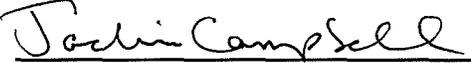


STAFF REPORT
COUNCIL MEETING DATE
March 26, 2012

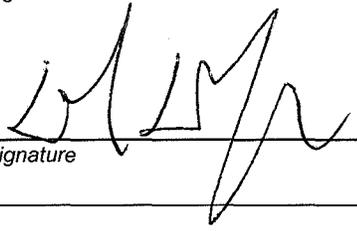
ITEM FOR COUNCIL CONSIDERATION

Review median home sales prices and set the in-lieu affordable housing fee pursuant to Inclusionary Housing Ordinance No. 590

Report prepared by: Jackie Campbell
Community Development Director


Signature

Reviewed by: Dave Durlinger
City Manager


Signature

STAFF RECOMMENDATION

Action Item X; Non-Action Item

Receive and file the report on the City's median home sale prices for 2011 and set the affordable housing in-lieu fee for 2012 and adopt Resolution No. 5365, as read by title only, setting the affordable housing in-lieu fees for condominiums and single family dwellings in 2012.

I. BACKGROUND

On June 14, 2004, the City Council adopted the Inclusionary Housing Ordinance and approved an In-lieu Fee Program codified at Carpinteria Municipal Code Section 14.75. The In-lieu Fee Program is based on a formula used by the City of Santa Barbara that includes the median sales price of condominiums and single family dwellings for the prior year, the median household income for the County of Santa Barbara and current mortgage interest rates. The Inclusionary Housing Ordinance states that the City Council may update the in-lieu fee annually to allow the fee to stay current with median housing prices, median incomes and mortgage interest rates.

IV. LEGAL ISSUES

Adoption of the In-lieu Fees set forth in Resolution No. 5365 is exempt from the provisions of the California Environmental Quality Act pursuant to 14.Cal. Code of Regulations §378 as the adoption of the fees does not involve a commitment to any specific project or course of action that may result in a potentially significant impact on the environment.

V. ALTERNATIVE

Direct staff to make modifications as deemed appropriate to the In-lieu Fee calculations and revise the Resolution to include these changes.

VI. ATTACHMENTS

1. Resolution No. 5365 setting In-lieu Fees for 2012
 - Exhibit A Single Family Dwelling In-lieu Fee Calculation
 - Exhibit B Condominium Unit In-lieu Fee Calculation
2. 2011 Single Family Dwelling Sales
3. 2011 Condominium Sales

Attachment 1

City Council Resolution No. 5365

2012 In-Lieu Affordable Housing Fee

**City Council Hearing
March 26, 2012**

RESOLUTION NO. 5365

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA ADOPTING IN-LIEU HOUSING FEES FOR 2012 ASSOCIATED WITH THE INCLUSIONARY HOUSING REQUIREMENTS OF CHAPTER 14.75 OF THE CARPINTERIA MUNICIPAL CODE

WHEREAS, the City of Carpinteria adopted Ordinance 590 amending Chapter 14.75 of the Carpinteria Municipal Code, which establishes an inclusionary housing requirement for all new residential developments of five or more units that require a subdivision map; and

WHEREAS, the City's inclusionary housing program focuses on the creation of new residential units that are affordable to above-moderate income households earning between 121% and 200% of the area median income; and

WHEREAS, the inclusionary program requires that all new residential development that falls within the requirements of Chapter 14.75 of the Carpinteria Municipal Code provide 12% of the total residential units at a price affordable to a household earning 121% of the area median income, or if the City Council finds that the provision of onsite inclusionary housing is infeasible, the applicant may pay an in-lieu fee; and

WHEREAS, the City retained Castañeda and Associates, a private consulting firm that specializes in the development of public housing policies and inclusionary housing ordinances, to advise the City on the development and implementation of an inclusionary housing ordinance and associated in-lieu fee; and

WHEREAS, the amount of the in-lieu fee is intended to equal the cost difference between the median sale price of a residential unit in the City and the sale price of a unit affordable to a household earning 121% of the area median income; and

WHEREAS, Ordinance No. 590 requires that the City Council adopt an in-lieu fee for new residential development projects that are subject to Chapter 14.75 of the Carpinteria Municipal Code, but cannot otherwise provide on-site inclusionary housing based on a finding by the City Council; and

WHEREAS, Ordinance No. 590 requires that the in-lieu fee be based on a calculation using the median sales price of single family dwellings and the median sales price of condominiums in the City for the prior year; and

WHEREAS, the in-lieu fee authorized under Ordinance No. 590 constitutes a traditional land use or zoning enactment regulating the use of property, rather than the imposition of an exaction upon property owners; and

the City Council finds that the applicant is unable to provide such units on-site.

- F. The in-lieu fee constitutes a traditional land use or zoning enactment regulating the use of property, rather than the imposition of an exaction upon property owners.
- G. The price estimates and cost calculations set forth in the fees adopted by this resolution are reasonable estimates based on the best available data.
- H. The fees set forth and adopted herein are consistent with the City's General Plan/Coastal Plan, and the Council has considered the effects of the fee with respect to the City's housing needs (as established in the Housing Element of the General Plan) and regional housing needs.

SECTION 2. In-lieu Fee for Single Family Residential Development. The amount of the in-lieu fee created and imposed by this resolution and pursuant to Ordinance No. 590 for development projects including single family dwelling units is hereby established as \$138,300. A schedule of said in-lieu fees that the City Council hereby adopts is attached hereto as Exhibit A dated March 26, 2012 and incorporated herein by reference as though set forth in full. The fee amount set forth in Exhibit A shall be imposed on those new residential developments that include single family residential development, as defined in Ordinance No. 590, and which the City Council determines cannot provide the necessary inclusionary housing onsite.

SECTION 3. In-lieu Fee for Condominium Projects. The amount of the in-lieu fee created and imposed by this resolution and pursuant to Ordinance No. 590 for development projects including condominium units is hereby established as \$68,600. A schedule of said in-lieu fees that the City Council hereby adopts is attached hereto as Exhibit B dated March 26, 2012 and incorporated herein by reference as though set forth in full. The fee amount set forth in Exhibit B shall be imposed on those new residential developments that include condominium units, as defined in Ordinance No. 590, and which the City Council determines cannot provide the necessary inclusionary housing onsite.

SECTION 4. Resolution Subject to Underlying Ordinances. The provisions of this resolution are subject and subordinate to the provisions of Carpinteria Municipal Code Chapter 14.75 and shall at all times be construed and applied consistent therewith as the same presently exists or may from time to time hereafter be amended.

SECTION 5. Effective Date. This resolution shall be in full force and effect thirty (30) days after its adoption.

SECTION 6. Exemption from Environmental Review. Adoption of the fees set forth herein is exempt from the provisions of the California Environmental Quality Act pursuant to 14 Cal. Code of Regulations §378 because the adoption of said fees does not involve a commitment to any specific project or course of action that may result in a potentially significant impact on the environment.

EXHIBIT A
March 26, 2012

2012 In-lieu Fee Calculation
Single Family Dwelling

Median Income: \$73,300

**Median Sale Price for a Single Family Dwelling
Sold in Carpinteria in 2011** **\$547,500**

Minus

Affordable Sale Price **\$409,200**

In-lieu Fee **\$138,300**

Unit Size Multiplier	1.05
Housing Cost to Income Ratio	30%
Interest Rate	5.5%
PMI	1.0%
Target Income for Affordability	\$93,128.00*
Maximum Payment for Housing	\$ 2,328.00
Amount of Loan this will Amortize	\$368,315.00
Plus Down Payment	\$ 40,924.00
Maximum Sale Price	\$409,200.00

*121% of median income, four-person household, three bedrooms

Attachment 2

2011 Single Family Dwelling Sales

**City Council Hearing
March 26, 2012**

2011 SFD Sales

Date of Sale	Site Address	Number of Bedrooms	Sale Price \$
01/14/11	590 Holly Avenue	2	591,000.00
02/10/11	5290 Ogan Road	3	710,000.00
02/18/11	5566 Calle Ocho	2	725,000.00
02/18/11	4870 Fifth Street	3	336,000.00
02/18/11	4546 Chaparral Drive	3	635,000.00
02/25/11	4844 El Carro Lane		870,000.00
03/23/11	5581 Canalino Drive	3	800,000.00
03/24/11	1551 Myra Street	3	500,000.00
04/05/11	1581 Meadow Circle	3	650,000.00
04/15/11	4485 La Tierra Lane	3	500,000.00
04/18/11	1531 Meadow Circle	4	536,000.00
04/21/11	1358 La Mesa Plaza	3	552,000.00
04/21/11	740 Oak Avenue	2	600,000.00
05/03/11	4820 El Carro Lane		870,000.00
05/05/11	750 Olive Avenue	4	1,600,000.00
05/06/11	4980 El Carro Lane		795,000.00
05/06/11	1312 Post Avenue	4	420,000.00
05/13/11	5501 Calle Ocho	3	722,500.00
05/17/11	4565 El Carro Lane	4	508,000.00
05/18/11	5383 Ogan Road	4	735,000.00
05/20/11	5018 Pacific Village Drive	4	735,000.00
05/24/11	1275 La Pala Lane	5	673,000.00
05/27/11	1450 Sterling Avenue	3	410,000.00
06/15/11	591 Calle Dia	4	620,500.00
06/28/11	4845 El Carro Lane		820,000.00
07/06/11	4952 El Carro Lane		810,000.00
07/12/11	4465 Mesa Lane	4	538,000.00
07/19/11	1545 Meadow Circle	3	575,000.00
08/05/11	5450 Hales Lane	4	886,000.00
08/05/11	4652 Ninth Street	3	330,500.00
08/11/11	5135 Concord Place	2	540,000.00
08/12/11	1477 Theresa Street	3	380,000.00
08/19/11	1312 Vallecito Road	3	625,000.00
08/19/11	1423 Camino Trillado	4	513,000.00
08/24/11	5382 Santa Rosa Lane	3	572,500.00
08/26/11	1333 Vallecito Road	2	475,000.00
08/29/11	5511 Calle Arena	3	1,350,000.00
08/31/11	1408 Linhere Drive	3	450,000.00
09/16/11	5384 Star Pine Road	2	727,000.00
09/16/11	1484 Namouna Street	4	600,000.00
09/22/11	4839 El Carro Lane	3	802,000.00
09/23/11	4856 El Carro Lane	3	981,500.00
10/12/11	3960 Via Real	2	388,000.00
10/21/11	1484 Noma Street	4	420,000.00

Attachment 3

2011 Condominium Sales

**City Council Hearing
March 26, 2012**

2011 Condominium Sales

Date of Sale	Site Address	Number of Bedrooms	Sale Price \$
01/04/11	1035 Palmetto Way	3	350,000.00
01/04/11	5950 Via Real	2	220,000.00
01/14/11	4840 Sawyer Avenue	3	440,000.00
01/21/11	1092 Palmetto Way	2	320,000.00
01/25/11	4228 Carpinteria Avenue	3	360,000.00
01/31/11	5915 Birch Street	2	220,000.00
02/10/11	5966 Birch Street	2	210,000.00
02/16/11	1054 Palmetto Way	3	350,000.00
02/24/11	231 Linden Avenue	1	343,000.00
03/02/11	5455 Eighth Street	2	310,000.00
03/17/11	4885 Sandyland Road	3	1,250,000.00
03/25/11	1262 Cravens Lane	3	600,000.00
03/30/11	1035 Palmetto Way	3	353,500.00
03/31/11	1260 Cravens Lane	3	560,000.00
03/31/11	4902 Sandyland Road	0	418,000.00
04/14/11	6015 Jacaranda Way	3	350,000.00
04/14/11	5976 Birch Street	2	220,000.00
04/15/11	4864 Sawyer Avenue	2	360,000.00
04/15/11	4270 Carpinteria Avenue	3	360,000.00
04/19/11	4527 Carpinteria Avenue	1	317,000.00
05/06/11	5921 Birch Street	2	195,000.00
05/06/11	1250 Cravens Lane	3	560,000.00
05/13/11	4405 Catlin Circle	3	375,000.00
05/18/11	6015 Jacaranda Way	3	315,000.00
05/27/11	5915 Hickory Street	2	215,000.00
06/24/11	261 Linden Avenue	1	480,000.00
06/28/11	4692 Carpinteria Avenue #E	3	370,000.00
06/28/11	1255 Franciscan Court	3	445,000.00
06/30/11	4505 Carpinteria Avenue #L	2	505,000.00
07/01/11	231 Linden Avenue	1	340,000.00
07/06/11	4825 Sandyland Road	2	1,090,000.00
07/08/11	4902 Sandyland Road	1	265,000.00
07/18/11	4885 Sandyland Road	3	2,300,000.00
07/19/11	1268 Cravens Lane	3	540,000.00
07/21/11	1051 Bailard Avenue	2	205,000.00
08/04/11	4664 B Fourth Street		1,150,000.00
08/12/11	1240 Franciscan Court	2	280,000.00
08/15/11	4854 Sawyer Avenue	2	419,000.00
08/19/11	5911 Hickory Street	2	220,000.00
08/19/11	5455 Eighth Street	3	359,000.00
08/25/11	4825 Sandyland Road	2	925,000.00
08/26/11	1261 Franciscan Court	2	299,000.00
09/14/11	4692 Carpinteria Avenue	3	355,000.00
09/15/11	4234 Carpintiera Avenue	3	510,000.00