



January 12, 2026

Rocklin City Council
3970 Rocklin Road
Rocklin, CA 95677

**RE: Item PH1 – Inclusionary Housing In-Lieu Fee
Consolidated Meeting Agenda, January 13, 2026**

Dear Members of the City Council,

On behalf of the California Apartment Association (CAA), which represents nearly 4,000 rental units in Rocklin across seventy-seven different rental properties, we respectfully oppose the City of Rocklin's proposed increase of the inclusionary zoning in-lieu fee to \$10 per square foot.

California is facing an unprecedented housing shortage, and Rocklin is not immune to the economic realities affecting new housing production. Any policy change that increases development costs risks further constraining the supply of multifamily housing. A \$10 per square foot in-lieu fee represents a significant new cost burden that will directly impact project feasibility, particularly at a time when construction costs, financing rates, insurance, and labor expenses are already at historic highs.

The City of Sacramento recently declined to adopt a similar increase after conducting a feasibility analysis that concluded a \$10 in-lieu fee would render new multifamily housing projects "infeasible". Sacramento's analysis should remind Rocklin: when fees exceed what projects can absorb, housing does not get built. The result is fewer homes, higher rents, and less progress toward affordability goals.

In-lieu fees are intended to balance the production of market-rate and affordable housing, not to halt development altogether. If new projects are unable to move forward, the city will see neither new housing units nor in-lieu fee revenue. This outcome would undermine Rocklin's housing element objectives and exacerbate housing scarcity for residents across all income levels.

CAA urges the City of Rocklin to proceed with caution and to rely on a robust, up-to-date economic feasibility analysis before considering any increase of this magnitude. Policies that ignore market realities ultimately delay or prevent housing production and work against the shared goal of creating more inclusive and attainable communities.

We appreciate the City's efforts to address housing needs. We stand ready help identify responsible solutions that expand housing supply without making new development economically unviable.

Sincerely,

Matt McDonald
Vice President, Local Public Affairs