
  - C. "Lower income households" are those households with income of no more than eighty percent of the area median income for Napa county, adjusted for household size, as published by the State of California Department of Housing and Community Development, and its successors.
  - D. "Very low income households" are those households with income of no more than fifty percent of the area median income for Napa county, adjusted for household size, as published by the State of California Department of Housing and Community Development, and its successors.
  
- II. Amend **19.28.030 Applicability.**
  - A. The provisions of this chapter shall apply to all residential projects containing five or more residential parcels or units whose initial sales prices or rents will be affordable (as defined in Chapter 19.04, Definitions) to above moderate-income households.
  - B. [no change]
  
- III. Amend 19.28.040 **Inclusionary Requirements.**
  - A. [no change]
  - B. [no change, except:]
    5. The applicant may...are reasonably consistent ...codes.
  - C. Continued Affordability. Inclusionary units shall remain restricted and affordable to the targeted household(s) for a period of at least forty years, or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Covenants evidencing these restrictions shall be recorded against the property.
  - D. [no change]
  - E. [no change]
  
- IV. Amend **19.28.050 Inclusionary Alternatives.**
  - A. [no change]
  - B. Provided, however, that the following alternatives to providing inclusionary units on-site may be approved by the decision-making body if it finds that evidence presented by the applicant shows that on-site inclusionary units are infeasible due to project size, location

or site characteristics, or that the alternative would further housing opportunities for lower-income households to an equal or greater extent:

1. The provision of some or all of the required inclusionary units at an off-site location.
2. The payment of an in-lieu contribution to the City Housing Fund, as established in Section \_\_\_\_\_ of the City Municipal code, equal to thirty-eight thousand seven hundred and seventy dollars for each developed unit in an ownership project. (The in-lieu contribution alternative is not available to rental projects.)
  - a. For any fraction of an inclusionary unit required, the in-lieu contribution shall equal the fraction of the inclusionary unit times three hundred eighty seven thousand seven hundred dollars.
  - b. The in-lieu contribution shall be paid to the city at the issuance of building permit for each unit.
  - c. Such contribution shall be deposited in the City Housing Fund, as established in Section \_\_\_\_\_ of the City Municipal Code, and can only be used to provide housing affordable to very low and low-income households.
  - d. The in-lieu contribution amount shall be adjusted once annually on or about February 1 to reflect changes in the housing market conditions of American Canyon. The in-lieu contribution amount shall equal the difference between the median sales price of all homes in American Canyon for the prior year and the price affordable to a lower-income household.

The price affordable to a lower income household shall be calculated using the following assumptions:

- 1) number of persons in household: five persons;
- 2) household income: lower income household;
- 3) percent of household income that goes toward housing expense: thirty five percent;
- 4) calculation of housing expense: principal and interest expense, property taxes, homeowners insurance, allowance for homeowners association fees or maintenance, and utility allowance. Principal and interest expense will be calculated with an interest rate that reflects current housing

market conditions in American Canyon. Utility allowances will be based on the current utility allowance published by the Napa County Housing Authority; and,

5) amount of downpayment:: ten percent of affordable home price.

3. The dedication of suitable land to the city, or entity acceptable to the city, for the construction of the inclusionary units. The acceptability of such dedication shall be based on the suitability of the site in terms of location, size, zoning, timing of construction and other applicable factors. The acceptability of such dedication shall also be based on the fair market value of the dedicated land, in comparison to the amount of in-lieu contribution as calculated above.
4. In the event a project exceeds the total number of inclusionary units required in this chapter, the project owner may request inclusionary unit credits that may be used to meet the inclusionary unit requirements of another project, subject to the approval of the City Manager. Inclusionary unit credits are issued to and become the possession of the project owner and may only be transferred to another project owner subject to the approval of the City Council. The number of inclusionary unit credits awarded for any project is subject to the approval of the City Council.

V. Amend **19.28.060 City Assistance.**

The city may assist projects that include inclusionary units in order to make such units economically feasible. Possible assistance includes the following:

- A. [deleted. Move section B. to A]
- B. [Move section C to B.]

VI. Amend **19.28.070 Application Procedures.**

In addition to the application contents required for any associated permits or approvals, an applicant proposing to include inclusionary units in a project shall provide the following information:

- A. [no change];
- B. [no change];
- C. [no change];
- D. [no change];

- E. A schedule for completion and occupancy of the inclusionary units compared to a schedule for completion and occupancy of market rate units in the subject development;
- F. [deleted. Replace with:] An offer to reserve inclusionary units for target households for at least forty years.
- G. [deleted]

VII. Amend **19.28.080 Housing Agreement**

- A. [no change]
- B. The housing agreement shall include at least the following:
  - 1. The number of inclusionary units, bedroom counts for the inclusionary units, and their target households;
  - 2. [no change];
  - 3. [no change];
  - 4. [no change];
  - 5. A schedule for completion and occupancy of the inclusionary units and market rate units;
  - 6. [deleted. Move 7. to 6.]
  - 7. [move 8. to 7.]
- C. [no change]
- D. [no change]
- E. [no change]

VIII. Add **19.28.090 Waiver**

Notwithstanding any other provision of this chapter, the requirements of this chapter shall be waived, adjusted or reduced if the applicant shows that there is no reasonable relationship between the impact of a proposed residential project and the requirements of this chapter, or that applying the requirements of this chapter would take property in violation of the United States or California Constitution. To receive a waiver, adjustment or reduction under this section, the applicant must make a showing under this section when applying for a first approval for the residential project, and/or as part of any appeal which the city provides as part of the process for the first approval.

**SECTION 2: Effective Date**

This ordinance shall take effect thirty (30) days after its adoption. A summary of this Ordinance shall be published once in the Vallejo Times Herald, a newspaper of

general circulation serving the City of American Canyon, within fifteen (15) days after its passage.

**SECTION 3: Severability**

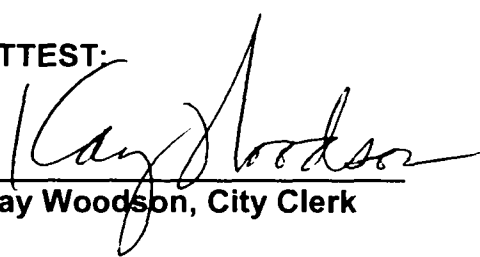
The provisions of this Ordinance shall be severable. If any portion is found to be unconstitutional, illegal or invalid, the remainder shall survive and remain effective and enforceable.

The foregoing Zoning Ordinance Amendments were introduced and read at a regular meeting of the City Council of the City of American Canyon, State of California, held on the 5<sup>th</sup> day of September, 2006, and was passed and adopted at a regular meeting of the City Council of the City of American Canyon, State of California, held on the 5<sup>th</sup> day of October 2006, by the following vote:

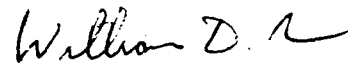
**AYES:** Shaver, Garcia, Anderson ,Bennett, Coffey  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None

  
\_\_\_\_\_  
Cecil Shaver, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Kay Woodson, City Clerk

**APPROVED AS TO FORM:**

  
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William D. Ross, City Attorney