

**RESOLUTION NO. 965 (22)**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LOMPOC RECOMMENDING THE CITY COUNCIL ADOPT PROPOSED AMENDMENTS TO CHAPTER 17.324 AND CHAPTER 17.704 OF THE LOMPOC MUNICIPAL CODE REGARDING INCLUSIONARY HOUSING IN-LIEU FEE PAYMENTS (TA 22-01)**

**WHEREAS**, Chapter 17.324 of the Lompoc Municipal Code (“Inclusionary Housing Ordinance”) requires that a percentage of the units in certain housing developments be affordable to very-low, low, or moderate-income households; and

**WHEREAS**, the default method of providing the affordable units is to build the units on the project site and then record covenants on the project site requiring that the units may only be sold or rented for an affordable purchase price or rental amount, as defined by state law and based on income levels in Santa Barbara County; and

**WHEREAS**, the Inclusionary Housing Ordinance also allows developers to request alternative means of satisfying the affordable unit requirement, including constructing affordable units outside of the project site, dedicating land to the City that can be used for affordable housing, or paying a fee to the City that can be used by the City to provide affordable housing through other means, such as providing loans to developers of low-income housing or providing loans and down-payment grants to low-income homebuyers. These fees paid in lieu of building on-site units are called “in-lieu fees”; and

**WHEREAS**, the Community Development Department has recommended changing the basis for calculating the amount of the in-lieu fees to both incentive the construction of market-rate residential units and also promote affordable housing options; and

**WHEREAS**, the proposed amendments were considered by the Planning Commission at a duly-noticed public hearing on April 13, 2022, May 25, 2022, and June 8, 2022, together with information provided by staff and comments from the public.

**NOW, THEREFORE, THE LOMPOC PLANNING COMMISSION RESOLVES AS FOLLOWS:**

**SECTION 1. Findings.** The Planning Commission makes the following findings:

- A. The proposed amendments are consistent with provisions of the General Plan.
- B. The proposed amendments are internally consistent with the provisions of Title 17 and other applicable provisions of the Lompoc Municipal Code.

- C. The proposed amendments serve the public necessity, convenience, and general welfare.
- D. The proposed amendments are exempt from environmental review under CEQA because it can be seen with certainty that there is no possibility that the amendments will have a significant effect on the environment.

**SECTION 2.** The Planning Commission recommends that the City Council adopt the draft Ordinance, attached to this Resolution, which amends Chapter 17.324 and Chapter 17.704 of the Lompoc Municipal Code and recommends that the Council consider restricting the use of the in-lieu fees solely to the Housing Assistance Program and require that the amount of the in-lieu fee be updated annually.

**SECTION 3.** This Resolution shall be forwarded to the City Council pursuant to Section 17.604.040 of the Lompoc Municipal Code.

The forgoing Resolution was adopted on motion by Commissioner Gonzales, seconded by Commissioner Badertscher, at the Planning Commission meeting of June 8, 2022 by the following vote:

**AYES:** Commissioner Cioni, Caudillo, Badertscher, Gonzales

**NOES:** None

**ABSENT:** None

  
\_\_\_\_\_  
Brian Halvorson, Secretary

  
\_\_\_\_\_  
Federico Cioni, Chair

**Attachment**

Exhibit A: Draft Council Ordinance

Ordinance No. \_\_\_\_\_ (22)

**An Ordinance of the City Council of the City of Lompoc,  
County of Santa Barbara, State of California,  
Amending Chapter 17.324 and Chapter 17.704 of the Lompoc  
Municipal Code to Change the Method for Calculating Inclusionary  
Housing In-Lieu Fees (TA 22-01)**

**WHEREAS**, Chapter 17.324 of the Lompoc Municipal Code (Inclusionary Housing) requires certain housing developments to restrict the sale or rental amount for a certain percentage of the units in the development in order to create housing that is affordable to lower-income households in the City; and

**WHEREAS**, as an alternative to constructing affordable units, developers may be permitted to pay a fee to the City (an "in-lieu fee"), which can then be used by the City to fund programs that help lower-income households obtain affordable housing; and

**WHEREAS**, the City Council now wishes to modify the method for calculating the amount of in-lieu fees.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. Findings.** The City Council makes the following findings regarding the amendments to the Zoning Code stated in this ordinance:

- A. The amendments are consistent with the General Plan and are internally consistent with the Zoning Code.
- B. The amendments serve the public convenience, necessity, and welfare.
- C. The amendments are in compliance with the requirements of the California Environmental Quality Act.

**SECTION 2. CEQA.** The adoption of the ordinance is not subject to environmental review under the California Environmental Quality Act because it can be seen with certainty that the adoption of this ordinance does not have the potential for causing a significant effect on the environment. (CEQA Guidelines § 15061(b)(3).)

**SECTION 3.** Subsection A.1 of Section 17.324.040 of the Lompoc Municipal Code is hereby replaced in its entirety with the following:

- A. Where it is not feasible or desirable for an applicant to meet the inclusionary housing requirements, the applicant may request, as part of the project application, the use of alternative compliance methods, which shall then be considered by the review authority under Subsection B. Such alternative compliance methods may include, but are not limited to, the following:

1. **Housing in-lieu fee.** Residential developments may choose to satisfy the inclusionary requirement by payment of a housing in-lieu fee. The housing in-lieu fee may be used to satisfy the entire inclusionary requirement or a portion of the inclusionary requirement.

a. **Per-unit housing in-lieu fee.**

(i) If the City has an active Homebuyer Assistance Program, then the per-unit housing in-lieu fee shall be equal to the maximum amount of financial assistance available to a single applicant under the Homebuyer Assistance Program, as established by a resolution of the City Council.

(ii) If the City terminates or temporarily suspends the Homebuyer Assistance Program, then, as part of such action or any time thereafter, the City Council may adopt a resolution stating the new basis for calculating the per-unit housing in-lieu fee. If a new basis for calculating the per-unit housing in-lieu fee is not adopted by the City Council, then the option of paying a housing in-lieu fee to satisfy the inclusionary requirement shall not be available until a new basis for calculating the per-unit housing in-lieu fee is established.

b. **Total housing in-lieu fee.** The total housing in-lieu fee shall be calculated by multiplying the required number of inclusionary units by the per-unit housing in-lieu fee.

c. **Calculation of fee and timing of payment.** The housing in-lieu fee shall be paid in one of the following manners:

(i) The total housing in-lieu fee may be paid as a lump sum any time between approval of the project and issuance of the first Building Permit for construction of the first dwelling unit in the residential development. The total housing in-lieu fee shall be calculated based on the current per-unit in-lieu fee at the time of payment.

(ii) On a pro rata basis proportionally on a 10:1 ratio (or a 6:1 ratio for developments in the Old Town Redevelopment Project, Amendment No. 2 Area), payment of in-lieu fees equal to one inclusionary unit shall be paid prior to issuance of a Building Permit for the next unit. The project conditions of approval shall specify the payment schedule of in-lieu fees based on the prorated computation (e.g., for a 100-unit residential development, the first in-lieu fee payment would be due prior to issuance of the Building Permit for the eleventh unit, the second in-lieu fee payment would be due prior to issuance of the Building Permit for the twenty-first unit, etc.; and for a development in the Old Town Redevelopment Project, Amendment No. 2 Area, the first in-lieu fee payment would be due prior to issuance of the Building Permit for the seventh unit, the second in-lieu fee payment would be due prior to issuance of the Building Permit for the thirteenth unit, etc.). Each payment shall be in the amount of the current per-unit in-lieu fee at the time that the payment is made.

**SECTION 4.** Subsection A.4 of Section 17.324.040 of the Lompoc Municipal Code is revised as follows (added text in **bold underline**):

4. **Combination.** The review authority may approve any combination of on-site construction, off-site construction, housing in-lieu fees, and land dedication that is at least equal to the inclusionary requirement **if it makes the finding in Subsection 17.324.040.B.**

**SECTION 5.** Subsection B of Section 17.324.040 of the Lompoc Municipal Code is revised as follows (added text in **bold underline**; deletions in **~~bold strikethrough~~**):

B. **Findings.** The review authority may approve, conditionally approve or deny any alternative proposed by an applicant as part of a project application. Any approval or conditional approval shall be based on a finding that **the proposed alternative is consistent with City's General Plan and shall be based on a consideration of market conditions, development proformas, land economics and other substantial evidence.** ~~the purpose of this Chapter would be better served by implementation of the proposed alternative(s). In determining whether the purpose of this Chapter would be better served under the proposed alternative, the review authority shall make the following findings:~~

~~1. Implementation of the proposed alternative shall not overly concentrate inclusionary units within any specific area, unless the undesirable concentration of inclusionary units is offset by other identified benefits that result from implementation of the alternative.~~

~~2. When compared to the prompt construction of the inclusionary units on-site, implementation of the proposed alternatives will significantly reduce costs and delays relating to appraisal, site design, zoning, infrastructure, clear title, grading, and environmental review.~~

**SECTION 6.** Section 17.704.020.H of the Lompoc Municipal Code is hereby revised to add a definition of "Homebuyer Assistance Program," which shall be added in alphabetical order and shall read as follows:

**Homebuyer Assistance Program.** A program created by the City of Lompoc through City Council Resolution No. 6054(16) to provide financial assistance to first-time homebuyers including but not limited to secondary loans and closing cost grants.

**SECTION 7. Effective Date.** This Ordinance shall be effective on the thirty-first day after its adoption.

This Ordinance was introduced on \_\_\_\_\_, 2022, and adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on \_\_\_\_\_, 2022, by the following electronic vote:

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2022, by the following electronic vote:

AYES: Council Member(s):  
NOES: Council Member(s):  
ABSENT: Council Member(s):

\_\_\_\_\_  
Jenelle Osborne, Mayor  
City of Lompoc

Attest:

\_\_\_\_\_  
Stacey Haddon, City Clerk  
City of Lompoc