



AGENDA REPORT
SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: August 18, 2020

Agenda 9B
Approval _____
City SP
Dept. CD
Attorney _____
Finance JW

Department: Community Development Department
Prepared By: Gabriel Perez, City Planner

Subject: *CONSIDERATION OF A JOINT STUDY SESSION OF THE CITY COUNCIL AND PLANNING COMMISSION FOR THE UPDATE OF THE INCLUSIONARY HOUSING IN-LIEU FEE PROGRAM*

Fiscal Impact: No. There is no fiscal impact associated with holding the proposed joint study session. The study session will present options available to the City for the production of affordable housing including the City's existing inclusionary housing in-lieu fee.

Summary: Staff recommends that the City Council consider holding a joint study session of the Council and Planning Commission for the update of the inclusionary housing in-lieu fee program.

Background: San Clemente adopted an Inclusionary Housing Program (IHP) in 1980 to expand affordable housing options in San Clemente. San Clemente's IHP requires developers of six or more units to set aside four percent of the total number of units for households earning 50 percent or less of the median income. This affordable requirement can be provided either on-site, off-site, or through the payment of an in-lieu fee or provision of land.

The City's 2013-2021 Housing Element established a Housing Action Plan that includes development of a new formula for calculating in-lieu fees in order to establish adequate funding for affordable housing and provide clarity for both staff and developers. On December 18, 2018, the City Council directed staff to initiate a Zoning Amendment to update the Inclusionary Housing In-Lieu Fee. The City Council approved a Professional Services Agreement with Economic & Planning Systems, Inc. on March 2, 2020 to update the inclusionary housing in-lieu fee program.

Discussion: Economic & Planning Systems, Inc. has completed a review of the IHP and the economic and financial analysis. The purpose of the Joint Study Session is to present the study findings to the City Council and Planning Commission and receive input and direction on the program. The City Council could provide direction that the Joint Study Session occur on the date and time of the next regular Planning Commission study session on September 2, 2020 at 6 p.m. or recommend an alternative date and time.

Recommended Action: STAFF RECOMMENDS THAT the City Council provide input and direction on a date and time for a Joint Study Session of the City Council and Planning Commission.