Inclusionary Housing Ordinance Policy Summary

June 4, 2020

The key elements of the draft Inclusionary Housing Ordinance are presented below. On April 29, 2020, the Regional Planning Commission recommended approval of the ordinance with some changes (indicated in red)

SET-ASIDES

Rental

Rental housing of five or more units must set aside a percentage for extremely low, very low or lower income households, under one of three options.

Exceptions: Projects in the Antelope Valley, East Los Angeles/Gateway, and South Los Angeles submarkets

TABLE 22.121.050-A: INCLUSIONARY HOUSING REQUIREMENTS FOR RENTAL PROJECTS			
Option	***Affordability[1]***	***Set-aside***	***Set-aside (Small projects)[2]***
1	Average affordability[3] of 40% AMI or less	10%	5%
2	Average affordability[3] of 65% AMI or less	15%	7%
3	80% AMI or less	20%	10%

Notes:
1. Units shall be set aside for extremely low, very low, or lower income households.
2. Projects with less than 20 baseline dwelling units. (RPC recommended lowering to 15)
3. Calculations for the average affordability shall comply with Subsection C (Calculation), below.

For-Sale

Single-family home and condominiums of five or more units must set aside a percentage for moderate and middle income households.

Exceptions: Condominiums in the Antelope Valley and South Los Angeles submarkets

TABLE 22.121.050-B: INCLUSIONARY HOUSING REQUIREMENTS FOR FOR-SALE PROJECTS			
Submarket Area	***Affordability[1]***	***Set-aside***	***Set-aside (Small projects)[2]***
Coastal South Los Angeles, South Los Angeles (excluding condominiums), East Los Angeles/Gateway	Average affordability[3] of 135% AMI or less	20%	10%
San Gabriel Valley		15%	7%

Santa Clarita Valley, Antelope Valley (excluding condominiums)		5%	-

Notes:
1. Units shall be set aside for moderate or middle income households.
2. Projects with less than 20 baseline dwelling units. (RPC recommended lowering to 15)
3. Calculations for the average affordability shall comply with Subsection C (Calculation), below.

AFFORDABILITY DURATION

Rental: 55 years (RPC recommended 99 years, pending County Counsel review)

For-sale: Equity sharing with the County, and a right of first refusal for the County, or a County-designated agency or nonprofit to buy the home when the initial buyer sells the affordable home

OFF-SITE ALTERNATIVES

Affordable housing units may be provided off-site, if the off-site location is one of the following:

- Within one-quarter mile of the principal project site;
- Within a Highest, High, or Moderate Resource Area, as determined by the State Tax Credit Allocation Committee and State Department of Housing and Community Development (RPC recommended the off-site parcel must be in at least the same resource category as the principal site);
- Within an area with known displacement risk based on evidence to the satisfaction of the Department (RPC recommended within two miles of principal project site); or
- Developed as part of a community land trust.
- (RPC recommended the following requirement: When the applicant is using the off-site option and partnering with another developer to develop the affordable units on the off-site parcel, the applicant must submit an MOU that includes the agreed upon payment/compensation that the principal developer will give to the partner to construct the units, with sworn affidavit from both parties, and the ability for RPC to review the agreement).

INCENTIVES FOR ON-SITE AFFORDABILITY

- Waivers/reductions of development standards, and/or parking reductions, in order to offset the cost of the affordable housing requirement.
- Additional units under the County's Density Bonus Ordinance (for extremely low, very low and lower income rental requirements only)

ASSESSMENT

Affordable housing requirements and the submarket area boundaries to be re-evaluated every five years, or more frequently as deemed appropriate by the Director of Regional Planning.