



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

# Inclusionary Housing in California: Current Trends In Program Adoption and Production

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## Presentation Outline

- Report Background
- What is Happening in California
  - Number of Programs
  - Program Characteristics
- Production Data
- The Future

QuickTime™ and a  
TIFF (Uncompressed) decompressor  
are needed to see this picture.



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## Report Background

Update of 2003 Survey of  
California Jurisdictions.

Study Sponsors: NPH, CCRH,  
San Diego Housing  
Federation, Sacramento  
Housing Alliance.

Prepared By: Rick Jacobus  
and Maureen Hickey,  
Burlington Partners.

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[www.nonprophousing.org](http://www.nonprophousing.org)



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### HOW AFFORDABLE IS AFFORDABLE?

Housing is considered "affordable" when it represents no more than 30% of a household's total income. Regional housing affordability levels are set each year based on a formula that takes into account the kinds of salaries earned by local residents. The yardstick used to set affordability is the Area Median Income (AMI). Half of the area's residents make more than the AMI and half make less. Affordability is further broken down by percentage of AMI shown in the tables below along with some representative occupations.

JOB	Hourly Wage	Annual Wage	Max. Monthly Housing Cost	%AMI
<b>Moderate Income: (80%-120% AMI)</b>				
Physical Therapist	\$34.9	\$72,624	\$1,816	96%
Civil Engineer	\$34.7	\$72,221	\$1,806	96%
<b>Low Income: (50-80% AMI)</b>				
School Teacher	\$26.4	\$54,804	\$1,370	73%
Carpenter	\$23.6	\$49,085	\$1,227	65%
<b>Very Low Income: (30-50% AMI)</b>				
Child Care Worker	\$15.5	\$32,293	\$807	43%
Nursing Aide	\$13.8	\$28,792	\$720	38%
<b>Extremely low Income: (less than 30% AMI)</b>				
School Bus Driver	\$9.8	\$20,792	\$520	28%
Wait Staff	\$8.8	\$18,295	\$457	24%

Sources: National Housing Conference, Center for Housing Policy, 2006.



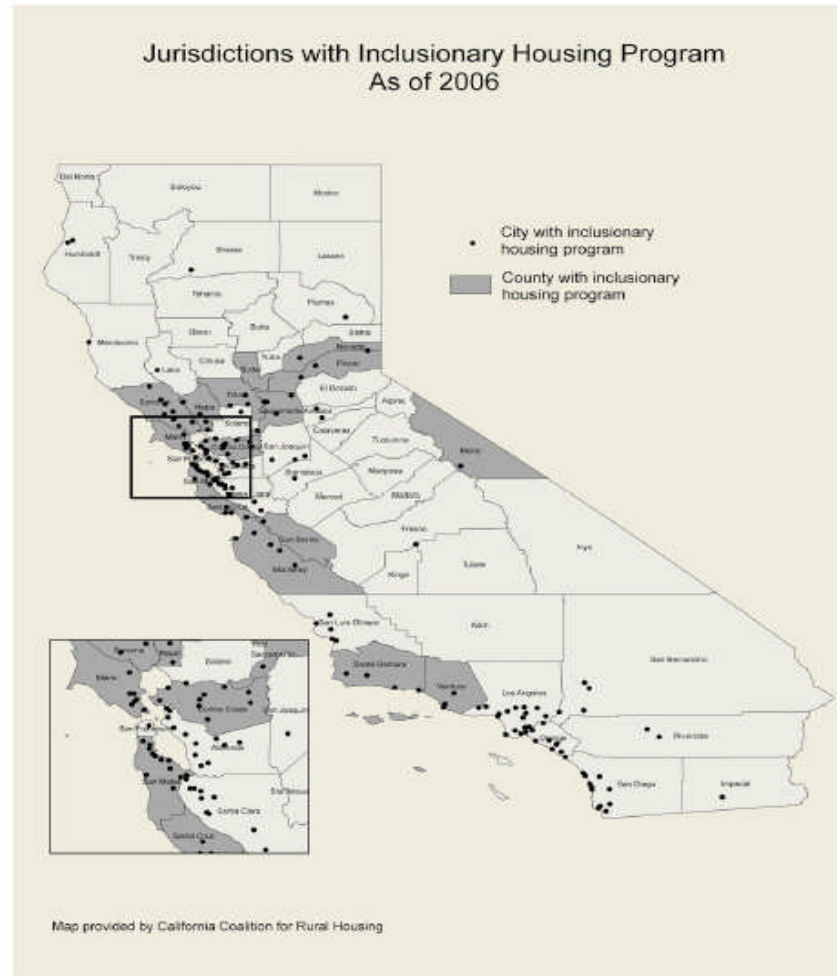
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## What is Happening in CA

-170 Jurisdictions Have  
Inclusionary Housing

-30% of All Jurisdictions  
in State

-Number Growing Since  
Late 1990s



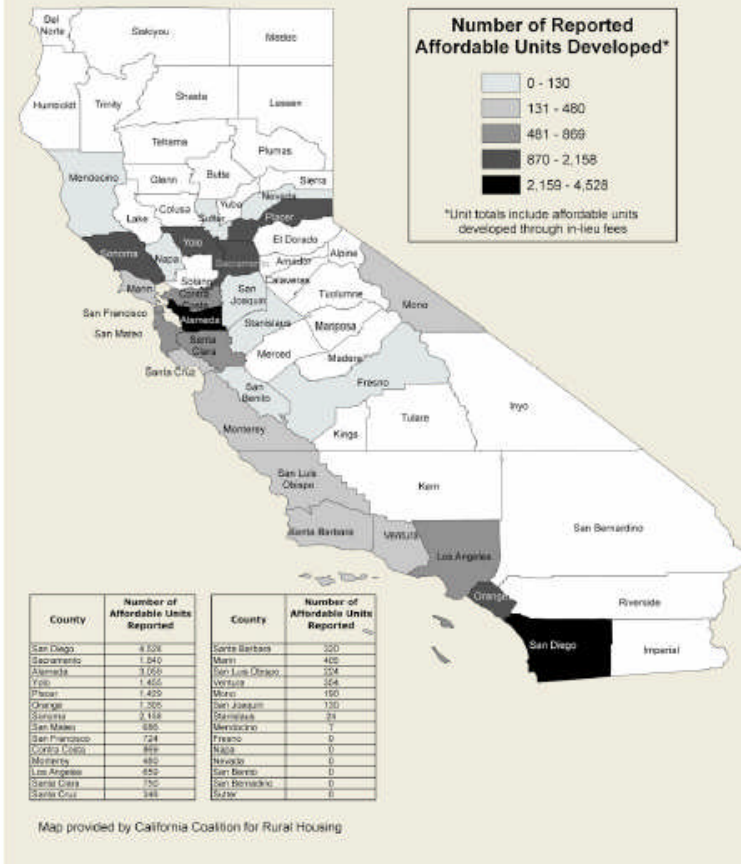


# New Affordable Housing Produced Through Inclusionary Housing

-30,000 Homes Since 1999

-San Diego, Sacramento and Bay Area Biggest Producers

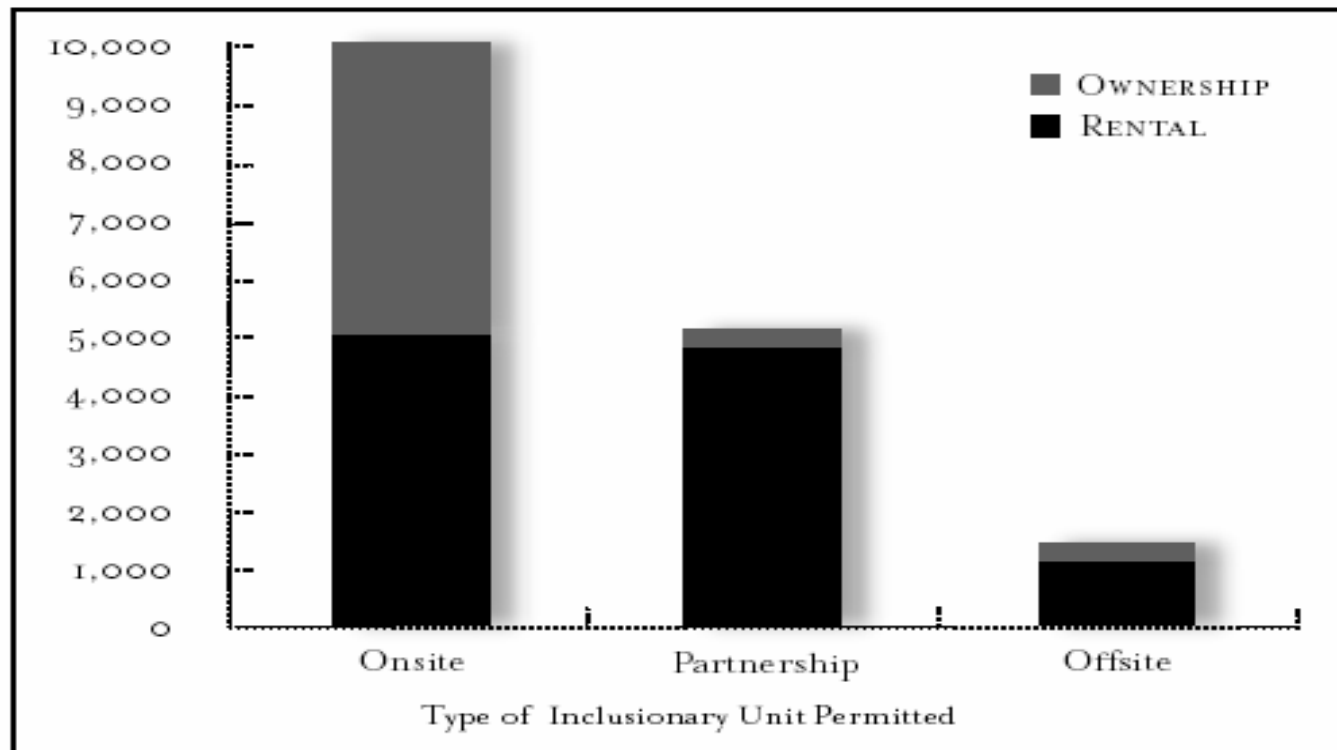
Reported Inclusionary Production by County for all Responding Jurisdictions





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### INCLUSIONARY DEVELOPMENT UNITS BY TYPE AND TENURE

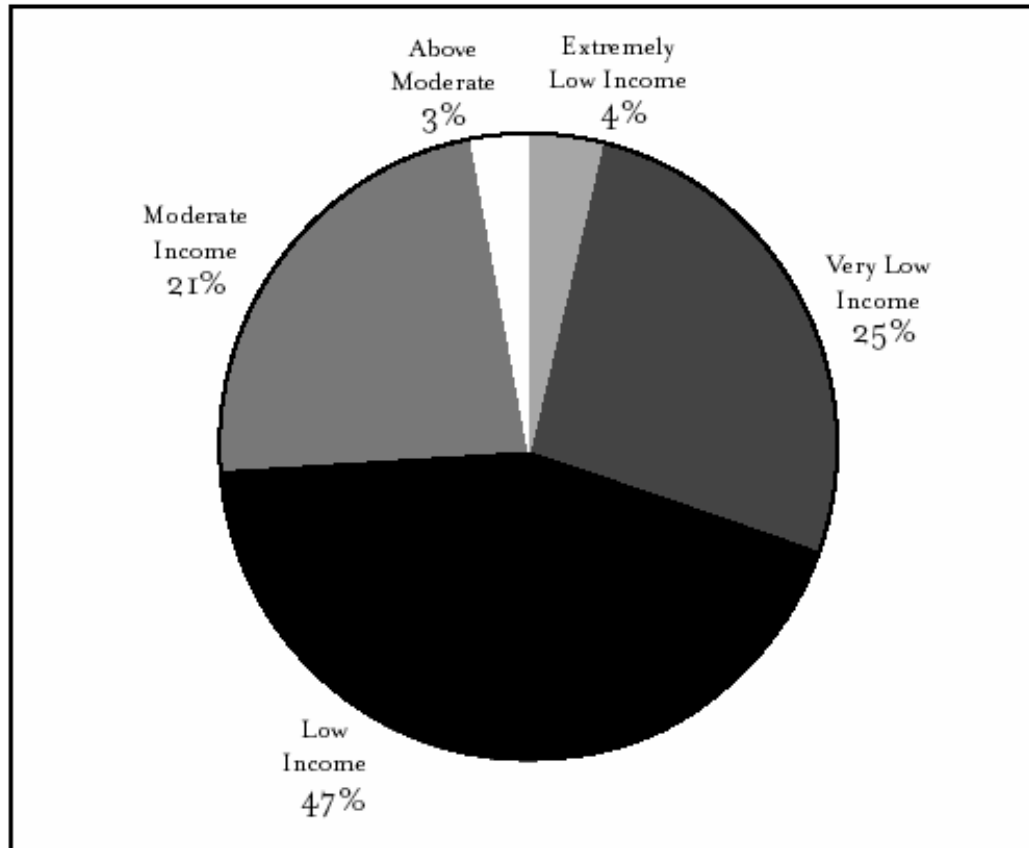


Of the affordable inclusionary units reported, the majority were developed on-site with the market-rate units. Nearly one-third were developed through partnerships, and only 10% of affordable units were built offsite.



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### INCLUSIONARY DEVELOPMENT UNITS BY INCOME TARGET



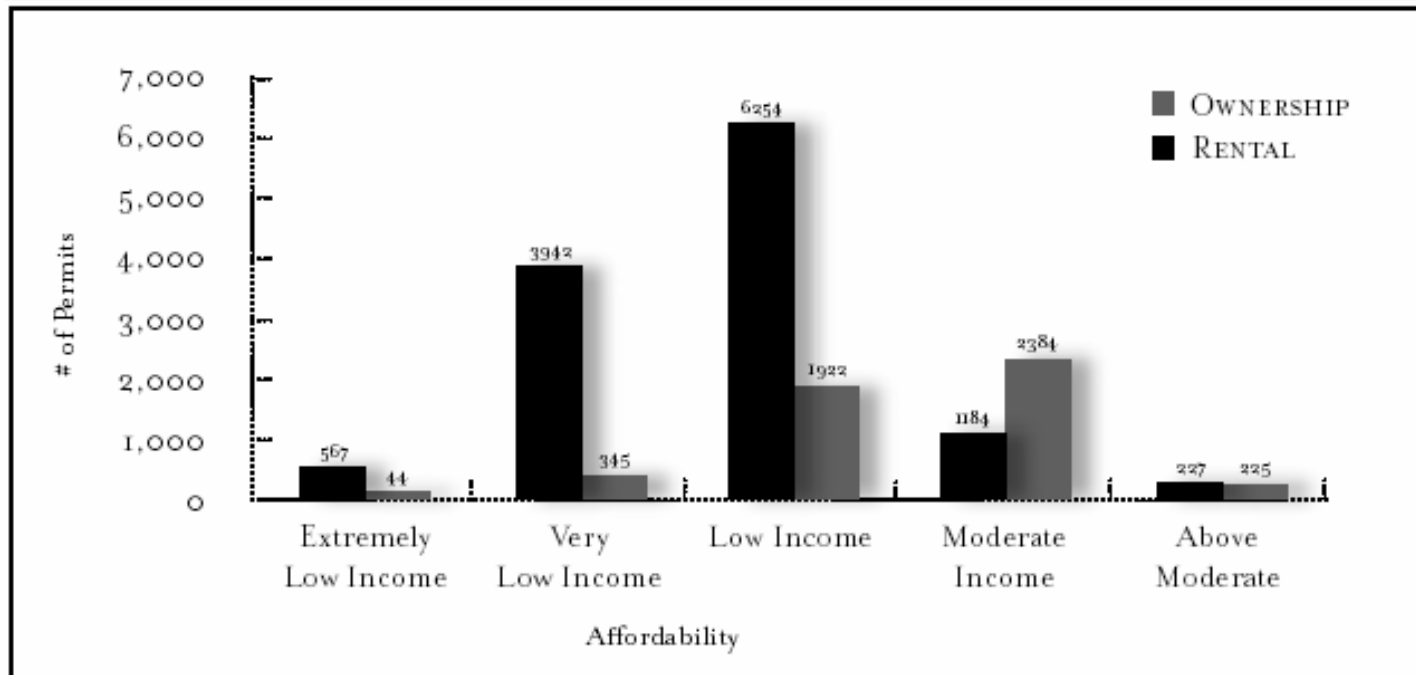
Nearly half of reported units are made affordable to low-income households earning 50-80% of Area Median Income.





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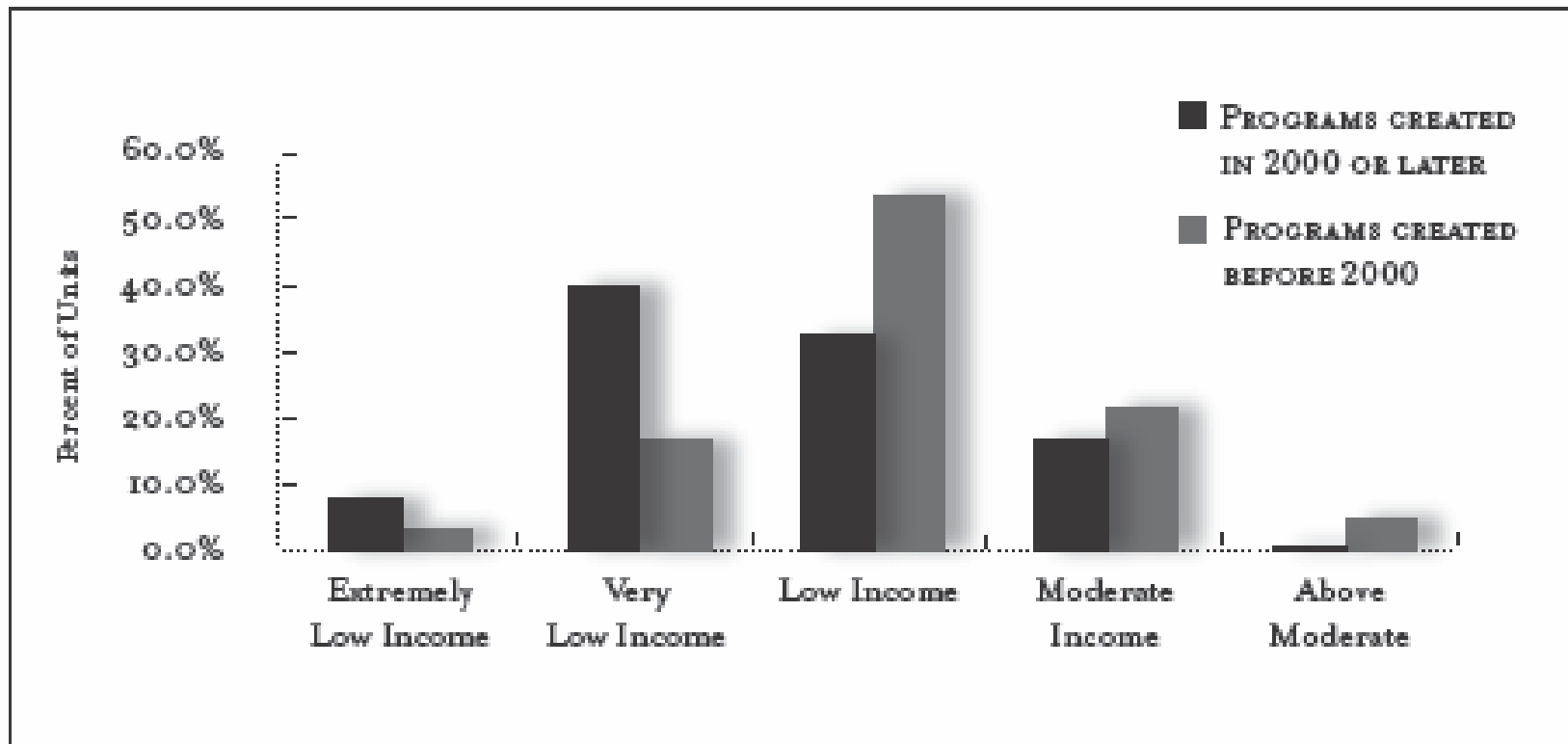
### DISTRIBUTION OF INCLUSIONARY DEVELOPMENT UNITS BY TENURE AND AFFORDABILITY



Distribution of Inclusionary Development Units by Tenure and Affordability Inclusionary rental units tend to serve low-income, or extremely-low income households, while inclusionary homeownership units more commonly serve moderate-income households.



### DISTRIBUTION OF UNITS BY INCOME LEVEL AND AGE OF INCLUSIONARY PROGRAM



Inclusionary programs adopted in 2000 and later appear to be producing a larger portion of their units for very-low-income and extremely-low-income households. Programs that were adopted prior to 2000 target the majority of units for low-income households.



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BASIC ELEMENTS OF INCLUSIONARY PROGRAMS IN HIGH PRODUCTION JURISDICTIONS

	Type of Program	Threshold Project Size	Affordability Requirement	Length of Affordability
Atascadero	Mandatory Ordinance	1 Unit	20%	30 Years
Carlsbad	Mandatory Ordinance	1 Unit	15%	30 Years for sale 55 Years rented
Davis	Mandatory Ordinance	5 Unit	25-25%	In perpetuity
Dublin	Mandatory Ordinance	20 Unit	13%	55 Years
Emeryville	Mandatory Ordinance	30 Unit	20%	45 Years for sale 55 Years rented
Petaluma	Mandatory Housing Element Policy	5 Unit	15%	30 Years
Pleasanton	Mandatory Ordinance	15 Unit	15-20%	In perpetuity
San Bruno	Mandatory Housing Element Policy	10 Unit	15%	30 Years



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### FLEXIBILITY AND INCENTIVES OF HIGH PRODUCTION INCLUSIONARY PROGRAMS

	Atascadero	Carlsbad	Davis	Dublin	Emeryville	Petaluma	Pleasanton	San Bruno
<b>ALTERNATIVES TO ON-SITE CONSTRUCTION</b>								
In Lieu Fees	√	√	√	√		√	√	√
Land Dedication	√		√	√		√	√	√
Credit Transfers		√		√	√		√	
Off-Site Construction	√	√	√		√		√	
Discretionary/Specialized Alternatives	√	√	√	√		√	√	
<b>DEVELOPER INCENTIVES</b>								
Local Subsidies		√	√	√	√	√	√	√
Fee Reduction, Deferral, or Waiver		√		√	√	√	√	√
Growth Control Exemption						√		
Design Flexibility		√		√			√	√
Fast Track Processing				√		√	√	
Density Bonus	√		√		√			√
Technical Assistance					√			



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## Representative Inclusionary Housing



Marin Lagoon (1990)

Mariners Circle, San Rafael  
224 total units  
originally 18 for sale units  
at moderate income (now 5 units)  
4 low income rentals



Redwood Village (2005)

Los Ranchitos, San Rafael  
113 total units  
26 (20%) affordable  
6 for sale units at 75% median income  
10 for sale units at 90% median income  
10 for sale units at 95% median income



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## Next Steps

- Full Report to Be Released Later this Month in Conjunction with New CCRH Database of Ordinances:  
[www.calruralhousing.org](http://www.calruralhousing.org)
- As more jurisdictions adopt ordinances, better and more systemic reporting of both production and in lieu fees will be necessary.