



BUILDING INDUSTRY OF SOUTHERN CALIFORNIA, INC. ORANGE COUNTY CHAPTER

October 26, 2026

Chair Kevin Rice
County of Orange Planning Commission
400 W. Civic Center Dr,
Santa Ana, California 92701

Re: Concerns Regarding Proposed Zoning Code Amendment CA 26-02 (Inclusionary Housing Ordinance)

Dear Chair Rice and Members of the Planning Commission:

On behalf of the Building Industry Association of Southern California, representing thousands of homebuilders and trade partners across the region, we respectfully write to express our concerns regarding Agenda Item 3, authorizing staff to initiate Zoning Code Amendment CA 26-02 (Inclusionary Housing Ordinance), set to be heard at the October 28th, 2026 Planning Commission Meeting.

While the goal of expanding access to affordable housing is both important and widely shared, inclusionary zoning risks undermining that goal by increasing the cost of development, discouraging new housing construction, and ultimately increasing the cost of housing. Although Inclusionary Housing is intended to create affordable housing, its costs do not disappear. Instead, they become part of the economics of building new housing. When developers are required to provide below-market units without sufficient offsets, some projects become financially infeasible, resulting in fewer homes being built, or increased costs for the residential units that are constructed, only exacerbating the state's housing and affordability crisis.

A 2026 study from the University of California, Irvine examined all cities and counties in California and provides compelling evidence of this concern. The study estimates that a typical inclusionary zoning policy reduces annual residential construction by 31.8 percent. This is a substantial reduction in new housing production at a time when California communities need more homes, not fewer. Furthermore, for every 1-percentage-point increase in the "implicit tax on rents" created by inclusionary policies, new housing construction falls by about 7.6%. This illustrated that an inclusionary zoning policy will significantly impact development in the County, and only exacerbate the state's housing crisis.

Increasing the cost of housing with yet another tax does not make housing more affordable, especially with home prices increasing 97.6% over the past decade. County wide, only 16% of households can afford the median-priced home, and only 23% of first-time buyers can afford an entry-level home. Residential building permits fell 28% in 2025 to fewer than 5,000—the lowest level since 2011. Adding additional costs will only exacerbate that decline.

Affordable housing is too important a public concern to pursue policies solely because their intentions are appealing. The Commission should prioritize approaches that increase the overall

supply of housing, direct resources toward households most in need, and deliver affordable units as cost-effectively as possible.

For these reasons, the BIA respectfully urges the Planning Commission to reject the pursuit of a mandatory inclusionary zoning ordinance and instead focus on policies that expand housing opportunities without suppressing new construction or increasing costs for the wider community.

Thank you for your thoughtful consideration. We look forward to working collaboratively with the County on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ana Gromis', with a stylized flourish extending from the end.

Ana Gromis
Vice President of Government Affairs
BIASC