



Legislation Details (With Text)

**File #:** ID18-0152    **Version:** 1    **Name:** Community Benefit Fee Resolution  
**Type:** Resolution    **Status:** Passed  
**File created:** 1/18/2018    **In control:** City Council  
**On agenda:** 1/25/2018    **Final action:** 1/25/2018  
**Title:** \*\*\*RESOLUTION - Terminating covenants imposing "community benefit fees" on home transfers (Subject to Mayor's veto)  
**Sponsors:** Luis Chavez  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Reso- Termination of Community Benefit Fees.pdf

Date	Ver.	Action By	Action	Result
1/25/2018	1	City Council	adopted	Pass

**REPORT TO THE CITY COUNCIL**

**January 25, 2018**

**FROM:** Councilmember Chavez, District 5  
City Council Offices

**SUBJECT**

\*\*\*RESOLUTION - Terminating covenants imposing "community benefit fees" on home transfers (Subject to Mayor's veto)

**RECOMMENDATION**

Approve resolution terminating "community benefit fees" covenants which impose 0.1% transfer fees on home transfers in some local subdivisions.

**EXECUTIVE SUMMARY**

This RESOLUTION terminates covenants that impose a 0.1% "community benefit fee" on homes sold or transferred in several subdivisions built by Generation Homes, Inc. (The resolution also authorizes City Staff to terminate any similar covenants if later discovered, and to avoid involvement in such covenants in the future.) These covenants originally purported to fund the charitable efforts of a nonprofit entity known as Generation Homes Foundation, Inc., which dissolved March 30, 2009. Following dissolution, the covenants purported to transfer the rights and responsibilities of the

Foundation to the City, without the City's apparent consent. Notwithstanding, since dissolution the Housing & Community Development Division of Development and Resource Management (DARM) has collected approximately 10-20 "community benefit fees" of approximately \$150.00-\$300.00 per home transfer. The monies collected were placed in a general purpose fund. The covenants also created problems for homebuyers as certain lenders (including those with loans guaranteed by the Veterans' Administration) refused to fund the purchase of homes subject to these covenants because they felt the "community benefit fees" provided no benefit to the homebuyer.

This resolution shall terminate existing "community benefit fee" covenants and declare it City policy to avoid future involvement in any similar covenants. The resolution shall also provide that City staff may issue refunds of "community benefit fees" collected by the City as is reasonably practical, and where sufficient documentation is provided by claimants.

### **ENVIRONMENTAL FINDINGS**

N/A

### **LOCAL PREFERENCE**

N/A

### **FISCAL IMPACT**

Potential refund of collected "community benefit fees," likely not to exceed \$6,000.00 in total.

### **ATTACHMENT: Resolution**