

Lompoc Municipal Code

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Chapter 17.168 HOUSING IN-LIEU FEE PROGRAM

17.168.010 Purpose and Intent.

The purpose of this Chapter is to implement a housing in-lieu fee program that will allow a developer of a residential development to elect to make payment of a fee as an alternative to satisfying the on-site affordable housing requirement contained in Policy 1.11 of the Housing Element of the General Plan. This provision for in-lieu fees applies only to residential development of single-family for-sale dwelling units. (Prior code § 9600)

17.168.020 Definitions.

The definitions set forth in this Section shall govern the construction of this Chapter. Capitalization is used to identify defined terms used throughout this Chapter. Where not defined below, certain words and phrases used in this Chapter may be defined in the Housing Element of the General Plan or the Zoning Ordinance.

Affordable purchase price means a maximum housing cost at which a low income household unit may purchase a three bedroom single-family dwelling resulting in a maximum housing cost not exceeding three times 50 percent of the area median income, multiplied by the unit size adjustment factor, and rounded to the nearest 50 dollars, as provided in the Housing Income and Price Guidelines published annually by the County of Santa Barbara.

Area median income means the annual median income for the County of Santa Barbara as determined by the U.S. Department of Housing and Urban Development (HUD) and provided to the City by the State Department of Housing and Community Development (HCD).

City means the City of Lompoc.

Construction costs means the square footage costs contained in the "Building Valuation Data" table in the *Building Standards* magazine, as published bimonthly by the International Conference of Building Officials (ICBO), or equivalent magazine published by the International Code Conference (ICC), for residential construction. Said square footage costs shall be the total costs to construct an 1,500 square foot single-family dwelling of Type V - wood frame construction, of "good" quality, and a 400 square foot garage of Type V - wood frame construction, of "good" quality, locally adjusted using the regional modifier for Los Angeles, California.

Developer means every person, firm, or corporation (and their successor's and assigns) that undertakes a residential development, directly or through the services of any employee, agent, independent contractor or otherwise subject to the provisions of this Chapter.

General Plan means the General Plan of the City of Lompoc, as it may be amended from time to time.

Gross income means the anticipated income of a person or family for the 12-month period following the date of determination of income, established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, and published in Title 25, Section 6914, of the California Code of Regulations. The elements of gross income include:

1. Wages, salaries, tips, commissions, etc.;
2. Self-employment income from owned non-farm business, including proprietorships and partnerships;
3. Farm self-employment income;
4. Interest, dividends, net rental income, or income from estates or trusts;
5. Social Security or railroad retirement;
6. Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
7. Retirement, survivor, or disability pensions; and
8. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony.

Housing cost means the sum of all of the costs associated with the purchase and maintenance of a dwelling unit as defined in Title 25, Section 6920 of the California Code of Regulations. For owner-occupied dwellings, housing cost means the total of

monthly payments encompassing principal and interest on a mortgage loan, including any loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs, homeowner association fees, and a reasonable allowance for utilities.

Housing fund means the City of Lompoc affordable housing trust fund established pursuant to Section 17.168.060 of this Chapter.

Housing in-lieu fee means the per-unit fee established pursuant to Sections 17.168.030 and 17.168.040 of this Chapter. The total housing in-lieu fee shall be calculated by multiplying the required number of affordable housing units by the per-unit housing fee.

Land and site development costs means construction cost multiplied by the land/site residual contribution.

Land/site residual contribution means the monetary allowance for all the nonstructural improvements and the land associated with the total construction cost. The land/site residual contribution may include, but not be limited to such improvements as grading, landscaping, driveways, patios, and fencing. The land/site residual contribution is calculated from a ratio established to reflect the demonstrated relationship that exists between construction cost and the land and site improvement contribution. The land/site residual contribution is expressed as a percentage. The ratio and percentage shall be established by resolution and may be revised periodically to address changes in market conditions.

Low income household unit means a household whose gross income does not exceed the qualifying limits for low income families, established and amended from time to time, by the U.S. Department of Housing and Urban Development and provided to the City by the State Department of Housing and Community Development (HCD).

Residential development means and includes one or more groups of projects consisting of ten or more single-family dwelling units, for sale, which entail:

1. Constructing or placing any new single-family dwelling units in a permanent location;
2. Converting a nonresidential building to single-family residential use(s);
3. Substantial rehabilitation of an existing dwelling where the result of the rehabilitation would be a net increase in available single-family residential units; or
4. Subdivision of land which is planned, designed, or used for residential purposes.

Substantial rehabilitation means rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of a dwelling, inclusive of land value.

Total construction cost of a market rate single family residential unit means land and site development costs plus construction costs for a 1,300 square foot, three bedroom single-family dwelling unit and a 400 square foot garage.

Unit size adjustment factor means an adjustment factor based on the number of bedrooms of a given unit used when calculating affordable purchase price. For purposes of this Chapter, the unit size adjustment factor for a three-bedroom for-sale unit is 1.0.

Zoning Ordinance means the Zoning Ordinance of the City of Lompoc, as it may be amended from time to time. (Ord. 1551 § 1, 2008; prior code § 9601)

17.168.030 Applicability.

With the exception of areas within the Old Town Redevelopment Project, Amendment No. 2 area, in residential developments of ten units or more, a developer of single-family for-sale units, at his or her option, may satisfy the affordable housing unit requirement contained in Policy 1.11 of the Housing Element of the General Plan by payment of a housing in-lieu fee. Said fee may be used to satisfy the entire affordable housing unit requirement or a portion of the affordable housing unit requirement with the remainder of the portion satisfied by providing on-site affordable housing in accordance with the policies of the General Plan. This chapter shall not apply to areas within the Old Town Redevelopment Project, Amendment No. 2 area. (Prior code § 9602)

17.168.040 Calculation of Housing In-Lieu Fee.

The housing in-lieu fees shall be calculated in its entirety at the time of issuance of the first building permit for construction of the first dwelling unit in the residential development. Said fee shall be calculated on the basis of the difference between the estimated total construction cost of a market rate single-family residential unit and the affordable purchase price of a dwelling unit for which a low income household unit can qualify. Thus,

HOUSING IN-LIEU FEE CALCULATION

Total Construction Cost – Affordable Purchase Price = Housing In-Lieu Fee (per unit)

The total housing in-lieu fee shall be calculated by multiplying the required number of affordable housing units by the per-unit housing in-lieu fee. Thus,

TOTAL HOUSING IN-LIEU FEE CALCULATION
Per Unit Housing In-Lieu Fee X Required Number of Affordable Housing Units

(Prior code § 9603)

17.168.050 Payment of Housing In-Lieu Fee.

- A. The housing in-lieu fee shall be paid in one of the following manners:
1. As a lump sum prior to the issuance of the first building permit for construction of the first dwelling unit in the residential development;
 2. Total housing in-lieu fee calculated and divided equally among the total number of units in the residential development and collected as a fee prior to issuance of each building permit;
 3. On a pro rata basis proportionally on a 10:1 ratio, payment of in-lieu fees equal to one inclusionary unit shall be paid prior to issuance of building permit for the next dwelling 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.); or,
 4. Developers of projects under construction at the effective date of the ordinance codified in this Chapter, for which in-lieu fees are opted to be paid rather than providing inclusionary housing on-site, shall pay the total housing in-lieu fee prior to further issuance of any building permits for dwelling units in the Residential Development.
- B. When in the process of determining the number of affordable housing units in accordance with the policies of the General Plan there occurs a fraction of an affordable unit, any fraction above .1 shall be deemed a requirement for one additional affordable unit. The housing in-lieu fee shall be calculated on the number of affordable housing units required in the residential development. (Prior code § 9604)

17.168.060 Affordable Housing Trust Fund.

All housing in-lieu fees collected under this Chapter shall be deposited into an affordable housing fund (“housing fund”). Separate accounts within such housing fund may be created from time to time to avoid commingling as required by law or as deemed appropriate to further the purposes of the housing fund. The housing fund shall be administered by the City Administrator (or designee) who shall have the authority to govern the housing fund consistent with this Chapter, and to prescribe procedures for said purpose, subject to approval by the City Council. Expenditures from the housing fund shall be controlled, authorized and paid in accordance with general City budgetary policies. Execution of contracts related to the use or administration of housing fund moneys shall be in accordance with standard City Council policy. (Prior code § 9605)

17.168.070 Purposes and Use of Funds.

Moneys deposited in the housing fund along with any interest earnings on such monies shall be used solely to increase and improve the supply of housing affordable to households of very low-, low-, and moderate-income. (Prior code § 9606)

17.168.080 Planning and Programming.

Moneys in the housing fund shall be used to further the goals, policies, programs and priorities identified in the City’s Housing

Element of providing housing affordable for homeownership for families of very low-, low- and moderate-income levels. Moneys in the housing fund may be disbursed, hypothecated, collateralized or otherwise employed for these purposes from time to time as the City Council determines is appropriate to accomplish the purposes of the housing fund. These uses include, but are not limited to, assistance to first-time homebuyers. (Prior code § 9607)