



Portland Housing Bureau

To: Inclusionary Housing Calibration Study Work Group
From: Jessica Conner, Senior Policy and Planning Coordinator
Cc: Molly Rogers, Interim Bureau Director
Date: March 17, 2023
Re: Work group question for follow up

Items included here for follow up at the March work group meeting: Inclusionary Housing (IH) Program Comparative Analysis case study unit production information and added case study of City of San Diego.

From IH Comparative Analysis – Program Unit Production

The programs highlighted in IH Program Comparative Analysis did not report unit production consistently and thus a side-by-side comparison was not conducted. The production information below can be found in each of the individual cases studies located on pages 6 – 15 in the full memo.

Portland, Oregon

Population: 642,218

Percentage renters: 46.6%

Name: Inclusionary Housing

Year adopted: 2016

Production: Since the program's effective date in February 2017 through the end of the 2022 calendar year, there are 242 total projects with 14,823 total units. Included in these 242 projects are 1,622 affordable units. Out of the 242 total projects, 169 are private market projects receiving no direct government subsidies. Within the 169 private market projects are 10,185 total units of which 989 are affordable units.

Los Angeles County, California

Population: 9,829,544

Percentage renters: 53.6%

Name: Inclusionary Housing Ordinance

Year adopted: 2020

units at average of 65% AMI; 20% units at 80% AMI.

Production: Unable to locate reported production information.

New York City, New York

Population: 8,467,513

Percentage renters: 66.7%

Name: Mandatory Inclusionary Zoning

Year adopted: 2016

Production: MIH is already producing results: over 1,500 permanently affordable homes will be included in projects approved subject to MIH just in the first nine months the program has been in effect. [*Housing New York: Three Years of Progress.*](#)

Chicago, Illinois

Population: 2,696,561

Percentage renters: 53.4%

Name: Affordable Requirements Ordinance

Year adopted: 2007

Coverage area: Specific areas of city

Production: Today, the ARO has led to nearly 1,500 units completed and under construction for very-low and moderate-income households, including more than 1,000 units within new, market-rate housing developments. [Inclusionary Housing Task Force Staff Report](#).

Fairfax County, Virginia

Population: 1,139,720

Percentage renters: 30.7%

Name: Affordable Dwelling Unit Program

Year adopted: 1990

Production: Since the inception of the program, 2,929 Affordable Dwelling Units (ADUs) produced. [Annual Report Fiscal Year 2021](#).

Seattle, Washington

Population: 733,904

Percentage renters: 54.1%

Name: Mandatory Housing Affordability

Year adopted: 2017

Coverage area: designated low, medium, and high areas

Production: Since initial adoption of MHA legislation through December 31, 2021, developers have committed to including 188 MHA Units in 26 projects totaling 2,463 units. [Mandatory Housing Affordability and Incentive Zoning 2021 Report](#).

Washington, D.C

Population: 670,050

Percentage renters: 58.4%

Name: Inclusionary Zoning

Year adopted: 2007

Production: In fiscal year 2021, the IZ program produced 372 affordable housing units, the most unit produced in a single year since the program began in August 2009. To date, nearly 1,600 IZ units have been produced. (Exact number is 1,583 at the close of fiscal year 2021). [Inclusionary Zoning Annual Report for Fiscal Year 2021](#).

Montgomery County, Maryland

Population: 1,054,827

Percentage renters: 34.3%

Name: Moderately Priced Dwelling Unit Program

Year adopted: 1973

Coverage area: countywide

Production: As a result, the MPDU program has successfully produced more than 16,500 affordable units since the first MPDUs were built in 1976. [Annual Report on the Moderately Priced Dwelling Unit \(MPDU\) and Workforce Housing Programs Covering Calendar Year 2021.](#)

Denver (city and county), Colorado

Population: 711,463

Percentage renters: 49.7%

Name: Mandatory Affordable Housing

Year adopted: 2022

Coverage area: City and County of Denver

Production: The Department of Housing Stability's Five-Year Plan aims to create or preserve 7,000 units of affordable housing from 2022 to 2026, reduce housing cost burden among low-and moderate-income households (those earning at or below 80% of the area median income) from 59% to 51%, and increase the rate of homeownership among low- and moderate-income households from 36% to 41%.

[Expanding Housing Affordability Through Market-Based Tools.](#)

Minneapolis, Minnesota

Population: 425,338

Percentage renters: 50.2%

Name: Inclusionary Zoning Ordinance (interim)

Year adopted: 2020 (building upon a 2018 IZ ordinance)

Production: From 2020 through 2022, 2,505 total dwelling units in 18 projects were permitted IZ projects. Of these total units, 103 are affordable on-site units. There are 25 projects with 20 or more units in the development pipeline with 3,758 total units. [Inclusionary Zoning Tracker Dashboard.](#)

Additional jurisdictional case study by work group member request

San Diego, California

Population: 1,381,600

Percent renters: 51.7%

Name: Inclusionary Housing

Year adopted: 2003

Coverage area: Citywide

Program trigger: Buildings adding 10+ new residential units, condominium conversions of 2+ units

Rental set aside & income limit: 10% units at 60% AMI; 20% units at 60% AMI if located in the North City Future Urbanizing Area

For-sale set aside & income limit: 10% units at 100% MFI or 15% units at 120% MFI

Affordability duration: Rental: 55 years; For Sale: 15 years

Compliance options: on-site, off-site, off-site not meeting location criteria (5% more IH Units), fee-in-lieu, rehabilitation of existing units or single room occupancy hotel rooms, conversion of guest rooms in motel or hotel, land donation, combination of options

Development standards: IH Units must be constructed at the same time as market-rate, comparable in bedroom mix, design, and overall quality of construction

Incentives: Density bonus, Development Impact Fee exemption for IH Units (On-site only)

Marketing: Commission must certify tenant and homebuyer eligibility prior to lease-up or sale, caps are adjusted by household size (not set by unit type)

Legislation: O-21167; San Diego Municipal Code Chapter 9, Article 8, Division 5; San Diego Municipal Code Chapter 11, Article 3, Division 1; San Diego Municipal Code Chapter 14, Article 2, Division 13; San Diego Municipal Code Chapter 14, Article 3, Division 7 & 9; San Diego Municipal Code Chapter 14, Article 4, Division 5; Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual

Production

Construction starts in 2020 yielded 6,482 units, a 24.2 percent increase from 2019 numbers. 1,708 of the construction starts are deed restricted as affordable for moderate- and lower-income households a record high for the 5th Cycle Housing Element.

https://www.sandiego.gov/sites/default/files/2021_housing_inventory_report.pdf

Administering agency

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<https://www.sdhc.org/doing-business-with-us/developers/inclusionary-housing/>