



Attachment 4

INCLUSIONARY HOUSING RECOMMENDATIONS

MAY 23, 2022 HOUSING & HOMELESSNESS COMMITTEE

1. Inclusionary Requirement – initiate program at a place where our market can bear and then make changes over time

Development Type	% of Units	Affordability Level
Multifamily	10%	Low-income - 70% of Area Median Income (AMI)
High-Density Single Family (e.g., Townhome)	10%	Low-income - 70% of AMI
Low-Density Single-Family	5%	Moderate-income - 110% of AMI

2. Exemptions to Inclusionary Housing Requirement
 - a. Residential projects with fewer than three units
 - b. Residential projects that have submitted a **complete** application
3. Affordability Term
 - a. Rental units: 55 years
 - b. For-sale units: 45 years, equity share provision if properties are sold to a non-income eligible homebuyer
 - c. 99-year lease on Housing Authority-owned properties
4. Size of Affordable Housing Units
 - a. Multifamily rental projects: Require on-site or off-site affordable units to reflect the mix of market-rate units (e.g., same proportion of one- bedrooms, two-bedrooms, etc.)
 - b. Net leasable areas of at least 90 percent of the average size of the market-rate units of similar bedroom counts (up to 10% smaller in size than market rate units)
5. Off-Site Affordable Housing Units
 - a. Allow developers to meet their inclusionary housing requirement by providing affordable housing units off-site.
 - b. Require that the number of off- site affordable housing units be equivalent to a higher proportion of the market-rate units than if the inclusionary requirement is met on-site.
 - i. Must be built within the Ward - 15% of the units
 - ii. Overconcentration and development of off-site affordable units - Staff is developing definition for overconcentration that will require City Council approval
6. In-Lieu Fee
 - a. Any fee requires direction and approval by City Council
 - b. Allow payment of an in-lieu fee for all or a portion of the inclusionary housing requirement
 - c. In-lieu fees based on the percentage of affordable units required if the inclusionary units were provided outside the boundaries
 - d. Also required for any fractional units required for multifamily and townhome projects
7. Next Steps:
 - a. Planning Commission: August 2022
 - b. City Council: September 2022