



DATE: June 9, 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 Steve Bridge was received by staff on June 9, 2022, after the staff report was released and is therefore being provided to the Commission and available on the website.

From: steve@bbes.biz
To: [Weigel, Cherridah](#); [Halvorson, Brian](#)
Subject: FW: For the June 8 Planning Commission meeting
Date: Wednesday, June 8, 2022 8:47:24 PM

From: steve@bbes.biz <steve@bbes.biz>
Sent: Sunday, June 05, 2022 9:24 AM
To: Haddon, Stacey <S_HADDON@ci.lompoc.ca.us>
Cc: 'Steve Bridge' <steve@bbes.biz>
Subject: For the June 8 Planning Commission meeting

Stacey please provide this to the planning commission for the June 8 meeting.

Thanks

Subject: **Zoning Code Amendments (TA 22-01)**

Dear Sirs / Ma'am

I am opposed to reducing the in-lieu fees for several reasons both code driven and common sense reasons.

Code / Law Reasons

The Lompoc Municipal Code 17.324.010 Inclusionary Housing states

*Purpose:..... to **facilitate the development** of housing to adequately provide for the housing needs of all economic segments of the community, as stated in Government Code Section 65580.*

*..... Implement the policies of the Housing Element to **establish means for the development of housing** that is affordable to a broad range of households with varying*

income levels, including extremely low-, very low-, low-, and moderate-income households

17.324.040 Alternative Means of Compliance

..... Said fee shall be calculated on **the basis of the difference between the estimated total construction cost of a market rate single-family unit and the affordable purchase price of a unit for which a low-income household unit can qualify**

Construction cost per sq. foot in California is between \$250 and \$300 and developers need at least a 20% profit margin on top of construction.

While the In-Lieu is acceptable method, it must meet the above criteria, per Lompoc Municipal code.

In addition with the RHNA assignments past and present, the **ordinance being modified will now be open to review** by the department of housing and community development (HCD) if:

..... *The jurisdiction, according to its annual housing element report, has not met at least 75% of its above-moderate share of the regional housing need over at least a five-year period*

Clearly Lompoc has not met this need.

We also have a new effort coming up shortly to meet the new RHNA requirements plus an addition buffer amount. Lowering In lieu fees may significantly impact this effort.

Common Sense Reason

Lompoc has a dearth of low income housing. And while the HAP program is excellent and I have no issue with it, it does not create housing, in fact it makes the competition for housing worse, by increasing the number of people able to qualify. It is basic supply and demand. It increases demand, but supply does not increase.

Lower income is 50-80% of AMI

The SB County AMI is \$87,800 for a family of 4

So for a family of 4 in SB Annual Lower income is \$43,900 to \$70,240.

The Standard housing calculation is that housing should not exceed 35% of your income. This yields an amount for house payments of approximately \$15,400 to

\$24,850 annually or monthly payment of \$1283 to \$2070.

For a 30 year 5.5% loan (going up with inflation) including tax and bond rates this yields the acceptable housing costs of between \$190,000 to \$305,000.

A simple Zillow search for a 3 or 4 bedroom houses in that range simply do not exist. The least expensive is over \$400,000 which means HAP would have to subsidize by at least ~\$100,000 to \$200,000 for someone to buy.

On a new 1500 sq ft house the cost to build and sell will be north of \$400K. So according to code at the top end of the low income the In Lieu would have to be north of \$100K.

Conclusion

By lowering the cost of In-Lieu fees it becomes more attractive for developers to use it and today the only place that money gets applied is to the HAP program. This increases the costs of housing. It does not increase housing.

The In-Lieu fees should actually be increased. We need more low to moderate income housing, only by requiring developers to include this housing will we ever see it. To do that it should be more expensive to do In-Lieu, not less expensive.

Sincerely

**Steve Bridge PE
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