Attachment 9

CITY OF RIVERSIDE

Inclusionary Housing Policy and Ordinance FAQs

What is Inclusionary Housing?

Inclusionary housing is a policy that requires a prescribed portion of the homes in any new residential projects (such as apartment buildings or housing subdivisions) be rented or sold at a price that is affordable to households and families earning specific income.

Why is an Inclusionary Housing Policy needed?

An inclusionary housing policy helps increase the number of affordable homes throughout the City. Increasing the number of affordable homes will promote equity in the City by providing opportunities for families of all income levels to be able to afford to live in Riverside. Inclusionary housing is just one of several tools available to cities to promote and support the development of more affordable homes.

Are there any exemptions to the Policy?

Yes. Residential development projects resulting in the construction of one (1) or two (2) housing units and residential subdivisions resulting in two (2) lots.

What does affordable housing mean?

Generally, affordable means that a household will not spend more than 30% of their gross income on monthly housing costs including rents, utilities and other fixed costs. For example, a household with an income of $60,000 should spend no more than $20,000 per year for housing costs (or $1,667/month).

What are affordable rents or sale prices?

Affordable rents and sale prices are calculated based on different categories of household income as defined by the State and Federal governments. The categories include Very Low Income, Low Income, and Moderate Income, which refer certain percentages of the Area Median Income (AMI) for households in each county, updated annually.

Is there a minimum term of affordability for the Inclusionary Housing units?

The affordability Term varies based on the type of unit. For example:

- Rental units: 55 years
- For-sale units: 45 years, repayment if sold to non-income eligible homebuyer
- 99-year lease on Housing Authority-owned properties

What percentage of new housing project units must be available as affordable units?

This varies depending if the units are for rent or for sale and if they are built on- or off-site.

For on-site:

- For-sale single family developments - **5% of units** affordable to Moderate-Income households
- For-sale townhome and condominium developments - **10% of units** affordable to Low-Income households
- Rental developments - **10% of units** affordable to Low-Income households

For off-site, the percentage is increased as follows:

- For-sale single family developments - **8% of units** affordable to Moderate-Income households
- For-sale townhome and condominium developments - **15% of units** affordable to Low-Income households
- Rental developments - **15% of units** affordable to Low-Income households

Where will off-site units be built?

Any units not built on-site must be built within the Ward at the higher off-site percentage.

Are there alternatives to providing the Inclusionary Housing Units?

An in-lieu fee that can be paid if the units are not built is included in the Inclusionary Housing Policy and Ordinance. The fee would be paid for all or a portion of the inclusionary housing requirements. The In-lieu fees are based on the percentage of affordable units required if the inclusionary units were provided outside the boundaries (a higher percentage than if they were built). The in-lieu fee would also be required for any fractional units required for multifamily and townhome projects.

Where can I get more information or share comments on the Inclusionary Housing Ordinance?

You can contact the City of Riverside Housing Authority: (951) 826-5649 (Housing@RiversideCA.gov).

You may also contact the City Planning Division: (951) 826-5800 (CDDINFO@riversideca.gov).