

Project Level Application

Inclusionary housing ordinances can apply as widely or as narrowly as the local jurisdiction sees fit. Depending on the typical size of projects being developed in the locality, it may be appropriate to apply the inclusionary requirements once a project reaches a certain size. Currently, the City applies the inclusionary ordinance for any residential project (in a New Growth area) that includes 10 or more units.

Approaches

In the staff survey of California ordinances, all jurisdictions triggered their inclusionary requirements for any project with 10 units or more, like Sacramento, although some ordinances triggered for much smaller projects. Napa, Santa Rosa and Carlsbad apply inclusionary requirements to any residential project, including a single home. However, all have in-lieu fees that would apply to such a small project. Woodland triggers their requirements for for-sale developments at 8 units and for rental developments at 10 units. Developments of 5 units or more trigger the requirements in Davis, San Francisco, Berkeley, Concord and Monterey County.

In the New Growth areas of the City, the majority of projects developed have been large Planned Unit Developments (PUD). PUDs are typically characterized by large land holdings with multiple zoning designations, allowing single family and multi-family development. As the City's development patterns change (in line with the recently adopted General Plan) to a more compact, infill focused plan, developments are likely to follow suite, with smaller development proposals becoming more common. The current project level application threshold of 10 units was rarely triggered in the New Growth areas, but might become more common if the ordinance is expanded Citywide.

Considerations

- Small projects are typically much more difficult and expensive, and do not have the same economies of scale that larger projects do. Impacts of inclusionary requirements, therefore, are much greater for small developments than for their larger counterparts.
- Some jurisdictions apply their inclusionary requirements for smaller projects, but also “tier” the requirements. In other words, the ordinance may apply to smaller projects, but there are alternatives (such as an in-lieu fee or more moderate income requirements) that can be accessed by smaller projects only.