

ORDINANCE NO. 2020-_____

**AN ORDINANCE OF THE CITY OF CULVER CITY, CALIFORNIA,
AMENDING CHAPTER 15.06, *NEW DEVELOPMENT FEES*, OF
THE CULVER CITY MUNICIPAL CODE TO ADD A NEW
SUBCHAPTER 15.06.400, et seq., *AFFORDABLE HOUSING
COMMERCIAL DEVELOPMENT IMPACT FEE*.**

WHEREAS, there is a shortage of affordable housing in the City of Culver City,
as evidenced in the City's Housing Element; and

WHEREAS, new commercial development creates a variety of new jobs with
varied degrees of compensation for workers in commercial developments; and

WHEREAS, the addition of new workers in these new commercial developments
generates housing demands for households at moderate and lower incomes; and

WHEREAS, due to housing and market conditions, new market-rate
development projects in the City have provided a disproportionate quantity of housing units
that are not affordable to all income groups creating an unbalanced housing stock; and

WHEREAS, there is a low vacancy rate for housing affordable to persons of
moderate and lower income households; and

WHEREAS, Los Angeles County has one of the least affordable real estate
markets in the country; and

WHEREAS, due to these factors, workers of moderate and lower income are
experiencing increasing difficulty in locating and maintaining adequate, safe, and sanitary
affordable housing within and near the City; and

1 **WHEREAS**, the failure to provide adequate affordable housing for lower-wage
2 workers can force these workers to live in less than adequate housing within the City, pay a
3 significantly disproportionate share of their incomes to live in adequate housing within the City,
4 or commute ever-increasing distances to their jobs from housing located outside the City; and

5 **WHEREAS**, the lack of affordable housing has detrimental impacts on traffic,
6 transit, and related air quality impacts and the demands placed on the regional transportation
7 infrastructure; and

8 **WHEREAS**, commercial uses in the City benefit from the availability of housing
9 close to their employees; and

10 **WHEREAS**, the City has commissioned the preparation of a 2020 Jobs-Housing
11 Nexus Study, prepared by Economic and Planning Systems, Inc., ("Nexus Study"), to analyze
12 the relationship between commercial development, job creation, and the demand for affordable
13 housing, in compliance with the Mitigation Fee Act (California Government Code Section
14 66000 et seq.); and

15 **WHEREAS**, according to the Nexus Study and as discussed in detail therein, a
16 sufficient nexus exists between the addition of new commercial development and the jobs/new
17 workers that this development creates, and the workers' need for additional housing in
18 proximity to the jobs, a portion of which must be affordable to moderate and lower income
19 workers; and

20 **WHEREAS**, more specifically, the Nexus Study documents the linkage between
21 new and expanded commercial development, the net number of new employees and
22 employee households generated by businesses occupying these land use buildings, and the
23 housing demands of these households; and

1
2 **WHEREAS**, new housing affordable to persons identified in the Nexus Study is
3 not now being added to the supply in sufficient quantity to meet the needs of the new
4 employee households associated with new or expanded commercial development; and

5 **WHEREAS**, the Nexus Study quantifies the cost mitigation associated with
6 developing affordable housing units based on the identified need resulting from employees
7 generated by new commercial development; and

8
9 **WHEREAS**, the City Council intends to impose the fee established by this
10 Ordinance in order to partially close this gap by using the fee to provide for increased
11 affordable housing; and

12 **WHEREAS**, the Culver City Municipal Code (CCMC) does not currently establish
13 an adequate mechanism to account for the impact that commercial development has on
14 increasing the need for affordable housing; and

15
16 **WHEREAS**, requiring commercial developers to assist in the production of
17 affordable housing is also consistent with the City's commitment to achieve and maintain a
18 suitable living environment, including decent housing for all economic levels; and

19 **WHEREAS**, the City's commitment conforms with State and Federal policies;
20 and

21 **WHEREAS**, this program will benefit the city as a whole since each development
22 which contributes to affordable housing through the payment of this fee assists in augmenting
23 the city's housing mix, helps to increase the supply of housing for all economic segments of the
24 community, and addresses the affordable housing need generated by the development,
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1 thereby supporting a balanced community which is beneficial to the public health, safety, and
2 welfare of the City; and

3 **WHEREAS**, the City wishes to impose an Affordable Housing Commercial
4 Development Impact Fee on commercial development, and to deposit such fees into a fund for
5 the development and/or preservation of affordable housing in the city; and

6 **WHEREAS**, the City wishes to exempt from payment of the Affordable Housing
7 Commercial Development Impact Fee:

- 8 • Commercial development with a gross leasable floor area of 10,000 square
9 feet or less;
- 10 • Commercial development with an application that has been deemed
11 complete prior to the effective date of this Ordinance;
- 12 • Housing components of Mixed-Use Projects;
- 13 • Institutional and community land uses which serve the public, such as
14 hospitals, religious institutions, museums, educational facilities, youth and
recreational facilities; and
- 15 • Structures damaged by an act of nature; and

16 **WHEREAS**, the City has provided the notice of the public hearing at which this
17 Ordinance will be considered, as required by California Government Code sections 66016-
18 66019.

19 **NOW THEREFORE**, the City Council of the City of Culver City, California, **DOES**
20 **HEREBY ORDAIN**, as follows:

21 **SECTION 1. FINDINGS.** The City Council of the City of Culver City hereby
22 finds, determines and declares that:

23 **A.** Because new commercial development generates a need for new
24 employees, of whom a quantifiable number will have moderate or lower incomes, new
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1 commercial developments increase the demand for and exacerbate the shortage of housing
2 available for people at those levels.

3 **B.** Based on the findings above, the City desires to further the public health,
4 safety and welfare by requiring qualifying Commercial Development Projects in the City to
5 mitigate their impact on the need for affordable housing in the City.

6 **C.** The City is authorized to adopt an Affordable Housing Commercial
7 Development Impact Fee under the authority of the California Constitution Article XI, Section 7,
8 which provides: "A county or city may make and enforce within its limits all local, police,
9 sanitary, and other ordinances and regulations not in conflict with general laws," and in
10 accordance with the findings set forth in the ordinance codified in this Chapter.

11 **SECTION 2. CCMC AMENDMENT .** Chapter 15.06, *New Development Fees*, of
12 the Culver City Municipal Code is hereby amended to add a new Subchapter 15.06.400, et
13 seq., *Affordable Housing Commercial Development Impact Fee*, as follows:

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16 ***Affordable Housing Commercial Development Impact Fee***

- 17 § 15.06.400 Findings and Purpose
18 § 15.06.405 Definitions
19 § 15.06.410 Affordable Housing Commercial Development Impact Fee
20 § 15.06.415 Adjustments and Waivers
21 § 15.06.420 Conversions
22 § 15.06.425 Use of Funds

23 **§ 15.06.400 PURPOSE AND INTENT.**

24 The City Council of the City of Culver City finds:

25 **A.** The purpose of this Subchapter is to facilitate the development and
26 availability of housing affordable to a range of households with varying income
27 levels within the city through creation and imposition of a fee on new commercial
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1 development, which will partially fund the need for affordable housing created by
2 the workforce of this new commercial development.

3 **B.** The requirements of this Subchapter are based on a number of
4 factors including, but not limited to, the City's commitment to increasing
5 opportunities for affordable housing, the immediate need for affordable housing,
6 as reflected in local, state, and federal housing regulations and policies; the
7 demand for affordable housing created by commercial development; and the
8 impact that the lack of affordable housing production has on the health, safety,
9 and welfare of the city's residents including its impacts on traffic, transit and
10 related air quality impacts, and the demands placed on the regional
11 transportation infrastructure. Imposing a fee that is reasonably related to the
12 burdens created by new commercial development on the city's need for
13 affordable housing will enable the City to fund development of affordable housing
14 units that will contribute to addressing these impacts and fulfilling these goals.

15 **C.** The City has commissioned the preparation of a jobs-housing
16 nexus study. It shows, and the City Council finds that there is a reasonable
17 relationship between the purpose for which the fees established by this
18 Subchapter are to be used and the type of development projects on which the
19 fees are imposed, and between the amount of the fees and the cost of the
20 affordable housing units or portion of the units attributable to the development on
21 which the fees are imposed.

22 **D.** It is the intent of the City Council that the fee required by this
23 Subchapter shall be supplementary to any conditions imposed upon a
24 development project pursuant to other provisions of this Code, the City Charter,
25 the Subdivision Map Act, the California Environmental Quality Act, and other
26 state and local laws, which may authorize the imposition of project specific
27 conditions on development.
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3. Community Land Uses Which Serve the Public (such as religious institutions, museums, educational facilities, hospitals, etc.);
4. Reconstruction of any building that was destroyed by fire, flood, earthquake or other act of nature, so long as the square footage does not exceed the square footage prior to the loss; and
5. The housing portion of a Mixed-Use Project.

C. Fee Calculation. The Affordable Housing Commercial Development Impact Fee shall be charged on new Gross Leasable Floor Area, subject to Section 15.06.420 (Conversion).

§ 15.06.415 ADJUSTMENTS OR WAIVERS.

A. The requirements of this Subchapter may be adjusted or waived if the Developer demonstrates that an insufficient nexus exists between the proposed use and the Affordable Housing Commercial Development Impact Fee.

B. The Developer shall submit a written request to the Director no later than the date it files its initial development application with the City.

C. The Developer shall bear the burden of presenting substantial evidence to support the request and detail the factual and legal basis for the claim, including supporting technical documentation. The Developer shall provide such additional information as may be required by the Director to make a determination on the request.

D. The Director shall render a written decision within ninety (90) days after a complete application is filed.

E. The Developer may seek review of the Director's decision by filing a written appeal with the City Clerk's Office within ten (10) City Hall business days of the Director's decision. The City Clerk's Office shall coordinate with the Director to schedule the appeal hearing before the City Council.

1 certainty that there is no possibility that the Ordinance will have a significant effect on the
2 environment; (2) is not a project under CEQA Guidelines Section 15060(c)(3) and 15378(b)(4)
3 as it is a governmental fiscal activity that does not involve any commitment to any specific
4 project which may result in a potentially significant physical impact on the environment; and (3)
5 is not intended to apply to specifically identified projects and as such it is speculative to
6 evaluate any such future project now. Moreover, the Ordinance is not intended to, nor does it,
7 provide CEQA clearance for future development projects or projects on the Project List by the
8 mere establishment of a Mobility Improvement Fee. All new development projects required to
9 pay the fee imposed by this Ordinance and projects implemented from the Project List will be
10 subject to appropriate environmental review as part of the entitlement process. Each of the
11 foregoing provides a separate and independent basis for CEQA compliance and, when viewed
12 collectively, provides an overall basis for CEQA compliance. This Ordinance's provisions are
13 severable. If any portion of this Ordinance or its application to any person or circumstance is
14 held invalid or unconstitutional, that decision does not affect the validity of the Ordinance's
15 remaining portions and the Ordinance's application to other persons and circumstances. The
16 City Council declares that it would have passed the remainder of this Ordinance without the
17 invalid or unconstitutional provision.
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21 **SECTION 4. EFFECTIVE DATE AND PUBLICATION.** This Ordinance shall
22 take effect January 1, 2022. Pursuant to Sections 616 and 621 of the City Charter, prior to the
23 expiration of fifteen (15) days after the adoption, the City Clerk shall cause this Ordinance, or a
24 summary thereof, to be published in the Culver City News and shall post this Ordinance or a
25 summary thereof in at least three places within the City.
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1 **SECTION 5. SEVERABILITY.** The City Council hereby declares that, if any
2 provision, section, subsection, paragraph, sentence, phrase or word of this Interim Ordinance
3 is rendered or declared invalid or unconstitutional by any final action in a court of competent
4 jurisdiction or by reason of any preemptive legislation, then the City Council would have
5 independently adopted the remaining provisions, sections, subsections, paragraphs,
6 sentences, phrases or words of this Ordinance and as such they shall remain in full force and
7 effect.
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10 APPROVED and ADOPTED this _____ day of _____ 2021.

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13 _____
14 ALEX FISCH, Mayor
 City of Culver City, California

15 ATTEST:

16 APPROVED AS TO FORM:

17 _____
18 JEREMY GREEN
 City Clerk

19 _____
20 CAROL A. SCHWAB
21 City Attorney

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