



Inclusionary Housing Ordinance Summary Sheet for Ownership Projects

Program Summary

The purpose of the City of Concord's inclusionary housing ordinance is to facilitate and encourage the development of housing affordable to a broad range of households with varying income levels within the city. It is intended to meet the City's need for housing affordable to persons of low- and moderate-income as well as to ensure that at least a minimum percentage of units affordable to low- and/or moderate-income individuals are included within new residential developments.

Generally, construction of residential ownership development projects of five or more units are subject to the ordinance, pursuant to Concord [Municipal Code Section 18.185.040](#).

Fee Adoption

A copy of the City's adopted [fee schedule](#) is available on the City's website under Master Fees and Charges.

Determining Income Levels

Applicants may choose which income category of inclusionary units to provide. Ownership projects may provide either ten percent of the total project units affordable to moderate-income households or six percent affordable to low-income households. The development project may also include inclusionary units affordable to a mix of income levels (very low, low and moderate) instead of a single income level, subject to approval by the appropriate City reviewing authority.

The City of Concord uses the State of California Housing and Community Development income limits, which are used throughout Contra Costa County. Please visit the City of Concord's Housing Division webpage for current income limits: www.cityofconcord.org/housing

Alternatives to Providing Inclusionary Housing Units

For residential projects that are subject to the ordinance, there are three alternatives available to applicants instead of providing the inclusionary units onsite.

First, applicants may choose to pay the In-Lieu Fee for qualifying projects instead of providing the required inclusionary housing units, as set forth below. Another alternative to providing inclusionary ownership units onsite, the applicant may provide rental inclusionary units, which provide at least ten percent of the total units in the project made affordable to low-income households, or six percent of the total units in the project are made affordable to very low-income households. Lastly, as a

complete or partial alternative, an applicant may also propose to provide affordable units off-site within the City limits, as provided by the ordinance. See [Municipal Code Section 18.185.040](#) for more information.

Calculating the In-Lieu Fee

For qualifying projects—fractional units and projects comprised of five to nine units—the ordinance allows for payment of the In-Lieu Fee rather than providing the required inclusionary units. The In-Lieu Fee for ownership project sizes of five units or greater is calculated utilizing a per square foot fee.

The In-Lieu Fee is calculated (per market rate unit) by multiplying the total livable square footage of all market rate housing units in the entire project by the fee amount listed in Table 1.

When the on-site unit calculation—ten percent for moderate- and six percent for low-income—results in a fractional unit of less than one-half, the applicant can choose to either round up to the next whole number and provide an additional inclusionary unit, or pay the In-Lieu Fee for the fractional amount. If the fractional amount is one-half or greater, the fraction will be round up to the next whole number. Please see the example included below.

Payment of In-Lieu Fee

In-Lieu Fees must be paid prior to issuance of a certificate of occupancy or prior to building permit issuance, for those projects for which a certificate of occupancy is not issued, unless otherwise directed in the Conditions of Approval for the development.

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 and may have alternative interior finishes, but the unit mix (i.e. the number of bedrooms per unit) must be proportional to the market rate unit mix.

Timing of Construction and Occupancy

All inclusionary units must be constructed and occupied before or at the same time as market rate units. In phased developments, inclusionary units may be constructed and occupied in proportion to the number of units in each phase of the project.

Duration of Affordability

Ownership inclusionary units must remain affordable for 45 years pursuant to an affordable housing agreement recorded against the property.

Submittal Requirements

As part of the initial development application submittal, applicants must prepare a Inclusionary Housing Plan (Plan) demonstrating compliance with the inclusionary requirements for the proposed

project (see the [Ordinance](#) for more information). If the project proposes to construct the inclusionary units, the Plan must include at a minimum:

- Project Description (total number of units, single-family homes/townhomes, etc.)
- Targeted Income Level(s)
- Number of Inclusionary Units
- Type of Unit (1-bedroom, 2-bedroom, etc.)
- Site plan showing where proposed inclusionary units will be located
- Unit layouts and sizes
- Proposed Initial Rents or Sales Prices of Homes

Development applications will not be deemed complete without a proposed Inclusionary Housing Plan.

Review Process

Upon receipt of an Inclusionary Housing Plan, the Housing Division will review the plan to ensure it meets all requirements of the ordinance. The appropriate review authority (Design Review Board, the Planning Commission, or, in some cases, City Council) will consider the project, including the applicant's Plan to meet the inclusionary housing requirements. Once approvals have been granted, an Inclusionary Housing Agreement will be drafted outlining the elements of the Plan, subject to approval by the City Attorney.

The Inclusionary Agreement and any other required documents must be executed, and any required in-lieu fees must be paid, prior to the issuance of a certificate of occupancy or building permits for the project.

Fee Amounts

TABLE 1^{1 2 3}
In-Lieu Fee Per Market Rate Housing Unit
Ownership Project Sizes 10 Units or Greater

DATE	FEE /SQ. FT.
As of July 1, 2018	\$8.00
As of January 1, 2019	\$9.00

¹ For projects not deemed complete by July 1, 2018. For those projects deemed complete prior to July 1, 2018, the applicable previously adopted fee will be applied.

² Projects with vesting tentative maps will be subject to the fee schedule that was in place when the application was deemed complete.

³ Inclusionary units for rental housing projects are currently not required until 600 housing units have been constructed.

In-Lieu Fee Per Market Rate Housing Unit
As of July 1, 2018^{1 2 3}
Ownership Project Sizes 5-9 units

UNIT COUNT	FEE /SQ. FT.
5	\$4.00
6-7	\$6.00
8-9	\$8.00

FEE CALCULATION EXAMPLE

A) Calculating Total In-Lieu Fee

26 total ownership units; \$9/SF in-lieu fee; 2,800 average SF/unit

26 total units X \$9/SF X 2,800 average SF/unit = **\$655,200 total In-Lieu Fee**

B) Calculating Fractional In-Lieu Fee

26 total ownership units; \$9/SF in-lieu; 2,800 average SF/unit; Moderate-Income Units

26 x 10% = 2.6 inclusionary units

Building 2 units; calculating in-lieu fee on .6 units

26 total units X \$9/SF X 2,800 average SF/unit= \$655,200 total In-Lieu Fee

\$655,200 /2.6 BMR units = \$252,000 per BMR unit cost

\$252,000 X .6 = **\$151,200 fractional In-Lieu Fee**