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Housing & Career Services Department

Inclusionary Housing in Pasadena

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Director of Housing and Career Services

1.30.18

Ordinance Basics

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- Enacted in 2001
  - > Split vote, strong opposition, threat of litigation
- Applies to housing developments of 10+ units
  - > Rental: 10% Low Income and 5% Moderate Income
  - > For-Sale: 15% Moderate Income
  - > Developer may provide fewer units but at deeper affordability level (e.g., 1 Very Low instead of 2 Mod)
- Affordable housing deed restrictions
  - > Rental: In perpetuity
  - > For-Sale: 45 years

Ordinance Basics

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- Developer Options
  - > Provide Inclusionary units within the development
  - > Pay Inclusionary In-Lieu Fee
  - > Provide the units on another property (“off-site”)
  - > Donate land w/ value equivalent to the fee
- Incentives to provide Inclusionary units on-site
  - > Density bonus: Inclusionary units can be credited towards affordable units required for density bonus
  - > Residential Impact Fee Reduction
    - ▪ $957 vs $21,651 per 2-bd unit
  - > Building Permit Fee partially waived
  - > Traffic Impact Fee discounted

Inclusionary Production

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Inclusionary units produced: 530

	Very Low	Low	Moderate	TOTAL	%
Rental	**148**	**66**	**264**	**478**	**92%**
For-Sale	**7**	**2**	**43**	**52**	**8%**
TOTAL	**155**	**68**	**307**	**530**	**100%**
%	**29%**	**13%**	**58%**	**100%**	

- Under construction
  - > 7 projects w/ 68 Inclusionary units
  - > 41 rental, 28 for-sale
  - > 48 Low/Very Low income, 20 Moderate income

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Westgate Apts (96 units VLI)

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Haskett Court (6 units, off-site)

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Inclusionary Map

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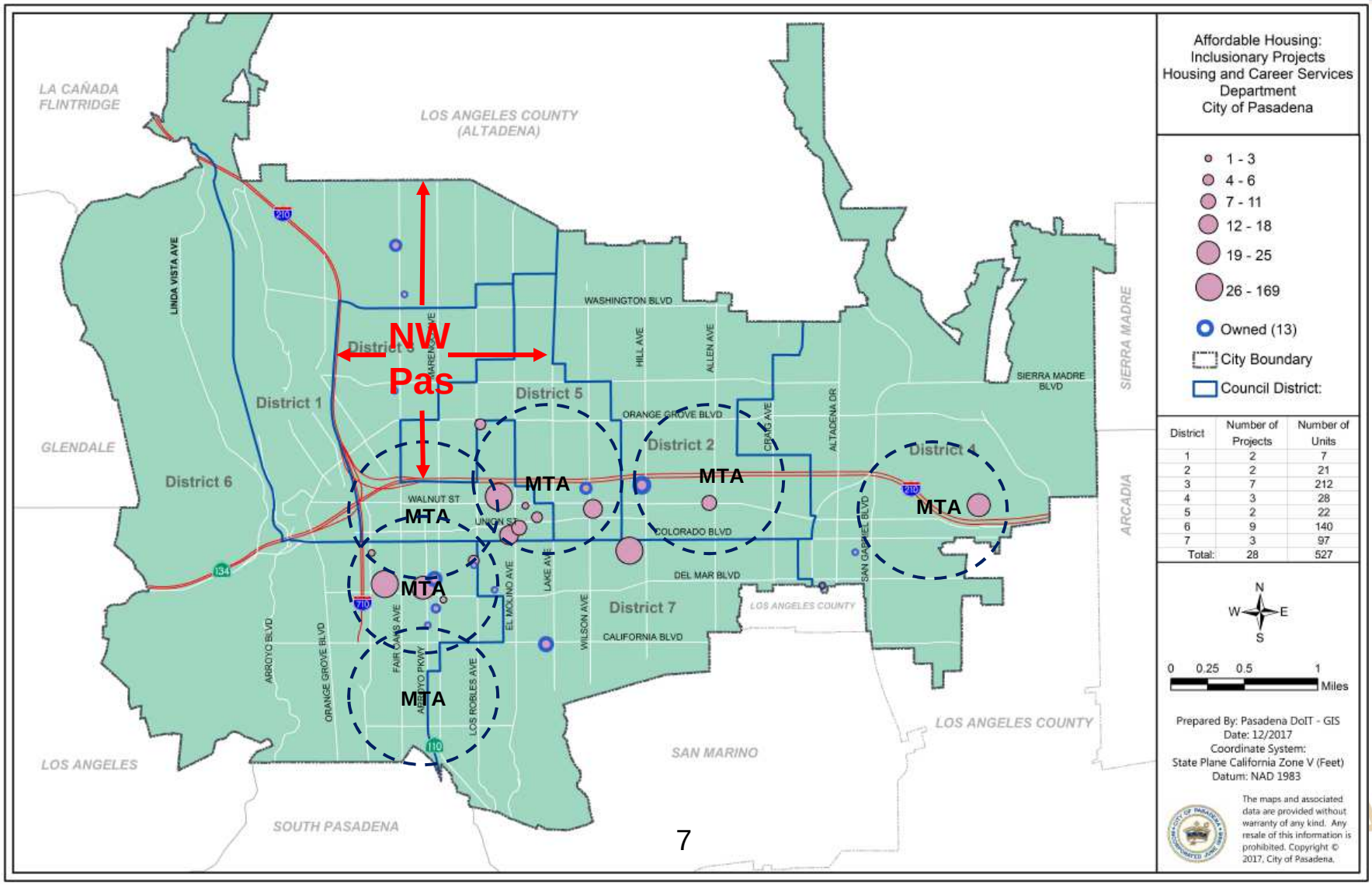

In-Lieu Fee

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- Half due at building permit issuance
- Half due at C of O issuance
- $21.9M to date, and leveraged $2M State funds (Local Housing Match Program)
- Fee amount based on size of development and applicable In-Lieu Fee rate
- In-Lieu Fee rates adjusted annually by CPI
- Ordinance provides for periodic analysis to adjust fees for changes in housing market

Inclusionary Sub-Areas

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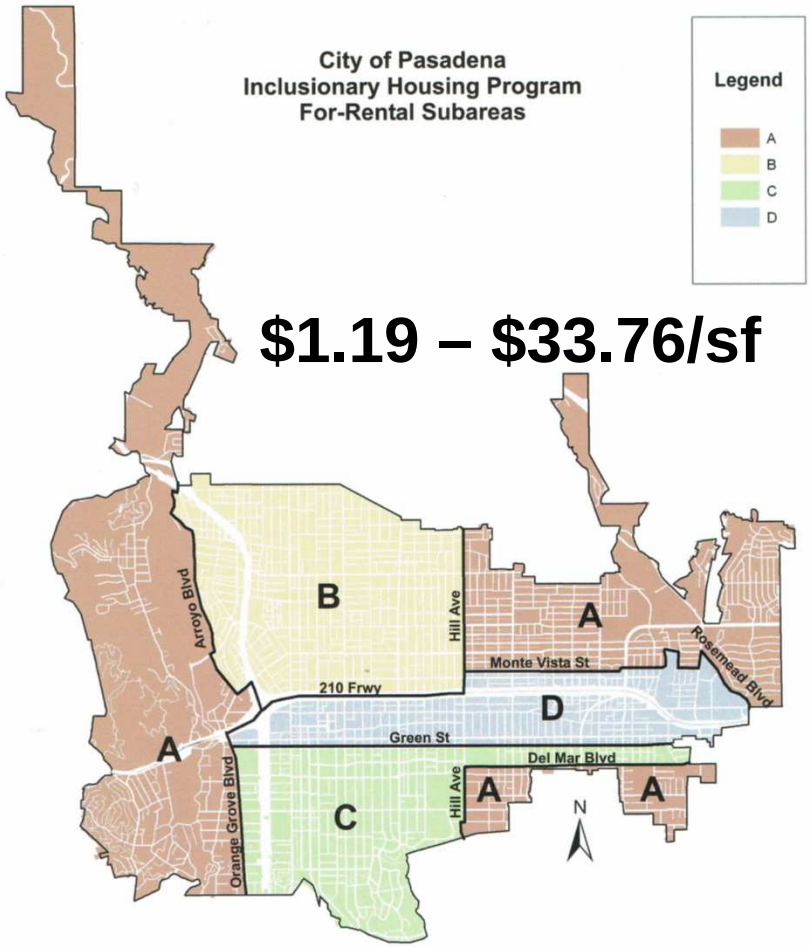
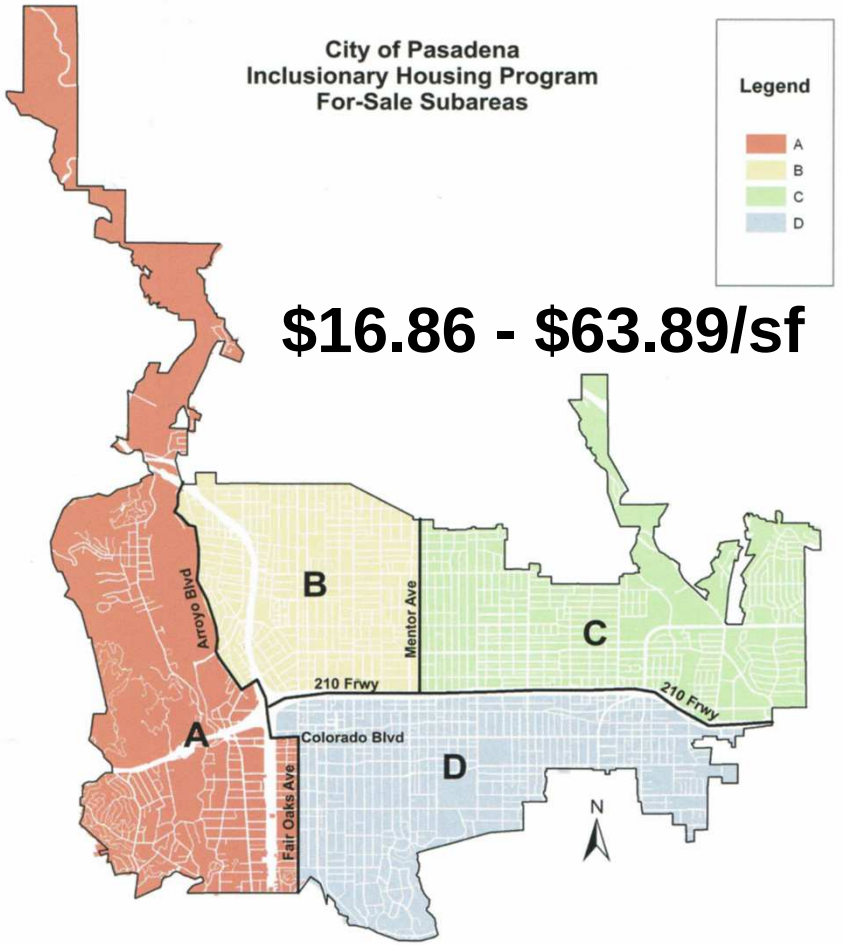


$1.19 – $33.76/sf



$16.86 - $63.89/sf

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In-Lieu Fee

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How the fee is calculated for a project

Example: 40-unit rental project in Sub-Area “B”

- Project has 36,000 sf net residential floor area
- Sub-Area “B” In-Lieu Fee rate = $25.21 per sf
- In-Lieu Fee = 36,000 sf x $25.21 per sf

= $907,560

Summit Grove

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Marv's Place

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Heritage Square Seniors

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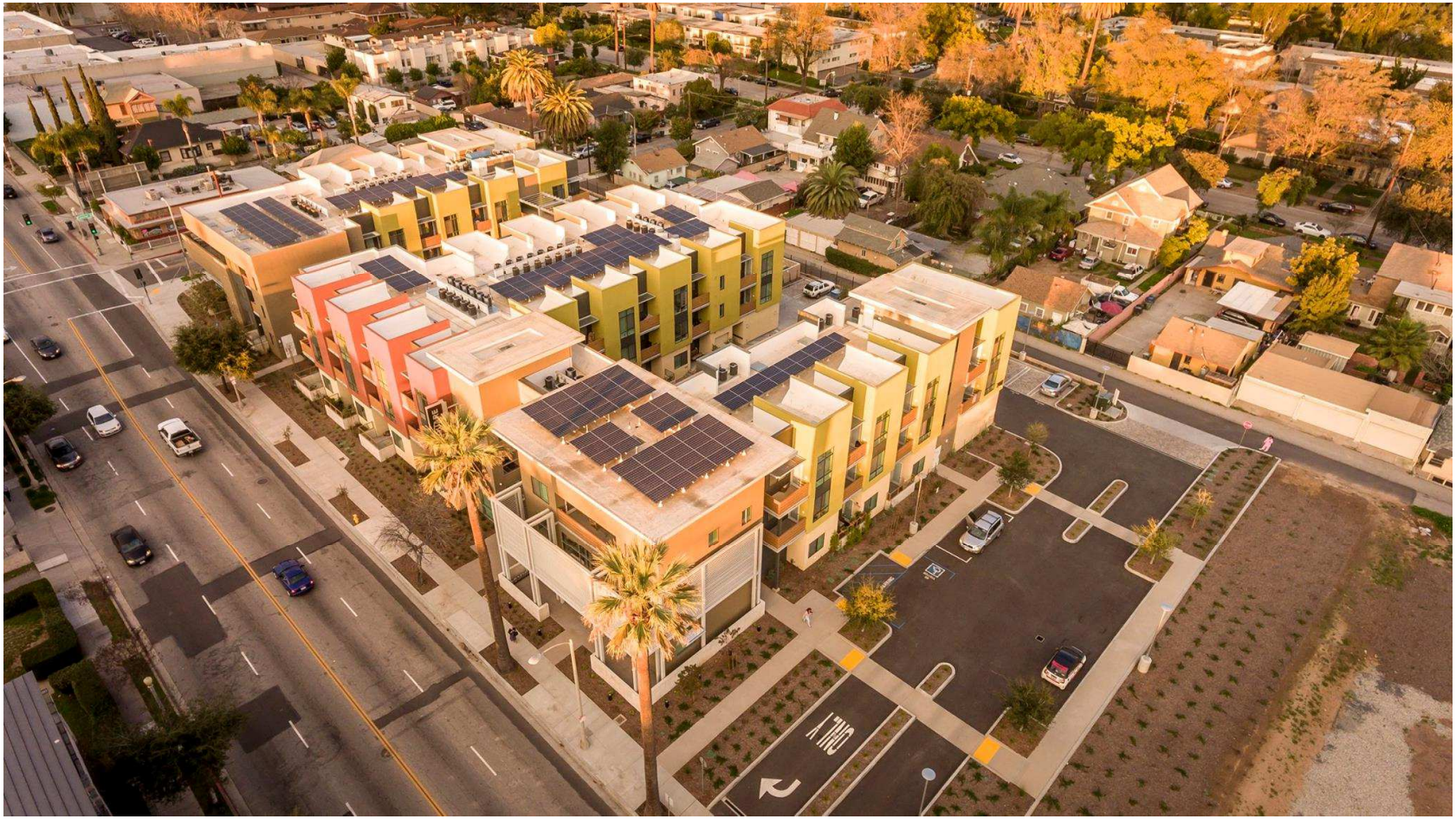

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How can Pasadena's Inclusionary Housing Program be improved?