Attachment 4

CITY OF RIVERSIDE

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