

CITY OF OAKLAND
AGENDA REPORT

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TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: December 9, 2003

RE: **INFORMATIONAL REPORT ON INCLUSIONARY ZONING PROGRAMS
IN CALIFORNIA JURISDICTIONS**

SUMMARY

This report provides a summary of inclusionary zoning programs used in other California cities and counties to provide housing affordable to very low, low and moderate income people. Inclusionary zoning programs are found in over 100 cities and counties throughout the State, representing about one-fifth of all localities, and up from 64 such programs in 1994. These programs vary considerably in terms of several key features, including percentage of units required, income levels targeted, length of affordability restrictions, incentives provided to developers to make inclusionary requirements more feasible, and in-lieu fee and other alternatives to building units on site.

A recent report prepared by the Nonprofit Housing Association of Northern California (NPH) and the California Coalition for Rural Housing (CCRH) states that “while not uncontroversial, inclusionary housing practices have clearly emerged as important and increasingly prevalent policy tools for addressing the affordable housing crisis in California.” The report estimates that inclusionary housing programs have produced more than 34,000 affordable homes and apartments in the past 30 years. (It should be noted that this figure represents only a small fraction of all housing produced in California during this period.) According to the report, many cities that adopted policies in the 1980s and early 1990s have recently revisited their ordinances to increase inclusionary requirements and clarify administrative procedures.

Staff is making no recommendation at this time, as there are still unresolved questions regarding both the potential effect inclusionary zoning would have on development of market-rate housing, and the ability of the City to offer incentives to mitigate those effects. While inclusionary zoning may be a useful tool in suburban jurisdictions with an active market for new housing development and an opportunity to provide meaningful incentives (in the form of fee waivers and density bonuses), in Oakland inclusionary zoning may not be as feasible, could exacerbate existing disparities between the hills and flatland areas, and could dampen the market rate development activity that has only emerged in the past several years.

FISCAL IMPACT

This is an information report and as such has no fiscal impact.

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BACKGROUND

The Final Report of the Housing Development Task Force, which was adopted by the City Council in July 2000, included a recommendation to establish an inclusionary zoning ordinance.

On May 15, 2001, staff presented the City Council with an overview of inclusionary zoning programs and the issues associated with the feasibility of implementing such a program in Oakland. The City Council approved a recommendation to hire a consultant to perform an economic impact analysis to assess the feasibility of inclusionary zoning in Oakland and its potential impact on continued development of market rate housing in the City.

On September 25, 2001, the City Council authorized a contract with Hausrath and Associates to perform this study, and appropriated \$61,800 for this project. Unfortunately, this authorization came as the economic boom of the late 1990s came to a halt, and in light of a softening in the rental housing market, staff recommended that the study not be conducted until economic conditions were more favorable. On December 10, 2002, the City Council approved this recommendation, but requested that staff return with an informational report on inclusionary housing elsewhere in California.

Rather than conducting a new study, staff chose to wait for completion of a comprehensive survey and analysis that was being conducted by the Non-Profit Housing Coalition of Northern California (NPH) and the California Coalition for Rural Housing (CCRH). That study was completed earlier this year, and this report summarizes the key findings of that report, the most thorough study of inclusionary zoning in California in over a decade.

KEY ISSUES AND IMPACTS

Need for Affordable Housing

As noted in the City's Consolidated Plan for Housing and Community Development, adopted in June 2000, Oakland is experiencing an acute shortage of affordable housing for very low, low and moderate income households. Recently released data from the 2000 Census notes that 70 percent of households earning less than 50 percent of median income¹ pay more than 30 percent of their income for rent, and a substantial number pay more than 50 percent. Overcrowding has increased substantially in the past decade, and vacancy rates have fallen. All of these are indicators of substantial unmet need for affordable housing. In response, the City has taken a variety of steps, including providing financial assistance to developers to reduce rents and sales prices on assisted units, increasing the redevelopment set aside to 25% to expand available funding, and imposition of a linkage fee on commercial developments (effective July 2005).

¹ The area median income, as determined by the U.S. Department of Housing and Urban Development, is currently \$80,100. For a family of three, 50 percent of median is equivalent to \$36,000 per year -- double the Federal poverty level and nearly 3 times the earnings of a full-time worker earning the minimum wage.

The Draft Housing Element notes that the City's Regional Housing Need Allocation calls for production of over 7,700 units between 1999 and 2006. Over 3,000 of these units must be affordable to very low and low income people. While the State's Housing Element law does not require the City to build these units, it does require that the City ensure that there are adequate sites with appropriate zoning to meet this need, and it requires that the City remove public policy barriers and develop and implement affirmative programs to meet its housing needs, including the need for affordable housing.

Inclusionary Requirements for Redevelopment Areas

State law requires that for projects located within redevelopment areas established after 1975, 15% of units developed by public or private entities other than the redevelopment agency must be made affordable to low and moderate income households (40 percent of these inclusionary units must be affordable to very low income households), and 30% of units developed by the redevelopment agency must be affordable (50 percent of these inclusionary units must be affordable to very low income households). These requirements are not necessarily imposed on each residential development, but are applied project-area wide against all market-rate development produced in a project area over a ten-year period. In Oakland, the Central District, Acorn, Oak Center, and Stanford/Adeline Redevelopment Project Areas are largely exempt from this requirement, but the Coliseum, Broadway/MacArthur/San Pablo, Oak Knoll, Oakland Army Base, Central City East and West Oakland Redevelopment Project Areas are subject to this requirement.

Promotion of Mixed-Income Development

Inclusionary requirements are specifically designed to encourage residential development that includes housing for a range of income levels. Inclusionary requirements for redevelopment areas are applied to the entire redevelopment area, and inclusionary zoning laws require income mixing within individual developments. Inclusionary housing can serve as an important mechanism for providing fair housing opportunities for minorities outside areas of racial concentration, and also can help promote a deconcentration of low income people by providing opportunities to live in neighborhoods that would otherwise consist largely of middle- and upper-income households.

Legal Standing of Inclusionary Programs

The State Legislature has on many occasions made it clear that the provision of affordable housing is a matter of critical and statewide importance. Although State statutes provide no explicit authority for inclusionary zoning, a City's "police power" is broad enough to allow it to require that all housing developments provide some reasonable amount of low and moderate income housing. Several statutes make reference to inclusionary housing as a component of local housing policies. While some inclusionary zoning ordinances have been the subject of litigation, no inclusionary zoning ordinance has been challenged successfully in any reported legal decision. A recent California Supreme Court decision rejected a challenge to Napa's inclusionary zoning ordinance and explicitly affirmed the right of cities and counties to include such requirements as a means of addressing a public interest in providing affordable housing.

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SUMMARY OF INCLUSIONARY ZONING STUDY

The NPH/CCRH study was conducted in 2002-2003 and surveyed 58 counties and 467 cities in California. A total of 98 jurisdictions responded to the survey (a response rate of roughly 20 percent), accounting for 92 percent of the known inclusionary housing programs in the State (some jurisdictions that did not respond are known to have inclusionary programs). The survey thus provides a picture of the range of programs and requirements that are found throughout California.

The remainder of this section summarizes the key findings of the NPH/CCRH study.

Number and Location of Programs

As of March 2003, 107 jurisdictions (12 counties and 95 cities – roughly 20 percent of each) have some form of inclusionary housing program, outside of the requirements of redevelopment law. Attachment A (which is a copy of Appendix A in the NPH/CCRH study) contains a chart that provides basic information on inclusionary programs in 107 jurisdictions. A key to the abbreviations used can be found on the last page of the chart. Inclusionary requirements are most commonly found in areas with high housing costs – primarily the coastal counties, with concentrations in the Bay Area, metropolitan Sacramento, and San Diego County. Jurisdictions in the Bay Area include Alameda, Contra Costa, Marin, Napa and San Mateo Counties, and the cities of Berkeley, Dublin, Emeryville, Fremont, Livermore, Pleasanton, San Leandro, Union City, Clayton, Danville, Hercules, Pleasanton, Richmond, San Francisco, Cupertino, East Palo Alto, Los Gatos, Petaluma, and many more.

Voluntary vs. Mandatory Requirements

Only six percent of jurisdictions reported voluntary programs; some of these cities noted that the voluntary nature of the program was responsible for the lack of affordable housing production despite the recent boom in construction of market-rate housing. Morgan Hill noted that its voluntary program was successful; however, Morgan Hill has strict growth controls and inclusion of affordable housing makes projects more competitive for the limited number of available building permits. Seventy-eight percent of programs are defined by ordinance and 49 percent are components of General Plans (usually the Housing Element).

Affordable Housing Production

The survey identified over 34,000 units that have been produced through inclusionary programs over the past 30 years. This is undoubtedly much lower than actual production, as only one-third of jurisdictions with inclusionary programs provided figures on how many units had been produced. Because the number of jurisdictions with inclusionary requirements has grown substantially in the past 10 years, current annual production rates are likely higher than average rates over the last 30 years.

As a share of overall housing production, inclusionary zoning represents a very small percentage – between 1990 and 2000 alone the State's housing supply grew by over one million units; even if 30,000 inclusionary units had been produced in the last ten years it would represent less than

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three percent of total housing production. Because there are not reliable estimates of how much affordable housing has been produced in the State, it is not possible to ascertain what percentage of affordable housing is a result of inclusionary zoning programs.

Inclusionary Requirements

The percentage of units required to be affordable ranges from a low of four percent to a high of 30 percent. The average is 13 percent for both owner and rental developments. The most common requirement is 10 percent, but half of all programs require at least 15 percent and one-fourth require 20 percent or more, for both owner and rental housing.

Many programs exempt smaller projects from inclusionary requirements. Threshold sizes are often in the range of 5 to 10 units. Many smaller projects are required to pay in-lieu fees instead of building units. Some cities require lower percentages of affordable units for small projects.

Income Targeting

Most jurisdictions use a single standard for what income levels are to be targeted. Some cities provide more flexible options, such as a higher percentage affordable to moderate income households or a lower percentage targeted to low income (this is similar to the way density bonuses operate).

Almost 90 percent of inclusionary programs target at least some percentage of inclusionary units to low income households (income less than \$48,000 for a family of four), and about three-fourths have targeting to moderate income households (income up to \$96,000 for a family of four). About 40 percent have targeting to very low income households (income less than \$40,000 for a family of four). In about 40 percent of jurisdictions, rental projects typically require targeting to lower incomes than do ownership projects, while in the remaining 60 percent there is no distinction.

Length of Affordability

Early programs often failed to specify or enforce how long units must remain affordable. This has caused some jurisdictions to lose substantial numbers of affordable units, and has often allowed homeowners to reap windfall profits when they obtain market-rate prices for units that were purchased at prices well below market rate. Today, most jurisdictions enforce affordability through deed restrictions, resale controls and regulatory agreements similar to those used in projects that are financed by public agencies.

Monitoring and enforcement of restrictions can be difficult and staff intensive. The NPH/CCRH study did not specifically address this issue, but many jurisdictions noted that this is an area of concern, and many have recently amended their policies in response to past problems with monitoring and enforcement.

Alternatives to On-Site Construction

Most jurisdictions offer developers alternatives to building units on-site. The most common alternatives are payment of in-lieu fees (about 81 percent) and construction on a different site (67

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percent). Land dedications, where the developer donates land to the city or to a nonprofit developer, are used in 43 percent of jurisdictions, and 20 percent allow transfer of credit from a project that exceeds the minimum required inclusionary units to another project.

In-lieu fees and other alternatives are a controversial aspect of inclusionary programs. While they provide developers with more options, they do not meet other objectives of inclusionary housing. If fees are set too low, fewer units will be produced than would be the case with on-site development. Calculation of fees varies considerably. Some jurisdictions use a flat rate (ranging from less than \$10,000 per affordable unit – far less than the subsidy required to achieve affordability -- to over \$200,000 per affordable unit). Other jurisdictions base fees on a percentage of development costs. In-lieu fees are sometimes used where inclusionary formulas result in requirements for a fraction of a unit. These fees are sometimes used to fund other affordable housing programs rather than new construction of affordable units.

Most alternatives, whether fees, land dedication or off-site construction, work against the goal of achieving integration of mixed incomes in a single development and are less effective in promoting a wider range of housing choice for low income people. In addition, alternatives pose problems in terms of ensuring that the units are actually built and often require cities to take a much more active (and staff-intensive) role in ensuring that affordable units are produced.

Incentives

Many jurisdictions offer incentives to developers to make it more feasible to meet inclusionary requirements. By far the most common incentive is the granting of density bonuses, used in over 90 percent of all jurisdictions. Density bonuses, which are required by State law, allow developers to exceed the density allowed by zoning in return for providing a specified proportion of affordable housing units. Density bonuses are especially effective in areas where zoning provides only for low densities; the ability to build more units can significantly reduce the per unit cost of land and thereby make development less expensive. Density bonuses have been less effective in Oakland, where most residential development is below the densities allowed under zoning and the General Plan, and therefore can not benefit from a density bonus.

Other incentives include fast-track processing, design flexibility, waiver, reduction or deferral of permit and development impact fees, and direct subsidies. As a result, in many cases jurisdictions are actually paying at least some of the cost of subsidizing inclusionary units through direct assistance or through foregone revenues.

Obstacles to Implementation

Jurisdictions cited a number of obstacles to implementation, including scarcity of land for development, and developer opposition. Lack of funding and community opposition to affordable housing are also cited.

Effect of Inclusionary Housing Programs on the Amount of Market-Rate Development

There is some debate as to whether inclusionary housing requirements reduce overall development activity, and if so, by how much. Conventional wisdom that the cost of the

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affordable units will translate directly into higher costs for market rate units does not appear to be borne out in practice. In many instances, developers will factor in the cost of providing affordable units into the price they pay for land. Additionally, incentives provided by cities reduce the actual costs to developers. The authors of the NPH/CCRH study were unable to find any empirical studies that assessed the impacts of inclusionary requirements on the level and/or financial feasibility of housing development, either in general or in particular localities.

In most markets where inclusionary zoning has been adopted, development activity has continued to take place. Cities with several years of experience are moving to increase their inclusionary requirements, and in the last few years there has been a wave of new cities adopting inclusionary requirements.

According to the NPH/CCRH study, deeper targeting and higher percentages of affordable units do not seem to affect the amount of affordable housing that is produced. If stricter requirements were to have a negative impact on development, then stricter programs would have less production. In fact, the 15 most productive programs surveyed require similar percentages to all other programs, and the most productive programs are actually targeted to lower incomes than other programs.

The most significant factor affecting success appears to be rapid growth. In areas where population (and housing demand) is rising quickly, housing prices are increasing due to high demand rather than increases in costs of production. In these circumstances, the cost of providing inclusionary units is more easily absorbed by developers, and over time it becomes a standard cost of doing business. In slower-growing markets, the additional costs of providing below-market-rate units may be reflected in lower prices paid for land and/or reductions in developers' rates of return. Again, where developer margins are already small, this could lead to a reduction in development activity.

Despite these findings, it still remains unclear whether housing production would be even higher in the absence of inclusionary requirements. This is likely to depend on a variety of conditions specific to each local housing market, and further study is needed before firm conclusions can be drawn. At a minimum, as the authors of the NPH/CCRH study note, future research could focus on a comparison within each region of housing production in jurisdictions with inclusionary zoning and those with no inclusionary requirements.

A report prepared recently for the City of Los Angeles did compare housing production in 25 California cities over the past 25 years to determine if there was any association between the adoption of inclusionary zoning and the level of housing production. The report examined cities both with and without inclusionary requirements, and also examined other factors such as interest rates, home prices and unemployment rates. The study found no association between the adoption of inclusionary zoning and the level of housing production. In several cities, housing production increased significantly after inclusionary requirements were adopted. The most significant relationship was between unemployment rates and housing production – when

unemployment is high (indicating weak economic conditions), housing production tends to be low.

POTENTIAL IMPACTS OF INCLUSIONARY ZONING

At best, inclusionary zoning likely would produce mixed effects in the context of Oakland's housing market. These issues are discussed below.

Effect on Housing Prices

Standard economic analysis suggests that inclusionary zoning will affect one (or all) of the following three items:

- price paid by developers for land
- developer rate of return
- price paid by consumers for housing

In practice it is probably a combination of the three, depending on specific conditions in the local housing market. In a situation where the market is hot, the lag time between when a developer purchases land and completes the project (with sales prices being higher than projected at the time land was bought) can result in "excess" profits to the developers. Inclusionary zoning simply intercepts a portion of this. Recent inclusionary zoning studies prepared for other cities have found that developers of for-sale housing are frequently reaching or exceeding their target rates of return even when inclusionary requirements are adopted. Immediate returns for rental housing are often relatively slim; rental housing is frequently developed with the anticipation of future profits from the sale of the project or conversion to condominiums. Where developer margins are already small, this could lead to a reduction in development activity.

Inclusionary zoning may increase apartment rents and home prices. In the short run, for an individual project, there is likely to be little effect. Housing costs are set by market forces. Developers will rent or sell units for what the market will bear. An increase in their production costs will not result in an immediate price increase; instead, developers would either face lower rates of return, or would pay less for land (developers generally determine what they will pay for land as a residual value after subtracting profit and development costs from the projected sales prices).

Over the long run, if inclusionary requirements reduce developer returns sufficiently to cause a reduction in housing production, the resulting decrease in supply could lead to overall increases in housing prices. If this were to occur, households that previously were marginally able to afford new housing would no longer be able to purchase or rent new units. Thus, over the long run, inclusionary zoning might result in some households being priced out of the market for new housing.

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Effects on Existing Distribution and Concentration of Affordable Housing

Nearly all of Oakland's existing affordable housing is located in the flatland areas of the City, with particularly high concentrations in the West Oakland and Downtown areas (exclusive of the Waterfront area, which has no assisted housing units). In the areas above Highway 580, there is virtually no assisted housing, and even Section 8 vouchers are not effective in providing housing opportunities in these areas.

As noted in the NPH/CCRH study, most inclusionary programs exempt smaller developments, generally those with fewer than 10 units. Given existing zoning and the guidelines in the City's General Plan Land Use and Transportation Element, most housing developments of 10 or more units will be located in the flatland areas of the City, along major corridors, near BART stations, in the Downtown and in Waterfront areas. Since these areas already have higher proportions of affordable housing than the hill areas, inclusionary requirements could lead to even greater disparities between the hills and the flatlands with respect to concentration of affordable housing.

EXPERIENCES IN SELECTED BAY AREA CITIES

To get a better sense of how inclusionary zoning has worked in different types of cities, City staff interviewed the planning staff in three Bay Area cities with inclusionary zoning – San Francisco (large, central city), Danville (wealthy suburb) and Richmond (poor suburb).

San Francisco

In San Francisco, inclusionary requirements have been in place for over 10 years. Inclusionary requirements do not appear to have limited market rate development. Inclusionary units are targeted to both low and moderate income households, and are required in all developments of 10 or more units. Because higher density development can be found in most San Francisco neighborhoods, inclusionary units are found in affluent and lower income neighborhoods alike. Reportedly, the biggest concern expressed by developers is that rules be applied fairly and predictably, so that inclusionary obligations can be factored into developers plans early in the development process and can be taken into account when developers determine what price they are willing to pay for land.

According to the NPH/CCRH study, over 300 units have been produced as a result of inclusionary zoning.

Danville

Inclusionary zoning has been in place for over 10 years, and has been applied successfully to both ownership and rental housing, with a set-aside of 10 percent of the units in ownership projects and 15 percent in rental projects. Inclusionary units are targeted to moderate income households with incomes up to 120 percent of median (who despite their relatively high incomes are still priced out of Danville's housing market).

According to the NPH/CCRH report, 70 affordable housing units have been produced under these requirements. Other reports place the number at 99 units.

Richmond

Inclusionary zoning was adopted in October 2001, and so far there has been limited experience with the ordinance. Units are targeted to a range of incomes, either 17 percent for moderate income, or 15 percent for low income, or 10 percent for very low income. In-lieu of providing affordable units, developers may pay a fee equal to 7 percent of total construction costs.

Staff was unable to determine if any units had been produced in the short time that Richmond's program has been in effect.

SUSTAINABLE OPPORTUNITIES

Economic As noted above, the economic impact of inclusionary zoning is difficult to gauge. There are no empirical studies, but anecdotal evidence suggests that inclusionary programs do not reduce development activity in high demand housing markets where prices are increasing. Oakland has experienced declining rents over the last two years. Therefore inclusionary zoning may have a more negative impact on rental housing production than would be the case if rental rates were rising rapidly.

Environmental Inclusionary zoning can serve to further sustainable development and smart growth policies by encouraging higher density development in appropriate locations, when zoning constrains density. This is because inclusionary units are often made feasible through such things as density bonuses and higher density development. In areas of Oakland, where allowable density is not a barrier, there would be little environmental benefit because inclusionary zoning probably would not lead to higher densities.

Equity Inclusionary zoning promotes greater housing opportunities for economically disadvantaged segments of the population. In addition, by producing mixed income housing, it contributes to a more equitable distribution of affordable housing and may help to reduce concentrations of lower income people while also providing safeguards against displacement caused by development in gentrifying areas.

DISABILITY AND SENIOR CITIZEN ACCESS

To the extent that inclusionary zoning results in production of more affordable housing, it will also produce more affordable housing opportunities for low income seniors and persons with disabilities.

RECOMMENDATION(S) AND RATIONALE

This is an informational report. Staff recommends that no action be taken at this time because there is insufficient data on the economic impact on market rate development, and there is uncertainty about the ability of the City to provide meaningful incentives to developers that do

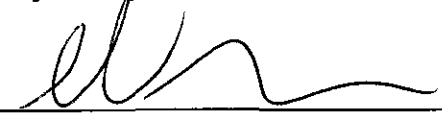
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not shift costs back on to the City. While inclusionary zoning may be a useful tool in suburban jurisdictions with an active market for new housing development and an opportunity to provide meaningful incentives (in the form of fee waivers and density bonuses), in Oakland inclusionary zoning may not be as feasible, could exacerbate existing disparities between the hills and flatland areas, and could dampen the market rate development activity that has only emerged in the past several years.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this report for consideration for future policy-making, but take no action at this time.

Respectfully submitted,



**DANIEL VANDERPRIEM, Director of
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Housing**

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APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



OFFICE OF THE CITY MANAGER

SUMMARY OF INCLUSIONARY HOUSING SURVEY

| Jurisdiction | County | Year Adopted | Minimum Project Size | % Units Required | Target Population | Alternatives to Construction | Units Produced | Length of Affordability |
|---------------------|-----------------|--------------|----------------------|------------------|-------------------|------------------------------|----------------|-------------------------|
| Agoura Hills | Los Angeles | 1987 | 11 | 10 | MI | OSA ILF | 50 | N/A |
| Alameda County | Alameda | 2000 | 0 | N/A | N/A | N/A | N/A | N/A |
| Arroyo Grande | San Luis Obispo | 1993 | 5 | 10 | LI | OSA ILF LDA | 1 | 30 |
| Benicia | Solano | 2000 | 10 | 10 | VLI LI | OSA ILF LDA DCT | N/A | 30 |
| Berkeley | Alameda | 1986 | 5 | 20 | VLI LI MI | None | 75 | P |
| Brea | Orange | 1993 | 20 | 10 | VLI LI MI | OSA ILF | 278 | 30 |
| Calistoga | Napa | 1990 | 5 | 20 | LI MI | None | 78 | N/A |
| Carlsbad | San Diego | 1993 | 0 | 15 | LI | OSA ILF | 1142 | N/A |
| Chula Vista | San Diego | 1981 | 50 | 10 | VLI LI MI | OSA ILF LDA DCT | 1172 | 55 to Permanent |
| Clayton | Contra Costa | 1995 | 10 | 10 | VLI LI | OSA ILF LDA | 84 | N/A |
| Contra Costa County | Contra Costa | N/A | 0 | 15-25 | MI | LDA | 756 | 15-30 |
| Coronado | San Diego | 1982 | 2 | 20 | LI MI | ILF | N/A | N/A |
| Corte Madera | San Mateo | 1989 | 10 | 10 | MI | None | 43 | P |
| Cotati | Sonoma | 1985 | 5 | 15 | MI | ILF | N/A | N/A |
| Cupertino | Santa Clara | 1983 | N/A | 15 | VLI LI MI | ILF | 160 | 99 |
| | Contra Costa | 1999 | 8 | 10-15 | MI | OSA ILF DCT | 70 | 20 |
| | Yolo | 1974 | 5 | 25-35 | VLI LI MI | OSA ILF LDA DCT | 1453 | N/A |
| | San Diego | N/A | 10 | 10 | LI | ILF | N/A | 30 |

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APPENDIX A

| Jurisdiction | County | Year Adopted | Minimum Project Size | % Units Required | Target Population | Alternatives to Construction | Units Produced | Length of Affordability |
|-------------------------|----------------|--------------|----------------------|------------------|-------------------|------------------------------|----------------|-------------------------|
| Dublin | Alameda | 1996 | 20 | 12.5 | VLI LI MI | OSA ILF LDA DCT | 59 | 30-55 |
| East Palo Alto | San Mateo | 1994 | 2 | 20 | VLI LI MI | OSA ILF | 115 | 50-59 |
| Emeryville | Alameda | 1990 | 30 | 20 | MI | OSA | 463 | 45-55 |
| Encinitas | San Diego | 1990 | 10 | 10 | VLI | ILF | 56 | 55 |
| Fairfax | Marin | N/A | 0 | N/A | N/A | N/A | N/A | N/A |
| Fremont | Alameda | 2002 | 7 | 15 | VLI LI MI | OSA ILF LDA | N/A | 30-99 |
| Gonzales | Monterey | N/A | 0 | N/A | N/A | N/A | N/A | N/A |
| Half Moon Bay | San Mateo | 1996 | 10 | 20 | VLI LI MI | OSA ILF | 12 | P |
| Healdsburg | Sonoma | 1993 | 0 | 15 | LI MI | OSA ILF LDA | N/A | 10 |
| Hercules | Contra Costa | 1997 | 10 | 10 | MI | OSA | N/A | N/A |
| Hesperia | San Bernardino | 1991 | 5 | ** | N/A | LDA | 202 | 30 |
| Huntington Beach | Orange | 2001 | 3 | 10 | LI | ILF LDA | 313 | 30-60 |
| Irvine | Orange | 1977 | 0 | 5-15 | VLI LI MI | OSA ILF LDA DCT | 4469 | N/A |
| Isleton | Sacramento | 2000 | N/A | 15 | VLI | OSA ILF DCT | N/A | 10 |
| Laguna Beach | Orange | 1985 | 3 | 25 | VLI LI MI | OSA ILF | 139 | 30-55 |
| Larkspur | Marin | 1990 | 10 | 10-15 | LI MI | ILF LDA | 85 | N/A |
| Livermore | Alameda | 1986 | N/A | 10 | LI | OSA ILF LDA | 217 | 55-99 |
| Lompoc | Santa Barbara | 1992 | 10 | 10 | VLI LI MI | OSA ILF | 3 | 30 |
| Long Beach | Los Angeles | N/A | 5 | N/A | N/A | ILF | N/A | N/A |
| Los Altos | Santa Clara | 1990 | 2 | 10-20 | N/A | None | 50 | 30 |
| Los Gatos | Santa Clara | N/A | 5 | 10 | MI | ILF | N/A | 55 |
| Mammoth Lakes | Mono | 2000 | 0 | 10 | LI MI | OSA ILF DCT | 2 | 50 |
| Marin County | Marin | N/A | 10 | 15 | LI MI | OSA ILF LDA DCT | N/A | N/A |
| Menlo Park | San Mateo | 1980s | 5 | 10-15 | LI MI | OSA ILF | 28 | 55 |
| Mill Valley | Marin | 1988 | 2 | 10-15 | VLI LI MI | OSA ILF | 319 | case by case |

| Jurisdiction | County | Year Adopted | Minimum Project Size | % Units Required | Target Population | Alternatives to Construction | Units Produced | Length of Affordability |
|----------------------------|-----------------|--------------|----------------------|------------------|-------------------|------------------------------|----------------|-------------------------|
| Monrovia | Los Angeles | 1990 | 0 | 20 | MI | None | 280 | 30-Permanent |
| Monterey | Monterey | 1981 | 10 | 15 | MI | OSA LDA | 438 | 30 |
| Monterey County | Monterey | 1980 | 7 | 10-15 | N/A | OSA ILF DCT | 1388 | 30-Permanent |
| Morgan Hill | Santa Clara | 1977 | 0 | 10 | LI MI | ILF | 302 | 45-55 |
| Morro Bay | San Luis Obispo | N/A | 0 | 10 | LI MI | ILF | N/A | 30 |
| Mountain View | Santa Clara | 1999 | 4 | 10 | LI MI | ILF | N/A | 55 |
| Napa | Napa | 1999 | 0 | 10 | VLI LI MI | OSA ILF LDA | 56 | 30-Permanent |
| Napa County | Napa | 1992 | 0 | 10 | VLI LI MI | OSA ILF LDA DCT | N/A | 40 |
| Nevada County | Nevada | 1995 | 20 | 10 | MI | OSA | N/A | 10-30 |
| Novato | Marin | 1999 | 0 | 10-15 | LI | ILF DCT | 40 | P |
| Oceanside | San Diego | 1991 | 3 | 10 | LI MI | ILF | N/A | 55 |
| Oxnard | Ventura | 1999 | 10 | 10 | VLI LI | ILF | 15 | 20 |
| Palo Alto | Santa Clara | 1973 | 5 | 15-20 | LI MI | OSA ILF LDA | 274 | 59 |
| Pasadena | Los Angeles | 1991 | 10 | 15 | LI MI | OSA ILF LDA | 14 | 30-Permanent |
| Patterson | Stanislaus | 1995 | 5 | 10 | LI MI | ILF | 5 | P |
| Petaluma | Sonoma | 1984 | 5 | 15 | LI MI | OSA ILF LDA | 1442 | P |
| Pismo Beach | San Luis Obispo | 2001 | 5 | 10 | MI | OSA ILF LDA | N/A | 30 |
| Pleasant Hill | Contra Costa | 1991 | 5 | 5-25 | VLI LI | OSA ILF LDA DCT | 5 | P |
| Pleasanton | Alameda | 1978 | 0 | 15-20 | VLI LI MI | OSA ILF LDA DCT | 300 | P |
| Port Hueneme | Ventura | N/A | 10 | 25 | LI MI | ILF | 20 | N/A |
| Portola Valley | San Mateo | 1991 | 0 | 15 | LI MI | ILF | N/A | N/A |
| Poway | San Diego | 1993 | 0 | 15 | VLI LI | OSA ILF | N/A | N/A |
| Rancho Palos Verdes | Los Angeles | 1997 | 5 | 5-10 | VLI LI | OSA ILF | N/A | variable |
| Richmond | Contra Costa | 2001 | 10 | 10-17 | VLI LI MI | OSA ILF | N/A | 30 |
| Rio Vista | Sacramento | 2002 | 400 | 10 | LI | None | N/A | N/A |

| Jurisdiction | County | Year Adopted | Minimum Project Size | % Units Required | Target Population | Alternatives to Construction | Units Produced | Length of Affordability |
|----------------------|-----------------|--------------|----------------------|------------------|-------------------|------------------------------|----------------|-------------------------|
| Ripon | San Joaquin | 2001 | 5 | 10 | LI | ILF LDA DCT | N/A | P |
| Rohnert Park | Sonoma | 2002 | 5 | 15 | VLI LI MI | OSA ILF LDA DCT | N/A | 30-50 |
| Roseville | Placer | 1988 | 0 | 10 | VLI LI MI | ILF LDA DCT | 2000 | 30-Permanent |
| Sacramento | Sacramento | 2000 | 10 | 15 | VLI LI | OSA LDA | 92 | 30 |
| Salinas | Monterey | 1992 | 10 | 12 | LI MI | None | 453 | 30 |
| San Anselmo | Marin | 1995 | 10 | 10 | LI MI | OSA ILF LDA | N/A | P |
| San Benito County | San Benito | 1997 | 0 | 20 | N/A | None | N/A | variable |
| San Carlos | San Mateo | 1991 | 0 | 10 | LI MI | OSA ILF | 40 | N/A |
| San Clemente | Orange | 1980 | 6 | 4 | VLI | OSA ILF LDA | 627 | N/A |
| San Diego | San Diego | 1994 | 0 | 20 | LI | OSA LDA | 537 | N/A |
| San Francisco | San Francisco | 1992 | 10 | 10-17 | LI MI | OSA ILF | 302 | N/A |
| San Juan Bautista | San Benito | 2000 | 6 | 16.7 | VLI LI MI | OSA ILF | 1 | 55 |
| San Juan Capistrano | Orange | 1995 | 2 | 30 | VLI LI | ILF | 196 | 10 - 30 |
| San Leandro | Alameda | 1980 | 20 | 10 | LI | OSA | 312 | 15-55 |
| San Luis Obispo | San Luis Obispo | 1999 | 5 | 15 | VLI LI MI | OSA ILF LDA | N/A | 30 |
| San Mateo | San Mateo | 1992 | 11 | 10 | LI MI | OSA | 102 | 30-Permanent |
| San Mateo County | San Mateo | 1994 | 5 | 20 | VLI LI | None | 124 | variable |
| San Rafael | Marin | 1988 | 10 | 10 | VLI LI MI | OSA ILF | 611 | N/A |
| Santa Barbara County | Santa Barbara | 1993 | 5 | 5-20 | VLI LI MI | OSA ILF | 2244 | 30 |
| Santa Clara | Santa Clara | 1992 | 10 | 10 | MI | None | N/A | N/A |
| Santa Cruz | Santa Cruz | 1980 | 5 | 15 | VLI MI | OSA ILF LDA DCT | 640 | N/A |
| Santa Cruz County | Santa Cruz | 1978 | 3 | 15 | LI MI | OSA ILF | 750 | P |
| Santa Monica | Los Angeles | 1985 | 2 | 10-20 | VLI LI | OSA ILF LDA | N/A | N/A |
| Santa Rosa | Sonoma | 1992 | 0 | 15 | VLI LI | OSA ILF LDA | 385 | 30 |

| Jurisdiction | County | Year Adopted | Minimum Project Size | % Units Required | Target Population | Alternatives to Construction | Units Produced | Length of Affordability |
|---------------------|-------------|--------------|----------------------|------------------|-------------------|------------------------------|----------------|-------------------------|
| Sebastopol | Sonoma | 1994 | 3 | 20 | LI | ILF | 9 | 15 |
| Solana Beach | San Diego | 1997 | 4 | 10 | LI | OSA ILF | N/A | 30 |
| Sonoma | Sonoma | 1995 | 5 | 10 | VLI MI | None | 11 | 30-45 |
| South San Francisco | San Mateo | 2001 | 4 | 20 | LI MI | ILF | N/A | N/A |
| Sunnyvale | Santa Clara | 1980 | 10 | 10 | LI MI | ILF | 749 | 20 |
| Sutter County | Sutter | 1995 | 10 | 5 | LI MI | OSA ILF LDA DCT | N/A | N/A |
| Tiburon | Marin | 1988 | 0 | 10 | LI MI | OSA ILF | 19 | N/A |
| Union City | Alameda | 2001 | 2 | 15 | VLI LI MI | OSA ILF | N/A | N/A |
| Vista | San Diego | N/A | 0 | 6 | LI | ILF LDA | N/A | N/A |
| Watsonville | Santa Cruz | 1991 | N/A | 20 | VLI LI MI | OSA ILF | 11 | 40 |
| West Hollywood | Los Angeles | 1986 | 2 | 20 | LI MI | OSA ILF | 13 | P |
| Winters | Yolo | 1994 | 5 | 15 | VLI LI MI | ILF LDA | 76 | 55 |
| Woodland | Yolo | N/A | 10 | 10-20 | VLI LI | OSA ILF LDA | N/A | 40 |
| Yolo County | Yolo | 1996 | 10 | 10 | VLI LI | ILF | N/A | 30 |
| Yountville | Napa | 1992 | 5 | 15 | VLI LI MI | OSA ILF LDA | 19 | N/A |

Key:

- OSA Off-site Allowance
- ILF In-Lieu Fees
- LDA Land Dedication Allowance
- DCT Developer Credit Transfer
- VLI Very Low-Income
- LI Low-Income
- MI Moderate-Income
- N/A Not Available
- P Permanent

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* Voluntary Policy

** City encourages through a modified version of state density bonus law.