



April 5, 2021

Mayor Rose Espinoza
La Habra City Council
110 East La Habra Boulevard
La Habra, CA 90631

Re: Item #6 – Consent Calendar – Inclusionary Zoning

Dear Mayor Espinoza and Honorable City Council Members,

The Building Industry Association of Southern California, Orange County Chapter (BIA/OC) is a non-profit trade association of over 1,100 member companies employing over 100,000 people affiliated with the home building industry. Our mission is to champion housing as the foundation of vibrant and sustainable communities.

We are writing regarding the March 15th approval of the inclusionary zoning policy and several serious concerns. Inclusionary Zoning policies are exceptionally complex policy directives that foist increased taxation on the private sector companies working the hardest to address California's housing supply crisis. Increasing burdens on production, to extract fees to fill city coffers, has a very poor track record of solving housing affordability as stated in our March 15th letter.

Further, the staff presentation directly linked the Inclusionary Zoning policy to Regional Housing Needs Assessment (RHNA) requirement. This is patently incorrect. RHNA is a zoning exercise that identifies locations in the Housing Element where housing can be achieved. RHNA in no way requires an Inclusionary policy and in fact, a poorly executed policy will stand to harm production which will result in greater RHNA challenges in future cycles.

Next, to advance a policy without adequate, up-to-date market research analyzing what impact such a policy will have on the La Habra housing market is reckless. Further, a rate of \$6.50 a square foot was proposed for use as an in-lieu fee, but this number was not presented as an option in the staff report. Without a market analysis or adequate public notice, it is imperative that the Council withhold consideration of the Inclusionary Zoning Policy's second reading until such time that these issues can be directly addressed and the public be adequately notified.

Additionally, the staff report on this Inclusionary Zoning item contained no information on how such a policy will impact the City's Housing Element. As noted on the California Housing and Community Development webpage:

Like other ordinances related to the development of housing, the housing element must include a description and analysis of the inclusionary framework. For example, the housing element should describe the types of incentives the jurisdiction has or will adopt to encourage and facilitate compliance with inclusionary requirements, what options are available for developers to meet affordability requirements, how the ordinance interacts with density bonus law, the amount of any in-lieu fee, and what finding a developer must make in order to choose to pay the in-lieu fee. If the jurisdiction has established a housing fund to collect any in-lieu fees, the housing element should describe the total amount available for housing production

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and any planned uses for the funds.¹

The addition of an Inclusionary Zoning tool has the incredible potential to chill housing production and this citation from HCD expresses the proactive steps the City of La Habra will be required to take if adoption moves forward. Once again, it is imperative to have a staff report and council discussion of what this means for the community and how it will alter your local control authority. An Inclusionary Zoning policy is not to be taken lightly.

Respectfully,



Steve LaMotte
BIA/OC Executive Officer

¹ <https://www.hcd.ca.gov/community-development/building-blocks/constraints/fees-and-exactions.shtml>