

**ORIGINAL**

**RESOLUTION NO. 15463**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY ESTABLISHING AN AREA STANDARD WAGE POLICY PROVIDING A HOUSING IMPACT FEE REDUCTION FOR RESIDENTIAL AND NONRESIDENTIAL DEVELOPMENT PROJECTS PAYING AREA STANDARD WAGES**

**WHEREAS**, 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 this same date, the City Council has considered and adopted a Resolution establishing housing impact fees for residential and nonresidential development projects (the "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 Redwood City 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 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**, 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 Redwood City 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. 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 5, 2016, but only if the Affordable Housing Ordinance is adopted and effective prior to that date.

\* \* \*

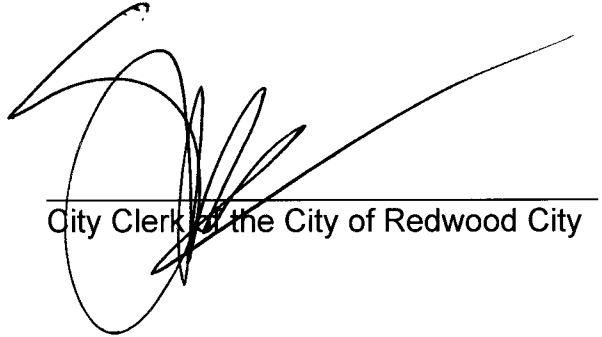
**THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED** by the City Council of the City of Redwood City, at a regular meeting of said City Council held on July 7, 2015, by the following vote:

AYES:

NOES:


ABSENT:

ATTEST:



\_\_\_\_\_  
City Clerk of the City of Redwood City

APPROVED AS TO FORM:



\_\_\_\_\_  
City Attorney of the City of Redwood City

Passed and adopted by the Council of the City of Redwood City at a  
Joint City Council/Successor Agency Board/Public Financing Authority Meeting  
thereof held on the 7<sup>th</sup> of December 2015 by the following votes:

Council Members: Council Members: Aguirre, Bain, Howard, Pierce, Seybert, and  
Mayor Gee

NOES: None

ABSENT: Foust

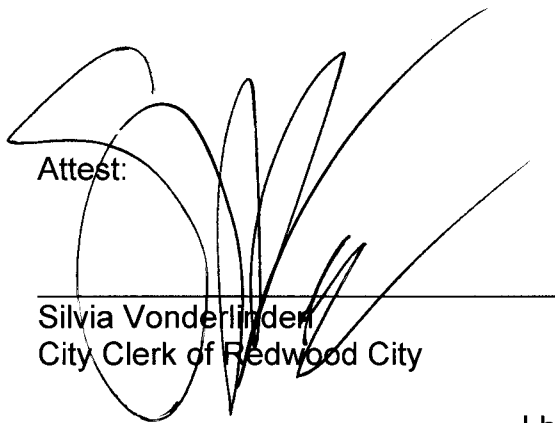
ABSTAINED: None



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Jeffrey Gee  
Mayor of the City of Redwood City

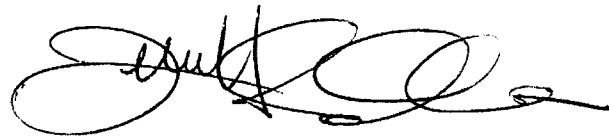
Attest:



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Silvia Vonderlinden  
City Clerk of Redwood City

I hereby approve the foregoing  
resolution this 11<sup>th</sup> day of December 2015.



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Jeffrey Gee  
Mayor of the City of Redwood City