



INCLUSIONARY HOUSING REGULATIONS RENTAL DEVELOPMENT



Ordinance No. 2402 and Resolution No. 7621
Approved by City Council on April 1, 2025

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I. INTRODUCTION

This Inclusionary Housing Regulations document describes the affordable housing requirements imposed on Rental Projects by the following Municipal Code chapters:

1. Development Code Section 9103.16 Inclusionary Housing Program; and
2. Development Code Section 9103.15 Density Bonus Program.

This document shall also be applicable to any Rental Project that includes affordable housing units, including but not limited to those subject to the Inclusionary Housing Program and/or the Density Bonus Program.

For a graphic representation of how the Inclusionary Housing Program requirements will be applied, and the options for providing the required Affordable Units, please refer to the Inclusionary Housing (Ordinance 2402) Flow Chart provided in Attachment 1.

II. DEFINITIONS OF TERMS

The following words, terms and phrases are used in this Inclusionary Housing Regulations document unless the particular context or usage of a word, term or phrase requires another interpretation.

“Adult” means a person 18 years of age or older.

“Affordable Housing Agreement” means the legally binding agreement between a Developer and the City, in a form and substance satisfactory to the City Manager and City Attorney and suitable for recording, setting forth those provisions necessary to ensure that the requirements of Development Code Sections 9103.16 and/or 9103.15, as pertinent are and will continue to be, satisfied.

“Affordable Housing Cost” is calculated using the HSC Section 50053 methodology. The pertinent percentages of AMI identified in the following table, as adjusted for Household Size Appropriate for the Unit, are multiplied times 30%:

Income Category	Inclusionary Housing Program	State Density Bonus
Percentage of AMI		
Moderate Income	110%	NA
Low Income	60%	60%
Very Low Income	50%	50%

The Affordable Housing Cost calculation methodology is described in Section VI-B of this Inclusionary Housing Regulations document.

“Affordable Housing Plan” means the plan containing all the information specified in and submitted in conformance with the requirements imposed by Development Code Section 9103.16.090(A).

“Affordable Housing Trust Fund” means the fund established pursuant to Development Code Section 9103.16.050(B). Any In-Lieu Fees or Equity Share payment collected as a result of the requirements of Development Code shall be deposited in the City’s Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to Extremely Low, Very Low, Low, and Moderate Income Households.

“Affordable Rent” is equal to the monthly Affordable Housing Cost minus Housing Related Expenses in accordance with California Government Code Section 6918.

“Affordable Unit” means a dwelling unit that is designated to meet the requirements set forth in Development Code Sections 9103.16 and/or 9103.15. An Affordable Unit must be made available at an Affordable Sales Price to eligible Moderate Income, Low Income, or Very Low Income Households, as applicable to the Affordable Unit.

“AMI” means the area median income for which the area is defined as Los Angeles County. The AMI is adjusted for household size, as published periodically in the California Code of Regulations, Title 25, Section 6932, or its successor provision, or as established by the City in the event that such median income figures are no longer published in the California Code of Regulations.

“Base Density” means the maximum number of dwelling units allowed per acre of land within each land use category designated in the General Plan.

“Building Permit” means full structural Building Permits as well as partial permits such as foundation only permits.

“Certificate of Occupancy” means the permit issued by the City’s Building Division authorizing the initial occupancy of a residential unit, including a temporary certificate of occupancy.

“City” means the City of Arcadia, California.

“City Approvals” are defined as the entitlement approvals for the Rental Project and, as applicable, the Affordable Housing Plan that must be approved by the Development Services Director prior to the issuance of Building Permits for the Rental Project.

“City Council” means the City of Arcadia City Council.

“City Manager” means the City of Arcadia City Manager or designee.

“Contiguous Property” means any parcel of land that is:

1. Touching another parcel at any point; or
2. Separated from another parcel at any point only by a public right-of-way, private street or way, or public or private utility, service or access easement; or

3. Separated from another parcel only by other real property of the Developer which is not subject to the requirements of Development Code Sections 9103.16 and/or 9103.15, as pertinent, at the time the Planning Entitlement application by the Developer.

“Default” means the failure of a Party to perform any action or covenant as defined in the Affordable Housing Agreement.

“Density Bonus Units” means dwelling units approved in a Rental Project pursuant to State Density Bonus Law that are in excess of the maximum allowable residential density otherwise permitted by the General Plan or Zoning Ordinance.

“Developer” means a person, persons, or entity that applies to the City for one or more discretionary or residential permits required for a proposed Rental Project. This also includes the owner or owners of the property if the Developer does not own the property on which the Rental Project is proposed.

“Development Agreement” means an agreement approved by the City Council between a property owner and the City pursuant to California Government Code Section 65864, et seq.

“Development Services Director” means the City of Arcadia Development Services Director or designee.

“Discretionary Approval” means any entitlement or approval, including but not limited to a use permit, variance, design approval, and subdivision map.

“Effective Date” means the date on which the Affordable Housing Agreement is approved and executed by appropriate authorities of the Developer and the City. No Building Permits shall be issued prior to the Effective Date.

“Eligible Tenant” means a Prospective Tenant who meets the eligibility criteria set forth in Section V of this Inclusionary Housing Regulations document.

“Extremely Low Income Household” refers to a Household whose income does not exceed the qualifying limits for extremely low income families as established and amended from time to time for Los Angeles County pursuant to Section 8 of the United States Housing Act of 1937. The income limit for Extremely Low Income Households is published and periodically updated by HCD pursuant to HSC Section 50106.

“General Plan” means the adopted General Plan for the City of Arcadia.

“Gross Income” means all income from whatever source from all Adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

“HCD” means the California Department of Housing and Community Development.

“Hearing Officer” means a neutral person that is designated by the City Manager. The Hearing Officer’s responsibilities are to conduct hearings, to make findings, and to issue determinations regarding appeals to determinations made by the Development Services Director in response to appellants’ complaints concerning the affordable housing requirements.

“Household” means all the persons who will occupy the Affordable Unit as their Primary Residence. A child who is subject to a legally binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

“Household Size Appropriate for the Unit” means a household size equal to the number of bedrooms in the unit plus one. For example, this equates to three persons in the case of a two-bedroom unit. This household size standard is solely used in the Affordable Rent calculations. It is neither an occupancy minimum nor a maximum.

“Housing Related Expenses” means any costs other than rent that are required to be borne by a tenant in an Affordable Unit located in a Rental Project. These costs include, but are not limited to, the following:

1. A utility allowance based on the types of interior utilities included in the Affordable Units for which payment will be the tenant’s responsibility. The Los Angeles County Development Authority (LACDA) annually publishes the utility allowance schedule that must be applied to Affordable Units in a Rental Project.
2. Any amenities that are provided at no cost to the occupants of the Market Rate Units must also be provided at no cost to the occupants of the Affordable Units.
3. Any costs that are required to be incurred to make use of the amenities within the Rental Project must be factored into the Housing Related Expenses for the Affordable Units.

“HSC” means the California Health and Safety Code.

“Inclusionary Housing Program” means the program that details the affordable housing requirements imposed by Development Code Section 9103.16.

“Inclusionary Housing Regulations” means this Inclusionary Housing Regulations document: Rental Project and Attachments that have been prepared by the City for the implementation and administration of Development Code Sections 9103.16 and 9103.15. Each Developer of a Rental Project that is subject to the Development Code Sections 9103.16 and/or 9103.15 requirements will be provided with a copy of the Inclusionary Housing Regulations when an Affordable Housing Agreement is executed.

“In-Lieu Fee” refers to a fee paid by a Developer to the City’s Affordable Housing Trust Fund in lieu of constructing Affordable Units. Payment of In-Lieu Fees shall be allowed as an option pursuant to Development Code Section 9103.16.050(B). Resolution 7621: In-Lieu Fee Resolution is presented in Attachment 4 of these Inclusionary Housing Regulations, and sample in-lieu fee calculations are provided in Attachment 5 – Exhibit C, of these Inclusionary Housing Regulations. The Development Services Department adjusts the In-Lieu Fee schedule annually on July 1st.

“Leasable Area” means the total square footage of the Market Rate Rental Project multiplied times the area within the exterior walls of the residential units. Leasable Area does not include exterior hallways, common areas, garages, landscape, open space or exterior stairways.

“Low Income Household” refers to a Household whose income does not exceed the qualifying limits for lower income families as established and amended from time to time for Los Angeles County pursuant to Section 8 of the United States Housing Act of 1937. The income limit for Low Income Households is published and periodically updated by HCD pursuant to HSC Section 50079.5.

“Low Income Unit” is a dwelling unit that is required to be rented to a Low Income Household at an Affordable Rent.

“Market Rate Rental Project” means a Rental Project that is subject to the Inclusionary Housing Program requirements.

“Market Rate Unit” means a new dwelling unit in a Rental Project that can be rented at market rates. These units are not considered to be Affordable Units.

“Moderate Income Household” shall have the same definition of “persons and families of low or moderate income” as set forth in HSC Section 50093. The income limit for Moderate Income Households is published and periodically updated by HCD pursuant to HSC Section 50093.

“Moderate Income Unit” is a dwelling unit that is required to be rented to a Moderate Income Household at an Affordable Rent.

“Municipal Code” refers to the Arcadia, California Municipal Code.

“Off-site Construction” means the development of the required number of Affordable Units at a site different than the site of the Rental Project.

“Ordinance No. 2402” means the Ordinance adopted by the City Council related to Text Amendment TA 25-01 adding a new section 9103.16 to the Development Code pertaining to an Inclusionary Housing Ordinance and associated In-Lieu Fee.

“Party and Parties” means the City and the Developer as parties to the agreements required to implement the activities required by Development Code Sections 9103.16 and/or 9103.15, as applicable.

“Planning Entitlement” means any discretionary approval of a Rental Project including, but not limited to, a general or specific plan adoption or amendment, rezoning, tentative map, parcel map, conditional use permit, variances, or design review.

“Primary Residence” is defined as the principal place of residence of the tenant, and the only home that is occupied by the tenant.

“Prospective Tenant” means a Household that is applying to rent an Affordable Unit.

“Regulatory Agreement” means an agreement between the City by which the Developer covenants to rent the Affordable Units at the Affordable Rent over a defined term.

“Rental Project” means a residential project that consist of dwelling units that cannot be lawfully sold individually in conformance with the Subdivision Map Act. This includes the construction or alteration of structures, the conversion to a Rental use from any other use, and the conversion of for-sale residential units to a rental residential use.

“Rental Project Owner” means the owner of the Rental Project.

“State Density Bonus Law” means the density bonus provided by the State of California under Government Code Section 65915 et seq. and codified in the City Density Bonus Ordinance (Development Code Section 9103.15).

“Utilities” means garbage collection, sewer, water, electricity, gas and other heating, cooling, cooking, and refrigeration fuels as applicable to an Affordable Unit.

“Very Low Income Household” refers to a Household whose income does not exceed the qualifying limits for very low income families as established and amended from time to time for Los Angeles County pursuant to Section 8 of the United States Housing Act of 1937. The income limit for Very Low Income Households is published and periodically updated by HCD pursuant to HSC Section 50105.

“Very Low Income Unit” is a dwelling unit that is required to be rented to a Very Low Income Household at an Affordable Rent.

III. INCLUSIONARY HOUSING PROGRAM SUMMARY

A-1. BASIC REQUIREMENTS

Applicability

The Development Code Section 9103.16. requirements apply to any Rental Project that would create 10 or more new or additional dwelling units by:

1. The construction or alteration of structures; or
2. The conversion to a Rental use from any other use; or
3. The conversion of a for-sale residential use to a rental residential use.

Exemptions

Development Code Section 9103.16.070 exempts the following Rental Projects from the Inclusionary Housing requirements:

1. Rental Projects that include nine or fewer dwelling units.
2. Rental Projects that obtained entitlement approvals prior to the July 1, 2025 effective date of Ordinance No. 2402.
3. As determined by the Development Services Director, the reconstruction of any structures that have been destroyed by fire, flood, earthquake, or other act of nature provided that the reconstruction of the site does not increase the number of dwelling units by 10 or more.
4. Building additions, repairs or remodels, provided such work does not increase the number of dwelling units on the site by 10 or more.
5. Rental Projects that are exempt from the Inclusionary Housing Program requirements by State law.

Income and Affordability Standards

1. The affordable housing obligations imposed by Development Code Sections 9103.16 and 9103.15 are measured as a percentage of the number of the units allowed to be developed under the development site's Base Density standards.

2. Development Code Section 9103.16.040 permits Developers of Rental Projects to select from one of the following income and affordability set asides:

Total % of Affordable Units	Minimum Affordability Levels for the Required Affordable Units: All Affordable Units Shall be Rented at the Applicable Affordable Rent
9%	All Affordable Units shall be rented to Very Low Income Households.
11%	At least 5% of the dwelling units allowed by the site's Base Zoning shall be rented to Very Low Income Households. The remaining affordable housing obligation shall be fulfilled with units that are rented to Low Income Households.
14%	All Affordable Units shall be rented to Low Income Households.
20%	All Affordable Units shall be rented to Moderate Income Households.

3. The Affordable Units must be legally restricted to rental and occupancy by Households that qualify for the income category designated for that particular Affordable Unit.
4. Development Code Section 9103.16.080(F2 and G) requires that the income and affordability covenants remain in place for a minimum of 55 years following initial rental of the Affordable Unit.

A-2. ON-SITE DEVELOPMENT OF AFFORDABLE UNITS

1. Development Code Section 9103.16.080(A-E) imposes the following development standards requirements on Affordable Units that are produced on site within a Rental Project:
- a. The required number of Affordable Units in a Rental Project or phases of a Rental Project must be constructed before the City will issue a Certificate of Occupancy for the entire development or phase of the development as pertinent.
 - b. All of the Affordable Units must be reasonably dispersed throughout the Affordable Rental Project unless approval for an off-site location has been granted by the City.

- c. The Affordable Units must contain the same number of bedrooms and bedroom sizes as the Market Rate Units in the Rental Project. The unit mix for the bedroom count must also be proportional to the unit mix of the Market Rate Units in the Rental Project.
 - d. The materials and finished quality of the Affordable Units must be comparable to those of the Market Rate Units in the Rental Project.
 - e. Residents of the Affordable Units must be provided with the same access to amenities as is provided to residents of the Market Rate Units in the Rental Project.
- 2. Development Code Section 9103.16.090(A) requires Developers proposing to construct Rental Projects that are subject to the Inclusionary Housing Program requirements to prepare an Affordable Housing Plan that adheres to the following requirements:
 - a. An application for a Rental Project must include an Affordable Housing Plan that describes the manner in which the development will comply with the requirements imposed by Ordinance No. 2402.
 - i. The Development Services Director has review and approval authority over the Affordable Housing Plan submittal.
 - ii. No application for a Rental Project will be deemed complete unless the Affordable Housing Plan submittal conforms to the requirements imposed by Ordinance No. 2402.
 - iii. The City may attach conditions of approval to an Affordable Housing Plan if deemed necessary.
 - b. An approved Affordable Housing Plan may be amended prior to the issuance of any Building Permits for the Rental Project or a phase of a Rental Project:
 - i. A request for a minor alteration may be granted by the Development Services Director if the proposed modification substantially complies with the original Affordable Housing Plan submittal.
 - ii. If significant alterations are requested, the City may require the Developer to submit a new Affordable Housing Plan.

- c. The format for an Affordable Housing Plan is presented in Attachment 5 – Exhibit A. The Affordable Housing Plan must include, but not be limited to the following:
 - i. The number of Affordable Units proposed to be provided, including the supporting calculations;
 - ii. The proposed locations of the Affordable Units;
 - iii. The affordability level(s) for the Affordable Units;
 - iv. The square footage, and number of bedrooms for the Market Rate Units and the Affordable Units in the Rental Project;
 - v. Identification and descriptions of the amenities and services proposed to be provided, such as common areas, parking, laundry rooms, fitness centers, and other facilities proposed to be provided;
 - vi. A construction schedule for all of the dwelling units in the Rental Project;
 - vii. Alternative means of compliance with the Inclusionary Housing Program requirements, if applicable;
 - viii. Incentives being requested, if applicable; and
 - ix. Evidence to justify any requested assistance or incentive, if applicable.

A-3. ALTERNATIVE COMPLIANCE PROCEDURES

Development Code Section 9103.16.050 allows the Inclusionary Housing production obligations to be fulfilled in one of the following alternative manners.

Off-Site Construction Alternative

Development Code Section 9103.16.050(A) provides Developers with option of fulfilling the Inclusionary Housing production requirement in an off-site location. The requirements associated with this alternative are detailed in Attachment 5 – Exhibit B.

In-Lieu Fees

Development Code Section 9103.16.050(B) describes the characteristics of the In-Lieu Fee payment alternative. The salient features are described below, and specifics are detailed in

Attachment 5 - Exhibit C. This Exhibit also presents examples of the In-Lieu Fee calculation methodology.

1. None of the In-Lieu Fee payment alternatives are available to a Rental Project that is making use of the State Density Bonus Law.
2. Rental Projects that include between 10 and 30 dwelling units have a by-right ability to pay a fee in lieu of producing the Affordable Units required by the Inclusionary Housing Program.
3. Rental Projects that have the obligation to provide a fractional number of Affordable Units have a by-right ability to pay a fee in lieu of producing an additional Affordable Unit.
4. The In-Lieu Fee payment amount is based on a fee schedule that the City Council adopted by Resolution No. 7621, which went into effect on July 1, 2025. The In-Lieu Fee payment amount will be administratively updated annually on July 1st by the Development Services Department.
5. One-half of the In-Lieu Fee must be paid prior to issuance of the first building permit for the Rental Project. The remaining In-Lieu Fee balance is due prior to the City's issuance of a Certificate of Occupancy. For phased developments, the Developer may pay a pro rata share of the In-Lieu Fee concurrently with the issuance of Building Permits for each development phase.

A-4. INCENTIVES

Developers that are constructing Rental Projects under the auspices of the State Density Bonus are entitled to use the incentives and concessions provided in Section 65915(d)(1).¹ These Rental Projects also qualify for the development standards waivers provided in Section 65915(e)(1).

Development Code Section 9103.16.060 identifies incentives that Developers may request from the City to mitigate financial impacts created by the Inclusionary Housing Program.² The incentives under this program are provided to Rental Projects that are subject to the

¹ State Density Bonus Law does not differentiate between “incentives” or “concessions”. Hereafter in this Inclusionary Housing Regulations document they will collectively be referred to as concessions.

² These incentives are separate and apart from any incentives and concessions that are available to developers under the auspices of State Density Bonus Law.

Inclusionary Housing requirements, and that are not using the State Density Bonus. At the City's discretion, incentives that are potentially available for use by this type of Rental Project are outlined in the following table:

Types of Incentives and Review Authority		
Incentive	Review Authority	Special Provisions
Streamlined Entitlement Plan Check & Building Check review	Development Services Director	May also include pre-application meetings.
Deferral of Developer Impact Fee payments	Development Services Director	Such deferred impact fees must be paid prior to issuance of a Certificate of Occupancy
Partial or full waiver of Building Permit fees	Development Services Director	None
Partial or full waiver of required development fees	Planning Commission	None
Reasonable Alternatives	Planning Commission	City Council approval is required if the requested alternative has budgetary implications for the City

III-B. Affordable Housing Trust Fund

The Affordable Housing Trust Fund is a separate City fund established for the specific purpose of developing and retaining the supply of housing affordable to Extremely Low, Very Low, Low and Moderate Income Households. All in-lieu fees collected pursuant to Ordinance No. 2402 shall be placed in the Affordable Housing Trust Fund in addition to relevant revenues generated by the Affordable Housing Trust Fund, repayment of City Shared Appreciation Loans, and any penalties related to enforcement of Ordinance No. 2402. Monies deposited in the Affordable Housing Trust Fund may only be used for affordable housing purposes approved by the City Council.

The following examples represent eligible uses of the monies deposited in the Affordable Housing Trust Fund:

1. To assist in the construction, rehabilitation, or retention of affordable housing units through partnership and coordination with a development project.
2. Acquisition of land to provide sites for affordable housing development.
3. Rehabilitation of existing affordable homes and Rentals and retention as affordable housing units.
4. Acquisition of existing dwelling units to subsidize and hold as affordable housing units (e.g., purchase or create affordability covenants).
5. Other uses as approved by the City Council.

The City Council must approve the use of monies in this fund with the exception of administrative costs paid out of the fund. Up to 10% of the In-Lieu Fees collected or deposited into the Affordable Housing Trust Fund may be utilized annually for administrative costs associated with the implementation of Ordinance No. 2402 or specific projects. The Affordable Housing Trust Fund shall be reviewed during each Fiscal Year's Budget review process to determine if modifications are necessary.

III-C. Summary of Development Code Section 9103.15 Density Bonus Program

State Density Bonus Law allows developers of Rental Projects to receive a density bonus when a defined percentage of the dwelling units are rented at Affordable Rents. The City has codified the State Density Bonus Law in Development Code Section 9103.15.³ Over time, as the State Density Bonus Law is amended, this Inclusionary Housing Regulations document will be updated to reflect the new requirements.

C-1. INCOME AND AFFORDABILITY STANDARDS

1. Government Code Section 65915(b)(1) requires that a defined percentage of dwelling units in a Rental Project be set aside for Very Low Income Households or Low Income Households. The percentage requirements are set forth in Government Code Section 65915(f).

³ The currently applicable State Density Bonus statute is provided in Attachment 3.

2. The affordable housing obligation is measured as a percentage of the number of the dwelling units allowed to be developed under the development site's Base Density standards.
3. The Affordable Units must be legally restricted to rental and occupancy by Households that qualify for the income category designated for that particular Affordable Unit.
4. Government Code Section 65915(c)(1)(A) requires that the income and affordability covenants remain in place for 55 years or a longer period of time if required by the construction or mortgage financing assistance program mortgage insurance program, or rental subsidy program.

C-2. DENSITY BONUS SCHEDULES

If a Density Bonus is sought, a Developer must apply to the Development Services Department to make use of the State Density Bonus Law benefits including an increase in density over the General Plan and zoning standards imposed on a development site; incentives or concessions; development standards waivers; and/or parking standard relief. In accordance with Government Code Section 65915(f) a Developer is not required to request an increase in density in order to make use of the other benefits offered by State Density Bonus Law.

The amount of density increase to which a Developer is entitled varies according to the percentage of affordable housing units proposed to be provided. The schedules that are currently applicable to Rental Projects are presented in the following tables and narrative:

Low Income Affordable Units Government Code Section 65915(f)(1)				
% Low Income Units	% Density Bonus		% Low Income Units	% Density Bonus
10%	20%		18%	32%
11%	21.5%		19%	33.5%
12%	23%		20%	35%
13%	24.5%		21%	38.75%
14%	26%		22%	42.5%
15%	27.5%		23%	46.25%
16%	29%		24%	50%
17%	30.5%			

Very Low Income Affordable Units Government Code Section 65915(f)(2)						
% Very Low Income Units		% Density Bonus		% Very Low Income Units		% Density Bonus
5%		20%		11%		35%
6%		22.5%		12%		38.75%
7%		25%		13%		42.5%
8%		27.5%		14%		46.25%
9%		30%		15%		50%
10%		32.5%				

State Density Bonus Law provides the following alternative density bonuses that can be used for Rental Projects:

1. A 20% density bonus is available to projects dedicated to senior citizens, transitional foster youth and/or disabled veterans and homeless households (Government Code Sections 65915(b)(1)(C and E).
2. A sliding scale density bonus ranging from 35% to 50% is available to qualifying student housing projects.
3. Government Code Section 65915(b)(1)(G) provides an 80% density bonus to projects in which 100% of the total number of dwelling units, including the density bonus units, are subject to income and affordability restrictions:
 - a. Up to 20% of these dwelling units can be allocated to Moderate Income Households and the balance of the dwelling units must be allocated to Households at or below the Low Income Household income qualifying standard.
 - b. Under Government Code Section 65915(b)(1)(G), no density limit can be applied to projects located within one-half mile of a major transit stop or projects located in a very low vehicle travel area within Los Angeles County.
4. If a childcare facility is provided for at least the length of the affordability covenants, a density bonus equal to the square footage included in the childcare center is available (Government Code Section 65915(h)(1)).

5. Government Code Section 65915(v)(1) – provides additional density increases for projects that maximize the density bonus provided under Government Code Section 65915(b)(1) and then agree to include additional units that are allocated to Very Low Income Households or Moderate Income Households. The additional density increase is applied on a sliding scale basis that generate the following maximum total density bonuses:
 - a. 88.75% if the requisite number of additional Very Low Income Units are provided; or
 - b. 100% if the requisite number of Moderate Income Units are provided.
6. Government Code Section 65917.7 provides up to a 20% development bonus to commercial developers who partner with affordable housing developers for the construction of affordable housing on a commercial development site, or on a site that meets all the following criteria:
 - a. It is located within the Arcadia city limits;
 - b. It is in close proximity to public amenities such as schools and employment centers; and
 - c. It is located within on-half mile of a major transit stop.

C-3. CONCESSIONS AND INCENTIVES

A Developer that is proposing to use the State Density Bonus Law may submit a request to the City for specific concessions. In accordance with Government Code Section 65915(d)(1) the City is required to grant the Developer's request for specific concessions unless the City can make a finding, based on substantial evidence, of any of the following:

1. The concession does not result in identifiable and actual cost reductions, consistent with Government Code Section 65915(k), to provide for Affordable Housing Cost for the affordable dwelling units being provided to fulfill the State Density Bonus Law requirements.
2. The concession would have a specific, adverse impact, as defined in Government Code Section 65589.5(d)(2):
 - a. Upon public health and safety; or

- b. On any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to Low Income Households and Moderate Income Households.

3. The concession would be contrary to state or federal law.

State Density Bonus Law does not provide concessions for 100% market rate senior citizen projects or for land donated for affordable housing. The following table identifies the number of concessions allowed by Government Code Section 65915(d)(2) depending on the percentage of affordable dwelling units proposed to be provided:

State Density Bonus Concessions Allocations				
Set-Aside Category				
Percentage Allocation: Affordable dwelling units				
Number of Concessions	Very Low Income	Low Income	Student Housing ⁴	100% Affordable ⁵
1	5%	10%	20%	
2	10%	17%	23%	
3	15%	24%		
5				100%

Government Code Section 65915(d)(3) provides a Developer with the right to initiate judicial proceedings if the City refuses to grant a requested density bonus and/or concession. If the court finds that the City's refusal violates the requirements imposed by the State Density Bonus Law, the court shall award to the Developer reasonable attorney's fees and costs related to the lawsuit.

Government Code Section 65915(d)(4) places the burden on the City to prove that the denial of a concession is supported by one of the exceptions provided in Government Code Section 65915(d)(1)(A-C).

⁴ Government Code Section 65915(b)(1)(F).

⁵ Government Code Section 65915(b)(1)(G) requires that at least 80% of the dwelling unit be provided at or below the Low Income Household designation. Up to 20% of the dwelling units can be provided to Moderate Income Households.

C-4. DEVELOPMENT STANDARDS WAIVERS

1. Government Code Section 65915(e)(1) imposes the following requirements on the City:
 - a. The City may not apply any development standard that will physically preclude the development of a project with the density bonus provided by Government Code Section 65915(f) and the concessions provided by Government Code Section 65915(d)(2).
 - b. The burden is placed on the City to prove that the denial of a development standards waiver is supported by one of the exceptions provided in Government Code Section 65915(d)(1)(A-C).
2. Government Code Section 65915(e)(2) states that requested development standards waivers do not impact the number of concessions to which the proposed project is entitled.
3. Government Code Section 65915(e)(3) provides for the following requirements on 100% affordable project that are not subject to a density cap:
 - a. The height increase is limited to up to three additional stories, or 33 feet:⁶
 - b. The height increase is in addition to the five concessions provided by Government Code Section 65915(d)(2)(D).
 - c. The City is not precluded from voluntarily providing additional development standards waivers to the proposed project.

C-5. PARKING STANDARDS RELIEF

At a Developer's request, Government Code Section 65915(p) requires the City to cap the parking requirements imposed on projects making use of the State Density Bonus Law. The various standards can be described as follows:

1. The basic requirement is that the City cannot impose parking requirements in excess of the following:

⁶ These requirements pertain to 100% affordable projects being proposed under the provisions of Government Code Section 65915(b)(1)(G). The unlimited density is provided by Government Code Section 65915(f)(3)(D)(ii). The height addition is provided by Government Code Section 65915(d)(2)(D).

Parking Requirement Caps Government Code Section 65915(p)(1)	
Number of Bedrooms	Maximum Parking Space Requirement Per Unit
Zero and 1	1.0
Two and Three	1.5
Four +	2.5

2. Government Code Section 65915(p)(2)(A) provides for additional parking relief for density bonus projects, located within one-half mile of an accessible major transit stop, that set the affordable housing percentage at either 11% Very Low Income Units or 20% Low Income Units. The parking requirements for projects that meet this criteria cannot exceed .5 spaces per dwelling unit.
3. Government Code Section 65915(p)(3) prohibits the City from imposing any parking requirements on 100% affordable projects being developed under Government Code Section 65915(b)(1)(G) that meet any of the following criteria:
 - a. The proposed project is located within one-half mile of an accessible major transit stop; or
 - b. The proposed project is a senior citizen rental development that provides paratransit services, or the property is located within one-half mile of an accessible bus route with service at least eight times per day; or⁷
 - c. Rental projects that serve special needs populations or that is a supportive housing development that provides paratransit services or the property is located within one-half mile of an accessible bus route with service at least eight times per day.⁸

Government Code Section 65915(p) also imposes the following requirements:

1. Government Code Section 656915(p)(4) sets the following standards:

⁷ The project must comply with the requirements imposed by Civil Code Sections 51.2 and 51.3.

⁸ Special needs projects must comply with the requirements imposed by HSC Section 51312 and supportive housing projects must comply with the requirements imposed by HSC 50675.14.

- a. If the parking requirement results in a fractional number, the requirement shall be rounded up to the next whole number.
 - b. The parking requirements can be met with tandem or uncovered parking. On street parking cannot be used to fulfill the requirements.
2. Government Code Section 65915(p)(5) allows a Developer to request parking relief in excess of the relief provided by Government Code Section 65915(p) as a Government Code Section 65915(d)(2) concession.
3. Government Code Section 65915(p)(6) provides the City with the discretion to reduce or eliminate a parking requirement for development projects of any type in any location.
4. Government Code Section 65915(p)(7) allows the City to impose a higher parking ratio than set forth in Government Code Section 65915(p) if all of the following criteria is met):
 - a. The City or an independent consultant has conducted a parking study within the prior seven years.
 - b. The study analyzed parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market rate and subsidized developments, and the lower rates of car ownership for Low Income Households and Very Low Income Households, including senior citizens and special needs individuals.
 - c. The City makes findings, based on substantial evidence, that the higher parking ratio is required.
 - d. The study was paid for by the City.
5. The parking standards relief defined in Government Code Section 65915(p) are provided to a Developer by right. In accordance with Government Code Section 65915(p)(8), a Developer's request to use the identified parking standards cannot be counted as a concession unless the Developer is requesting additional parking standards relief as described in Government Code Section 65915(p)(5).

C-6. REPLACEMENT HOUSING OBLIGATIONS

Government Code Section 65915(b)(3)(A) imposes replacement housing obligations on State Density Bonus Law projects proposed to be located on any portion of a site that has been occupied at any time within the previous five-year period with rental dwelling units that were subject to one or more of the following:

1. Recorded covenant(s); or
2. Ordinance, or
3. A law that restricted the units to Low Income Households or Very Low Income Households; or
4. Subject to any other form of rent or price control through the City's valid exercise of policy power; or
5. Occupied by Low Income Households or Very Low Income Households.

The specific replacement housing obligations are:

1. The affordable dwelling units proposed to be used to fulfill the State Density Bonus Law requirements must be sufficient to replace the impacted dwelling units; or
2. Each dwelling unit in the proposed project, excluding a manager's unit or units, will be designated as affordable to either Low Income Households or Very Low Income Households.

Government Code Section 65915(b)(3)(B) defines "replace" as follows:

1. For Rental Projects, the proposed project must provide at least the same number of dwelling units of equivalent size to the impacted units at the Affordable Rent for Households in the same or lower income category as the Households that resided in the impacted dwelling units.
2. If the income category of the impacted Household is not known, the Comprehensive Housing Affordability Strategy database produced by HUD shall be used to establish the proportional allocation of Low Income Units and Very Low Income Units.
3. All replacement housing obligations shall be rounded up to the next whole number.

4. The replacement dwelling units must be subject to a recorded affordable housing covenant that remains in place for at least 55 years.

In addition, the following types of development projects may be subject to the replacement housing obligations imposed by Government Code Section 66300.6:

1. A residential development project that proposes to demolish any existing residential units; or
2. A development project that will result in the demolition of occupied or vacant “protected units” (as defined); or
3. A development project located on a site where protected units were demolished within the previous five years.

IV. PROGRAM ADMINISTRATION

IV-A. General

The Development Services Director has the day-to-day responsibilities related to administering the requirements imposed by Development Code Sections 9103.16 and/or 9103.15. Specific activities performed by the Development Services Director are:

1. Causing the Affordable Rents to be calculated once per year;
2. Monitoring the Rental Project Owner's compliance with the Development Code Sections 9103.16 and 9103.15 requirements, as pertinent; and
3. Responding to complaints submitted by Developers and tenants under Section VII of this Inclusionary Housing Regulations document.

IV-B. Fair Housing Policy

It is the City's policy to comply fully with all federal, state, and local non-discrimination laws. Specifically, the City shall not discriminate on account of race, color, sex, religion, sexual orientation, creed, ancestry, national or ethnic origin, age, family or marital status, handicap, or disability.

IV-C. Privacy Rights

Requests for the City to release information involving a Prospective Tenant must be accompanied by a written release request and/or a court order unless disclosure is authorized under federal or state law.

All eligibility applications are to be held in strict confidence and are not considered public records (HSC Section 34332).

IV-D. Authorities

1. The Development Services Director is authorized to approve and execute an Affordable Housing Plan that comports with the requirements imposed by Development Code Sections 9103.16 and 9103.15, as pertinent, and this Inclusionary Housing Regulations document.

2. Building Permits for a proposed Rental Project cannot be issued until the Affordable Housing Plan has been approved by the Development Services Director.
3. The Developer of a Rental Project that is subject to the requirements imposed by Development Code Sections 9103.16 and/or 9103.15 must enter into an Affordable Housing Agreement with the City. The Development Services Director is authorized to execute this document.
4. The Development Services Director is authorized to execute any non-substantial changes to the Inclusionary Housing Regulations document.

V. ELIGIBILITY STANDARDS

V-A. General Policy

The following fundamental requirements are imposed on the renters of Affordable Units:

A-1. OCCUPANCY REQUIREMENTS

Prospective Tenants must agree that no part of the Affordable Unit will be rented or subleased at any time to any person or persons who are not approved members of the Household.

A-2. VERIFICATION OF QUALIFICATIONS

The Rental Project Owner must compile sufficient information to demonstrate that a Prospective Tenant is eligible to rent an Affordable Unit in a Rental Project. Prospective Tenants that are unable to provide satisfactory evidence of Household composition, income, assets, or other qualifying criteria will not be allowed to rent an Affordable Unit. Prospective Tenants who are determined not to meet the qualifications to be an Eligible Tenant must wait a period of at least one year prior to submitting a new application to rent an Affordable Unit.

V-B. Household Composition

B-1. MODIFICATIONS TO THE HOUSEHOLD COMPOSITION

The Household composition may not be altered after a Prospective Tenant is approved as an Eligible Tenant. If a Prospective Tenant wishes to change their Household composition after being approved as an Eligible Tenant, but prior to taking residence in the Rental Project, the Prospective Tenant must restart the approval process from the beginning.

B-2. HOUSEHOLD AND UNIT SIZE COMPATIBILITY

As a policy matter the City is applying minimum Household size requirements based on the number of bedrooms in the Affordable Unit. The City is also applying maximum Household sizes that comport with the standards applied by the California Department of Fair Employment and Housing.

The minimum and maximum number of occupants per Affordable Unit are identified in the following table:

Household Occupancy Limits		
Number of Bedrooms in the Affordable Unit	Minimum Number of Occupants	Maximum Number of Occupants
0	1	2
1	1	3
2	2	5
3	3	7

B-3. HOUSEHOLD COMPOSITION SUBMITTAL REQUIREMENTS: INITIAL TENANT APPLICATION EVALUATION PROCESS

For all Adult Household members, the City will require a photocopy of a driver license or California photo identification. For minors, the City will require a copy of the birth certificate. If the birth certificate for a minor is not available, the City may accept the following: adoption papers, custody agreement, court-ordered assignment, or verification from a social services agency.

School Registration Documents

Adult Household members who are dependents of the Prospective Tenant and who are full-time students will be required to provide copies of school transcripts or registration verification showing current full-time student status.

Verification of Divorce or Separation Status

Divorced or legally separated Household members must provide a copy of the divorce decree or legal separation document signed by a court officer. Married, but separated, couples must demonstrate at least one full year of complete financial and residential separation at time of application to be considered separated for purposes of determining eligibility.

Joint Custody of Children

Prospective Tenants with joint custody of children must have custodial parent rights defined in a divorce decree for a child to be considered part of the Household. This rule shall not be interpreted as disallowing children from living with parents with less than 50% custody rights; it is solely intended to be applied when determining Household size for program eligibility.

V-C. Income Eligibility Standards

C-1. GROSS INCOME

The City will consider Gross Income for all Adult Household members when determining a Prospective Tenant's eligibility. In the event a Prospective Tenant uses a co-signer on a Rental lease, the Gross Income of the co-signer will be considered part of the Household's Gross income. The definition of Gross Income used in the qualifications process is set forth in California Code of Regulations Title 25 Housing and Community Development Section 6914.

C-2. MAXIMUM INCOME

The Affordable Units in Rental Projects are designated for Very Low, Low and/or Moderate Income Households, as applicable. The maximum allowable Gross Income is determined on the basis of the Prospective Tenant's actual Household size. The income information will be updated annually following publication of the State Income Limits memorandum by HCD.

The City will consider Gross Income for all Adult Household members when determining a Prospective Tenant's eligibility. The funds included in Gross Income are detailed in California Code of Regulations Title 25 Housing and Community Development Section 6914 and in the Attachment 6 – Exhibit B Tenant Income Verification Form: Affordable Unit.

V-D. Household Income Submittal Requirements

Prospective Tenants wishing to rent an Affordable Unit must submit the following financial information to the Rental Project Owner as part of the evaluation process:

D-1. INCOME TAX RETURNS

All Adult Household members will be required to provide signed copies of their most recent federal income tax return. This return must include all schedules and attachments. Prospective Tenants unable to provide copies of a federal income tax return will be required to obtain a tax history printout from the Internal Revenue Service. Prospective Tenants may be requested to sign an authorization for release of information to the City from the Internal Revenue Service for further verification of income. Referrals to the Internal Revenue Service may be made for confirmation of the income statement on a case-by-case basis.

Income tax returns shall be used by the City to verify the following: residency history, family composition, income history (including amounts and types of income), and real estate ownership.

D-2. AUTHORIZATION TO OBTAIN CREDIT HISTORY

Each Adult Household member shall authorize the City to obtain reports from credit reporting agencies. The Development Services Director will determine when it is necessary to obtain one or more credit report(s) per individual. Such reports will be used only to confirm information pertaining to the Prospective Tenant such as current and previous addresses, current and previous employers, loan history, income to debt ratio, etc.

D-3. INCOME VERIFICATION

Employment Income

In the order of preference, the following employment income verification sources will be considered acceptable. The documentation must specify the amount and type of pay (i.e., wages, overtime wages, commissions, and bonuses), frequency of pay, and year to date earnings for each Adult Household member:

1. Verification documents:
 - a. Check stubs or earning statements showing the employee's gross pay per pay period and frequency of pay. The check stubs should include the year-end statement for the last full year of employment, and the most recent four pay periods; or
 - b. Letter from the Prospective Tenant's employer on company letterhead and signed by an authorized company representative.
2. Future income related to overtime, commissions and bonuses can be difficult to accurately predict. If necessary, these forms of income may be estimated based on historical amounts.

Income from a Business

Net income from a business owned in part or full by a Prospective Tenant will be considered when determining income eligibility. Net income is defined as business receipts or sales less

cash expenses that are essential for the operation of the business. To estimate current net business income, the City will require the following documentation:

1. The most recent two federal income tax returns for the business; and
2. Two full years of business and personal checking, savings, and other investment account statements for all business owners/partners.

Prospective Tenants with less than two full years of verifiable business income history will not be considered for eligibility to rent an Affordable Unit.

Prospective Tenants must itemize gross business receipts or sales for the period covered by the most recent two federal income tax returns and forecast gross business receipts or sales for the year beyond the time of application. Prospective Tenants must also itemize the cash expenses that were applied to determine net business income for both periods.

Social Security, Pensions, Supplementary Security Income (SSI), Welfare, Disability Income

Prospective Tenants must submit a copy of their most recent award or benefit notification letter prepared and signed by the authorizing agency. At the Development Services Director's sole discretion, checks or bank deposit slips that show only net amounts remaining after deductions for SSI or Medicare may be accepted when award letters cannot be obtained.

Alimony or Child Support

Verification of alimony or child support income will be considered acceptable in the order listed:

1. Copy of a separation of settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. A notarized letter from the person paying the support attesting to the amount and terms of support payments.

No Income Certification

Adult stay-at-home spouses, domestic partners and dependents that are reporting that they do not receive any type of income must fill out an affidavit certifying this fact. The affidavit form is provided in Attachment 6 – Exhibit E to this Inclusionary Housing Regulations document.

Checking, Savings, and Investment Account Statements

Prospective Tenants must submit copies of the three most recent months of statements for all accounts, including checking, savings, or other investment accounts owned in part or full for each Adult Household member. These statements must identify current period and year-to-date income earned on each account through interest and/or dividends.

V-E. Annual Recertifications

Once per year, over the life of the income and affordability covenant period, the Rental Project Owner or property manager must recertify the Gross Income for each Household that resides in an Affordable Unit. The Rental Project Owner or property manager must establish an annual recertification schedule and perform the recertifications for all of the Affordable Units at the same time.

Each Household residing in an Affordable Unit must provide the appropriate documentation to certify their Gross Income. Any alteration to the Household's composition must be disclosed during the annual recertification process.

In the event a Household's Gross Income increases above the allowable limit the Rental Project Owner must take one of the following actions:

1. To the extent permitted by applicable law, the Rental Project Owner will not renew a Household's lease, and the Household will be required to vacate the Affordable Unit within 180 days following the recertification date; or
2. The Rental Project Owner will lease the next available Market Rent Unit in the Rental Project, that includes the same or greater number of bedrooms as the Affordable Unit, to an Eligible Tenant at the Affordable Rent.

VI. AFFORDABLE RENT CALCULATION METHODOLOGY

VI-A. General Policy

The maximum Affordable Rent for an Affordable Unit is calculated based on the standards imposed by Development Code Sections 9103.16 and/or 9103.15. The calculations must be prepared by the Rental Project Owner or property manager each year and then validated by the Development Services Director.

The following sections of this Inclusionary Housing Regulations document illustrate the Affordable Rent calculation methodology, which is based on identified variables. As these variables change, the Affordable Rent can increase or decrease each year.

VI-B. Affordable Rent Calculations

B-1. BENCHMARK HOUSEHOLD SIZE

The Household income applied in the Affordable Rent calculation is set based on the Household Size Appropriate for the Unit. This does not represent an occupancy cap or a floor; it is simply a benchmark used to create a consistent methodology for calculating the Affordable Housing Cost.⁹

B-2. BENCHMARK HOUSEHOLD INCOME

The benchmark Household incomes that must be used to calculate the Affordable Housing Cost are based on the standards imposed by HSC 50053, and can be described as follows:

1. Very Low Income: 50% of the HCD AMI for a household size equal to the number of bedrooms in the dwelling unit plus one.
2. Low Income: 60% of the HCD AMI for a household size equal to the number of bedrooms in the dwelling unit plus one.
3. Moderate Income: 110% of the HCD AMI for a household size equal to the number of bedrooms in the dwelling unit plus one.

⁹ As defined, the Household Size Appropriate for the Unit is equal to the number of bedrooms in the Affordable Unit plus one. For example, this equates to a benchmark household size of three persons for a two-bedroom Affordable Unit.

B-3. AFFORDABLE HOUSING COST

The Affordable Housing Cost is equal to the defined benchmark Household income multiplied times 30%.

B-4. HOUSING RELATED EXPENSES

Housing Related Expenses are comprised of any costs other than rent that are required to be incurred by a tenant in an Affordable Unit located in a Rental Project. These costs include, but are not limited to, the following:

1. A utility allowance based on the types of interior utilities included in the Affordable Units for which payment will be the tenant's responsibility. LACDA annually publishes the utility allowance schedule that must be applied to Affordable Units in a Rental Project.
2. Any amenities that are provided at no cost to the occupants of the Market Rate Units must also be provided at no cost to the occupants of the Affordable Units.
3. Any costs that are required to be incurred to make use of the amenities within the Rental Project must be factored into the Housing Related Expenses for the Affordable Units.

B-5. AFFORDABLE RENT

The Affordable Rent is equal to the Affordable Housing Cost minus the Housing Related Expenses for an Affordable Unit located in a Rental Project.

VII. COMPLAINTS AND APPEALS

VII-A. Complaints

Complaints concerning the affordable housing requirements should be made in writing and addressed to the Development Services Director. Complaints will be accepted only if they are in writing and are received within 30 days from the event giving rise to the complaint. In an attempt to resolve the matter, the Development Services Director shall contact the complainant. If the complaint involves, pertains or relates to the Affordable Unit, or the prescreening qualification process and procedures of the Developer, the Development Services Director shall contact the Developer prior to responding to the complainant. A written response from the Development Services Director will be made to the complainant and Developer within 10 business days of contacting the last person(s) required to be notified and contacted concerning the complaint.

VII-B. Appeals

If a complainant is not satisfied with the written response, the complainant may appeal the determination or decision to the Hearing Officer within 10 days following notice of the action. The notice of appeal shall be in writing and signed by the person making the appeal and shall contain the following information:

1. The name, street address, email address, and telephone number of the appellant;
2. A true and correct copy of the notice of decision or action by the Development Services Director that the appellant is appealing;
3. A specific statement of the reasons and grounds for making the appeal in sufficient detail to enable the Hearing Officer to understand the nature of the controversy, the basis of the appeal, and the relief being requested; and
4. All documents or other evidence pertinent to the appeal that the appellant requests that the Hearing Officer consider at the hearing.

In the event a written notice of appeal is timely filed, the decision is not effective until a final determination or decision has been rendered and issued by the Hearing Officer. The Hearing Officer shall set a hearing within 30 calendar days from that date unless the parties agree otherwise.

At the hearing, the person against whom the determination or decision was made may present evidence and argument regarding the determination or decision to show why the determination or decision is incorrect and to show what the determination or decision should be.

Within 60 days after the close of the hearing the Hearing Officer shall issue a final determination or decision, unless the time period is extended by the Hearing Officer for good cause.

Any decisions or responses made by the Development Services Director and/or the Hearing Officer to a complaint shall be supported by reasonable inferences of admissible facts and shall be consistent and compliant, as pertinent, with the provisions of Development Code Sections 9103.16 and/or 9103.15, the Affordable Housing Agreement and these Inclusionary Housing Regulations.

VIII. MONITORING AND ENFORCEMENT

City staff will maintain a high level of awareness to indicators of possible abuse and fraud by Prospective Tenants, Developers, and Rental Project Owners of Affordable Units.

VIII-A. General Policy

At the time of initial occupancy, and annually thereafter, the Development Services Director will review the income certifications submitted for the tenants and the rents being charged for the Affordable Units to ensure that they comply with the standards identified in the Inclusionary Housing Regulations. The City is committed to assuring that its affordable housing resources reach only Eligible Tenants so that program integrity can be maintained. Rental Project Owners are required to cooperate with the City by promptly providing all information requested by the Development Services Director in monitoring compliance with the Inclusionary Housing Regulations.

VIII-B. Program Audits

City staff will maintain a high level of awareness to indicators of possible abuse and fraud by Rental Project Owners and Households residing in Affordable Units. The City will conduct periodic random quality control audits of Affordable Units to assure compliance with the requirements detailed in the Inclusionary Housing Regulations. Such audits may include verification of continued occupancy in Affordable Units by Eligible Tenants; compliance with the income and affordability covenants; and physical inspections of the Rental Project.

VIII-C. Referrals, Complaints, or Tips

The Development Services Director will follow up on referrals from other agencies, companies, or individuals that are received by email, facsimile, mail, telephone, or in person, which allege that a Rental Project Owner or tenant in an Affordable Unit is non-compliant or otherwise violating the Inclusionary Housing Regulations guidelines.

Follow ups to referrals will only be made if the referral contains at least one item of information that is independently verifiable. A copy of the written allegation or a summary of the verbal allegation will be placed in the Rental Project Owner's or tenant's file.

VIII-D. Internal File Review

The Development Services Director will investigate instances where it discovers, as a result of administering the program, information or facts that conflict with previous file data or any knowledge of the Rental Project Owner or tenant or are in any way discrepant with statements made by the Rental Project Owner or tenant.

VIII-E. Referrals to the City Attorney

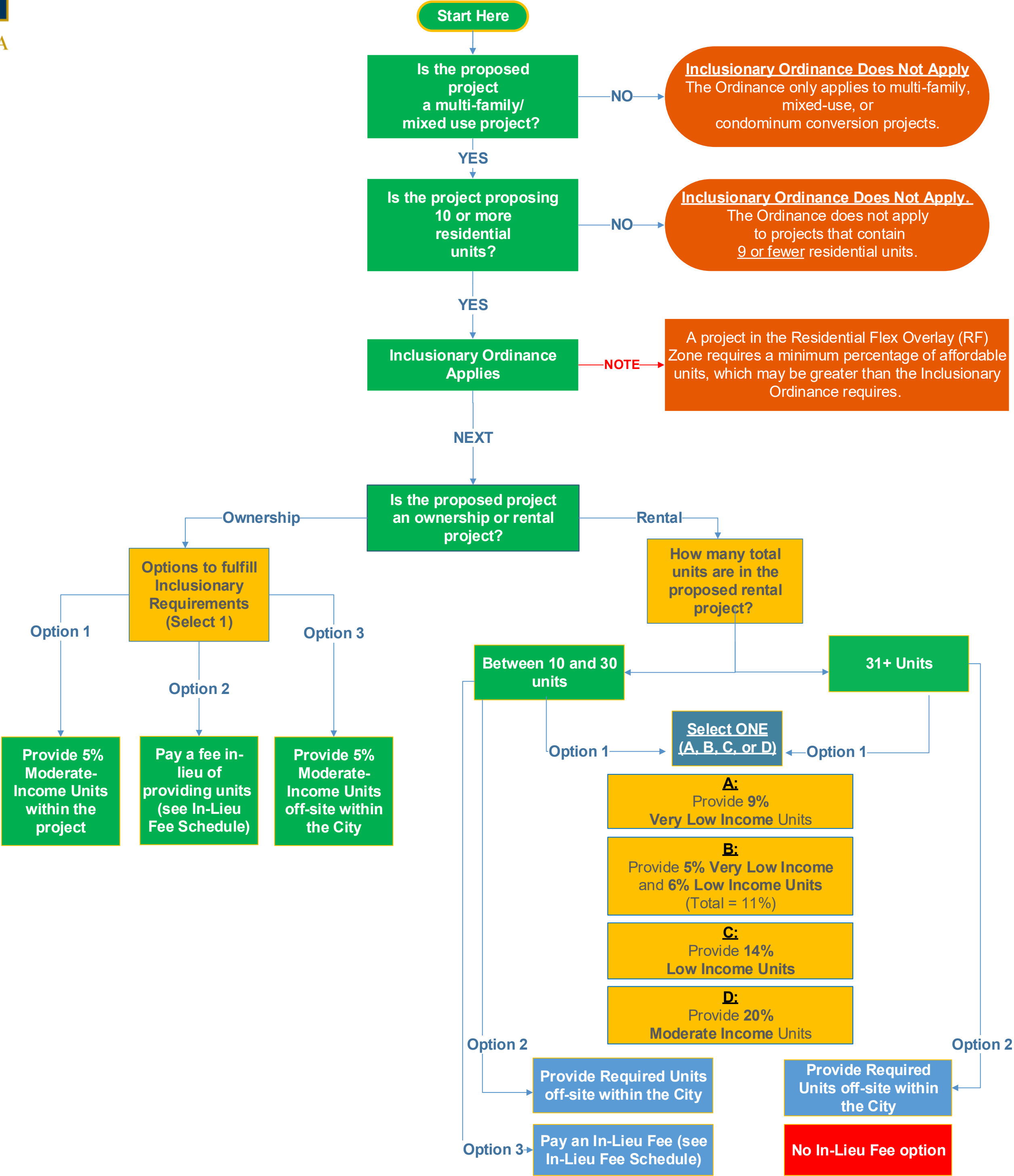
In the event of a breach or potential breach of the requirements imposed by Development Code Sections 9103.16 and 9103.15, as pertinent, and this Inclusionary Housing Regulations document, the City may institute legal action to enforce compliance with the requirements, and to enjoin any actions by Developers, Rental Project Owners, Prospective Tenants, or tenants that violate the requirements. The City's legal remedies may additionally include the following:

1. Actions to disapprove, revoke or suspend any permit, including a Building Permit, Certificate of Occupancy or other Discretionary Approval;
2. Injunctive relief and damages;
3. Civil citations with monetary penalties for violations; and
4. Recovering any excess rent that a tenant in an Affordable Unit may have paid to a Rental Project Owner.

ATTACHMENT 1
INCLUSIONARY HOUSING ORDINANCE
ORDINANCE NO. 2402
FLOW CHART



Inclusionary Housing Ordinance (Ordinance 2402) Flow Chart



ATTACHMENT 2
ORDINANCE NO. 2402
INCLUSIONARY HOUSING PROGRAM

ORDINANCE NO. 2402

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, RELATED TO TEXT AMENDMENT NO. TA 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as "Text Amendment"); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation ("RHNA") for the City of Arcadia; and

WHEREAS, the proposed Text Amendment would effectuate Housing Element Implementation Action No. 5-19 by adopting an Inclusionary Housing Ordinance as shown in Exhibit "A" of this Ordinance; and

WHEREAS, on February 27, 2025, Planning Services completed an environmental review of the proposed Text Amendment and determined that the project is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on March 11, 2025, the Planning Commission held a duly noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning the Text Amendment; and

WHEREAS, after considering the evidence presented, the Planning Commission voted 4-1 to recommend to the City Council approval of Text Amendment No. TA 25-01; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does ordain as follows:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The City Council finds, based upon the entire record:

1. The proposed Development Code Amendment is consistent with the goals, policies, and objectives of the General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 25-01 aligns with the goals and policies of the General Plan Housing Element. The Text Amendment ensures that

Implementation Action No. 5-19 of the Housing Element is met, demonstrating the City's commitment to providing capacity for affordable housing units within the City. To accommodate the number of affordable housing units identified in the City's Regional Housing Needs Allocation ("RHNA"), and meet the specified levels of affordability, this Text Amendment is necessary. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.

Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will be consistent with all other portions of the adopted General Plan.

1. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units in qualifying multi-family residential and mixed-use development projects be designated as affordable housing units. This amendment aligns with the City's recent 2024 rezoning efforts, which included upzoning several areas to allow for additional density and to permit residential units in areas where they were previously not allowed. The Inclusionary Ordinance complements these zoning efforts to create the capacity necessary for residential units in accordance with the City's RHNA as set forth by the State of California. Therefore, the proposed Text Amendment is consistent with all other areas of the Arcadia Development Code.

SECTION 3. The City Council has determined that Text Amendment No. TA 25-01 is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. For the foregoing reasons, the City Council adopts this Ordinance. Staff is authorized to correct typographical errors, spelling, formatting or codification and to make other minor revisions to improve the reader's comprehension of the changes from this text amendment attached hereto under Exhibit "A" of this Ordinance, provided that any revisions do not alter the regulatory meaning and intent.

SECTION 5. The City Council hereby directs staff to prepare, execute, and file with the Los Angeles County Clerk a Notice of Exemption within five (5) working days of the adoption of this Ordinance.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in accordance with Resolution No. 7483. This Ordinance shall take effect on July 1, 2025.

SECTION 7. The Custodian of Records for this Ordinance is the City Clerk and the records comprising the administrative record for this Ordinance are located at Arcadia City Hall, 240 W. Huntington Drive, Arcadia CA.

Passed, approved and adopted by the City Council this 15th day of April, 2025.



Mayor of the City of Arcadia

ATTEST: .



City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

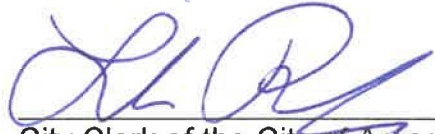
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF ARCADIA)

I, LINDA RODRIGUEZ, City Clerk of the City of Arcadia, hereby certifies that the foregoing Ordinance No. 2402 was passed and adopted by the City Council of the City of Arcadia, signed by the Mayor and attested to by the City Clerk at a regular meeting of said Council held on the 15th day of April, 2025 and that said Ordinance was adopted by the following vote, to wit:

AYES: Cao, Cheng, Fu, Wang, and Kwan

NOES: None

ABSENT: None



City Clerk of the City of Arcadia

EXHIBIT “A”

Section 9103.16 of the Development Code, Inclusionary Housing Ordinance

Section 9103.16 – Inclusionary Housing

Subsections:

- 9103.16.010 Purpose and Intent
- 9103.16.020 Applicability
- 9103.16.030 Definitions
- 9103.16.040 Affordable Unit Requirements
- 9103.16.050 Alternatives
- 9103.16.060 Incentives
- 9103.16.070 Exemptions
- 9103.16.080 Standards and Procedures
- 9103.16.090 Affordable Housing Plan and Agreement
- 9103.16.100 Enforcement
- 9103.16.110 Affordable Housing Trust Fund

9103.16.010 Purpose and Intent

The purpose of this Chapter is to require and facilitate the construction of below market-rate housing to provide a variety of housing types and opportunities for extremely low, very low, low- and moderate-income households in Arcadia. The goal of this Chapter is to expand the affordable housing stock in proportion with the overall increase in residential units by establishing standards and procedures that encourage the development of extremely low to moderate-income housing and to assist in meeting the City's regional share of housing needs and implementing the goals and objectives of the general plan, including the Housing Element and any applicable specific plans.

9103.16.020 Applicability

- A. The requirements of this Chapter shall apply to any new mixed-use or multi-family development project or condominium conversion projects comprised of ten or more dwelling units. All affordable units required by this Chapter shall be sold or rented in compliance with this Chapter.
- B. The total number of dwelling units shall be used to determine applicability for multi-phased residential projects and any development project that is comprised of less than ten dwelling units but appears to be a part of a larger residential project.

9103.16.030 Definitions

Adjusted for Household Size Appropriate for Unit. A household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, five persons in the case of a four-bedroom unit, six persons in the case of a five-bedroom unit, and seven persons in the case of a six-bedroom unit.

Affordable Housing Costs. The maximum costs that can be paid by a qualifying household based on the requirements imposed by California Health and Safety Code Section 50052.5 for owner-occupied housing, and the affordable rent for rental units as defined by California Health and Safety Code Section 50053, as applicable.

Affordable Housing Trust Fund. Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households.

Affordable Unit. A dwelling unit that will be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, or a moderate-income household, at an affordable housing cost, in compliance with this Chapter.

Area Median Income (AMI). The annual median gross income adjusted for household size in Los Angeles County as determined by the United States Department of Housing and Urban Development (HUD) and published by the California Department of Housing & Community Development (HCD), in the California Code of Regulations, Title 25, Section 6932.

Condominium Conversion. Converting an existing market rate condominium and apartments into affordable housing. Converted condominiums and apartments shall be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, moderate-income household, or workforce household at an affordable housing cost, in compliance with this Chapter.

Density Bonus. As defined in California Government Code Section 65915 et seq.

Equity Share Agreement. An agreement by which appreciation on the value of an inclusionary unit from the time of the original purchase at an affordable price to the time of resale shall be shared between the purchaser of the inclusionary unit and the City. Such an agreement shall be a condition of sale of the inclusionary unit.

Low-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50079.5.

Market Rate Unit. Dwelling unit in a residential development that can be purchased or rented at market rates. These units are not considered to be affordable units.

Moderate-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50093.

Offsite Construction. The development of required number of affordable units at a site different than the site of the residential project.

Phasing Plan. A detailed plan provided by a developer that outlines each segment or phase of construction including housing units and site improvements to be developed in a new residential project.

Residential Project. A subdivision, a development project, and/or a condominium conversion project resulting in the creation of ten (10) or more residential lots or ten (10) or more residential dwelling units.

Rehabilitation. Improvement of a unit in substandard condition to a decent, safe, and sanitary level. Units are in substandard condition when, while they may be structurally sound, they do not provide safe and adequate shelter, and in their present condition endanger the health, safety, or well-being of the occupants.

Total Housing Costs. The total monthly or annual recurring expenses required of a household to obtain shelter. For a rental unit, total housing costs shall include the monthly rent payment and utilities paid by the tenant (excluding telephone and television). For an ownership unit, total housing costs shall include the mortgage payment (principal and interest), insurance, homeowners' association dues (if applicable), private mortgage insurance (if applicable), taxes, maintenance costs, and utilities.

Very Low-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50105.

9103.16.040 Inclusionary Unit Requirement

A. The commonly used income categories are approximately as follows, as published and periodically updated by HCD pursuant to Health and Safety Code Sections 50105, 50079.5, and 50093, respectively. Income categories are subject to variations for household size and other factors:

- Very low income: 30% to 50% of AMI
- Low income: 50% to 80% of AMI
- Moderate income: 80% to 120% of AMI

B. All residential projects subject to requirements of this Chapter shall provide affordable units as shown in Table 3-18.

Table 3-18 Affordable Unit Requirements for Residential Projects	
Total Percentage of Affordable Units Required (minimum) ⁽¹⁾	Minimum Affordability Level of Required Units
Ownership Units	
5%	All required affordable units shall be sold to moderate-income households, at a cost affordable to such household.
Rental Units	
9%	All required affordable units shall be rented to very low-income households, at a cost affordable to such household.
11%	At least 5% of the total number of units in the residential project shall be rented to very low-income households, at a cost affordable to such household. The remaining 6% shall be rented to low-income households, at a cost affordable to such household.
14%	At least 14% of the total number of units in the residential project shall be rented to low-income households, at a cost affordable to such household.
20%	All required affordable units shall be rented to moderate-income households, at a cost affordable to such household.

Notes:

(1) of the total number of units in the residential project.

- C. An applicant may request to deviate from the number and affordability level provisions required by this Chapter if the proposed deviation provides the same or greater level of affordability required and the same or greater number of affordable units required by this Chapter. Such request requires an approval of the Director subject to the provisions of Section 9103.16.040 of this Chapter.
- D. When a residential development includes both ownership and rental units, the provisions of this Chapter that apply to ownership residential development shall apply to that portion of the development that consists of ownership dwelling units, while the provisions of this Chapter that apply to rental residential development shall apply to that portion of the development that consists of rental dwelling units.
- E. Affordable units required by this Chapter can be used to qualify for a density bonus under California Government Code Section 65915 (State Density Bonus).
- F. Notwithstanding any other provision of this Chapter, any residential project subject to this Chapter that results in the displacement of existing affordable unit(s) shall be required to replace each displaced affordable unit at the same or greater level of affordability of the existing unit, in addition to providing the number of affordable units required by this Chapter.

9103.16.050 Alternatives

An applicant may also satisfy the requirements of this Chapter through one of the following alternatives:

- A. **Offsite Construction.** An applicant may satisfy the requirements of this Chapter by developing the required number of affordable units at a site different than the site of the residential project. An applicant may develop the affordable units required by this Chapter if they satisfy the following conditions:
 1. The number of units to be developed offsite shall be consistent with the requirements of this Chapter.
 2. Offsite affordable units shall contain the same number of bedrooms, square footage, overall unit mix, appearance, finished quality, materials, and distribution as the non-affordable units in the project.
 3. Offsite affordable units shall be developed concurrently with the main project and certificate of occupancy will be contingent on final approval and inspection of the affordable units.
 4. Offsite affordable units shall be located within the City.
 5. Offsite affordable units shall be subject to the same requirements, standards, and procedures as onsite affordable units.

B. In-Lieu Fees.

1. Ownership Units. Applicants with development proposals of ten (10) or more units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site.
2. Rental Units. Applicants with development proposals between ten (10) and thirty (30) units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site. Applicants with development proposals greater than thirty (30) units must comply with the requirements of this Chapter by providing the required affordable units on- or off-site.
3. The amount of the fee shall be calculated using the fee schedule established by resolution of the City Council.
4. One-half of the in-lieu fees shall be paid prior to the issuance of a building permit for the project with the remaining fees due prior to the issuance of a certificate of occupancy.
5. Any fractional unit resulting from the calculation of the inclusionary requirement referenced in this Chapter will be rounded up to the next whole number or the developer may elect to pay the appropriate in-lieu fee for the fractional unit.
6. Fees collected in-lieu of developing affordable units pursuant to this Chapter shall be placed in the City's Affordable Housing Trust Fund.

9103.16.060 Incentives

- A. An applicant that meets the requirements of this Chapter may request the incentives identified in Table 3-19 below. The number of incentives provided shall be at the City's discretion.

Table 3-19 Types of Incentives and Review Authority		
Incentives	Review Authority	Special Provisions
Streamlined Entitlement Plan Check Review and Building Plan Check Review	Director	May also include pre-application meetings.
Deferral of Developer Impact Fee Payments	Director	Such deferred impact fees shall be fully paid prior to the issuance of a certificate of occupancy.
Partial or full waiver of building permit fees	Director	-
Partial or full waiver of required development fees	Planning Commission	-
Reasonable alternatives	Planning Commission	City Council approval required if the requested alternative has budgetary implication to the City

- B. If the residential project subject to this Chapter is also utilizing State Density Bonus provisions, such project is eligible to request the number and types of incentives allowed in this Chapter and by State Density Bonus provisions.
- C. At the discretion of the City Council, the City may offer a financial incentive using funds from the Affordable Housing Trust Fund.

9103.16.070 Exemptions

The provisions of this Chapter shall not apply to the following:

- A. Residential developments with nine (9) or fewer units.
- B. Residential projects that obtain entitlement approvals prior to the adoption of this Chapter.
- C. Reconstruction of structures which have been damaged by fire, flood, wind, earthquake, or other unforeseen force, as determined by the Director or designee.

- D. Residential projects that are exempt from this Chapter by State law.
- E. Units approved as accessory dwelling units or junior accessory dwelling units.

9103.16.080 Standards and Procedures

The applicant of a project subject to the provisions of this Chapter must submit an Affordable Housing Plan which shall indicate the scheduling and phasing of construction of the required affordable units. The Affordable Housing Plan requirements can be found in Section 9103.16.090. Additionally, projects pursuant to this Chapter must comply with the following standards.

- A. All affordable units in a residential project or phases of a residential project shall be constructed prior to the issuance of a certificate of occupancy for the project or phase of the project
- B. All affordable units shall be reasonably dispersed throughout the project site unless approval for an off-site location has been granted.
- C. The affordable units shall contain the same number of bedrooms and bedroom size as the market rate units in the project. The unit mix for bedroom count shall be proportional to the unit mix of market rate units in the project.
- D. The materials and finished quality of the affordable units shall be comparable with the market rate units.
- E. Affordable units shall have the same access to amenities as the market-rate units, including common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development.
- F. Affordable units required under this Chapter shall be retained as affordable units as follows:
 - 1. For sale units: Cumulative forty-five (45) years or until sold or transferred with an equity share, whichever occurs first.
 - 2. Rental units: Cumulative fifty-five (55) years.
- G. The affordability period begins upon the initial sale or rental of the unit.
- H. An equity share agreement for any inclusionary units that are for-sale shall be in a form approved by the Director and City Attorney in conformance with this chapter.

9103.16.090 Affordable Housing Plan and Agreement

- A. Affordable Housing Plan.
 - 1. An application for a residential development shall include an Affordable Housing Plan describing how the development will comply with the provisions of this Chapter. The Director or their designee is the reviewing authority for reviewing and approving an Affordable Housing Plan. No application for a residential development may be deemed complete unless an Affordable Housing Plan is submitted in conformance with this Chapter. The City has the ability to attach conditions of approval to an Affordable Housing Plan, if determined necessary.
 - 2. An approved Affordable Housing Plan may be amended prior to issuance of any building permit for the residential development or project phase. A request for a minor modification may be granted by the Director or their designee if the modification is in substantial compliance with the original Affordable Housing Plan and conditions of approval. If significant modifications are requested, a new Affordable Housing Plan may be required.
 - 3. An Affordable Housing Plan shall include, but not be limited to, the following:
 - a. The number of affordable units proposed, with calculations;
 - b. The proposed location of the affordable units;

- c. Level of affordability for affordable units;
- d. The unit square footage, and number of bedrooms for market rate and affordable units and tenure (ownership or rental);
- e. Amenities and services provided, such as common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development;
- f. Construction schedule for all units;
- g. Alternatives requested, if applicable;
- h. Incentives requested, if applicable; and
- i. Evidence to justify any requested alternative or incentive, if applicable.

B. Affordable Housing Agreement.

1. An applicant shall enter into an Affordable Housing Agreement with the City. The Affordable Housing Agreement shall be approved by the City Attorney, and executed by the City Manager or their designee, to ensure that all the requirements of this Chapter are satisfied. The Affordable Housing Agreement shall be recorded against the residential development prior to final subdivision map approval, or, where a subdivision map is not being processed, prior to issuance of any building permits, with the exception of demolition permits for such parcels or units. The agreement shall be recorded with the office of the Los Angeles County Recorder. The Affordable Housing Agreement shall be binding on the applicant and all future owners and successors in interest thereof.
2. The Affordable Housing Agreement shall include all information requested in the Affordable Housing Plan and any other provisions necessary to ensure that the requirements of this Chapter are satisfied.
3. The Affordable Housing Agreement shall include the procedures for income verification of potential purchasers or renters.

9103.16.100 Enforcement

- A. The Director, or their designee, may suspend, revoke, or deny any building permit or other approval upon finding a violation of any provision of this Chapter. The provisions of this Chapter shall apply to all owners, agents, and successors of an applicant proposing a project. No entitlement approval, grading permit, building permit or certificate of occupancy shall be issued if it is found in noncompliance with the provisions of this Chapter.
- B. Any individual or entity who sells or rents an affordable unit in violation of the provisions of this Chapter shall be required to forfeit all monetary gains obtained through noncompliance. Recovered funds shall be deposited into the Affordable Housing Trust Fund.
- C. The City may use any appropriate legal actions or proceedings necessary to ensure compliance with this Chapter, including but not limited to:
 1. Actions to revoke, suspend, or deny any grading permit, building permit, certificate of occupancy, or discretionary approval.
 2. Any other action, civil or criminal, authorized by law or by any regulatory document, restriction, or agreement in this Chapter.
- D. The City shall be entitled to recover its reasonable attorney's fees and costs.

9103.16.110 Affordable Housing Trust Fund

Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households. The City shall provide ongoing implementation programs utilizing funds deposited in the Affordable Housing Trust Fund for the benefit of extremely low, very low, low, and moderate-income households.

ATTACHMENT 3
STATE DENSITY BONUS LAW
GOVERNMENT CODE SECTION 65915 ET SEQ.



State of California

GOVERNMENT CODE

Section 65915

65915. (a) (1) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall comply with this section. A city, county, or city and county shall adopt an ordinance that specifies how compliance with this section will be implemented. Except as otherwise provided in subdivision (s), failure to adopt an ordinance shall not relieve a city, county, or city and county from complying with this section.

(2) A local government shall not condition the submission, review, or approval of an application pursuant to this chapter on the preparation of an additional report or study that is not otherwise required by state law, including this section. This subdivision does not prohibit a local government from requiring an applicant to provide reasonable documentation to establish eligibility for a requested density bonus, as described in subdivision (b), and parking ratios, as described in subdivision (p).

(3) In order to provide for the expeditious processing of a density bonus application, the local government shall do all of the following:

(A) Adopt procedures and timelines for processing a density bonus application.

(B) Provide a list of all documents and information required to be submitted with the density bonus application in order for the density bonus application to be deemed complete. This list shall be consistent with this chapter.

(C) Notify the applicant for a density bonus whether the application is complete in a manner consistent with the timelines specified in Section 65943.

(D) (i) If the local government notifies the applicant that the application is deemed complete pursuant to subparagraph (C), provide the applicant with a determination as to the following matters:

(I) The amount of density bonus, calculated pursuant to subdivision (f), for which the applicant is eligible.

(II) If the applicant requests a parking ratio pursuant to subdivision (p), the parking ratio for which the applicant is eligible.

(III) If the applicant requests incentives or concessions pursuant to subdivision (d) or waivers or reductions of development standards pursuant to subdivision (e), whether the applicant has provided adequate information for the local government to make a determination as to those incentives, concessions, waivers, or reductions of development standards.

(ii) Any determination required by this subparagraph shall be based on the development project at the time the application is deemed complete. The local government shall adjust the amount of density bonus and parking ratios awarded

pursuant to this section based on any changes to the project during the course of development.

(b) (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and, if requested by the applicant and consistent with the applicable requirements of this section, incentives or concessions, as described in subdivision (d), waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p), if an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the following:

(A) Ten percent of the total units of a housing development, including a shared housing building development, for rental or sale to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(B) Five percent of the total units of a housing development, including a shared housing building development, for rental or sale to very low income households, as defined in Section 50105 of the Health and Safety Code.

(C) A senior citizen housing development, as defined in Sections 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 or 799.5 of the Civil Code. For purposes of this subparagraph, “development” includes a shared housing building development and a residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code.

(D) Ten percent of the total dwelling units of a housing development are sold to persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.

(E) Ten percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units described in this subparagraph are subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

(F) (i) Twenty percent of the total units for lower income students in a student housing development that meets the following requirements:

(I) All units in the student housing development shall be used exclusively for undergraduate, graduate, or professional students enrolled currently or in the past six months in at least six units at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges. In order to be eligible under this subclause, the developer shall, as a condition of receiving a certificate of occupancy, provide evidence to the city, county, or city and county that the developer has done any one of the following:

(ia) Entered into an operating agreement or master lease with one or more institutions of higher education for the institution or institutions to occupy all units of the student housing development with students from that institution or institutions. An operating agreement or master lease entered into pursuant to this subclause is not violated or breached if, in any subsequent year, there are insufficient students enrolled in an institution of higher education to fill all units in the student housing development.

(ib) Established a system for confirming its renters' status as students to ensure that all units of the student housing development are occupied with students from an institution of higher education.

(II) The applicable units in the student housing development for lower income students shall be used for and occupied by lower income students.

(III) The rent provided in the applicable units of the development for lower income students shall be calculated at 30 percent of 65 percent of the area median income for a single-room occupancy unit type.

(IV) The development shall provide priority for the applicable affordable units for lower income students experiencing homelessness. A homeless service provider, as defined in paragraph (3) of subdivision (e) of Section 103577 of the Health and Safety Code, or institution of higher education that has knowledge of a person's homeless status may verify a person's status as homeless for purposes of this subclause.

(V) The student housing development is not located on a site that pursuant to paragraph (3) of subdivision (c) would require replacement units for projects with greater than a 35 percent density bonus.

(ii) For purposes of calculating a density bonus granted pursuant to this subparagraph, the term "unit" as used in this section means one rental bed and its pro rata share of associated common area facilities. The units described in this subparagraph are subject to a recorded affordability restriction of 55 years, which shall not tie any rental bed reserved for lower income students to a specific bedroom. Notwithstanding any other law, an affordability restriction provision, state or county law or policy, or property management policy shall not prevent a lower income student from sharing a room or unit with a nonlower income student. Any attempted waiver of the requirements of this clause is void as against public policy.

(G) One hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code. For purposes of this subparagraph, "development" includes a shared housing building development.

(2) For purposes of calculating the amount of the density bonus pursuant to subdivision (f), an applicant who requests a density bonus pursuant to this subdivision shall elect whether the bonus shall be awarded on the basis of subparagraph (A), (B), (C), (D), (E), (F), or (G) of paragraph (1).

(c) (1) (A) An applicant shall agree to, and the city, county, or city and county shall ensure, the continued affordability of all very low and low-income rental units

that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.

(B) (i) Except as otherwise provided in clause (ii), rents for the lower income density bonus units shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(ii) For housing developments meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b), rents for all units in the development, including both base density and density bonus units, shall be as follows:

(I) The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(II) The rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for lower income households, as those rents and incomes are determined by the California Tax Credit Allocation Committee.

(2) (A) An applicant shall agree to ensure, and the city, county, or city and county shall ensure, that a for-sale unit that qualified the applicant for the award of the density bonus meets one of the following conditions:

(i) The unit is initially sold to and occupied by a person or family of very low, low, or moderate income, as required, and it is offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code and is subject to an equity sharing agreement.

(ii) If the unit is not purchased by an income-qualified person or family within 180 days after the issuance of the certificate of occupancy, the unit is purchased by a qualified nonprofit housing corporation that meets all of the following requirements pursuant to a recorded contract that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code:

(I) The nonprofit corporation has a determination letter from the Internal Revenue Service affirming its tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as that term is defined in Section 509 of the Internal Revenue Code.

(II) The nonprofit corporation is based in California.

(III) All of the board members of the nonprofit corporation have their primary residence in California.

(IV) The primary activity of the nonprofit corporation is the development and preservation of affordable home ownership housing in California that incorporates within their contracts for initial purchase a repurchase option that requires a subsequent purchaser of the property that desires to resell or convey the property to offer the qualified nonprofit corporation the right to repurchase the property prior to selling or conveying that property to any other purchaser pursuant to an equity sharing agreement or affordability restrictions on the sale and conveyance of the property that ensure that the property will be preserved for lower income housing for at least 45 years for owner-occupied housing units and will be sold or resold only to persons or families of very low, low, or moderate income, as defined in Section 50052.5 of the Health and Safety Code.

(B) For purposes of this paragraph, a “qualified nonprofit housing corporation” is a nonprofit housing corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

(C) The local government shall enforce an equity sharing agreement required pursuant to clause (i) or (ii) of subparagraph (A), unless it is in conflict with the requirements of another public funding source or law or may defer to the recapture provisions of the public funding source. The following apply to the equity sharing agreement:

(i) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller’s proportionate share of appreciation.

(ii) Except as provided in clause (v), the local government shall recapture any initial subsidy, as defined in clause (iii), and its proportionate share of appreciation, as defined in clause (iv), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote homeownership.

(iii) For purposes of this subdivision, the local government’s initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(iv) For purposes of this subdivision, the local government’s proportionate share of appreciation shall be equal to the ratio of the local government’s initial subsidy to the fair market value of the home at the time of initial sale.

(v) If the unit is purchased or developed by a qualified nonprofit housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified nonprofit housing corporation under which the qualified nonprofit housing corporation would recapture any initial subsidy and its proportionate share of appreciation if the qualified nonprofit housing corporation is required to use 100 percent of the proceeds to promote homeownership for lower income households as defined by Section 50079.5 of the Health and Safety Code within the jurisdiction of the local government.

(3) (A) Except as provided in subclause (V) of clause (i) of subparagraph (F) of paragraph (1) of subdivision (b), an applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity’s valid exercise of its police power; or occupied by lower or very low

income households, unless the proposed housing development replaces those units, and either of the following applies:

(i) The proposed housing development, inclusive of the units replaced pursuant to this paragraph, contains affordable units at the percentages set forth in subdivision (b).

(ii) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

(B) For the purposes of this paragraph, "replace" shall mean either of the following:

(i) If any dwelling units described in subparagraph (A) are occupied on the date of application, the proposed housing development shall provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy. If the income category of the household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as the last household in occupancy. If the income category of the last household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(ii) If all dwelling units described in subparagraph (A) have been vacated or demolished within the five-year period preceding the application, the proposed housing development shall provide at least the same number of units of equivalent size as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, it shall be rebuttably presumed that low-income and very low income renter households occupied these units in the same proportion of low-income and very low income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's

Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(C) Notwithstanding subparagraph (B), for any dwelling unit described in subparagraph (A) that is or was, within the five-year period preceding the application, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income, the city, county, or city and county may do either of the following:

(i) Require that the replacement units be made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(ii) Require that the units be replaced in compliance with the jurisdiction's rent or price control ordinance, provided that each unit described in subparagraph (A) is replaced. Unless otherwise required by the jurisdiction's rent or price control ordinance, these units shall not be subject to a recorded affordability restriction.

(D) For purposes of this paragraph, "equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

(E) Subparagraph (A) does not apply to an applicant seeking a density bonus for a proposed housing development if the applicant's application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

(d) (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of any of the following:

(A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

(2) The applicant shall receive the following number of incentives or concessions:

(A) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a development in which the units are for sale.

(B) Two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a development in which the units are for sale.

(C) Three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a development in which the units are for sale.

(D) Five incentives or concessions for a project meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b). If the project is located within one-half mile of a major transit stop or is located in a very low vehicle travel area in a designated county, the applicant shall also receive a height increase of up to three additional stories, or 33 feet.

(E) One incentive or concession for projects that include at least 20 percent of the total units for lower income students in a student housing development. If a project includes at least 23 percent of the total units for lower income students in a student housing project, the applicant shall instead receive two incentives or concessions.

(F) Four incentives or concessions for projects that include at least 16 percent of the units for very low income households or at least 45 percent for persons and families of moderate income in a development in which the units are for sale.

(3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. This subdivision shall not be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section that shall include legislative body approval of the means of compliance with this section.

(4) The city, county, or city and county shall bear the burden of proof for the denial of a requested concession or incentive.

(e) (1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. Subject to paragraph (3), an

applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney’s fees and costs of suit. This subdivision shall not be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. This subdivision shall not be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(3) A housing development that receives a waiver from any maximum controls on density pursuant to clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f) shall only be eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.

(f) For the purposes of this chapter, “density bonus” means a density increase over the otherwise maximum allowable gross residential density, as of the date of application by the applicant to the city, county, or city and county, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29

17	30.5
18	32
19	33.5
20	35
21	38.75
22	42.5
23	46.25
24	50

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

(3) (A) For housing developments meeting the criteria of subparagraph (C) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of senior housing units.

(B) For housing developments meeting the criteria of subparagraph (E) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of the type of units giving rise to a density bonus under that subparagraph.

(C) For housing developments meeting the criteria of subparagraph (F) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Lower Income Units	Percentage Density Bonus
20	35
21	38.75
22	42.5
23	46.25
24	50

(D) For housing developments meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b), the following shall apply:

(i) Except as otherwise provided in clauses (ii) and (iii), the density bonus shall be 80 percent of the number of units for lower income households.

(ii) If the housing development is located within one-half mile of a major transit stop, the city, county, or city and county shall not impose any maximum controls on density.

(iii) If the housing development is located in a very low vehicle travel area within a designated county, the city, county, or city and county shall not impose any maximum controls on density.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35
41	38.75

42	42.5
43	46.25
44	50

(5) All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not require, or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

(g) (1) When an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a city, county, or city and county in accordance with this subdivision, the applicant shall be entitled to a 15-percent increase above the otherwise maximum allowable residential density for the entire development, as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the

increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government before the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a childcare facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the childcare facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the childcare facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The childcare facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to subdivision (c).

(B) Of the children who attend the childcare facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income pursuant to subdivision (b).

(3) Notwithstanding any requirement of this subdivision, a city, county, or city and county shall not be required to provide a density bonus or concession for a childcare facility if it finds, based upon substantial evidence, that the community has adequate childcare facilities.

(4) "Childcare facility," as used in this section, means a child daycare facility other than a family daycare home, including, but not limited to, infant centers, preschools, extended daycare facilities, and schoolage childcare centers.

(i) "Housing development," as used in this section, means a development project for five or more residential units, including mixed-use developments. For the purposes of this section, "housing development" also includes a subdivision or common interest development, as defined in Section 4100 of the Civil Code, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j) (1) The granting of a concession or incentive shall not require or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval. For purposes of this subdivision, "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in subdivision (k). This provision is declaratory of existing law.

(2) Except as provided in subdivisions (d) and (e), the granting of a density bonus shall not require or be interpreted to require the waiver of a local ordinance or provisions of a local ordinance unrelated to development standards.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety

Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(l) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

(m) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division 20 (commencing with Section 30000) of the Public Resources Code.

(n) If permitted by local ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.

(o) For purposes of this section, the following definitions shall apply:

(1) "Designated county" includes the Counties of Alameda, Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Mateo, Santa Barbara, Santa Clara, Solano, Sonoma, and Ventura, and the City and County of San Francisco.

(2) "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, a minimum lot area per unit requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation that is adopted by the local government or that is enacted by the local government's electorate exercising its local initiative or referendum power, whether

that power is derived from the California Constitution, statute, or the charter or ordinances of the local government.

(3) “Located within one-half mile of a major transit stop” means that any point on a proposed development, for which an applicant seeks a density bonus, other incentives or concessions, waivers or reductions of development standards, or a vehicular parking ratio pursuant to this section, is within one-half mile of any point on the property on which a major transit stop is located, including any parking lot owned by the transit authority or other local agency operating the major transit stop.

(4) “Lower income student” means a student who has a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as set forth in subdivision (k) of Section 69432.7 of the Education Code. The eligibility of a student to occupy a unit for lower income students under this section shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education in which the student is enrolled or by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or fee waiver from the college or university, the California Student Aid Commission, or the federal government.

(5) “Major transit stop” has the same meaning as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(6) “Maximum allowable residential density” or “base density” means the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, means the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Density shall be determined using dwelling units per acre. However, if the applicable zoning ordinance, specific plan, or land use element of the general plan does not provide a dwelling-units-per-acre standard for density, then the local agency shall calculate the number of units by:

(A) Estimating the realistic development capacity of the site based on the objective development standards applicable to the project, including, but not limited to, floor area ratio, site coverage, maximum building height and number of stories, building setbacks and stepbacks, public and private open-space requirements, minimum percentage or square footage of any nonresidential component, and parking requirements, unless not required for the base project. Parking requirements shall include considerations regarding number of spaces, location, design, type, and circulation. A developer may provide a base density study and the local agency shall accept it, provided that it includes all applicable objective development standards.

(B) Maintaining the same average unit size and other project details relevant to the base density study, excepting those that may be modified by waiver or concession to accommodate the bonus units, in the proposed project as in the study.

(7) (A) (i) “Shared housing building” means a residential or mixed-use structure, with five or more shared housing units and one or more common kitchens and dining areas designed for permanent residence of more than 30 days by its tenants. The kitchens and dining areas within the shared housing building shall be able to adequately accommodate all residents. If a local ordinance further restricts the attributes of a

shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.

(ii) A “shared housing building” may include other dwelling units that are not shared housing units, provided that those dwelling units do not occupy more than 25 percent of the floor area of the shared housing building. A shared housing building may include 100 percent shared housing units.

(B) (i) “Shared housing unit” means one or more habitable rooms, not within another dwelling unit, that includes a bathroom, sink, refrigerator, and microwave, is used for permanent residence, that meets the “minimum room area” specified in Section R304 of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations), and complies with the definition of “guestroom” in Section R202 of the California Residential Code. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.

(ii) “Shared housing unit” for purposes of a residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, includes a unit without an individual kitchen where a unit may be shared by unrelated persons, and a unit where a room that may be shared by unrelated persons meets the “minimum room area” requirements of clause (i).

(8) “Student housing development” means a development that contains bedrooms containing two or more bedspaces that have a shared or private bathroom, access to a shared or private living room and laundry facilities, and access to a shared or private kitchen.

(9) (A) “Total units” or “total dwelling units” means a calculation of the number of units that:

(i) Excludes a unit added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

(ii) Includes a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county.

(B) For purposes of calculating a density bonus granted pursuant to this section for a shared housing building, “unit” means one shared housing unit and its pro rata share of associated common area facilities.

(10) “Very low vehicle travel area” means an urbanized area, as designated by the United States Census Bureau, where the existing residential development generates vehicle miles traveled per capita that is below 85 percent of either regional vehicle miles traveled per capita or city vehicle miles traveled per capita. For purposes of this paragraph, “area” may include a travel analysis zone, hexagon, or grid. For the purposes of determining “regional vehicle miles traveled per capita” pursuant to this paragraph, a “region” is the entirety of incorporated and unincorporated areas governed by a multicounty or single-county metropolitan planning organization, or the entirety of the incorporated and unincorporated areas of an individual county that is not part of a metropolitan planning organization.

(p) (1) Except as provided in paragraphs (2), (3), and (4), upon the request of the developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of parking for persons with a disability and guests, of a development meeting the criteria of subdivisions (b) and (c), that exceeds the following ratios:

(A) Zero to one bedroom: one onsite parking space.

(B) Two to three bedrooms: one and one-half onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(D) One bedspace in a student housing development: zero parking spaces.

(2) (A) Notwithstanding paragraph (1), if a development includes at least 20 percent low-income units for housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b) or at least 11 percent very low income units for housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per unit. Notwithstanding paragraph (1), if a development includes at least 40 percent moderate-income units for housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and the residents of the development have unobstructed access to the major transit stop from the development then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per bedroom.

(B) For purposes of this subdivision, “unobstructed access to the major transit stop” means a resident is able to access the major transit stop without encountering natural or constructed impediments. For purposes of this subparagraph, “natural or constructed impediments” includes, but is not limited to, freeways, rivers, mountains, and bodies of water, but does not include residential structures, shopping centers, parking lots, or rails used for transit.

(3) Notwithstanding paragraph (1), if a development meets the criteria of subparagraph (G) of paragraph (1) of subdivision (b), then, upon the request of the developer, a city, county, or city and county shall not impose vehicular parking standards if the development meets any of the following criteria:

(A) The development is located within one-half mile of a major transit stop and there is unobstructed access to the major transit stop from the development.

(B) The development is a for-rent housing development for individuals who are 55 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and the development has either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(C) The development is either a special needs housing development, as defined in Section 51312 of the Health and Safety Code, or a supportive housing development, as defined in Section 50675.14 of the Health and Safety Code. A development that

is a special needs housing development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(4) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide onsite parking through tandem parking or uncovered parking, but not through onstreet parking.

(5) This subdivision shall apply to a development that meets the requirements of subdivisions (b) and (c), but only at the request of the applicant. An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d).

(6) This subdivision does not preclude a city, county, or city and county from reducing or eliminating a parking requirement for development projects of any type in any location.

(7) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

(8) A request pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(q) Each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. The Legislature finds and declares that this provision is declaratory of existing law.

(r) This chapter shall be interpreted liberally in favor of producing the maximum number of total housing units.

(s) Notwithstanding any other law, if a city, including a charter city, county, or city and county has adopted an ordinance or a housing program, or both an ordinance and a housing program, that incentivizes the development of affordable housing that allows for density bonuses that exceed the density bonuses required by the version of this section effective through December 31, 2020, that city, county, or city and county is not required to amend or otherwise update its ordinance or corresponding affordable housing incentive program to comply with the amendments made to this section by the act adding this subdivision, and is exempt from complying with the

incentive and concession calculation amendments made to this section by the act adding this subdivision as set forth in subdivision (d), particularly subparagraphs (B) and (C) of paragraph (2) of that subdivision, and the amendments made to the density tables under subdivision (f).

(t) When an applicant proposes to construct a housing development that conforms to the requirements of subparagraph (A) or (B) of paragraph (1) of subdivision (b) that is a shared housing building, the city, county, or city and county shall not require any minimum unit size requirements or minimum bedroom requirements that are in conflict with paragraph (7) of subdivision (o).

(u) (1) The Legislature finds and declares that the intent behind the Density Bonus Law is to allow public entities to reduce or even eliminate subsidies for a particular project by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. It further reaffirms that the intent is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional public subsidy.

(2) It is therefore the intent of the Legislature to make modifications to the Density Bonus Law by the act adding this subdivision to further incentivize the construction of very low, low-, and moderate-income housing units. It is further the intent of the Legislature in making these modifications to the Density Bonus Law to ensure that any additional benefits conferred upon a developer are balanced with the receipt of a public benefit in the form of adequate levels of affordable housing. The Legislature further intends that these modifications will ensure that the Density Bonus Law creates incentives for the construction of more housing across all areas of the state.

(v) (1) Provided that the resulting housing development would not restrict more than 50 percent of the total units to moderate-income, lower income, or very low income households, a city, county, or city and county shall grant an additional density bonus calculated pursuant to paragraph (2) when an applicant proposes to construct a housing development that conforms to the requirements of paragraph (1) of subdivision (b), agrees to include additional rental or for-sale units affordable to very low income households or moderate income households, and meets any of the following requirements:

(A) The housing development conforms to the requirements of subparagraph (A) of paragraph (1) of subdivision (b) and provides 24 percent of the total units to lower income households.

(B) The housing development conforms to the requirements of subparagraph (B) of paragraph (1) of subdivision (b) and provides 15 percent of the total units to very low income households.

(C) The housing development conforms to the requirements of subparagraph (D) of paragraph (1) of subdivision (b) and provides 44 percent of the total units to moderate-income households.

(2) A city, county, or city and county shall grant an additional density bonus for a housing development that meets the requirements of paragraph (1), calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	23.75
7	27.5
8	31.25
9	35
10	38.75

Percentage Moderate-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

(3) The increase required by paragraphs (1) and (2) shall be in addition to any increase in density granted by subdivision (b).

(4) The additional density bonus required under this subdivision shall be calculated using the number of units excluding any density bonus awarded by this section.

(Amended by Stats. 2024, Ch. 432, Sec. 1.5. (AB 3116) Effective January 1, 2025.)

ATTACHMENT 4
RESOLUTION NO. 7621
IN-LIEU FEE RESOLUTION

RESOLUTION NO. 7621

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU DEVELOPMENT FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY THE INCLUSIONARY HOUSING ORDINANCE; AND FINDING THAT THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as "Text Amendment"); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation ("RHNA") for the City of Arcadia; and

WHEREAS, the proposed Inclusionary Housing Ordinance (City Council Ordinance No. 2402) meets the requirements of California State housing law by providing

alternatives to the provision of affordable units within housing projects, including the establishment of an Inclusionary Housing In-Lieu Development Fee as shown in Exhibit “A” of this Resolution; and

WHEREAS, based on an Inclusionary Housing In-Lieu Fee Analysis conducted by Keyser Marston Associates, Inc., the fees set forth in this Resolution are necessary for the purposes set forth in this Resolution. Said fees are based on an in-depth analysis of development costs within the City of Arcadia, and the proposed fees are deemed to be fair and reasonable as an alternative to providing affordable housing units; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does hereby resolve as follows:

SECTION 1. The establishment and/or adjustment of fees is statutorily exempt from the California Environmental Quality Act (“CEQA”), pursuant to Section 15273 of the CEQA Guidelines (Sections 21080(b)(8) and 21082, Public Resources Code).

SECTION 2. The City Council hereby adopts the Inclusionary Housing In-Lieu Development Fee, based on the square footage of leasable and/or saleable area in the Development, attached hereto as Exhibit “A”.

SECTION 3. The City Council directs that the Inclusionary Housing In-Lieu Development Fee be evaluated annually to ensure the fee is appropriate and consistent with the cost of development, and that recommended modifications to the fee be proposed to the City Council as necessary.

SECTION 4. The Inclusionary Housing In-Lieu Development Fee will be imposed and collected as of the effective date of the Inclusionary Housing Ordinance (Ordinance No. 2402), July 1, 2025

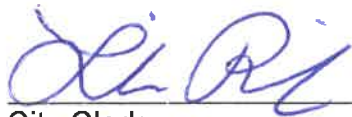
SECTION 5. The City Clerk shall certify the adoption of this Resolution.

Passed, approved and adopted this 1st of April, 2025.



Mayor of the City of Arcadia

ATTEST:



City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

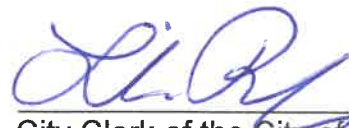
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF ARCADIA)

I, LINDA RODRIGUEZ, City Clerk of the City of Arcadia, hereby certifies that the foregoing Resolution No. 7621 was passed and adopted by the City Council of the City of Arcadia, signed by the Mayor and attested to by the City Clerk at a regular meeting of said Council held on the 1st day of April, 2025 and that said Resolution was adopted by the following vote, to wit:

AYES: Cheng, Fu, Wang, and Cao

NOES: None

ABSTAIN: Kwan



City Clerk of the City of Arcadia

BASE IN-LIEU PAYMENT AMOUNTS

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 30 or More Units Affordability Gap Analyses		
Apartment Development		
Per Inclusionary Unit		\$403,000
Per Square Foot of Total Leasable Area in the Development		\$43.80
Ownership Housing Development		
Per Inclusionary Unit		\$701,300
Per Square Foot of Total Saleable Area in the Development		\$23.30

DISCOUNTED IN-LIEU FEE SCHEDULES

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$2.09	\$1.11
11	\$4.17	\$2.22
12	\$6.26	\$3.33
13	\$8.34	\$4.44
14	\$10.43	\$5.55
15	\$12.51	\$6.66
16	\$14.60	\$7.77
17	\$16.69	\$8.88
18	\$18.77	\$9.99
19	\$20.86	\$11.10
20	\$22.94	\$12.20
21	\$25.03	\$13.31
22	\$27.11	\$14.42
23	\$29.20	\$15.53
24	\$31.29	\$16.64
25	\$33.37	\$17.75
26	\$35.46	\$18.86
27	\$37.54	\$19.97
28	\$39.63	\$21.08
29	\$41.71	\$22.19
30	\$43.80	\$23.30

FRACTIONAL IN-LIEU FEE SCHEDULES

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

ATTACHMENT 5

INCLUSIONARY HOUSING DEVELOPMENT:

PLANNING DOCUMENTS

ATTACHMENT 5 - EXHIBIT A

AFFORDABLE HOUSING PLAN



INCLUSIONARY HOUSING AFFORDABLE HOUSING PLAN APPLICATION FORM

The following information is required. The applicant may provide any additional information, as necessary, as an attachment to this application. The City may require additional information following review of the application.

PROJECT ADDRESS					
APN					
ZONE CLASSIFICATION					
APPLICANT(S) NAME					
MAILING ADDRESS					
CITY		STATE		ZIP	
E-MAIL ADDRESS					
TELEPHONE NO.					
PROPERTY OWNER(S) NAME					
MAILING ADDRESS					
CITY		STATE		ZIP	
E-MAIL ADDRESS					
TELEPHONE NO.					

1. TOTAL SQUARE FOOTAGE OF LEASABLE OR SALEABLE AREA IN THE PROJECT:

--

2. AFFORDABLE UNIT INFORMATION:

Please provide the following information for all affordable units in the residential development:

Tenure (Ownership or Rental):	
Total Number of Units (Existing + New):	
Affordability Category of Restricted Units:	
Total Number of Inclusionary Units:	
Fractional Amount:	
Total In-Lieu Fee for Fractional Units*(If applicable):	

*Note: Any fractional unit resulting from the calculation of the inclusionary requirement will be rounded up to the next whole number or the developer may elect to pay the appropriate in-lieu fee for the fractional unit.

3. MARKET RATE AND AFFORDABLE UNIT DETAIL:

Please attach a separate sheet providing the following information for ALL units within the residential development (Market Rate and Affordable Units): Square feet of unit, No. of bedrooms, No. of bathrooms, location of unit in the development, and affordability level.

4. ALTERNATIVES REQUESTED (IF APPLICABLE):

If alternatives are requested, please check the box and complete any required form fields.

- ☐ **Off-site Construction:** An applicant may satisfy the requirement for affordable units by providing the required units in another location within the City. All other requirements of the Ordinance remain the same.

If you opt to provide the affordable unit(s) off-site, please provide the following information:

APN:

Address:

- ☐ **In-Lieu Fee.** Applicants may pay a fee in-lieu of providing the units for the following projects:

- a) ALL Ownership Projects, with ten (10) or more units
- b) Rental Projects between ten (10) and thirty (30) units. **Rental Projects of more than 30 units may not provide the fee and must provide the units.**

If you opt to pay a fee in-lieu of providing the affordable units on-site, please provide the following information:

Total In-Lieu Fee, including any fractional fee (Refer to the In-Lieu Fee Schedule):

Calculation:

5. AMENITIES AND SERVICES PROVIDED:

Please specify the amenities and services provided in the residential development. This may include, but not limited to, common spaces, parking, laundry rooms, fitness centers, and other facilities.

6. CONSTRUCTION SCHEDULE FOR ALL UNITS:

THE APPLICANT AND PROPERTY OWNER HEREBY DECLARE UNDER PENALTY OF PERJURY THAT ALL THE INFORMATION SUBMITTED FOR THIS APPLICATION IS TRUE AND CORRECT.

APPLICANT'S SIGNATURE	DATE
PROPERTY OWNER'S SIGNATURE	DATE

.....

FOR OFFICE USE ONLY

Date Received:_____ City Staff Initials: _____

ATTACHMENT 5 – EXHIBIT B

OFF-SITE CONSTRUCTION REQUIREMENTS

**OFF-SITE CONSTRUCTION REQUIREMENTS
RENTAL PROJECT
INCLUSIONARY HOUSING PROGRAM
DEVELOPMENT CODE SECTION 9103.16.050(A)**

**City of Arcadia Planning Services Division
240 West Huntington Drive
Arcadia, California 91007
626.574.5423**

Development Site Characteristics and Contact Information	
Project Address:	_____
Assessor Parcel Number(s):	_____
Site Dimensions:	_____
Site Size (Square Feet):	_____
Property Owner's Name:	_____
Address:	_____
Telephone Number:	_____ Email: _____
Developer's Name:	_____
Telephone Number:	_____ Email: _____

City Determination of Completeness	
☐ Approve ☐ Deny	
Signature: _____	Date: _____

I. DEFINED TERMS

Capitalized terms included in the instructions for completing the Inclusionary Housing Plan have the meanings defined in the Inclusionary Housing Regulations.

II. SUMMARY OF AFFORDABLE HOUSING FULFILLMENT ALTERNATIVES

Development Code Section 9103.16 identifies the following options that the Developers of Rental Projects can use for fulfilling the affordable housing obligations imposed by the Inclusionary Housing Program:

1. The Developer may fulfill the affordable housing obligation on site within the Market Rate Rental Project that is subject to the Inclusionary Housing Program requirements.
2. Rental Projects that consist of between 10 and 20 units may pay a fee in lieu of producing Affordable Units. Developers that choose this alternative cannot make use of the State Law Density Bonus.
3. The Developer may fulfill the affordable housing obligation in an off-site location.

III. OFF-SITE CONSTRUCTION REQUIREMENTS

For Developer's that choose to fulfill affordable housing obligation by constructing Affordable Units at a site different than the site the Market Rate Rental Project is proposed to be developed. The applicable development standards are:

1. The Affordable Units to be developed off-site must equal at least the same percentage of the total number of units being constructed in the Market Rate Rental Project as would have been applied to the on-site development of Affordable Units. Any fractional number resulting from the calculation must be rounded up to the next whole number.
2. The off-site Affordable Units must contain the same number of bedrooms, square footage, overall unit mix, appearance, finished quality, and materials as found in the Market Rate Rental Project.
3. The off-site Affordable Units must be developed concurrently, or prior to, the construction of the Market Rate Ownership Project. Receipt of a certificate of completion for the Market Rate Rental Project will be contingent on final approval and inspection of the Affordable Units.

4. Off-site Affordable Units must be located within the Arcadia city limits.
5. Off-site Affordable Units are subject to the same requirements, standards and procedures as are imposed on Affordable Units constructed within an Rental Project that is subject to the Inclusionary Housing Program requirements.

IV. PROPERTY OWNER'S AFFIDAVIT

I hereby certify that I am the legally authorized owner of all property involved in this application or have been empowered to sign as the property owner on behalf of a corporation, partnership, business, etc., as evidenced by separate instrument attached herewith. I hereby grant to the Developer submitting this form full power to sign all documents related to this application, including any conditions or litigation measures as may be deemed necessary.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at _____, California

Property Owner's Signature _____

Printed Name _____

V. DEVELOPER'S AFFIDAVIT

I hereby acknowledge that the applicable off-site construction of Affordable Units shall comply with the timing schedule imposed by the Inclusionary Housing Program.

I hereby certify the following:

1. The statements furnished above represent the data and information required for this initial evaluation and that the facts, statements and information presented are true and correct to the best of my knowledge and belief;
2. Should the stated information be found false or insufficient, I agree to the return of this form for appropriate revisions, understanding the City cannot process this form until all applicable information is corrected or provided by the Developer; and
3. I have been legally authorized by the property owner to present this application and to sign on behalf of all documents related to this application, including any conditions or litigation measures as may be deemed necessary.

Note: When the Developer is a corporation, partnership, business, etc., a separate document verifying the authorization to sign for such Developer is required.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at _____, California

Developer's Signature _____

Developer's Printed Name _____

ATTACHMENT 5 – EXHIBIT C

SAMPLE IN-LIEU FEE CALCULATIONS

**IN-LIEU FEE CALCULATIONS
RENTAL PROJECTS
INCLUSIONARY HOUSING PROGRAM
RESOLUTION NO. 7621**

**City of Arcadia Planning Services Division
240 West Huntington Drive
Arcadia, California 91007
626.574.5423**

Development Site Characteristics and Contact Information	
Project Address:	
Assessor Parcel Number(s):	
Site Dimensions:	
Site Size (Square Feet):	
Property Owner's Name:	
Address:	
Telephone Number:	Email:
Developer's Name:	
Telephone Number:	Email:

City Determination of Completeness	
☐ Approve ☐ Deny	
Signature: _____	Date: _____

I. DEFINED TERMS

Capitalized terms included in the instructions for completing the In-Lieu Fee calculations have the meanings defined in the Inclusionary Housing Regulations.

II. SUMMARY OF AFFORDABLE HOUSING FULFILLMENT ALTERNATIVES

Development Code Section 9103.16 identifies the following options that the Developers of Rental Projects can use for fulfilling the affordable housing obligations imposed by the Inclusionary Housing Program:

1. The Developer may fulfill the affordable housing obligation on site within the Market Rate Rental Project that is subject to the Inclusionary Housing Program requirements.
2. Rental Projects that consist of between 10 and 30 units may pay a fee in lieu of producing Affordable Units. Developers that choose this alternative cannot make use of the State Law Density Bonus.
3. The Developer may fulfill the affordable housing obligation in an off-site location.

III. IN-LIEU FEE PAYMENT CALCULATIONS

In-Lieu Fee Payment to Fulfill the Entire Affordable Housing Obligation

For Developers that choose to fulfill the affordable housing obligation by paying an In-Lieu Fee, the obligation is calculated on the basis of a sliding scale schedule for Rental Projects that include between 10 and 30 units. The In-Lieu Fee is assessed against the entire leasable area of a proposed Rental Project.

The City Council initially adopted an In-Lieu Fee payment schedule by Resolution No. 7621 on April 1, 2025. The In-Lieu Fee payment schedule will be administratively updated annually by the Development Services Department commencing on July 1, 2027. The currently applicable In-Lieu Fee schedule, which will remain in place through June 30, 2027, is presented in the table on the following page:

In-Lieu Fee Schedule			
Measured Per Square Foot of Total Leasable Area in the Rental Project			
Applicable July 1, 2025 through June 30, 2027			
Number of Units	In-Lieu Fee	Number of Units	In-Lieu Fee
10	\$2.09	21	\$25.03
11	\$4.17	22	\$27.11
12	\$6.26	23	\$29.20
13	\$8.34	24	\$31.29
14	\$10.43	25	\$33.37
15	\$12.51	26	\$35.46
16	\$14.60	27	\$37.54
17	\$16.69	28	\$39.63
18	\$18.77	29	\$41.71
19	\$20.86	30	\$43.80
20	\$22.94		

An In-Lieu Fee calculation example is provided in the following table:

Rental Project	
Total Inclusionary Housing Obligation	
<u>Inclusionary Housing Obligation</u>	
Total Units	20
Inclusionary Housing Percentage	9%
Total Inclusionary Housing Obligation	2.0
<u>Leasable Area</u>	
Total Units	20
Weighted Average Unit Size (Square Feet)	800
Total Leasable Area (Square Feet)	16,000
In-Lieu Fee Per Square Foot of Leasable Area	\$22.94
<u>In-Lieu Fee Calculation</u>	
Total Leasable Area (Square Feet)	16,000
In-Lieu Fee Per Square Foot of Leasable Area	x \$22.94
Total In-Lieu Fee	\$367,040
<u>In-Lieu Fee Per Inclusionary Unit</u>	
Total In-Lieu Fee	\$367,040
Number of Inclusionary Units	2.0
In-Lieu Fee Per Inclusionary Unit	\$183,520

Based on the specific characteristics of the proposed Rental Project and the applicable In-Lieu Fee payment amount derived from the schedule, please calculate the applicable In-Lieu Fee payment obligation in the following table:

In-Lieu Fee Calculation In-Lieu Fee Paid to Fulfill the Rental Project's Total Inclusionary Housing Obligation	
Total Leasable Area in the Ownership Residential Project	_____
In-Lieu Fee Per Square Foot of Total Leasable Area in the Ownership Residential Project	_____
Total In-Lieu Fee	

IV. TIMING

For Developers that choose to pay an In-Lieu Fee to fulfill the entire affordable housing obligation, the In-Lieu Fee must be paid in accordance with the following schedule:

1. One-half of the In-Lieu Fee must be paid prior to issuance of the first building permit for the Rental Project.
2. The remaining In-Lieu Fee balance is due prior to the City's issuance of a certificate of occupancy.

For phased projects, the Developer may pay a pro rata share of the In-Lieu Fee. In that case, the first In-Lieu Fee installment must be paid prior to the issuance of the first building permit for each phase of the Rental Project. The remaining In-Lieu Fee balance is due prior to the City's issuance of a certificate of occupancy for that phase of the Rental Project.

V. PROPERTY OWNER'S AFFIDAVIT

I hereby certify that I am the legally authorized owner of all property involved in this application or have been empowered to sign as the property owner on behalf of a corporation, partnership, business, etc., as evidenced by separate instrument attached herewith. I hereby grant to the Developer submitting this form full power to sign all documents related to this application, including any conditions or litigation measures as may be deemed necessary.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at _____, California

Property Owner's Signature _____

Printed Name _____

VI. DEVELOPER'S AFFIDAVIT

I hereby acknowledge that the applicable In-Lieu Fee payment shall be made in accordance with the timing schedule imposed by the Inclusionary Housing Program.

I hereby certify the following:

1. The statements furnished above represent the data and information required for this initial evaluation and that the facts, statements and information presented are true and correct to the best of my knowledge and belief;
2. Should the stated information be found false or insufficient, I agree to the return of this form for appropriate revisions, understanding the City cannot process this form until all applicable information is corrected or provided by the Developer; and
3. I have been legally authorized by the property owner to present this application and to sign on behalf of all documents related to this application, including any conditions or litigation measures as may be deemed necessary.

Note: When the Developer is a corporation, partnership, business, etc., a separate document verifying the authorization to sign for such Developer is required.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at _____, California

Developer's Signature _____

Developer's Printed Name _____

ATTACHMENT 6

MONITORING FORMS

ATTACHMENT 6 – EXHIBIT A

TENANT APPLICATION: AFFORDABLE UNIT

**TENANT APPLICATION: AFFORDABLE UNIT
(TO BE COMPLETED BY THE APPLICANT)
RENTAL PROJECT**

PART 1 – TENANT REPRESENTATIONS

The information in this document is being collected to determine an applicant's eligibility to rent a designated Affordable Unit in the project. The information will be used for managing the affordability requirements imposed on the project, and for verifying the accuracy of the information furnished by the applicant. The information may be released to appropriate federal, state and local agencies and to civil, criminal or regulatory investigators or prosecutors when relevant.

Please submit the following documents for each household member who is 18 years of age or older:

1. A photocopy of a driver's license or California photo identification.
2. Signed copies of their most recent federal tax return. Self-employed persons must submit signed copies of their federal tax returns for the past two years. All schedules and attachments to the tax returns must be included in the submission.
3. In order of preference, the following employment income verification sources will be accepted. The documentation must specify the amount and type of pay (i.e., wages, overtime wages, commissions, and bonuses), frequency of pay, and year to date earnings:
 - a. Check stubs or earning statements showing employee's gross pay per pay period and frequency of pay. The check stubs should include the year-end statement for the last full year of employment, and the most recent four pay periods; or
 - b. A letter from the employer on company letterhead and signed by an authorized company representative.
4. Award or benefit notification verification for Social Security, Supplementary Security Income (SSI), welfare, disability and/or pension income.
5. Verification of alimony and/or child support.
6. Copies of the three most recent months of statements for all savings and investment accounts.

PART 2 – HOUSEHOLD INFORMATION

HOUSEHOLD MEMBERS

Please provide the following requested information for all adults and children who will be residing in the unit.

Full Name	Social Security #	Date of Birth	Relationship

HOUSEHOLD INCOME – (ADULT HOUSEHOLD MEMBERS - 18 YEARS OF AGE OR OLDER)

In general, household income is defined as all income from any source received by all the household members above the age of 18, which is anticipated to be received during the 12-month period following the submission of this application. For reference purposes, the applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

Please provide the information requested in the following tables for each adult household member. Please attach a separate sheet if more than two adults are members of the household.

1. The first table asks for information about income received from sources such as wages and benefits.
2. The second set of tables (2A, B and C) ask for information pertaining to assets that the household holds such as savings accounts and investment accounts. This table only needs to be completed if the household has assets in excess of \$5,000. For the purposes of this application, the value of items such as furniture and automobiles do not need to be included.
3. The third table asks for the results of the two tables to be added together. This represents the Gross Annual Household Income

Adult household members who are reporting that they do not receive any type of income must fill out an affidavit certifying this fact. A form affidavit is attached to this application.

Table 1: Annual Household Gross Earned Income ¹

List All Sources of Earned Income for all Adult Household Members Living in the Affordable Unit

	Head of Household	Other Adult Household Members	Total
1. Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses	\$	\$	\$
2. Net income from business	\$	\$	\$
3. Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically	\$	\$	\$
4. Payment in lieu of earnings, such as unemployment, disability compensation, worker's compensation and severance pay	\$	\$	\$
5. Public assistance, welfare payments	\$	\$	\$
6. Alimony, child support, other periodic allowances	\$	\$	\$
7. Regular pay, special pay and allowances of members of the Armed Forces	\$	\$	\$
8. Other	\$	\$	\$
Subtotal: Monthly Earned Income			\$
Monthly Earned Income x 12 = \$_____ Total Annual Household Gross Earned Income			

¹ The following items are not considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments, capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; special pay to a serviceman head of family away from home and under hostile fire; relocation payments under federal, state or local law; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

Table 2A: Household Assets ²

List the Value of All Assets Owned by all Adult Household Members Living in the Affordable Unit

	Head of Household	Other Adult Household Members	Total	Return @ 10% of Total
1. Bank & savings accounts	\$	\$	\$	\$
2. Stocks and bonds	\$	\$	\$	\$
3. Real property	\$	\$	\$	\$
4. Other	\$	\$	\$	\$

Table 2B: Income Earned Annually from Household Assets

List the Actual Annual Return on All Assets

Owned by all Adult Household Members Living in the Affordable Unit

	Head of Household	Other Adult Household Members	Total
1. Bank and savings accounts	\$	\$	\$
2. Stocks and bonds	\$	\$	\$
3. Real property	\$	\$	\$
4. Other	\$	\$	\$

The return on Household assets to be included in the Gross Income calculation is set at the greater of the two amounts shown on the following page.

² Necessary items, such as furniture and automobiles, used for personal use are excluded from household assets. Collections of items for hobby, investment or business purposes must be included in household assets. Under California Government Code Section 6914, if the total value of household assets exceeds \$5,000, the calculation of the household's annual income shall include the greater of the actual amount of income, if any, derived from all of the household assets; or 10% of the total value of the assets.

Table 2C Annual Asset Income to be Added to Annual Household Gross Earned Income

	10% Annual Return (Table 2A)	Actual Return (Table 2B)	Greater of Table 2A or 2B
1. Bank and savings accounts	\$	\$	\$
2. Stocks and bonds	\$	\$	\$
3. Real property	\$	\$	\$
4. Other	\$	\$	\$
Total Annual Return to be Added to Annual Household Gross Earned Income			\$

The total Gross Household Income is equal to the sum of the following:

Table 3: Calculation of the Household's Total Annual Gross Income	
Annual Household Gross Earned Income (Table 1)	\$
Annual Asset Income (Table 2C)	\$
Total Annual Household Gross Income	\$

Table 4:
Income Documentation

Attach True Copies of the Relevant Documents Listed Below

Paycheck stubs from two most recent pay periods	Bank/Savings account verification
Employment verification	Self-employment verification
Income tax return	Unemployment verification
Social security verification	Welfare verification
Alimony/child support verification	Disability income verification
Other (Describe)	

AFFIDAVIT

This Affidavit is made with the knowledge that it will be relied upon by our landlord and the owner of our Rental development, to determine maximum income for eligibility. (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and based upon such investigation as (I/we) deemed necessary.

(I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) rental agreement with the property owner to rent the unit and will additionally enable the property owner to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct and that this affidavit has been executed as of the date specified below by each adult member of the household which intends to occupy an Affordable Unit located at _____, Arcadia, California.

Signature

Date

Printed Name

Executed at _____, Arcadia, California

Signature

Date

Printed Name

Executed at _____, Arcadia, California

ATTACHMENT 6 – EXHIBIT B
TENANT INCOME VERIFICATION FORM:
AFFORDABLE UNIT

**TENANT INCOME VERIFICATION FORM: AFFORDABLE UNIT
(TO BE COMPLETED BY THE LANDLORD)
RENTAL PROJECT**

PART 1 – GENERAL INFORMATION

Certification Type	Move In	Date
Unit Number		Number of Bedrooms
Lease Begins		Lease Ends

PART 2 – HOUSEHOLD INFORMATION

HOUSEHOLD MEMBERS – (ALL ADULTS & CHILDREN RESIDING IN THE UNIT)

Full Name	Social Security #	Date of Birth	Relationship

HOUSEHOLD INCOME – (ADULT HOUSEHOLD MEMBERS - 18 YEARS OF AGE OR OLDER)

Use the information provided in the worksheet included in the prospective tenant's application.

	Household Member 1	Household Member 2
Name		
Total Income such as Wages & Benefits		
Income Attributable to Assets		
Total Annual Gross Income		

Total Annual Gross Household Income	\$
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The maximum Total Annual Gross Household Income is presented in the following table:

Maximum Household Incomes: 2025 Apartment Project Arcadia, California			
Household Size	Very Low Income	Low Income	Moderate Income
1	\$53,000	\$84,850	\$89,550
2	\$60,600	\$96,950	\$102,300
3	\$68,150	\$109,050	\$115,100
4	\$75,750	\$121,150	\$127,900
5	\$81,800	\$130,850	\$138,150
6	\$87,850	\$140,550	\$148,350
7	\$93,900	\$150,250	\$158,600
8	\$100,000	\$159,950	\$168,850

The household meets the income eligibility requirements?	Yes / No
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COMPLETED BY:

Signature

Date

Printed Name

ATTACHMENT 6 – EXHIBIT C

ANNUAL TENANT RECERTIFICATION

ANNUAL TENANT RECERTIFICATION

Date:

Tenant Name:

Unit Address:

Dear _____:

In accordance with the requirements imposed by the City Arcadia (City) Inclusionary Housing Program, and your lease, the City requires that we review your income and household composition every year. To complete our review, the Rental Project Owner or property manager will set up a meeting with you to receive the necessary information.

When you attend the meeting with the Rental Project Owner or property manager you must bring documents that verify the income of all the adult members of your household. This information can include income tax returns, employment verification, wage statements, interest statements, and/or unemployment compensation statements.

Cooperation with the recertification requirement is a condition of continuing tenancy in an Affordable Unit. You must report the required information to enable the Rental Project Owner to process the recertification by **Month/Day**.

Sincerely,

Property Manager / Rental Project Owner

ATTACHMENT 6 – EXHIBIT D

ANNUAL RENTAL PROJECT

COMPLIANCE REPORT

Annual Rental Project Compliance Report
Project Name
City of Arcadia

Project Name: _____

Project Address: _____

Total Number of Units in the Project: _____

Total Number of Affordable Units in the Project: _____

Compliance Report Completed By: _____

Telephone Number: _____ **Email Address:** _____

Date: _____

Reporting Period: _____

Number of Very Low Income Units: _____

Number of Low Income Units _____

Number of Moderate Income Units _____

Unit #	Income Category	Household Name	Household Size	Household Income	Number of Bedrooms	Calculation of Net Monthly Rent				Date First Occupied	Date of Last Income Recertification
						Gross Rent	Minus:		Net Rent		
							Utility Allowance	Other Mandatory Payments			

ATTACHMENT 6 – EXHIBIT E
NO INCOME CERTIFICATIONS FOR
HOUSEHOLD MEMBER

**NO INCOME CERTIFICATION FOR
HOUSEHOLD MEMBER**

I, _____ (NAME) certify that as of
_____ (DATE), I am not receiving any type of income including, but not
limited to, wages and salaries, overtime pay, commissions, fees, tips, bonuses, or any
other compensation for personal services, net income from the operation of a business
or profession, dividends or interest, net income from any kind of real or personal
property, Social Security, annuities, retirement funds, pensions, death or disability
benefits, unemployment or disability compensation, workers compensation, severance
pay, welfare or other public assistance, alimony, or child support.

By this Certification, I declare under penalty of perjury that all of the foregoing
information is true and correct. Misrepresentation or misstatement may be a violation
of law that could result in a fine, criminal penalty or a default on the Affordable Housing
Agreement made in conjunction with the sale of this Affordable Unit.

Signature

Print Name

Date