

CITY OF  
**HAYWARD**  
HEART OF THE BAY

**Inclusionary Housing Ordinance (IHO)  
Interim Fee Relief  
December 14, 2010**

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Redevelopment Agency  
Office of the City Manager



# IHO Interim Fee Relief

Item #16

- Development increases the need for a service base in the economy – IHO helps house service workers
  - Balanced Economy
- Approximately 145 IHO ordinances in California

(California Coalition for Rural Housing)



# IHO Interim Fee Relief

Item #16

- What this relief ordinance does (until 12/31/12):
  - Reduces set-aside requirement by 30%-50%, thereby lowering financial impact to developers
  - Fee by Right
  - Deferral of payment up to 1 year after C of O.



# IHO Interim Fee Relief

Item #16

- What we propose:
  - *Lowering the inclusionary set-aside threshold between 30% and 50% per housing type.*

• <b>Condos/TH</b>	Normal Set Aside	15%
	IHO Interim relief	7.5%
• <b>SFR</b>	Normal Set Aside	15%
	IHO Interim relief	10%



# IHO Interim Fee Relief

Item #16

- **SFR** – For every 10 market rate homes built, we request one as affordable (1 of 10)
- Affordable unit cost is \$80,000 for 1 unit (**\$8,000** per market rate unit if you spread the costs over all 10 units)
- *Old calculation - 1.5 unit requirement for 10 units or **\$12,000** per market rate unit*
  - *\$4,000 savings per unit*
  - *\$40,000 savings for 10 units*
  - *\$400,000 savings for 100 units*



# IHO Interim Fee Relief

Item #16

- SFR
  - Alternative proposal at \$4 per Sq. Ft.
  - Assuming 2,700 Sq. Ft. SFR
  - *\$10,800 per unit based on a Sq. Ft. charge*
    - *Our proposal at \$8,000*



# IHO Interim Fee Relief

Item #16

- Condo/TH – For every 10 market rate homes built, we request .75 as affordable.
- Affordable unit cost is \$60,000 (**\$6,000** per market rate unit if you spread the costs over all 10 units)
- *Old calculation - 1.5 unit requirement for 10 units or **\$12,000** per market rate unit*
  - *\$6,000 savings per unit*
  - *\$60,000 savings for 10 units*
  - *\$600,000 savings for 100 units*



# IHO Interim Fee Relief

Item #16

- Condo/TH
  - Alternative proposal at \$4 per Sq. Ft.
  - Assuming 1,400 Sq. Ft. Townhome
  - *\$5,600 per unit based on a Sq. Ft. charge*
    - *Our proposal at \$6,000*



# IHO Interim Fee Relief

Item #16

- *Multifamily rental project IHO requirements are effectively suspended because of the impacts of a recent court case and because of the unknown impacts of Proposition 26.*

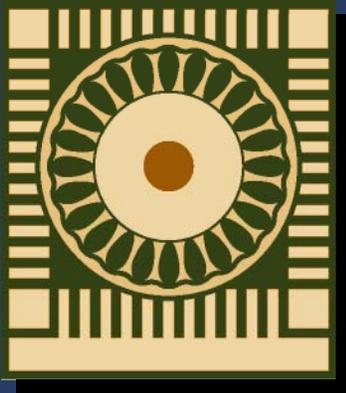


# IHO Interim Fee Relief

Item #16

- *Reduces set-aside requirement by 30%-50%*
  - *Comparable to a reduction in Sq. Ft. fees*
  - *Proposition 26 uncertainty*
- *Fee by Right*
- *Deferral of payment until 1 year after C of O.*





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