

Levesque, Jennifer

From: Tiffanie Marshall <tiffanie@stonefieldhome.com>
Sent: Monday, April 19, 2021 10:49 AM
To: cityclerk
Cc: Tiffanie Marshall
Subject: Housing Policies & Inclusionary Housing

Mayor Serratto and Council,

The public discussion of affordable housing has been raised by City of Merced Council and staff several times over the last year. However, there has been little definition as to what concept of policy is to be proposed. As we understand it currently, the inclusionary zoning (IZ) is for the new home builder to build and sell a new home at an affordable housing price point, with proposed subsidy pay by the home builder. There are many challenges to this proposed option, and as I'm sure Council is aware, there are very few locations within California, even locations with higher incomes and home pricing that this model has been implemented. The vast majority of California incomes and prices do not allow for this affordable housing policy to work.

The building industry is in an environment that the cost of home production is challenging with continued significant rising of prices of goods and supplies across the construction industry, and in order to sell a home at an affordable housing price point for IZ, this would require a subsidy on every unit. And if the cost of the subsidy exceeds the home builders project proforma, this may cause for the builder to simply not continue to build.

We ask that any IZ policy proposed be carefully reviewed, and perhaps considerations of other government housing agencies become involved to aid in the subsidy of what may be proposed for affordable housing, and not lean entirely to home builders to achieve elements of affordable housing.

Thank you for your time and attention to this subject matter.

Best Regards,

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