

CITY OF HEALDSBURG

ORDINANCE NO. 1069

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG ADOPTING ZONING ORDINANCE AMENDMENT NO. 27 (ZOA 08-1) TO AMEND CHAPTER 20 OF THE HEALDSBURG MUNICIPAL CODE, INCLUSIONARY HOUSING PROGRAM

WHEREAS, the City of Healdsburg's Inclusionary Housing Program requires certain market-rate housing projects to reserve a share of their units for lower- and moderate-income households; and

WHEREAS, the City has had a difficult time finding buyers for the moderate-income inclusionary units provided in several recently-constructed projects; and

WHEREAS, the downturn of the housing market, which has lowered the prices of market-rate units close to those of the inclusionary units, coupled with the 45-year resale restriction on the inclusionary units, has made these units unattractive to potential buyers; and

WHEREAS, allowing the restriction time periods for inclusionary units to be established by Council resolution, rather than in the Zoning Ordinance, would allow the Council to easily make changes as necessary to respond to changing market conditions; and

WHEREAS, additional language is needed to clarify that the developer of a rental project subject to the Inclusionary Housing Program must enter into an Inclusionary Housing Agreement prior to the issuance of an occupancy permit for the project; and

WHEREAS, the Healdsburg Planning Commission on August 12, 2008, following a duly-noticed public hearing, recommended approval of Zoning Ordinance Amendment No. 27 (ZOA 08-1); and

WHEREAS, the proposed Zoning Ordinance revisions could not possibly have an adverse impact on the environment and no environmental review is required to comply with the California Environmental Quality Act.

WHEREAS, at a public hearing held on September 2, 2008, the City Council considered all public comments received both before and during the hearing, the presentation by staff and all pertinent documents regarding Zoning Ordinance Amendment No. 27 (ZOA 08-1), including the agenda summary dated September 2, 2008; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEALDSBURG DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. City of Healdsburg Municipal Code Chapter 20, Article 18, Section 18115(h) is amended to read as follows:

(h) Inclusionary housing occupancy and resale agreements. The following shall govern occupancy of inclusionary units and future resale of such units:

- (1) Only moderate, low and very low-income households may occupy inclusionary housing units during the term of any resale or occupancy agreement. The City or its designee shall notify all potential purchasers to ensure adherence to the income restrictions for inclusionary units.*
- (2) All buyers of "for sale" inclusionary units shall enter into an Inclusionary Housing Resale Agreement with the City prior to close of escrow for such inclusionary unit. The Resale Agreement shall specify the income restriction on the household purchasing and occupying the unit, the number of years that the inclusionary unit shall remain as affordable to the target household, an option for the City or its designee to designate an eligible purchaser, the City's right of first refusal to purchase the unit, and a calculation of future equity assignment upon sale of the unit. The Agreement shall be recorded against each applicable unit.*
- (3) The developer of a rental project with one or more inclusionary units shall enter into an Inclusionary Housing Agreement with the City prior to the issuance of a final occupancy permit for the project. The Agreement shall specify income restrictions on the households occupying the units and the number of years that the inclusionary units shall remain affordable to the target households.*
- (4) The minimum time period for which an inclusionary unit shall be reserved for its targeted household shall be established by City Council resolution.*

SECTION 2. If any section, subsection, sentence, clause or phrase or word of this Ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions may be declared unconstitutional, unlawful or otherwise invalid.

SECTION 3. This Ordinance of the City of Healdsburg shall be effective thirty (30) days after the date of its passage. Before expiration of fifteen (15) days after its passage, this ordinance or a summary thereof as provided in Government Code section 36933, shall be published at least once in a newspaper of general circulation published and circulated in the City of Healdsburg, along with the names of the City Council members voting for and against its passage.

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This ordinance was introduced by the City Council at a regular meeting thereof on the 2nd day of September 2008, and passed and adopted by the following roll call vote on September 15, 2008.

AYES: Councilmembers: (5) McGuire, Plass, Wood, Ziedrich and Mayor Schaffner

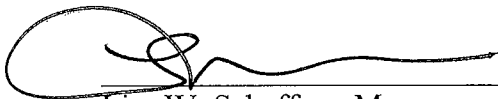
NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:



Lisa W. Schaffner, Mayor



Maria Curiel, City Clerk