

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE PROVIDING FOR AN ACCESSORY
DWELLING UNIT FEE WAIVER PROGRAM**

WHEREAS, Section 16.52.150 of the Arroyo Grande Municipal Code (AGMC) contains the City's regulations for Accessory Dwelling Units and Junior Accessory Dwelling Units (collectively, "ADUs") consistent with the requirements of Government Code Sections 65852.2 and 65852.22, and ADUs present an opportunity to develop more affordable housing in the City; and

WHEREAS, the City Council of the City of Arroyo Grande wishes to further the policies, goals and programs of the Housing Element of the City's General Plan and to help facilitate the development of affordable housing within the City by creating an ADU Fee Waiver Program under which building permit fees and utility connection fees can be waived for ADUs that are 500 square feet or less and the property owners agree to rent the ADU to either low income or very low income households; and

WHEREAS, the City Council finds that providing a variety of housing options to workers of all income levels is socially and economically beneficial to the City and its residents; and

WHEREAS, to the extent that building permit fees and utility connection fees present a barrier to the development of affordable ADUs, the ADU Fee Waiver Program will provide an incentive to their construction and making them available to low-income or very low-income households.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

SECTION 1. The City Council hereby finds and determines that the foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. ADU FEE WAIVER PROGRAM.

City Staff is hereby authorized to implement an ADU Fee Waiver Program. Building permit fees and utility connection fees for Accessory Dwelling Units of 500 square feet or less shall be waived when:

- A. The property owner agrees to rent the ADU to either a low-income household for a period of ten (10) years, or a very low-income household for a period of seven (7) years. Prior to receiving a building permit, the ADU owners shall execute and record an "Accessory Dwelling Unit Affordable Housing Declaration of Covenants and Land Use Restrictions - Fee Waivers" in a form approved by the City Attorney.
- B. In implementing this ADU Fee Waiver program, the City shall rely on affordable

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rental limits established by San Luis Obispo County and published each month.

- C. The Accessory Dwelling Unit Affordable Housing Declaration of Covenants and Land Use Restrictions - Fee Waivers, shall provide that the property owner shall annually provide the City with evidence that rents collected comply with affordable limits.
- D. Money from the City or Arroyo Grande Inclusionary Housing Affordable Housing Trust Fund shall be used to offset and recoup the revenue that otherwise would have been due to the City for building and connection fees as a result of the ADU Fee Waiver Program. Staff shall provide an annual update to the Council on the status of the Program and impacts to the Trust Fund.

SECTION 3. If any section, subsection, sentence, clause, phrase or provision of this Resolution or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other provision or applications, and to this end the provisions of this Resolution are declared to be severable. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, phrase or provision thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or provisions thereof be declared invalid or unconstitutional.

SECTION 4. This Resolution shall be effective immediately upon its adoption.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted this 27th day of September, 2022.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

WHITNEY MCDONALD, CITY MANAGER

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, CITY ATTORNEY