

**Attachment I – BEST PRACTICES SUMMARY
TABLE**

Best Practice Research

As part of developing the Draft Ordinance and the Ordinance Components, staff conducted a best practice analysis to evaluate the implementation of inclusionary housing programs by other jurisdictions and a literature review to better understand how inclusionary housing programs can be developed and implemented. In addition, staff conducted meetings with staff from other jurisdictions and professionals to discuss the challenges and opportunities associated with developing and implementing inclusionary housing policies.

Currently, 11 of the 18 jurisdictions within the region have mandatory inclusionary housing programs in place. Sixty-six percent of the region's population reside within cities with mandatory inclusionary housing requirements. When considering the RHNA distribution in the region, the jurisdictions with a mandatory inclusionary housing program account for 79% of the regional RHNA allocation. Based on best practices research, factors typically associated with successful inclusionary housing programs include a strong housing market, flexible alternative compliance options, incentives to facilitate project feasibility, and clear guidelines.

Staff reviewed all inclusionary housing programs implemented by jurisdictions in the region, including ordinances from the cities of Carlsbad, Chula Vista, Coronado, Del Mar, Encinitas, Oceanside, Poway, San Diego, San Marcos, Solana Beach, and Vista. In addition, staff reviewed programs from other jurisdictions throughout the state, including the cities of Long Beach, Pasadena, Pismo Beach, and San Jose, and the counties of San Luis Obispo, Los Angeles, Santa Barbara, and Santa Clara.

Table 1: Inclusionary Housing Best Practice Summary

	Carlsbad
Established or updated	Adopted: 2000 Updated: 2020
Base Requirement	All residential development projects that result in the construction of new units
Geographic Application	Citywide
Minimum Set-aside	15% for lower-income
Afford. Period	55 years
Alternative Compliance: Offsite	Alternate site must better serve the goals of the ordinance and Housing Element. Project must provide the required set-aside.
Alternative Compliance: Fee	Only development of less than 7 units qualifies for an in-lieu fee.
Alternative Compliance: Other	Contribution to a special needs housing (shelter, transitional housing, etc.) Acquisition and rehabilitation of affordable housing units. Conversion of existing market-rate to affordable housing. ADUs (no more than 15 units per project)
Incentives	Offsets may be provided to projects that include a preferable product type or affordability in excess of what required

	Chula Vista
Established or updated	Adopted: 2012 Updated: 2015
Base Requirement	All residential development of 50 units or more
Geographic Application	Set-aside requirement may be waived in low/ moderate income areas
Minimum Set-aside	5% for lower-income and 5% for moderate-income
Afford. Period	30 years
Alternative Compliance: Offsite	Not allowed within areas of low and moderate-income concentration
Alternative Compliance: Fee	In-lieu fee available for all projects
Alternative Compliance: Other	Rehabilitation of units. Transfer of affordable housing credits to another developer. Contribution to a special needs housing (shelter, transitional housing, etc.). Must be outside areas with low/moderate income concentration.
Incentives	Developer can request incentives and concessions

	Coronado
Established or updated	
Base Requirement	Residential developments with 2 or more units

Geographic Application	Citywide
Minimum Set-aside	20% of units to lower income rental
Afford. Period	Determined by director
Alternative Compliance: Offsite	Allows offsite
Alternative Compliance: Fee	In-lieu fee is available for all projects. \$7,000 per market-rate dwelling unit.
Alternative Compliance: Other	N/A
Incentives	N/A

	Del Mar
Established or updated	May 20, 2013
Base Requirement	Conversion of an existing dwelling to a condominium. Subdivision to create new lots. Creation of new condominiums.
Geographic Application	Citywide
Minimum Set-aside	Conversion of 3+ rental units into condos: 2/3 (67%) of total # of converted units. 1 of every 10 new SFR lot
Afford. Period	55 years
Alternative Compliance: Offsite	Allows offsite
Alternative Compliance: Fee	Duplex: \$23,508/ unit. New construction of SFR: option to pay in-lieu Housing Mitigation Fee for the lot that would be reserved for affordable housing (\$23,508/ unit)
Alternative Compliance: Other	In-lieu fee. Offsite development.
Incentives	N/A

	Encinitas
Established or updated	October 13, 2021
Base Requirement	Residential project of 7 or more: provide affordable housing. Residential project up to 6: Pay in-lieu fee or provide affordable ADU
Geographic Application	Citywide
Minimum Set-aside	Ownership & Rental: 20% low or 15% very low
Afford. Period	Perpetuity
Alternative Compliance: Offsite	Must demonstrate non-feasibility or that development is better served off-site
Alternative Compliance: Fee	Amount periodically established based on affordability gap analysis
Alternative Compliance: Other	Developer may instead provide required number of units as ADUs. Preservation or conversion of existing affordable units at risk of loss. Land dedication. Obtaining other developers' excess credits. Alternative proposals not listed
Incentives	Density bonuses. City Assistance in the sale or rental. Financial assistance if developer provides more affordable housing or lower-income than required.

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	Oceanside
Established or updated	Adopted 1991
Base Requirement	Residential project of 3 or more units
Geographic Application	Citywide
Minimum Set-aside	For Sale: 10% low or moderate income. For Rent: 10% low-income
Afford. Period	55 years
Alternative Compliance: Offsite	Must demonstrate that on-site development is not feasible. Units may be provided as rental sites within other areas of the city excluding low-income census tracts
Alternative Compliance: Fee	Available to projects must conform to the base density allowance for the applicable zone. Projects that exceed the base density allowance for the applicable zone and involve ten (10) or more units at base density, units achieved above the base density allowance shall be subject to a fee in-lieu of reservation
Alternative Compliance: Other	Joint venture off-site: must demonstrate non-feasibility of compliance and therefore can be allowed to provide off-site reserved units for multiple applicants
Incentives	N/A

	Poway
Established or updated	Feb. 6, 2018
Base Requirement	New residential development
Geographic Application	Citywide
Minimum Set-aside	15% very-low if rental. 15% to low-income households, or 20% to moderate-income if ownership.
Afford. Period	New rental residential: at least 55 years. New ownership residential: at least 45 years
Alternative Compliance: Offsite	Allowed
Alternative Compliance: Fee	In-lieu fee available
Alternative Compliance: Other	N/A
Incentives	Density bonus and concessions. Federal and State subsidies; City will provide assistance. City to exercise discretionary power to facilitate economic feasibility

	San Diego
Established or updated	8/10/2022
Base Requirement	Regular Housing Project outside coastal zone: 10 or more units. Regular Housing Project within coastal zone: 5 or more units. Condominium Conversion: 2 or more units
Geographic Application	Excludes North City Future Urbanizing Area

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Minimum Set-aside	Rental: Requires 10% of the of the units to lower income (60% of the AMI). For Sale: Option 1: 10% of the units to median income households; or Options 2: 15% of the units to moderate income households.
Afford. Period	55 years
Alternative Compliance: Offsite	Must be same CPA or within 1 mile, or provide additional 5% affordable housing
Alternative Compliance: Fee	July 1, 2020 June 30, 2021: \$15.18/square foot. July 1, 2021 – June 30, 2022: \$17.64/square foot. July 1, 2022 – June 30, 2023: \$20.09/square foot. July 1, 2023 – June 30, 2024: \$22.55/square foot. July 1, 2024: \$25.00/square foot.
Alternative Compliance: Other	Rehabilitation of existing units. Land dedication
Incentives	Density Bonus incentives if project meets Density Bonus threshold. Affordable units exempt from development impact fee. Variance.

	San Marcos
Established or updated	10/17/2018
Base Requirement	All residential projects of one or more units, including rental units, condominium or cooperative conversions, for-sale market-rate dwelling units, and development plan approvals for previously approved residential projects
Geographic Application	Citywide
Minimum Set-aside	<u>For-sale single family units:</u> any project of one or more units is required to pay an in-lieu fee. Rental units: For projects more than 6 units, 15% must be reserved for target households. Projects of 6 or less units required to pay an in-lieu fee. Condominiums and Cooperative conversions: any project required to reserve 15% for target households or pay an in-lieu fee.
Afford. Period	55 years
Alternative Compliance: Offsite	May be provided as “for sale” or rental unit at another site within the city (City Council will determine location). Additional units beyond the required construction can be used as a credit for another applicant
Alternative Compliance: Fee	In-lieu fee established periodically by City Council
Alternative Compliance: Other	N/A
Incentives	City may waive or modify development standards to streamline application process. Applicants may receive additional credits for specific unit types

	Solana Beach
Established or updated	
Base Requirement	Residential: 5 or more dwelling units or five or more lots for sale for residential purposes

Geographic Application	Citywide
Minimum Set-aside	Residential: 15% of all units or lots for sale to very low or low income
Afford. Period	99 years
Alternative Compliance: Offsite	Construct an affordable housing development on another property within the city. Preserve existing affordable units at risk of loss. Convert market-rate units to affordable units. Acquire and place deed restrictions upon existing housing units within the city constricted without building permits for very-low or low-income households
Alternative Compliance: Fee	As an alternative to the construction of affordable units on-site, a developer may propose to pay affordable housing impact fees adopted by city council resolution to mitigate the residential project's impact on the need for affordable housing in the city
Alternative Compliance: Other	A developer of a for-sale residential project may propose to provide rental affordable units rather than for-sale affordable units
Incentives	Nothing in this chapter establishes a right to receive any additional incentive from the city, but the city council at its sole discretion may discount city fees, expedite the application process, or provide other assistance when it finds that provision of such assistance is needed to meet housing needs identified in the housing element which otherwise would not be met through the implementation of this chapter

	Santa Barbara
Established or updated	23-Jul-19
Base Requirement	Development of five or more net new primary housing units; and/or Subdivisions that would permit the eventual development of five or more net new primary housing units.
Geographic Application	City-wide program projects
Minimum Set-aside	Program projects with 10 or more units must provide at least 10% of the units onsite at rental rates. Program projects with 5-9 units must either build an affordable unit or pay in-lieu fee.
Afford. Period	N/A
Alternative Compliance: Offsite	N/A
Alternative Compliance: Fee	\$25/sq ft in-lieu fee for program projects with 5-9 units that do not build an affordable unit
Alternative Compliance: Other	Construction of Onsite Residential Second Units (RSU) for Workforce Household Income Category Inclusionary Housing Requirements
Incentives	Density bonus allows for additional units over the otherwise maximum allowable density authorized in the base zone district.

	San Luis Obispo County
Established or updated	Adopted in 1999, amended in 2004 and document from 2008

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Base Requirement	Development projects consisting of 5 or more lots/dwelling units. Commercial development projects consisting of 2,500 sq/ft floor area or larger
Geographic Application	Citywide. Divided into two categories: in city limits & in expansion area
Minimum Set-aside	All: must include at least one affordable unit regardless of set aside. Residential (city limits): 3% low or 5% moderate income. Residential (Expansion Area): 5% low and 10% moderate-income. Commercial (city limits): 2 affordable units per acre. Commercial (expansion area): Build 2 affordable units per acre
Afford. Period	30 years
Alternative Compliance: Offsite	An irrevocable offer to dedicate real property equal or greater in value to the in-lieu fee which would otherwise be required may be offered to the city, or to a housing provider designated by the city, instead of providing the required number of affordable dwellings or paying in-lieu fees
Alternative Compliance: Fee	Commercial and Residential: 5% of building valuation
Alternative Compliance: Other	Property dedication
Incentives	Any city development incentives upon discretion of the city

	City of San Luis Obispo
Established or updated	16-Aug-22
Base Requirement	All non-exempt residential development projects shall include inclusionary units as required
Geographic Application	City-wide
Minimum Set-aside	Residential Requirements for ownership Dwelling Units: 5% for low-income households and 5% for moderate-income households. Residential Requirements for Rental Dwelling Units: 3% for very low-income households and 3% for low-income households
Afford. Period	
Alternative Compliance: Offsite	N/A
Alternative Compliance: Fee	In-lieu fees shall be calculated using the new, habitable square footage, as defined by California Building Code, included within residential development project. All in-lieu fees collected shall be deposited into the Affordable Housing Fund
Alternative Compliance: Other	N/A
Incentives	

	Pismo Beach
Established or updated	Updated 2021
Base Requirement	Residential projects consisting of more than 4 lots / new dwelling units. New commercial projects consisting of at least 5000 sq ft of gross floor area. Residential & commercial building additions that increase the number of existing dwelling units by at least 5 units, or result in an increase in gross floor area of at least 5000 sq ft in commercial project

Geographic Application	N/A
Minimum Set-aside	N/A
Afford. Period	Prior to the issuance of a certificate of occupancy for the 1st unit in a building the first building in a complex to be constructed/ remodeled final map approval building permit issuance (for projects for which a certificate of occupancy is not issued)
Alternative Compliance: Offsite	May make an irrevocable offer to dedicate existing dwelling units located within 3 miles of the project (within city limits) or real property (within city limits) equal to / greater in value than applicable in-lieu fee
Alternative Compliance: Fee	For 5 or more residential units, provide fees equal to or more than 5% of building permit value for commercial building (at least 5000 sqft), provide fees equal to or more than 2% of building permit value, dedicate # of lots equal to 10% of land to city for future development of low/ moderate income housing
Alternative Compliance: Other	For each 10 residential units provide 1 affordable unit. For each 10 residential units, dedicate 1 used dwelling or real property equal to or more than the applicable in-lieu fee. for each 5000 sq ft of commercial area, provide 1 affordable unit. for each 5000 sq ft of commercial building, provide 1 used dwelling / real property equal to the value of/more than applicable fee
Incentives	density bonus if project consists of 5+ rental units, 20% total units are for lower income households, 10% are for very low income households, 50% are for senior citizens

	Los Angeles County
Established or updated	Dec-20
Base Requirement	All residential development of 5 or less units
Geographic Application	Varies per subareas
Minimum Set-aside	Rental projects with less than 15 units: 5% very-low, 7% low, or 10% moderate. Rental projects with 15 units or more: 10% very-low, 15% low, or 20% moderate. For-sale housing: range from 5%-20% of unit count depending on project size and submarket area at 135 AMI
Afford. Period	Rental: perpetuity. Sale: Agreement
Alternative Compliance: Offsite	Only within high, highest, and moderate resource areas. Within 1/4 mile of principal project. Within 2 miles from proposed project within an area of displacement. Development as part of a community land trust.
Alternative Compliance: Fee	
Alternative Compliance: Other	
Incentives	density bonus, 1 incentive and 1 waiver or reduction of a development standard

	City of Vista
Established or updated	April, 2022

Base Requirement	20 or more residential dwelling units
Geographic Application	R-M Residential zone. M-U Mixed Use Zone
Minimum Set-aside	9% (4% moderate, 5% low)
Afford. Period	55 years
Alternative Compliance: Offsite	N/A
Alternative Compliance: Fee	Fee to be decided at a later date (not currently in the zoning ordinance as of 1/10/23)
Alternative Compliance: Other	N/A
Incentives	None

	City of San Jose
Established or updated	Est. Jan 2010, Updated 2021
Base Requirement	10 or more units
Geographic Application	Citywide
Minimum Set-aside	For Sale, 15% Moderate. For Rent, 5% Moderate, 5% Low, and 5% Very Low OR 10% Extremely Low
Afford. Period	55 years
Alternative Compliance: Offsite	Rehabilitation of units. Purchase and sale of inclusionary housing credits. Land Dedication. In Lieu fee
Alternative Compliance: Fee	For sale: The difference between the average affordable and market rate unit. For rent: Up to \$23 per square foot by 2025
Alternative Compliance: Other	Affordable housing credits
Incentives	No additional incentives

	City of San Francisco
Established or updated	18-Jul-17
Base Requirement	10 or more units. Different requirements for projects of 25 or more units.
Geographic Application	Citywide
Minimum Set-aside	For 10 – 24 units: 12% Very Low (rent) or 12% Low (sale). For 25+ units: For rent: 10% very low, 4% low, 4% mod, For sale: 10% low, 5% moderate, 5% above moderate
Afford. Period	55 years
Alternative Compliance: Offsite	Land Dedication. In Lieu Fee
Alternative Compliance: Fee	\$199.50 per square foot. For less than 25 units: 20% gross floor area. For >25 unit For Rent: 30% gross floor area For Sale: 33% gross floor area
Alternative Compliance: Other	N/A
Incentives	N/A

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	City of Oakland
Established or updated	Jul-16
Base Requirement	All housing projects
Geographic Application	All areas of the city. Different fee zones.
Minimum Set-aside	5% VL OR 10% Low OR 10% Moderate
Afford. Period	55 Years
Alternative Compliance: Offsite	Fee Waiver (In-Lieu)
Alternative Compliance: Fee	\$9,700 - \$27,900 depending on the area and housing type
Alternative Compliance: Other	N/A
Incentives	N/A

	City of Sacramento
Established or updated	Est. 2000. Updated 2015
Base Requirement	All housing projects except mobile homes and ADUs
Geographic Application	Citywide with certain incentive zones
Minimum Set-aside	10% low
Afford. Period	30 years
Alternative Compliance: Offsite	Housing Impact Fee (In Lieu)
Alternative Compliance: Fee	SFR and duplex Less than 20 DU/Acre: \$3.49/sq ft. MFR less than 40 DU/Acre: \$3.49/sq ft. Unit in Housing incentive zone: \$1.51/sq ft. Otherwise: \$0 / sq ft
Alternative Compliance: Other	N/A
Incentives	N/A

	City of West Sacramento
Established or updated	2009
Base Requirement	All projects
Geographic Application	All residential projects
Minimum Set-aside	For Rent:5% VL and 5% Low. For Sale: 10% Low
Afford. Period	55 Years (For Rent). 45 Years (For Sale)
Alternative Compliance: Offsite	Rehabilitation of units. Off site development. Preservation of At-risk units.
Alternative Compliance: Fee	\$7,551 per affordable unit
Alternative Compliance: Other	N/A
Incentives	Reduced Parking Requirements. Expedited Permitting. Waiver of or modification of certain development standards. Technical assistance. Financial incentives.

	City of Davis
Established or updated	Est. 1990
Base Requirement	5 or more units
Geographic Application	All areas
Minimum Set-aside	For rent, affordable = Low and Very Low. For Sale, Affordable = Moderate. For SFR on lots greater than 5,000 sq ft: 25% affordable. For SFR on lots less than 5,000 sq ft, 15% affordable. For SFR attached: 10% affordable For Condos: 5% affordable
Afford. Period	Permanent
Alternative Compliance: Offsite	Land Dedication. Rehabilitation of Units. In Lieu Fees
Alternative Compliance: Fee	\$75,000 per affordable unit
Alternative Compliance: Other	N/A
Incentives	N/A

Table 2: Alternative Compliance Summary Table

Jurisdiction	In Lieu Fee or Mitigation Fee	Offsite Development	Rehabilitation or Preservation of Units	Conversion of Market Rate to Affordable	Affordable Housing Credits	Land Donation	ADUs	Other
City of Carlsbad	x		x	x			x	x
City of Chula Vista	x		x		x			
City of Coronado	x	x						
City of Del Mar	x	x						
City of Encinitas	x	x	x		x	x	x	
City of Oceanside	x	x						
City of Poway	x	x						
City of San Diego	x	x	x			x		
City of San Marcos	x				x			
City of Solana Beach	x		x	x				
City of Santa Barbara	x							x
San Luis Obispo County	x					x		
City of San Luis Obispo	x							
City of Pismo Beach	x	x						
Los Angeles County								x
City of Vista	x							
City of San Jose	x		x		x	x		
City of San Francisco	x					x		
City of Oakland	x							
City of Sacramento	x							
City of West Sacramento	x	x	x					
City of Davis	x		x			x		
Total	21	8	8	2	4	6	2	3
Percent	95%	36%	36%	9%	18%	27%	9%	14%