



DATE: June 8, 2022

TO: Planning Commission Members

FROM: Brian Halvorson, Planning Manager

SUBJECT: Public Hearing Item # 1: Zoning Code Amendments (TA 22-01)

The following public comment from Ron Fink was received by staff on June 6, 2022, after the staff report was released and is therefore being provided to the Commission and available to the public at tonight's meeting.

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City of Lompoc
Planning Division

From: [Ron](#)
To: [Halvorson, Brian](#)
Cc: [Weigel, Cherridah](#); [Haddon, Stacey](#)
Subject: Public comment and a written communication for Item #1, Adopting a New Mechanism for Calculating the In-Lieu Fee (TA 22-01). on the June 8th Planning Commission agenda
Date: Saturday, June 4, 2022 9:09:07 AM

Please provide the following Public comment and a written communication for Item #1, Adopting a New Mechanism for Calculating the In-Lieu Fee (TA 22-01) to the Planning Commission.

The availability of affordable housing is a big issue in California and has been for decades. Like most of you I received an e-mail from the California Attorney General, Rob Bonita, the other day and he is concerned about “skyrocketing housing costs” and “a housing crisis of epic proportions”. He says he is “committed to doing all we can to help Californians get ahead”.

I strongly urge you to reject Adopting a New Mechanism for Calculating the In-Lieu Fee as being unresponsive because using the funds to provide down payment assistance without adding new housing stock seems to be contrary to the goal of solving “a housing crisis of epic proportions”.

At the time the current in-lieu rates were last set in 2007 I was a Planning Commissioner and supported an increase from the previous \$86,000 to \$154,000 which was being recommended by the staff primarily because if the developer didn’t have to build the homes on the project site, then they should provide an equivalent amount (construction cost) to build a new 1,500 square foot home elsewhere in the city.

The City Council reduced the calculation to consider a 1,350 square foot home as adequate for affordable housing and established an in-lieu fee amount of \$113,998 per required affordable unit; this money was deposited in a trust fund. At the time this was the approximate cost if the unit were built within the development under consideration; today those costs are much higher.

To put today’s calculation of in lieu fees in perspective construction costs are now well above \$250 a square foot when including land, so for a modest 1,350 square feet that is \$337,500. Used homes of this size are selling for between \$350-450k so, it’s laughable to think that \$72,500 would get you far trying to acquire a new home.

I’ll offer a couple of examples of why this change would only benefit developers; the first is development on the north end of the city which is projected to build 476 homes. Using the 10 percent inclusionary housing calculation, it would mean that 47 of them would be affordable homes. Using the proposed new fee of \$72,500 it means an in-lieu fee of \$3,407,500 to avoid building them onsite; that sounds like a lot.

But if you used the actual cost of \$337,500 per 1,350 square foot unit it would be \$15,862,500 or a cost avoidance bonus to the developer of \$12,455,000. And it means that 47 new low-income properties won’t be built.

Another in the southeast corner of the city is projected to build 257 new homes; 25 would be

affordable. Using the same calculation as above the builder could pay an in-lieu fee of \$1,812,500 instead of \$8,437,500 for a bonus of \$6,625,000 and the loss of another 25 low-income homes.

To make the following Finding in Resolution 965 (22), Section 1C “The proposed amendments serve the public necessity, convenience, and general welfare” you must conclude that:

- Public necessity does not include the construction of new affordable homes.
- That the only convenience is to the developer who will avoid several million dollars in cost and not the public.
- And that the general welfare does not include providing additional housing stock for families who need affordable housing.

Based on these considerations, I strongly urge you to reject this proposal as being unresponsive because using the funds to provide down payment assistance without adding new stock seems to be contrary to the goal of solving “a housing crisis of epic proportions”.

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