Inclusionary Housing

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- Requires new residential development to provide a proportion of units as affordable
- An Inclusionary Housing Ordinance is an identified program in City's recently-adopted Housing Element

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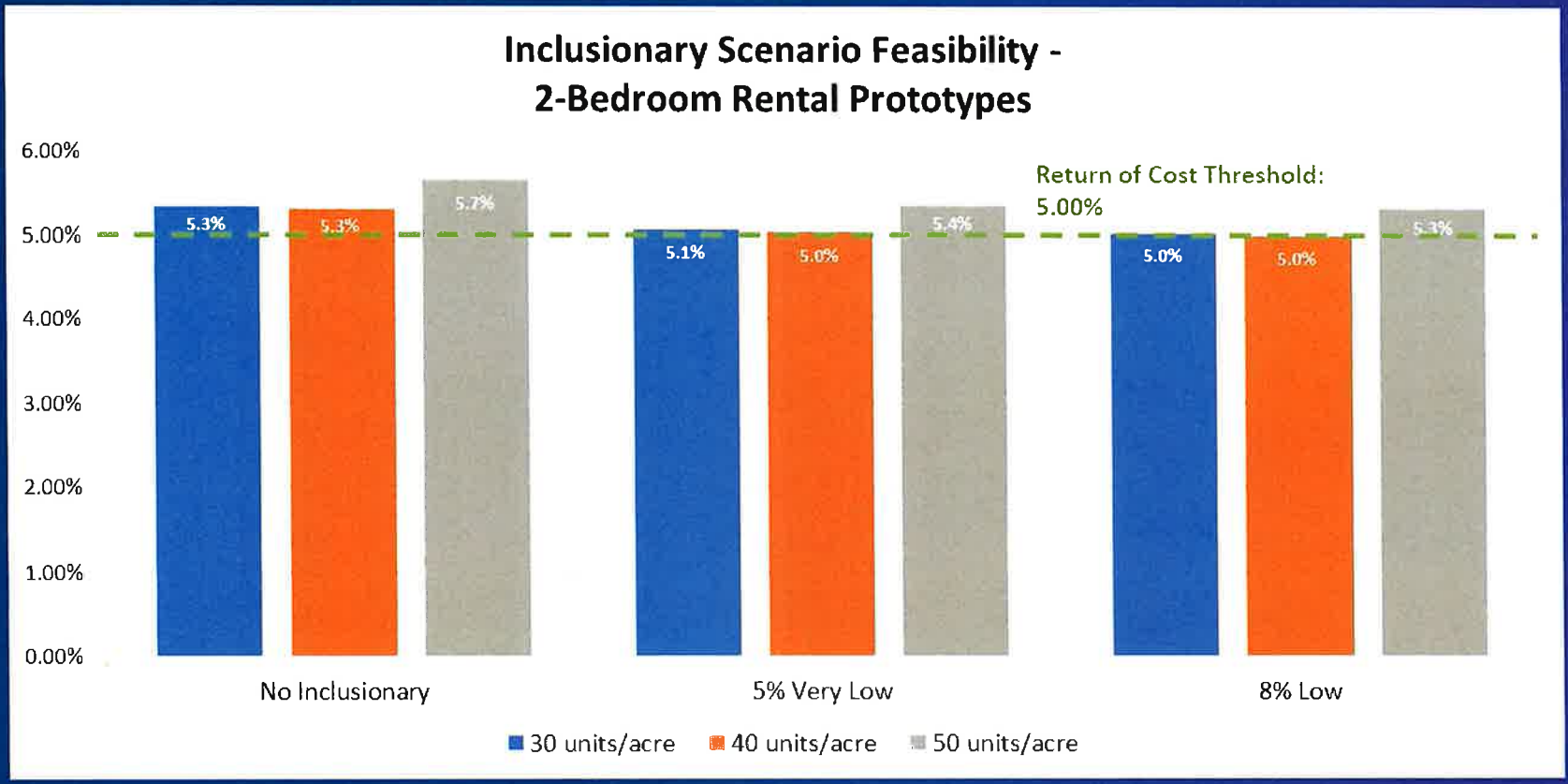
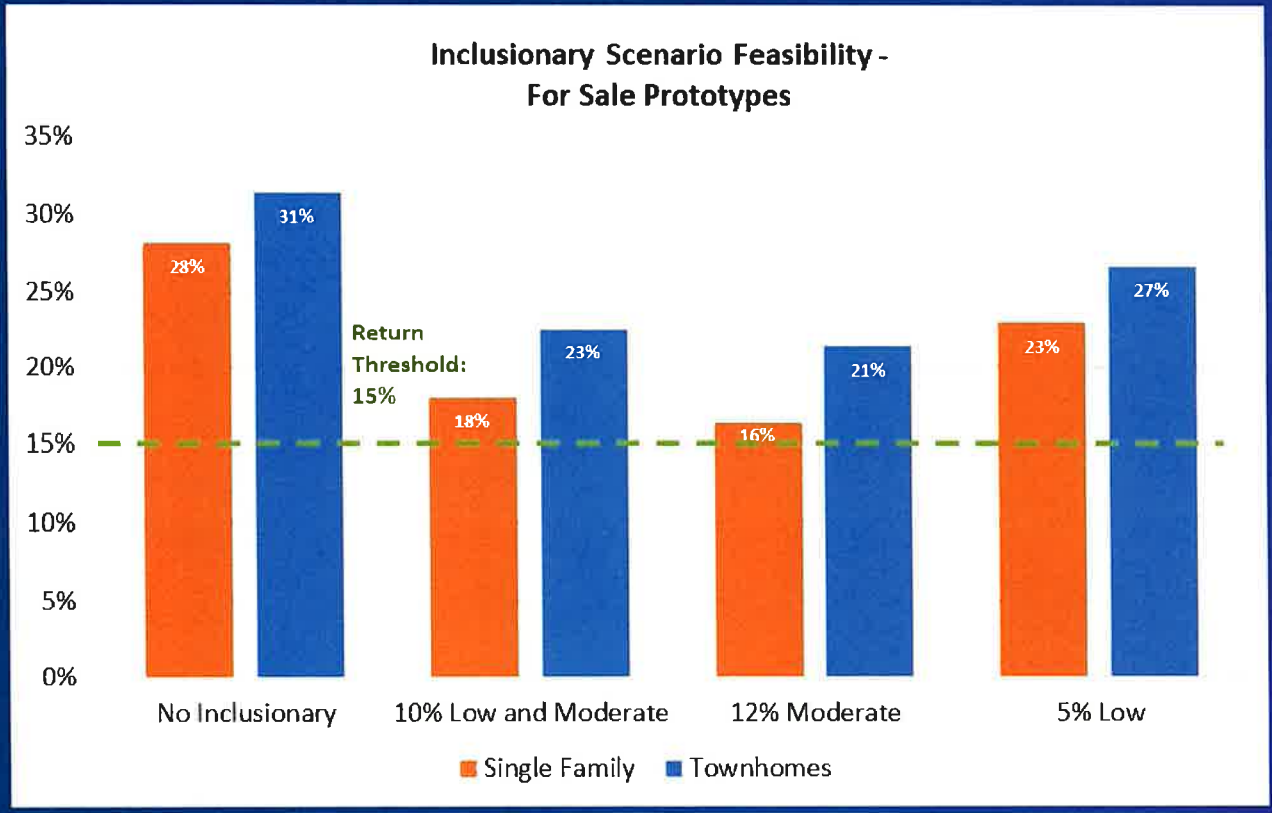
Preliminary Feasibility Findings

- An inclusionary housing feasibility
  - Single family and townhome units appear able to provide affordable units while still yielding an attractive return
  - Multifamily rental projects have some room to feasibly provide affordable units, particularly at higher densities

Example Analysis – Multifamily Rental



Example Analysis – For Sale Units



- Extremely Low Income: Allocate at least nine (9) percent of total dwelling units to extremely low-income households.
- Very Low Income: Allocate at least thirteen (13) percent of total dwelling units to very low-income households.
- Lower Income: Allocate at least seventeen (17) percent of total dwelling units to lower-income households.

Exemptions, Adjustments, and Alternative Compliance

The interim regulations embed several flexibility mechanisms:

- Exempted Structures: The inclusionary mandates do not apply to projects yielding 10 or fewer units, accessory dwelling units (ADUs), minor remodels/additions, or structures being rebuilt after natural disasters.
- Pipeline Projects: Any multifamily project that submitted a complete application to the city prior to the original June 16, 2026 effective date remains entirely exempt.
- Rental Project Flexibility: In alignment with state law, rental developers may utilize alternative compliance pathways, such as paying a Council-established in-lieu fee or building the required affordable units off-site if on-site construction is proven unfeasible.

1. Consider and provide policy direction to staff regarding the establishment of a permanent inclusionary housing requirement for new residential development.

2. Adopt, by a 4/5 vote, a urgency ordinance extending, for an additional period of 10 months and 15 days, the temporary, 45-day moratorium on the issuance of any approval of land use entitlement, permits, or other approvals for multi-family residential housing projects with more than ten units unless the housing project includes a specified affordable housing component or is otherwise exempt from the affordable housing requirement.