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Lennar's charitable fund raising opposed

Irvine Planning Commissioner Adam Probolsky plans to ban the homebuilder from charging a fee on current and future home sales to support programs to help the homeless, the commissioner says.

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Irvine Planning Commissioner Adam Probolsky says he will move Thursday to ban **Lennar Corp.** from imposing a fee on current and future sales of Great Park homes to support the Lennar Charitable Housing Foundation, a non-profit group that funnels money to homeless programs.

Probolsky said he is basing his motion on state Sen. Lou Correa's failed bill that sought to ban "private transfer fees" like the one Lennar uses to support its charity.

"I'm very specific about who I give to when it comes to charities," Probolsky, a prominent Republican pollster, said today. "It takes away my ability to choose which charities I want to support."

A private transfer fee is a provision that requires that a percentage of the sale price of a property be paid into a designated fund every time it sells.

Lennar, which bought the former El Toro Marine base, began imposing private transfer fees on homes it sells in 2001, requiring that buyers pay a twentieth of a percent of the sales price of a home to its non-profit foundation.

That amounts to a fee of \$500 for the sale of a \$1 million home, with a new fee being charged every time the home is resold. Lennar officials said the fee is being used to create a perpetual source of revenue for charity without dipping into other sources such as private donations and government grants.

Jeff Roos, Lennar's Southwestern U.S. regional president, estimates the practice has raised nearly \$6 million for the charity so far. The Lennar Charitable Housing Foundation funnels money to HomeAid America, Habitat for Humanity and at least three dozen other charities.

"We do it to benefit the community," Roos said.

Roos said that so far 22,000 homes have sold in the state with the fee requirement, and the builder plans to enroll about 14,000 more homes in the program. Lennar also is preparing to expand the program to its homebuilding projects in Nevada and Arizona, he said.

Probolsky said he plans to introduce his restriction on homes at the former El Toro Marine base – site of the future Orange County Great Park – on Thursday, when the Irvine Planning Commission meets to review a preliminary map for proposed housing and commercial development projects around the park.

Correa, a Santa Ana Democrat, proposed this year to ban the practice of imposing private transfer fees in California. The bill died in committee after builders, environmentalists and affordable housing advocates overwhelmingly opposed it.

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