

# **Item 1**

## **TA 22-01**

# **In-Lieu Fee Text Amendments**

Planning Commission Meeting  
June 8, 2022

# Background

- This item was reviewed at the April 13, 2022 meeting but continued to allow staff time to provide the Commission with more information. At the Special Meeting on May 25, 2022 this item was continued due to a lack of a quorum
- Current Inclusionary Housing Ordinance (Chapter 17.324)
- Current In-Lieu Fee – Council Resolution 5457 (08)
- Homebuyer Assistance Program and Affordable Housing Trust Fund

# Proposed Amendments

- The City is interested in providing incentives for the construction of market-rate residential units while also promoting affordable housing options
- The Method to calculate the In-Lieu Fee would be changed so that the amount is equal to the maximum amount of financial assistance available to a single applicant through the Homebuyer Assistance Program
- The In-Lieu Fee is proposed at \$72,500
- This amount would be the same for both for-sale and rental housing developments

# Staff Analysis

- The decrease in the In-Lieu Fee amount would lower the cost to developers for constructing market-rate housing (if the developer chooses to pay the In-Lieu fee rather than building on-site affordable units)
- The proposed In-Lieu Fee is still sufficient to assist lower-income households to obtain affordable housing (through the Homebuyer Assistance Program)

# Staff Analysis –Con't

- The amendments are based on maintaining the existing Homebuyer Assistance Program
- If the program is terminated or temporarily suspended, the City Council may adopt a new basis for calculating the In-Lieu fee
- The option to pay an In-Lieu fee is only available if there is a basis for calculating the per-unit housing fee

# Commission Request

- The Commission requested research on other In-Lieu Fee programs
- Staff looked at 6 different jurisdictions in SB County (page 4 of staff report)
- In summary, each jurisdiction is different and not similar to Lompoc's proposed In-Lieu Fee

# Planning Commission Review

- The existing Inclusionary Housing Ordinance requires a request from the applicant and Planning Commission Review for the payment of In-Lieu Fees
- Findings must be made as part of a proposed project (in accordance with LMC 17.324.040B)

# Proposed Amendments

- The proposed ordinance would replace the existing required findings with a required finding that the proposed alternative is consistent with the City's General Plan
- The proposed ordinance also removes some of the current options for when the in-lieu fees must be paid



# **General Plan & Zoning Code Consistency**

- The proposed amendments to the City's Inclusionary Housing Ordinance and the In-Lieu Fee is consistent with both the 2030 General Plan and Zoning Code

# Environmental Review

- The proposed amendments to the Inclusionary Housing Ordinance are exempt from environmental review pursuant to Section 15061 (b)(3) of the California Environmental Quality Act

# Public Comments

- Public comments are attached to the staff report and additional comments received after the staff report was published have been provided to the Commission and available to the public tonight

# **Staff Recommendation**

- Adopt Resolution No. 965 (22) recommending the City Council adopt TA 22-01 amending the City's Inclusionary Housing Ordinance & In-Lieu Fee;

OR

- Provide other direction