Examples of Inclusionary Housing Program Characteristics

	Year of Inception	Affordable Units Produced	Threshold Number of Units	Set-aside Requirement	Control Period	"In lieu of" payment/ Off-site Development	Density Bonus	Other Developer Incentives
Boston, Massachusetts	2000	44	Development exceeding 10 units	10% of on-site units	"Maximum allowable by law"	May build off-site if 15% of all units affordable In lieu of payment permitted	None	Tax break for developer
Boulder, Colorado	1999[1]	Approx. 50 of nearly 200 anticipated	No threshold #--applicable to all residential development	20% low-income in for-sale and rental developments[2]	Permanent affordability by deed restriction	Fee permitted for smaller developments; Half of for-sale units may be built off-site; Developers have flexibility with rental unit obligation[3]	None	Waiver of development excise taxes
Davis, California	1990	1474	Development exceeding 5 units	25% in for-sale developments[4] 25-35% in rental developments[5]	Permanent affordability for rental units No control period for for-sale units	In lieu of payment permitted for developments under 30 units, or other demonstration of "unique hardship"	25%	None
Fairfax County, Virginia	1991	1723	Development exceeding 50 units[6]	12.5% in single family home developments 6.5% in multi-family developments	15 years for for-sale housing 20 years for rental housing PHA may purchase 1/3 of all units to keep affordable	Not permitted	20% for single family units 10% for multi-family units	None
Irvine, California	1978	Over 3400	No threshold #--applicable to all residential development[7]	Voluntary goal: 15% of all units	20-30 years; determined case-by-case depending on financing	In lieu of payments and other alternatives to on-site units permissible[8]	25%[9]	None currently offered[10]
Longmont, Colorado	1995	104 of 352 anticipated	No threshold #[11]	10% of all units in annexation areas	No control period for for-sale units 5 years for rental units	May make in lieu of payment to Affordable Housing Fund Case-by-case consideration of off-site construction	Yes	Relaxed regulatory requirements[12]
Montgomery County, Maryland	1974	Over 10,000	Development exceeding 50 units	12.5-15% of all units Of these, PHA may purchase 33%, and qualified not-for-profits may purchase 7%	10 years for for-sale units 20 years for rental units	May request approval to make in lieu of payment or build affordable units off-site in contiguous planning area if low and moderate income residents will not be able to pay expected housing costs	Up to 22%	Waiver of water, sewer charge and impact fees. Offer 10% compatibility allowance and other incentives[13]
Santa Fe, New Mexico	1998	1 of 36 anticipated	No threshold #[14]	11% in developments targeted over 120% AMI[15] 16% in developments targeted over 200% AMI[16]	30 years for all units; 30 year period starts over with each new occupant	Not permitted, except in case of economic hardship	Bonus equals set-aside %. 16% in developments targeted under 80% of AMI[17]	Waiver of building fees

Examples of Inclusionary Housing Program Characteristics

---

[1] Boulder had an prior inclusionary housing ordinance in effect in the 1980s and early 1990s. The current ordinance was designed to improve flaws in the former program.

[2] Projects of 4 or fewer units may either provide one unit of affordable housing on or off-site, dedicate land for affordable housing, or make an "in lieu of" contribution. Boulder may negotiate affordable housing set-asides of up to 50% in projects built on annexed land; in such cases, the units are split evenly between low-income households and moderate-income households.

[3] Developers of affordable rental units have flexibility with regard to the on-site/off-site mix, and the extent to which they may meet their obligation by donating land or dedicating pre-existing homes for low-income households.

[4] 25% set-aside achieved through combination of on-site construction and land dedication.

[5] 35% set-aside required for rental projects over 20 units; 25% set-aside required for projects between 5 and 19 units; set-aside achieved through on-site construction and land dedication.

[6] Developers must pay a fee equal to 1% of sales prices if a development does not exceed 50 units. In addition to meeting the 50 unit threshold, housing must be developed at a density greater than one dwelling unit per acre in an approved sewer service area to trigger an affordable housing set-aside obligation.

[7] The applicability of Irvine's program is dependent upon city and federal funding availability. Compliance with its terms is a "goal," not a strict requirement, though a city official reported that nearly all developments comply with the program.

[8] Developers in Irvine may pursue a range of alternatives to construction of affordable units on-site. In addition to fees in lieu of construction, developers may provide land to not-for-profit developers of affordable housing, convert existing market rate housing into affordable housing, and extend the term of affordability on current affordable units.

[9] California state law requires a 25% density bonus for developers of affordable housing. In Irvine, however, not many developers take advantage of this option.

[10] Although Irvine currently offers no developer incentives other than a state-required density bonus, it has in the past (and will consider doing so again in the future) offered developers of affordable housing reduced parking requirements, reduced fees, reduced park land dedications, and expedited permitting.

[11] All residential development on land annexed to the city triggers an affordable housing obligation.

[12] Developers who construct affordable housing are eligible for regulatory incentives, including reduced parking requirements, smaller setback requirements, and reduced landscaping obligations.

[13] Montgomery County permits developers to increase the sales prices of units by 10% to fund amenities that make the affordable units visually compatible with market rate units. Developers of affordable units also may build up to 40% attached units in an otherwise detached unit development, and they may receive some concessions on lot sizes that enable them to use their land more efficiently.

[14] Santa Fe triggers an affordable housing obligation if any dwelling unit in a development is targeted to households with incomes over 120% of the area median income (AMI).

[15] Homes targeted to households earning between 120 and 200% of area median income (AMI) are priced between $240,000 and $400,000.

[16] Homes targeted to households earning in excess of 200% of area median income (AMI) are priced over $400,000.

[17] Homes targeted to households earning less than 80% of area median income (AMI) are priced under $150,000.