

Inclusionary Housing Ordinance

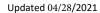
Schedule of Fees to the Ordinance Rental & For-Sale Properties

Housing

In-Lieu Fee Structure: The methodology to determine the in-lieu fee has changed. We now use the difference between the market rate and affordable rents to determine the affordability gap. The affordability gap is multiplied by the off-site affordable unit requirement (20%) for each income category and divided by the average unit size to convert to a per square foot basis. The in-lieu fee structure are adjusted based on geography for strong and moderate market areas. Additionally, the fee structure is further adjusted for projects building affordable units on-site.

| Schedule A. In-Lieu Fee for Rental Residential Developments <u>Providing No Inclusionary Units On-Site</u> Per Net New Residential Square Footage in Residential Development | | | | | | | | |
|--|-------------------------------|--|--------------------------|--|--------------------------|--|--|--|
| | | Adding 20 or More Units or 10 to 19 Units at less than 90% of General Plan density | | Adding 10 to 19 Units at 90% or more of General Plan density | | | | |
| | Inclusionary Units On-Site | Strong Market Areas | Moderate Market Areas | Strong Market Areas | Moderate Market Areas | | | |
| With No Inclusionary Units On-Site | none | \$43.00 | \$18.70 | \$21.50 | \$9.35 | | | |

| | | Adding 20 or or 10 to 19 Unit 90% of Genera | ts at less than | Adding 10 to 19 Units at 90% or more of General Plan density | |
|--|--|---|--------------------------|--|--------------------------|
| | Inclusionary Units On-Site | Strong Market Areas | Moderate Market Areas | Strong Market Areas | Moderate Market Areas |
| With 5% Inclusionary Units On-Site | 5% at 100% AMI rents | \$18.70 | \$11.87 | \$9.35 | \$5.94 |
| | 5% at 60% AMI rents | \$12.47 | \$7.92 | \$6.24 | \$3.96 |
| | 5% at 50% AMI rents | \$10.07 | \$6.39 | \$5.04 | \$3.20 |
| With 10% Inclusionary Units On-Site | 5% at 100% AMI and 5% at 60% AMI rents | \$10.55 | \$6.70 | \$5.28 | \$3.35 |
| | 5% at 100% AMI and 5% at 50% AMI rents | \$8.15 | \$5.17 | \$4.08 | \$2.59 |
| | 5% at 60% AMI and 5% at 50% AMI rents | \$1.92 | \$1.22 | \$0.96 | \$0.61 |
| | 10% at 30% AMI rents | \$0.00 | \$0.00 | \$0.00 | \$0.00 |





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Example of Schedule of Fees for Rental & For-Sale Properties

Housing

Example #1: A developer is proposing to build a 100-unit rental development in a strong market area.

| Compliance Option - Rental Inclusionary Units On-Site with In |
|---|
| Lieu Fee Combination: |

5% of the apartment rents to be at 100% AMI = 5 units on-site

Pay an in-lieu fee at an adjusted rate, using the Total building square foot (100 units x 900sqft per unit) = 90,000 sqft multiplied by the adjusted rate of \$18.70 = \$1,683,000

Compared to 100% In-Lieu Fee Only:

Paying the in-lieu fee only and no inclusionary units, total building square of (100 units x 900sqft per unit) = 90,000 sqft multiplied by the rate of \$43 = \$3,870,000

Example #2: A developer is proposing to build a 100-unit rental development in a moderate market area.

<u>Compliance Option - Rental Inclusionary Units On-Site with In Lieu Fee Combination:</u>

5% of the apartment rents to be at *60% AMI* = 5 units on-site **AND**

Pay In-lieu fee at an adjusted rate, using the Total building square foot (100 units x 900sqft per unit) = 90,000 sqft multiplied by the adjusted rate of \$7.92 = **\$712,800**

Compared to 100% In-Lieu Fee Only:

Paying the in-lieu fee only and no inclusionary units, total building square of (100 units x 900sqft per unit) = 90,000 sqft multiplied by the rate of \$18.70 = \$1,683,000