



City Council Staff Report

Subject: Updates to Affordable Housing Incentive Program

Date: September 9, 2025

Submitted By: Elizabeth Sorg, Assistant to the City Manager
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Department: City Manager's Office

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Repealing and Replacing Resolution No. 2024-039 for the Affordable Housing Incentive Program for Qualified Affordable Housing Developments.

Background:

In order to incentivize the construction of affordable housing in the city, on January 23, 2024, the City Council adopted Resolution No. 2024-038, approving the Affordable Housing Incentive Program, or AHIP (Attachment 3). The program provides three mechanisms to incentivize affordable housing construction:

1. Fee Reductions: a 40% reduction of development impact fees for the construction of affordable housing units at 60% AMI or lower. This fee reduction was approved previously by City Council on January 10, 2023 via Ordinance number 1159.
2. Low/Mod Housing Fund Subsidies: a residual receipts loan of up to \$40,000 for each very low and extremely low unit constructed.
3. Fee Deferrals: the deferral of certain fees from the issuance of building permits to the certificate of occupancy.

Following the adoption of AHIP, staff have met with multiple developers and have not yet processed any fee deferrals or fee reductions due to the timing of the projects. However, estimates for fee reductions have been provided to developers so they can incorporate the reductions as part of their financing package.

The following developments have been approved to receive Low/Mod Housing Fund Subsidies, presuming the developments achieve comprehensive project funding:

Development	Units	Total Subsidy
CHW - Pacific Street Apartments	109 affordable units	\$2.6 million
USA Properties - The Steven	179 affordable age-restricted units	\$2.23 million

On September 19, 2024, Governor Newson signed into law SB 937 (Wiener), which mandated fee deferrals for designated residential development project until final inspection or to certificate of occupancy, whichever is sooner. In order to bring the City's fee collection practice into alignment with the new law, the City Council adopted Resolution No. 2025-____, which established the SB 937 Fee Deferral Program. Following the adoption of the program, staff are returning to recommend repealing and replacing AHIP to be consistent with the SB 937 Fee Deferral Program.

Staff recommends the adoption of the attached Resolution (Attachment 1) to repeal and replace Resolution 2024-039. The new AHIP does not recommend any changes to the existing Fee Reductions or Low/Mod Housing Fund Subsidies; the only changes recommended are to bring the fee deferral program into alignment with SB 937.

Fiscal Impact:

There are no additional fiscal impacts to the staff recommendation. All fiscal impacts as a result of the fee deferrals have been contemplated in prior City Council actions.

ATTACHMENTS:

- [1. Resolution](#)
- [2. Resolution Exhibit A - Affordable Housing Incentive Program](#)
- [3. Updated Affordable Housing Incentive Program \(Redline Version\)](#)