

RESOLUTION NO. 2021-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, ADOPTING INCLUSIONARY HOUSING IN-LIEU FEES PURSUANT TO SECTION 74-357 OF THE POMONA CITY CODE

WHEREAS, the City Council finds that the City of Pomona faces a serious housing problem and the lack of access to affordable housing has a direct impact upon the health, safety, and welfare of the residents of the City; and

WHEREAS, affordable housing is regulated by a variety of state and local laws, ordinances, and policies, and the Regional Housing Needs Assessment (RHNA) requires the City to provide for the development of a specified number of housing units. The City's Housing Production allocation for the 2014-2021 allocation cycle calls for the development of 2,054 new affordable housing units as follows: 592 units are needed for moderate-income households, 543 units are needed for low-income households and 919 units are needed for very low and extremely low-income households. Further, the draft RHNA allocation for the next Housing Element cycle calls for production of a substantially larger number of affordable housing units, with a current draft allocation for the City of 1,507 units for moderate-income households, 1,336 for low-income households and 2,792 units for very low and extremely low-income households; and

WHEREAS, the City desires to explore and to the extent feasible, use all available tools to meet its mandated regional housing goals; and

WHEREAS, a lack of new units affordable to very-low, low and moderate-income households within the City will have a substantially negative impact because: (1) housing will have to be built far from employment centers, which will increase commuting and negatively impact traffic, air and noise pollution, and (2) the City and employers within the City will find it difficult to recruit and retain employees.

WHEREAS, the City Council considered the findings, recommendations and analysis contained in the report entitled Inclusionary Housing: Policy Recommendations, dated September 9, 2020 and the report entitled Inclusionary Housing: Financial Evaluation, dated September 8, 2020, both prepared by Keyser Marston Associates and received by the City Council on December 7, 2020 (the "Keyser Marston Studies") and has determined that it is in the furtherance of the public health, safety and welfare to require new residential development to incorporate within their development or otherwise take measure to further the development of affordable housing within the City; and

WHEREAS, in furtherance of the City's housing goals and in consistent with the analysis set forth in the Keyser Marston Studies, on January 4, 2021, the City Council adopted Ordinance No. 4295, adding Article VIII to Chapter 74 of the Pomona City Code and adopting an Inclusionary Housing Program for the City of Pomona (the "Inclusionary Housing Ordinance"); and

WHEREAS, the Inclusionary Housing Ordinance provides in Section 74-359 that the City Council shall adopt inclusionary housing "in-lieu fees" as part of the Inclusionary Housing Program, that would be paid by residential developers as an alternative means of compliance with the City's inclusionary housing requirements under circumstances more specifically set forth in the Inclusionary Housing Ordinance; and

WHEREAS, the Keyser Marston report titled “Inclusionary Housing: Financial Evaluation” includes a detailed analysis to determine supportable inclusionary housing in-lieu fees for both for-sale and rental housing developments, based on an affordability gap approach, as more particularly described in the Financial Evaluation; and

WHEREAS, the City Council desires to adopt inclusionary housing in-lieu fees for for-sale and rental housing developments consistent with the analysis and recommendations set forth in the Keyser Marston reports; and

WHEREAS, the City Council finds that all required public notification in accordance with California State law was provided in advance of the public hearing at which these changes are considered; and

WHEREAS, the City Council finds that it has considered the proposed inclusionary housing in-lieu fees at a public hearing on June 7, 2021, based on the analysis and recommendations set forth in the Keyser Marston Reports, and has concluded both that the recommended inclusionary housing in-lieu fees satisfy all pre-conditions to adoption, and conform to all applicable laws pursuant to the specific terms of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pomona as follows:

SECTION 1. The City Council hereby finds as follows with regard to the inclusionary housing in-lieu fees required to be adopted pursuant to Pomona City Code Section 74-359:

A. The purpose of the inclusionary housing requirements and the inclusionary housing in-lieu fees are to ensure that the private sector, in addition to public sector, participates in the provision of affordable housing for current and future residents of the City of Pomona and ensure the long-term affordability of units and availability for income-eligible households in years to come.

B. The inclusionary housing in-lieu fees will be placed in the City’s Inclusionary Housing Fund established pursuant to Pomona City Code Section 74-378 and be used exclusively to provide housing affordable to extremely low-income, very low-income, low-income, and moderate-income households in the City of Pomona leveraging funds, and administration and compliance monitoring of the Inclusionary Housing Program.

C. Every new residential development creates a further demand for affordable housing to the extent that such development offers market-rate-only housing. The inclusionary housing requirements and the inclusionary in-lieu fee are reasonably related to the mitigation of negative impacts upon the City's affordable housing supply.

D. The lack of affordable housing options in the City has an impact upon a broad range of income groups, and no single housing program will be sufficient to meet the City's housing need. Inclusionary housing ordinances applicable to new residential developments necessarily increase the supply of affordable housing (Homebuilders Assoc. v. City of Napa (2001) 90 Cal. App. 4th, 188, 196), and therefore there is a direct relationship between the inclusionary housing in-lieu fee and the City's attainment of its affordable housing goals. Based on the information and analysis provided in the Keyser Marston Reports, the City Council hereby finds that the schedule of inclusionary in-lieu fees adopted by this Resolution is reasonably related to the cost to develop inclusionary housing units in accordance with the Inclusionary Housing Ordinance.

SECTION 2 The City Council of the City of Pomona finds the adoption of this resolution to be statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Regulation 15061(b)(3). Under Regulation 15061(b)(3), the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the project is exempt from CEQA. This resolution will not affect the physical environment by permitting a new use or intensifying an existing use. Instead, the resolution adopts inclusionary housing in-lieu fees that serve as one of the range of means by which individual projects may satisfy the requirements of the City's Inclusionary Housing Ordinance. There is no potential for the changes to result in a significant effect on the environment.

SECTION 3 The City Council hereby adopts the inclusionary housing in-lieu fees as set forth in the Schedule of Inclusionary Housing In-Lieu Fees attached hereto as **Exhibit A** and incorporated herein by this reference. Such fees shall be charged to residential developers as more specifically set forth in Pomona City Code Section 74-359. The Inclusionary Housing In-Lieu Fees shall be incorporated into the City's Master Fee Schedule and may be updated from time to time by the City Council in conjunction with the Master Fee Schedule.

SECTION 4 Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fee or other provision of this Resolution be adjudicated to be invalid and unenforceable, the remaining provisions shall be and continue to be fully effective, and the fee shall be fully effective except as to that portion that has been judged to be invalid.

SECTION 5 The City Clerk shall attest and certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2021.

CITY OF POMONA:

Tim Sandoval
Mayor

APPROVED AS TO FORM:

Sonia Carvalho
City Attorney

ATTEST:

Rosalia A. Butler, MMC
City Clerk

EXHIBIT A

SCHEDULE OF INCLUSIONARY HOUSING IN-LIEU FEES

Inclusionary In-Lieu Fee Schedules						
Per Square Foot of Saleable Area or Leasable Area						
Units		Single Family Homes		Townhomes		Apartments
3		\$.41		\$.33		\$.33
4		\$.81		\$.66		\$.66
5		\$1.22		\$1.00		\$.99
6		\$1.63		\$1.33		\$1.31
7		\$2.04		\$1.66		\$1.64
8		\$2.44		\$1.99		\$1.97
9		\$2.85		\$2.33		\$2.30
10		\$3.26		\$2.66		\$2.63
11		\$3.66		\$2.99		\$2.96
12		\$4.07		\$3.32		\$3.29
13		\$4.48		\$3.65		\$3.61
14		\$4.89		\$3.99		\$3.94
15		\$5.29		\$4.32		\$4.27
16		\$5.70		\$4.65		\$4.60
17		\$6.11		\$4.98		\$4.93
18		\$6.51		\$5.31		\$5.26
19		\$6.92		\$5.65		\$5.59
20		\$7.33		\$5.98		\$5.91
21		\$7.74		\$6.31		\$6.24
22		\$8.14		\$6.64		\$6.57
23		\$8.55		\$6.98		\$6.90
24		\$8.96		\$7.31		\$7.23
25		\$9.36		\$7.64		\$7.56
26		\$9.77		\$7.97		\$7.89
27		\$10.18		\$8.30		\$8.21
28		\$10.59		\$8.64		\$8.54
29		\$10.99		\$8.97		\$8.87
30+		\$11.40		\$9.30		\$9.20

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of Pomona at a regular meeting thereof held on _____, 2021 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Rosalia A. Butler, MMC
City Clerk