

# INCLUSIONARY HOUSING IMPLEMENTATION GUIDELINES

## HOUSEHOLD INCOME LIMITS – 17.47.040

Household income limits for the area are published by the Housing and Community Development department of the State of California, and are derived from the income limits published annually by HUD. These limits are used to determine the eligibility for an inclusionary unit. These income limits change annually and new income limits for Daly City’s Inclusionary Housing Ordinance will become effective, without City Council action whenever new income limits are published by the State.

		Median Income Limits by Household Size (based on HUD categories stated below)						
Household Size		"50%"	"60%"	"70%"	"80%"	100%	110%	120%
		HUD			HUD	HUD		HUD
1		\$39,600	\$47,520	\$55,400	\$63,350	\$66,500	\$73,150	\$79,800
2		\$45,250	\$54,300	\$63,350	\$72,400	\$76,000	\$83,600	\$91,200
3		\$50,900	\$61,080	\$71,250	\$81,450	\$85,500	\$94,050	\$102,600
4		\$56,550	\$67,860	\$79,150	\$90,500	\$95,000	\$104,500	\$114,000
5		\$61,050	\$73,260	\$85,500	\$97,700	\$102,600	\$112,850	\$123,100
6		\$65,600	\$78,720	\$91,850	\$104,950	\$110,200	\$121,200	\$132,250
7		\$70,100	\$84,120	\$98,150	\$112,200	\$117,800	\$129,600	\$141,350
8+		\$74,650	\$89,580	\$104,500	\$119,450	\$125,400	\$137,950	\$150,500

Date: 2007

## AFFORDABLE RENT AND OWNERSHIP COSTS – 17.47.040

Affordable rent and ownership cost are defined in 17.47.040. These are calculated using an affordability calculator that takes into account different variables such as income limits presumed household size, utility costs, and financing expenses.

A. The “affordable rents limits” are based on the assumption that total rent payments do not exceed 30 percent of the maximum annual income for a Household of the applicable income level (Moderate-, Low or Very Low-Income) at the presumed household size less an allowance for utilities.

Current estimated affordable rent:

Affordable Rent Limits by Income Category								
Unit Size	occ.	"50%"	"60%"	"70%"	"80%"	100%	110%	120%
Studio	1	932	1,130	1,327	1,526	1,605	1,771	1,937
1 bed	1.5	983	1,195	1,406	1,619	1,703	1,881	2,060
2 bed	3	1,178	1,432	1,686	1,941	2,043	2,256	2,470
3 bed	4.5	1,359	1,653	1,947	2,242	2,359	2,606	2,853
4 bed	6	1,481	1,809	2,137	2,465	2,596	2,871	3,147

Utility allowance:

Utility Allowance	Unit Size
\$58.00	Studio
\$78.00	1 bed
\$95.00	2 bed
\$111.00	3 bed
\$159.00	4 bed

B. “Affordable Ownership Cost” means a sales price that results in a monthly housing cost (including mortgage, insurance and home association costs, if any) that does not exceed one-twelfth of 30 percent of the maximum annual income for a Household of the applicable income (Moderate-, Low- or Very Low- Income) at the presumed household size.

Current estimated affordable sales price:

Affordable Home Price Limits by Income Category								
Unit Size	occ.	"50%"	"60%"	"70%"	"80%"	100%	110%	120%
Studio	1	96,268	124,217	152,025	180,079	230,307	257,685	285,064
1 bed	1.5	103,414	133,357	163,229	193,224	247,040	276,374	305,708
2 bed	3	130,922	166,846	202,735	238,729	303,308	338,509	373,710
3 bed	4.5	156,542	198,041	239,559	281,111	355,806	396,462	437,118
4 bed	6	173,763	220,062	266,396	312,624	395,965	441,252	486,746

Affordable Home Price Limits are the calculated sales price that results in a monthly housing cost (including mortgage, insurance and home owner association costs, if any) that is affordable to households of the applicable income.

Affordable Home Price Limit calculation may change as a result of economic, financial or policy conditions. Final determination of appropriate Affordable Home Price Limits will be at the discretion of the City Manager.

**HOUSING MAINTENANCE STANDARDS – 17.47.070 (E)**

All inclusionary housing units must be kept in good repair and properly maintained. The units must meet these minimum housing standards:

- a) No Class A termite report findings
- b) Functioning hot water heater
- c) Functioning interior heating system
- d) Exterior paint in acceptable condition
- e) Functioning room without obvious signs of deterioration
- f) Kitchen and bath fixtures in working order without obvious damage
- g) Floor coverings do not have holes, tears or missing sections
- h) All windows and doors in functioning condition. Operable windows must have screens.
- i) No obvious signs of dry rot or mildew

The costs required to maintain these minimum housing standards is the responsibility of the owner.

## **IN LIEU FEES - 17.47.080**

The calculation of the in-lieu is spelled out in 17.47.080 of the ordinance, and summarized below:

<b>Tenure</b>	<b>Eligible Project Size</b>	<b>Calculation of Required Payment</b>
Rental	5 to 10 units	(# units) X \$250,000 X 15%
Ownership	5 to 20 units	(# units) X \$250,000 X 15%

**\$250,000** reflects the City's current estimated average cost to create one unit of affordable housing. *This value is subject to annual review by the City Council and is updated and revised by resolution.*

## **ELIGIBLE OCCUPANCY PREFERENCES – 17.47.110**

To the extent permissible under applicable state and federal law, people who live and/or work in the city of Daly City shall have priority over other persons to rent or purchase the inclusionary housing units.

## **ADMINISTRATIVE COSTS – 17.47.180**

An administrative fee payable to the City of Daly City will be charged to developers and/or owners of inclusionary units.

Rental housing: The owner of the rental developments will be charged **\$50** per inclusionary unit per year.

Ownership housing:

- a) Initial sale: the developer/seller of the unit will be charged one percent of the sales price.
- b) Resale: the seller will be charged one half of one percent of the sales price.

*These guidelines/fees are subject to annual review by the City Council and are revised by resolution.*