



INCLUSIONARY HOUSING ORDINANCE

1. Program Applicability

The Inclusionary Housing Ordinance is applicable to all new residential development projects of **five (5)** or more units.

2. Percent Requirements for Affordable Units and Affordability Levels

Applicants have the option to choose a target income level in a project. These requirements do not change according to project size.

- Rental projects: Either 10% of the units affordable to households with incomes at 80% of area median, or 6% of the units affordable to households with incomes at 50% of area median.
- Ownership projects: Either 10% of the units affordable to households with incomes at 120% of area median, or 6% of the units affordable to households with incomes at 80% of area median.

3. Required Income Levels

The City of Concord uses the same federally determined income limits throughout Contra Costa County. **Table 1** provides the affordability criteria based on family size and income limits. These limits are updated annually.

TABLE 1: AFFORDABILITY CRITERIA FOR 2006-2007*

Family Size	Very Low Income (50%)	Low Income (80%)	Median Income (100%)	Moderate Income (120%)
1 person	\$29,350	\$46,350	\$58,700	\$70,400
2 persons	\$33,500	\$53,000	\$67,000	\$80,500
3 persons	\$37,700	\$59,600	\$75,400	\$90,500
4 persons	\$41,900	\$66,250	\$83,800	\$100,600
5 persons	\$45,250	\$71,550	\$90,500	\$108,600
6 persons	\$48,600	\$76,850	\$97,200	\$116,700
7 persons	\$51,950	\$82,150	\$103,900	\$124,700
8 persons	\$55,300	\$87,450	\$110,600	\$132,800

**Based on Contra Costa County HUD/HCD Income Limits.*

4. Required Duration of Affordability Requirements

- Ownership inclusionary units must remain affordable for 45 years as documented through an affordable housing agreement recorded against the property.
- Rental inclusionary units must remain affordable for 55 years as documented through an affordable housing agreement recorded against the property.

5. Possible Incentives

The City may grant one or more of the following affordable housing development incentives to mitigate financial impacts:

- Modification of zoning or development standards;
- A density bonus based on the City’s Density Bonus Ordinance; or
- Provision of housing set-aside funds, tax exempt financing or other financial assistance.

6. Monitoring or Transfer Fees

- Rental units are required to pay an annual monitoring fee in the amount of \$30 per required affordable unit specified in the regulatory agreement.
- Owner-occupied units are required to pay a compliance review fee in the amount of \$216 for any change of ownership during the term of required affordability.

7. In-lieu Fee Alternative

An applicant has an option to pay an in-lieu fee for projects under 20 acres, or the fractional units required in any project. The in-lieu fee is **\$4,903** per unit for rental projects and **\$17,660** per unit for ownership projects. In-lieu fees must be paid prior to issuance of a building permit.

The following two examples illustrate what options are available for the provision of affordable housing:

Example 1:

For a 150 unit rental project, the City’s inclusionary requirements could be met with the following options:

- **15** low income units ($150 \times 0.10 = 15$ units) or;
- **9** very low income units ($150 \times 0.06 = 9$ units) or;
- **\$715,838** in-lieu fees ($150 - 4 = 146 \times \$4,903 = \$715,838$).

Example 2:

For a 39 unit ownership project, the City's inclusionary requirements could be met with the following options:

- 4 units affordable to moderate income households ($39 \times 0.10 = 3.9$ rounded up to 4 units) or;
- 3 units affordable to low income households ($39 \times 0.06 = *2.34$ rounded up to 3 units) or;
- 2 units affordable to low income household and an in-lieu fee of \$6,004 for the fractional unit ($0.34 \times \$17,660 = \$6,004$) or;
- **\$618,100** in-lieu fee ($39 - 4 = 35 \times \$17,660 = \$618,100$).

**When the application of percentages result in a number that includes a fractional unit, the fraction shall be rounded up to the next whole number if the fraction is 0.7 or more. If the result includes a fraction below 0.7, the developer shall have the option of either rounding up to the next whole number and providing an additional inclusionary unit, or paying an in-lieu fee equal to the fraction.*

8. Off-site Alternative

A project developer may propose a plan for providing affordable housing units off-site within the City of Concord. The project developer can acquire existing unrestricted multi-family units and rehabilitate those units or construct new residential units. At least two restricted dwelling units shall be provided for each Inclusionary unit required. The Inclusionary units must be rehabilitated or constructed and occupied prior to or concurrently with the market rate units for the related residential development project. The developer may partner with a non-profit affordable housing provider in order to meet its inclusionary housing obligations through one of the alternatives set forth in this section.

9. Design Standards

Inclusionary units must be dispersed throughout a project and comparable in construction quality and exterior design to the market rate units. Inclusionary units may be smaller than market rate units, however the unit mix (i.e. the number of bedrooms per unit) must be proportional to the market rate unit mix.

10. Unit Construction

All inclusionary units must be constructed and occupied before or at the same time as the market rate units.

11. Exemptions

The City Council and the Redevelopment Agency may approve a reduction or waiver of the inclusionary requirements for projects located within the Redevelopment Project Area that meet the following conditions:

- The proposed project is subject to a Redevelopment Agency disposition and development agreement, owner participation agreement, acquisition agreement, or other contractual arrangement with the Redevelopment Agency; or
- The project is receiving assistance from the Redevelopment Agency, such as relocation of occupants, acquisition and disposition of land for site assemblage, use of eminent domain, write-down of land cost, fee waivers, or other forms of direct Agency assistance.

A project developer requesting a reduction or waiver must submit a pro forma and other financial analysis sufficient to support a determination that the reduction or waiver is necessary to ensure the economic feasibility of the project.

12. Submittal Requirements

Applicants must prepare a letter and a site plan addressed to the Housing Manager as part of their initial development application that outlines how they will meet the inclusionary requirements in the proposed project. The letter and site plan must include the following:

- Project description (total number of units, tenure-ownership or rental);
- Targeted income level;
- Number of inclusionary units;
- Type of unit (1-bedroom, 2 – bedroom, etc.);
- Site plan that shows where proposed inclusionary units will be located;
- Unit layouts and sizes; and
- Proposed initial rents or sales price of homes.

Applications will not be deemed complete without this information. The Inclusionary Agreement and any other required documents must be executed, and any required in-lieu fees must be paid, prior to release of building permits for the project.

13. Review Process

Upon receipt of the applicants Inclusionary Housing proposal, the Housing Manager will review the proposal to ensure it meets all requirements of the Ordinance. Once the proposal has been accepted, an Inclusionary Housing Agreement will be drafted which outlines the elements of the proposal. This Agreement will be forwarded with the staff report to the City Council, following the development review process for discretionary permits.

14. Additional Information

A copy of the Inclusionary Ordinance and In-Lieu Fee Resolution are available on the City's website, www.cityofconcord under quicklink. You will be able to read, download and/or print out copies of the Ordinance and Resolution. Copies are also available at the City's Permit Center counter. If you have any questions or would like additional information, please contact the City of Concord Housing Manager at (925) 671-3455.