ITEM NO. 42

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE AMENDING SECTIONS OF CHAPTER 14C OF THE CITY CODE, INCLUDING A REVISION TO THE METHODOLOGY USED IN CALCULATING THE INCLUSIONARY HOUSING IN-LIEU FEE

WHEREAS, the City Council has adopted Ordinance No. 91-49, which has been codified as Chapter 14C of the City Code;

WHEREAS, said Ordinance established an Inclusionary Housing Program;

WHEREAS, Section 14C.6 of the City Code provides an In-Lieu Fee Alternative to the provision of housing units reserved for low- and moderate-income households;

WHEREAS, WHEREAS, the City Council provided direction on May 25, 2011 to amend the methodology in calculating the In-Lieu Fee; and

NOW, THEREFORE, the City Council of the City of Oceanside does ordain as follows:

SECTION 1. Oceanside City Code Section 14C.5(b) of the Oceanside City Code relating to the applicability of the inclusionary housing requirements to rental residential projects is removed in its entirety and, Oceanside City Code Sections 14.C.4, 14C.6(a) and (b) are amended to read as follows:

Sec. 14C.4. Definitions.

Affordable. For the purposes of this chapter, the term "affordable" shall refer to the affordable sales price of a home within the City of Oceanside. The affordable sales price will be calculated based on the following variables:

a. The Area Median Income for San Diego County based upon a (3) three-bedroom unit and household size of (4) four.

b. The current annual percentage rate for a conventional residential mortgage.

c. A total housing cost threshold that does not exceed (33) thirty-three percent of the monthly gross income of a household.

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Sec. 14C.6. In-lieu fee alternative.

(a) As an alternative to reserving units as required in Section 14C.5, the developer may pay a fee in-lieu of reservation in an amount according to the formula set forth in subsection (b), below, sufficient to subsidize the price of a median sales price home in Oceanside to the extent that it brings the sales price of such a home into the affordable range for a moderate income household.

(b) The amount of the in-lieu fee for each required inclusionary unit shall be determined by the Neighborhood Services Director at the time of issuance of building permits for the first residential units in a development project subject to this chapter. The developer may request a deferral of this fee prior to the issuance of a certificate of occupancy for the unit. The fee amount will be adjusted annually on July 1st of each year based on the sales price data and the affordable housing cost calculations per section 14.C.4 of this Chapter for the preceding calendar year. The fee will be calculated based upon the following methodology:

1. The affordability gap per inclusionary unit is equal to the difference between the median sales price and the affordable sales price.

2. To derive the affordable gap per market rate unit, the affordability gap per inclusionary unit will be multiplied times the ten-percent inclusionary housing obligation.

3. The resulting affordability gap per market rate unit will be divided by the average square footage of residential units sold during the preceding calendar year.

4. The result of the in-lieu fee calculation represents the fee that will be charged per square foot of the building area in new residential development.

SECTION 2. Severability.

If any section, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, clauses or phrases be declared invalid or unconstitutional.

SECTION 3. The City Clerk of the City of Oceanside is hereby directed to publish this ordinance, or the title hereof as a summary, pursuant to state statute, once within fifteen (15) days after its passage in the North County Times, a newspaper of general circulation published in the City of Oceanside.

This ordinance shall take effect and be in force on the thirtieth (30th) day from and after its final passage.

INTRODUCED at a regular meeting of the City Council of the City of Oceanside, California, held on the ___ day of _____, 2011, and, thereafter,

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Oceanside, California, held on the ____ day of _____, 2011, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR, CITY OF OCEANSIDE

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

John P Mullen
_____
CITY ATTORNEY

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