

LEGISLATIVE DIGEST
(Substituted, 10/5/2021)

[Planning Code – Inclusionary Housing Program Updates]

Ordinance amending the Planning Code to update inclusionary housing program requirements; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

The Inclusionary Housing Program, Planning Code section 415 et seq., as well several localized inclusionary housing programs, requires developers of housing with 10 or more units to pay an inclusionary housing fee, or provide affordable units on-site or off-site. The amount of the fee or the number of affordable units depends on the size of the housing development, and whether the housing development is rental housing, or ownership housing. Developers of affordable units must market the units in compliance with requirements set forth in the Planning Code and the Mayor’s Office of Housing and Community Development’s Procedures Manual. Developers must choose program options (fee, on-site or off-site) prior to Planning Commission or department approval of the housing development, and inclusionary housing restrictions are contained in the development’s conditions of approval.

Amendments to Current Law

This ordinance updates the Inclusionary Housing Program by specifically defining certain terms, formalizes requirements to change program alternatives after Planning Commission or department approval, amends the timing for marketing the affordable units, and requires a Planning Commission hearing to amend conditions of approval if a development changes from rental to ownership housing, or ownership to rental housing.

Background Information

The Inclusionary Housing Program is set forth in Planning Code section 415. Localized inclusionary programs are also contained in Planning Code Article 4. Section 415 was amended in 2017 to include different requirements based on the tenure of the development

This version makes additional changes to the process for requesting a modification of the conditions of approval to change inclusionary housing options (fee, on-site, off-site) and/or housing tenure.

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