

**Attachment C – AN ORDINANCE
AMENDING THE SAN DIEGO
COUNTY ZONING ORDINANCE
RELATED TO THE AFFORDABLE
INCLUSIONARY HOUSING
PROGRAM IN-LIEU FEE PROGRAM
(POD 20-007)
(clean copy)**

PRELIMINARY DRAFT

ORDINANCE NO-_____ (NEW SERIES)

AN ORDINANCE AMENDING THE SAN DIEGO COUNTY ZONING ORDINANCE RELATED TO THE INCLUSIONARY AFFORDABLE HOUSING PROGRAM IN-LIEU FEE PROGRAM

The Board of Supervisors of the County of San Diego ordains as follows:

Section 1. The Board of Supervisors finds and determines that the Zoning Ordinance should be amended to update and revise regulations for the Inclusionary Affordable Housing Program. The amendments made by this ordinance are intended to set forth the Inclusionary Affordable Housing Fund to receive fees from Project Applicants that elect to use the payment of in-lieu fees as an alternative compliance option, as allowed under the Inclusionary Affordable Housing Program and approved by the County.

Section 2. Section 7450 Inclusionary Affordable Housing Fund (A) of the Zoning Ordinance is added to read:

- a. There is hereby established the Inclusionary Affordable Housing Fund ("In-Lieu Fee Fund") to be administered by the Deputy Chief Administrative Officer, Health and Human Services Agency. Expenses incident to the evaluation, acquisition, rehabilitation, construction, or otherwise fostering the creation, rehabilitation, or improvement of affordable housing for low income households may be paid for from this Inclusionary Affordable Housing Fund. Administration costs, which means direct costs associated with the administration and enforcement of the Inclusionary Affordable Housing Program, shall not exceed ten percent (10%) of fees paid by applicant and deposited in the Inclusionary Affordable Housing Fund. The funds held in the Inclusionary Affordable Housing Fund shall not be used or budgeted other than for the purposes set forth in this section. The following costs that are related or incidental to the functions and responsibilities listed above that may be paid for from the In-Lieu Fee Fund include:
 1. Procurement of necessary services and supplies directly related to the acquisition, rehabilitation, or construction of an affordable housing development;
 2. Payment for permits or other regulatory fees and fines;
 3. Providing loans, at or below market rate, for affordable housing developments, or the repayment of loans;
 4. Acquisition or rehabilitation of real property, or improvements thereon;
 5. Procurement of technological studies, inspections, environmental reviews and site management services.
- b. When evaluating projects to be funded by the Inclusionary Affordable Housing Fund, preference may be given to those projects designed to serve special needs populations

including, but not limited to, low income persons experiencing homelessness, those at risk

of homelessness, veterans, persons with disabilities, seniors, transitional age youth, and families, or as reflected in the County of San Diego Consortium Consolidated Plan, as it may be amended from time to time.

- c. Projects funded by the Inclusionary Affordable Housing Fund shall be located in the unincorporated area of the County.
- d. Preference should also be given to projects that leverage other funds or resources, including capital financing, housing subsidies and complementary support services.
- e. This Inclusionary Affordable Housing Fund shall survive for a period of time consistent with the Inclusionary Affordable Housing Program. Monies from this fund shall be invested by the County Treasurer such that earnings are consistent with prudent investment practices and all earnings accrue to the In-Lieu Fee Fund. Monies from this In-Lieu Fee Fund may be loaned to any of the County family of funds for a period not to exceed 180 days with interest to accrue at the higher of the Treasurer's pool rate or the overnight investment rate.

Section 3. This ordinance shall take effect and be in force thirty days after its passage, and before the expiration of fifteen days after its passage, a summary hereof shall be published once with the names of the members of this Board voting for and against it in the _____, a newspaper of general circulation published in the County of San Diego.

APPROVED AS TO FORM AND LEGALITY
Damon M. Brown, County Counsel

By: Jerod Markley, Supervising Deputy County Counsel