

Ordinance No. 1703(23)

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOMPOC,
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA,
AMENDING SECTION 17.324.040 OF THE LOMPOC MUNICIPAL CODE IN
ORDER TO REVISE THE REQUIREMENTS FOR PAYING AFFORDABLE
HOUSING IN-LIEU FEES (TA 23-02)**

WHEREAS, Chapter 17.324 of the Lompoc Municipal Code (LMC) establishes requirements regarding the inclusion of affordable units in certain housing developments and also provides an option for developers to pay a fee in lieu of building affordable units (“in-lieu fees”); and

WHEREAS, at a regularly scheduled Planning Commission meeting held on April 12, 2023, the Planning Commission recommended approval of amendments to LMC Section 17.324.040 to create an additional option for the timing of the payment of in-lieu fees by developers; and

WHEREAS, the City Council of the City of Lompoc now wishes to create an additional option for the timing of the payment of in-lieu fees by developers.

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

SECTION 1. Section 17.324.040.A.1.c of the Lompoc Municipal Code is hereby amended as follows (new text in underline; deleted text in ~~striketrough~~):

- c. **Timing of payment.** The housing in-lieu fee shall ~~either~~ be paid in one of the following ways:
- (i) In one lump sum at any time between approval of the project and issuance of the first Building Permit for a residential unit in the development, in which case the total housing in-lieu fee shall be based on the current in-lieu fee at the time of payment. ~~The payment of in-lieu fees shall not be refundable even if some or all of the units in the developer’s project are not built;~~ or
 - (ii) On a pro rata basis, where the developer pays the in-lieu fee for one inclusionary unit for every ten Building Permits issued for residential units for developments outside of the Old Town Redevelopment Project, Amendment No. 2 Area, or for every six Building Permits issued for residential units for developments in the Old Town Redevelopment Project, Amendment No. 2 Area. The project conditions of approval shall specify the payment schedule of in-lieu fees based on the prorated computation (e.g., for developments outside of 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 first unit, the second in-lieu fee payment would be due prior to issuance of the Building Permit for the eleventh 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 first unit, the second in-lieu fee payment would be due prior to issuance of the Building Permit for the seventh unit, etc.). Each in-lieu fee payment shall be based on the current in-lieu fee at the time of payment; or

(iii) Developer may lock in the per-unit in-lieu fee at the amount of the fee at the time of first payment by paying twenty-five percent of the total in-lieu fee at any time between approval of the project and issuance of the first Building Permit for a residential unit in the development and then paying the remainder of the in-lieu fees as follows: After making the first payment, the developer shall then be required to pay the in-lieu fee for one inclusionary unit for every ten Building Permits issued for residential units for developments outside of the Old Town Redevelopment Project, Amendment No. 2 Area, or for every six Building Permits issued for residential units for developments in the Old Town Redevelopment Project, Amendment No. 2 Area, unless such amount has already been paid as provided in the following paragraph.

For three years following the first payment, on the anniversary of the first payment, and regardless of the number of Building Permits that have been issued, the developer shall make additional fee payments, as necessary, such that on the first anniversary the developer shall have paid at least fifty percent of the total in-lieu fee, on the second anniversary the developer shall have paid at least seventy-five percent of the total in-lieu fee, and on the third anniversary the developer shall have paid one hundred percent of the total in-lieu fee. If the developer fails to maintain a payment balance in accordance with the previous sentence, then the amount of the in-lieu fee shall no longer be locked in and developer shall thereafter make payments in accordance with Subsection A.1.c(ii).

d. **Payment Non-Refundable.** The payment of in-lieu fees is non-refundable.

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

This Ordinance was introduced on May 2, 2023, and adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on May 16, 2023, by the following electronic vote:

PASSED AND ADOPTED this ___ day of _____, 2023, 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