



# In Lieu Fee

May 10, 2022

# Collection of In-lieu Fees

- ▶ Developers have voluntarily agreed to pay affordable housing fees of \$4,500.00 per residential unit.



**In-lieu fees are collected from the Planning and Building Department.**



**Typically, In-lieu fees are collected during the planning process as they are added to the subdivision cost.**



**They can also be collected during the building process as the fees are added to building permit fees.**



# Current Affordable Housing Fund



There is roughly a \$978,543 balance available in the fund for in-lieu fees related to affordable housing.



This is an estimate as not all financial transactions have been recorded year to date.



## 21.03 affordable housing regulations govern the county in-lieu fee

- ▶ In § 21.03.008 in-lieu payment and other alternative compliance mechanisms describes how fractional units are charged.
- ▶ Residential developments that require the construction of a fractional unit may pay an in-lieu fee in an amount corresponding to the fractional unit, which would be computed and determined by staff.
- ▶ To *qualify for an in- lieu payment, the development* must demonstrate that specific characteristics of the development site
  - The **Planning Commission** must review the evidence for first approval, and the **Board of Supervisors** must approve the qualification for an in-lieu payment.
  - Payment of in-lieu fees shall be made in full to the County prior to issuing a certificate of occupancy and final inspection unless an affordable housing agreement otherwise provides.

# In-Lieu fee

- ▶ A small lot single family home is defined as any single-family house, whether freestanding or attached, including but not limited to homes, condos, townhomes, etc., (but specifically excluding an apartment building), on a lot size less than 3,000 square feet.
- ▶ A large lot single family home is defined as any single-family house, whether freestanding or attached, including but not limited to homes, condos, townhomes, etc., (but specifically excluding an apartment building), on a lot size greater or equal to 3,000 square feet.

	Large Lot Single Family Homes	Small Lot Single Family Homes
In-Lieu Fee Per Square Foot Based on the 15% Inclusionary Ordinance Requirement	\$30	\$23



# Staff recommendation

- ▶ 1. Hold a public hearing to implement Inclusionary Housing in-lieu fee in Master fee schedule ordinance.
- ▶ 2. Discuss chapter 21.03 affordable housing regulation and If desired, provide staff direction on changes the board would like to implement if desired.
  
- ▶ Make Motion to:
  - 1. Adopt resolution 2022-51 adopting new in-lieu fees;
  - 2. Accept introduction, waive further reading, and adopt Ordinance 1042 entitled "An Ordinance of the San Benito County Board of Supervisors Amending Appendix "A" of Section 5.01.000, the County's Master Fee Schedule to Add An In-Lieu Fee for Affordable Housing".





# Thank You

Questions