



Housing & Community Development

Rice Ranch In Lieu Fee Proposal

Board of Supervisors
Departmental Agenda
February 13, 2007



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Recommendation

That the Board of Supervisors direct staff to further pursue payment of in-lieu fees for 73 low income units as part of the Rice Ranch project in Orcutt, following the applicable public process, including: public comment, CEQA compliance and Planning Commission recommendations.



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Benefits of Fees for Low-Income Units

- ❖ Provide financing for rental projects
- ❖ Leverage funds for maximum financial impact
- ❖ Developer/property owner handles administrative functions including monitoring and enforcement of rental requirements
- ❖ Fees would create housing in the same Housing Market Area



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Issues to be addressed

- ❖ Current in-lieu fees would be \$8,081,100. These fees are subject to change next July.
- ❖ Developer has indicated a possible reduction in number of units of which they would “fee out” in order to meet their targeted expenditure of approximately \$6,000,000-\$8,000,000.



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Issues to be addressed

- ❖ Under our current arrangement with the State regarding conditional certification of the Housing Element, we would be required to notify State HCD that 73 units of low income housing would not be built and that as a result we will rezone an additional 4 acres of land. ***This increases the County's obligation for rezoning from 62 to 66 acres.***



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THANK YOU