

Summary of Inclusionary Housing Program for the City of San Diego

Affordable Housing:

- 10 % of all new housing would be set aside as affordable housing at 65% AMI for rental units and at 100% AMI for for-sale units
- Within the Future Urbanizing Area and Masterplanned communities, current FUA regulations would remain in effect, with the modification that 20% of new housing be affordable at *an average* of 65% AMI.
- Inclusionary units could be provided on site or off site within the same community planning area.

In-Lieu Fee:

- A fee could be paid in lieu of providing affordable housing, at the developer's option. This fee would be phased in over a three year period as follows:
 - For Projects of 10 or more units
 - Year 1- \$1.00/SF
 - Year 2- \$1.75/SF
 - Year 3- \$2.50/SF
 - For Projects of less than 10 units
 - Year 1- \$.50/SF
 - Year 2- \$.875/SF
 - Year 3- \$1.25/SF

Other Provisions:

- Program requirements would apply to projects of more than two units.
- A wide range of developer incentives would be pursued. Processing time line commitments and expediting mechanisms would be in place at the time of implementation.
- Rents would be restricted for 55 years. Individual purchasers would be allowed to resell, with financial recapture provisions.
- The program would be subject to periodic evaluation.

It is estimated that this program would produce approximately 625-825 affordable units annually; 450-550 new affordable units plus 175-275 units anticipated in the Future Urban Area annually.