

**CLERK OF THE BOARD OF SUPERVISORS
EXHIBIT/DOCUMENT LOG**

MEETING DATE & AGENDA NO. 06/24/2026 #05

STAFF DOCUMENTS (Numerical)

No.	Presented by:	Description:
1.	Staff	30-page PowerPoint Presentation
2.		
3.		
4.		

PUBLIC DOCUMENTS (Alphabetical)

No.	Presented by:	Description:
A.	Mahamad Umar, Guadalupe Rojas, Nicole Lilie	10-page PowerPoint Presentation
B.		
C.		
D.		

**OFFICIAL RECORD
Clerk of the Board of Supervisors
County of San Diego**

Exhibit No. A

Meeting Date: 06/24/2026 Agenda No. 05

Presented by: Mahamud Umar, Guadalupe Rojas, Nicole Lillie

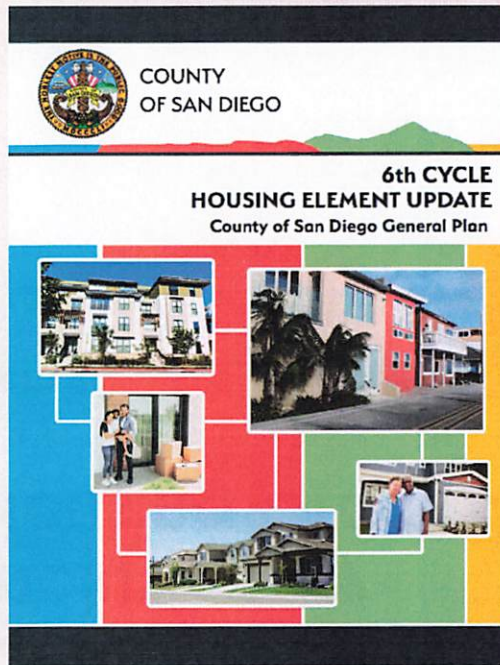
County of San Diego Inclusionary Housing Ordinance

Item #5

COALITION FOR EQUITABLE DEVELOPMENT
JUNE 24, 2026



Inclusionary Housing Supports Strategic Goals



Economic Opportunity & Mobility



Community Safety



Environmental Sustainability

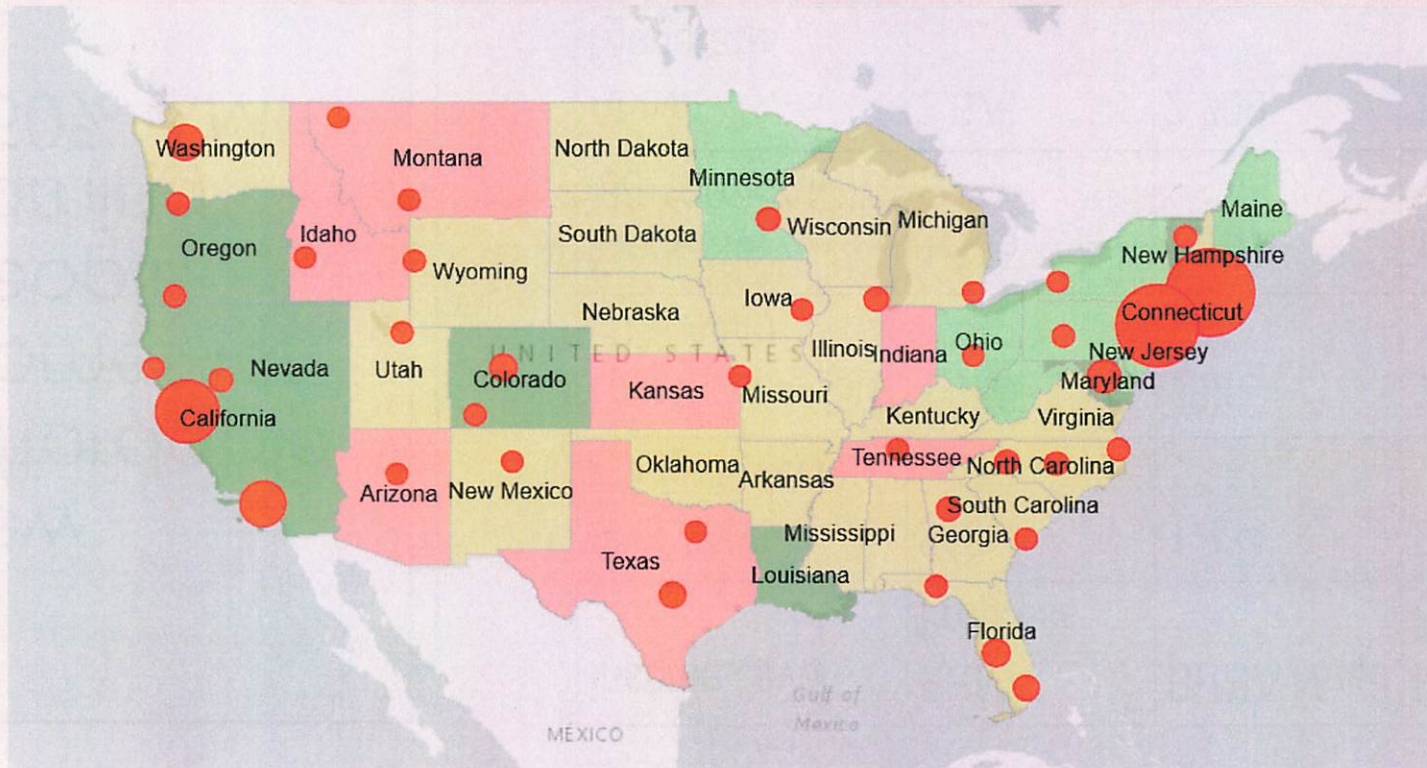


Population Health

Few
Affordable
Homes for
People
Earning
<50% AMI

Income Level	RHNA Progress	RHNA Need	Percent Progress
Very Low (15-50% AMI)	516	1,834	28%
Low Income (50- 80% AMI)	1,150	992	116%
Moderate (80-120% AMI)	1,335	1,165	115%
Above Moderate	3,576	2,709	132%
Total Allocation	6,577	6,700	98%

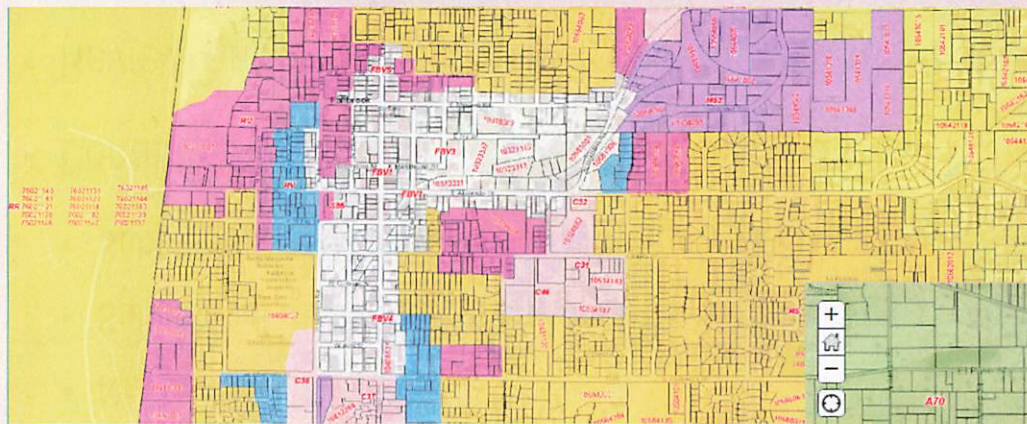
Inclusionary Housing: A Vital Tool for Producing Affordable Homes



Proposed Policy Requirements

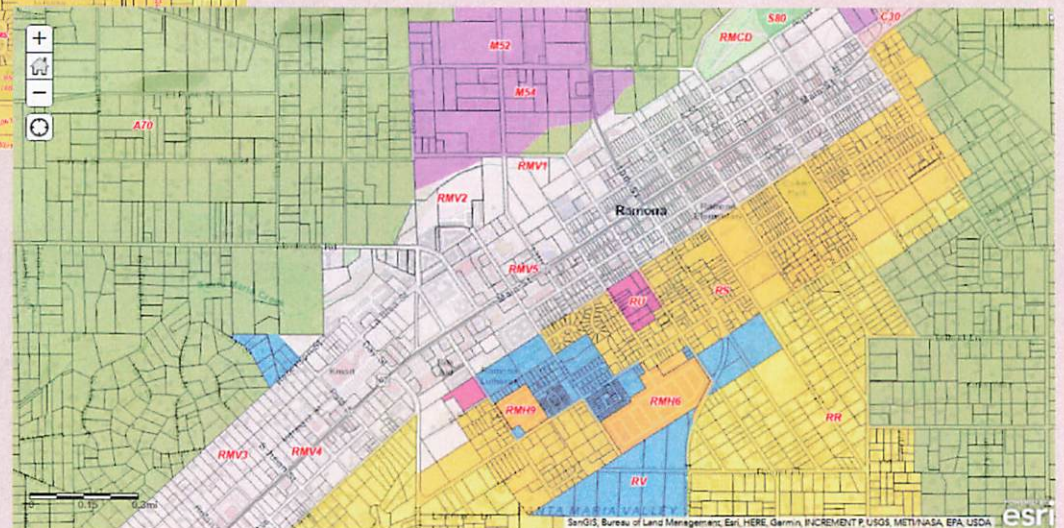
- Apply to all housing developments in unincorporated area that result in net increase of available units:
 - New development
 - Substantial rehabilitation and conversion of existing commercial to residential
 - Substantial rehabilitation of multi-family developments
- Conduct a feasibility study update every 3-5 years from the last feasibility study update
- Review and adjust set-aside requirements at least every other year based on Housing Element Annual Progress Report

Incentivize Density Where It's Designated: Tailor Thresholds and Set-Asides Based on Zoning



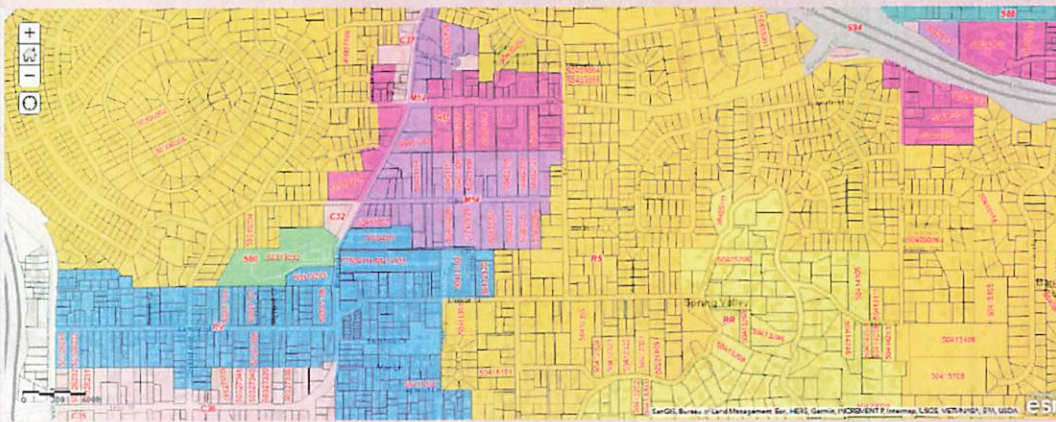
Fallbrook

Ramona



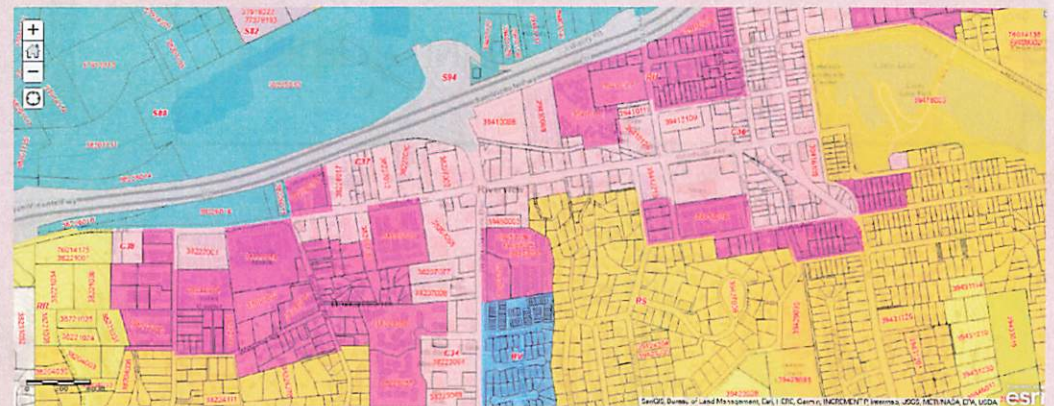
- Lower threshold (5 units) in higher density zones
- Higher threshold (10 units) in areas zoned for lower density

Incentivize Density Where It's Designated: Tailor Threshold and Set-Asides Based on Zoning



Spring Valley

Lakeside



- Tier 2 for rent and for sale set-asides in lower density areas
- Tier 3 for rent and for sale set-asides in higher density areas

Tailor In-Lieu Fees to Project Type

FOR SALE UNITS

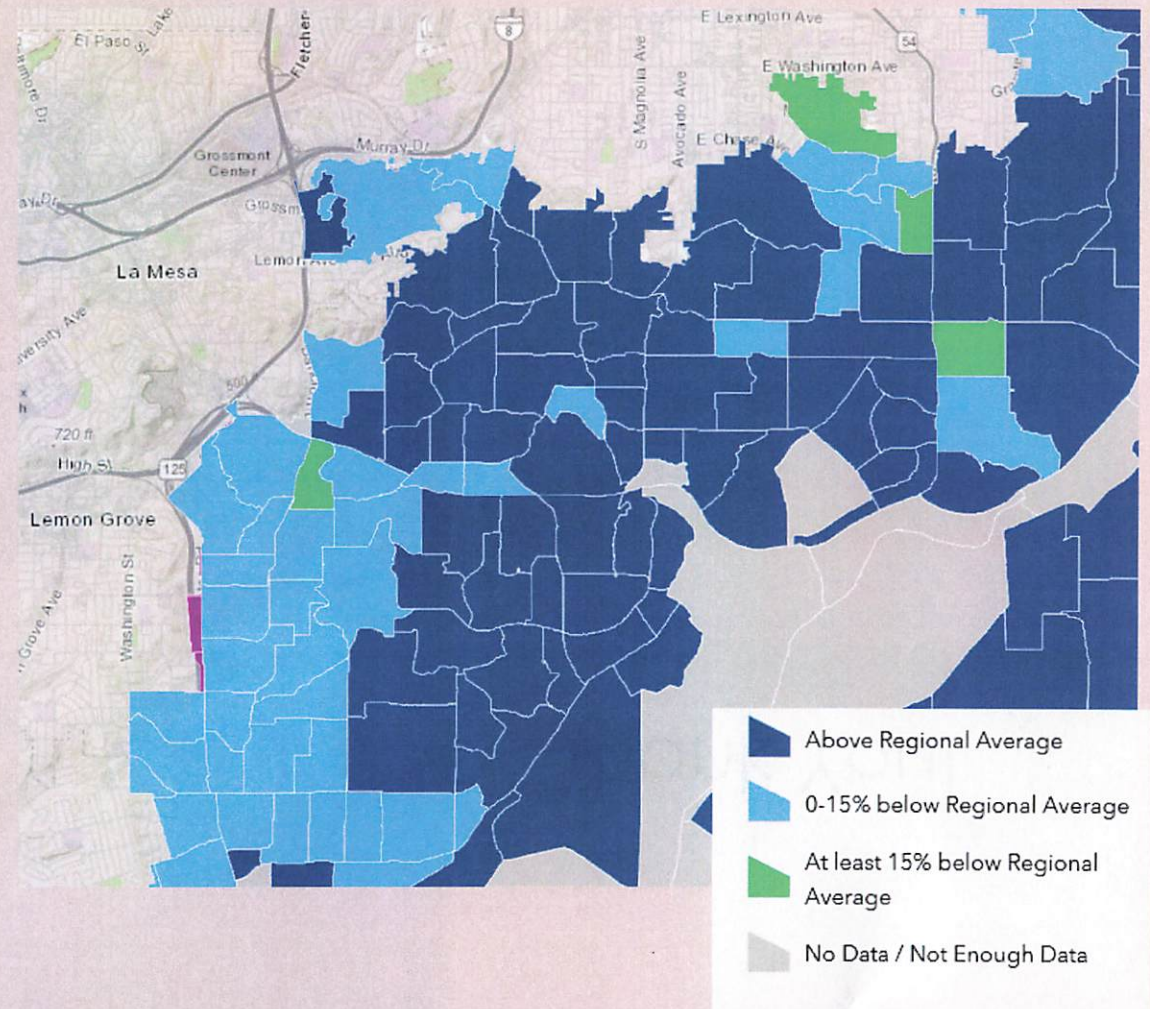
- Concerns that rising HOA fees could compromise affordability of on-site inclusionary
- Allow fee to satisfy all affordable housing obligations
- Update fee annually

FOR RENT UNITS

- Limit fees to projects less than 10 units
- Set in-lieu fees 5-10% higher to incentivize on-site construction
- Update fee annually

Limit Options for Off-Site Development and Land Donation

- Limit off-site development and land donations to the following areas:
 - VMT-efficient or infill area
 - High/highest resource area





Thank You!

OFFICIAL RECORD
Clerk of the Board of Supervisors
County of San Diego

Exhibit No. 01

Meeting Date: 06/24/2026 Agenda No. 05

Presented by: Staff



County of San Diego

Inclusionary Housing Ordinance

Board of Supervisors

June 24, 2026

Item #5

Overview

Background

4 Components

Set-Aside

Minimum Project Size

Alternative Compliance

Incentives

Example & Summary

Recommendation



Follow along during the presentation

What is Inclusionary Housing?



Require certain new market-rate housing projects to **include some affordable housing within project** or support affordable housing elsewhere

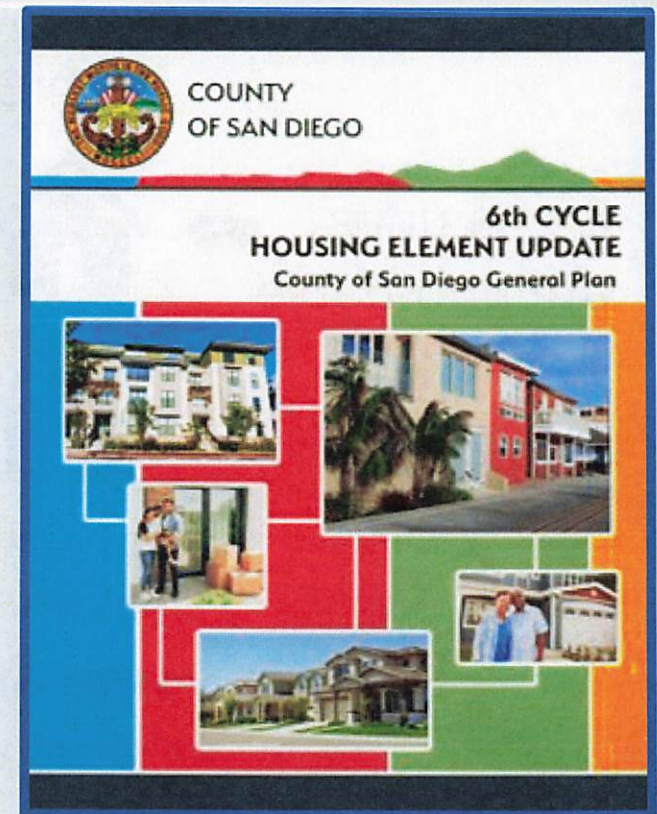
Board Direction & Housing Element

2021 Board Direction

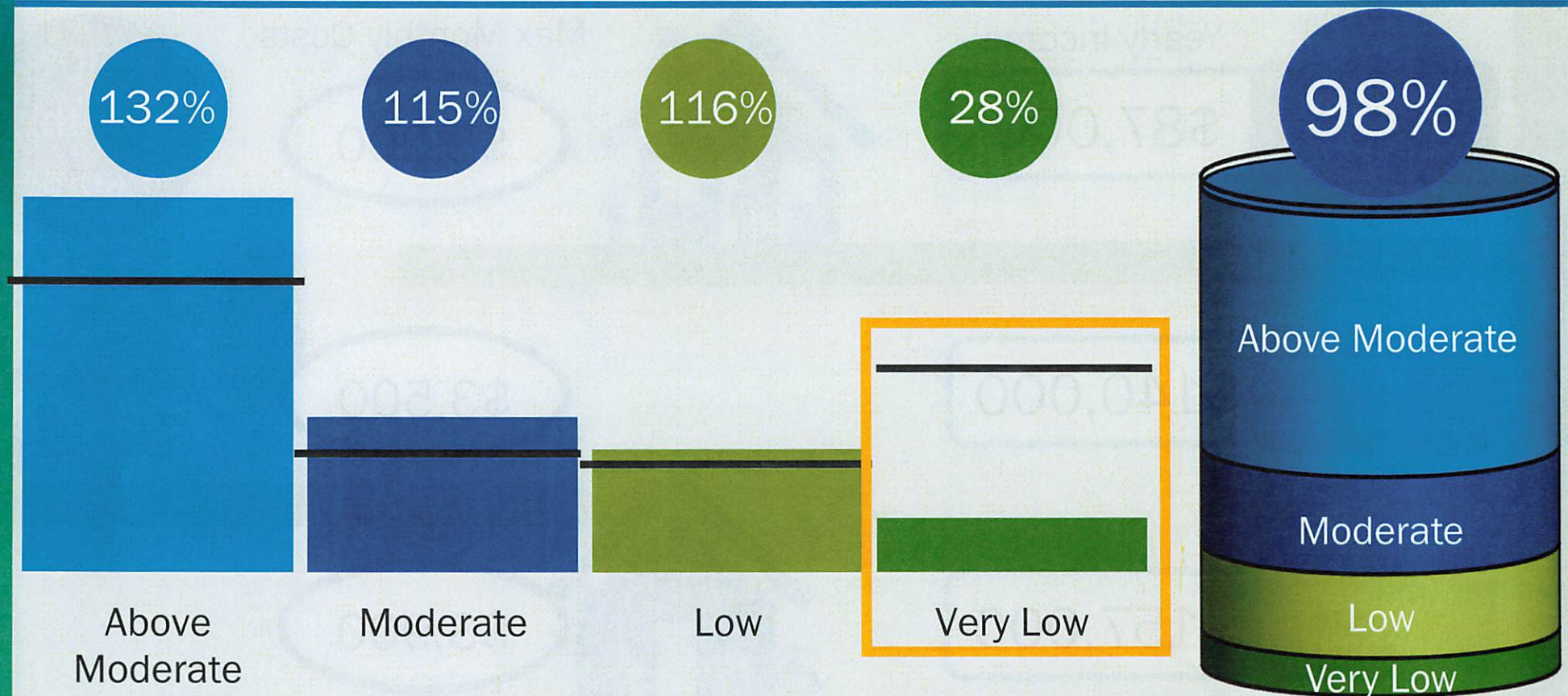
- Develop an Inclusionary Housing Ordinance to apply to all housing projects over a certain size

Housing Element

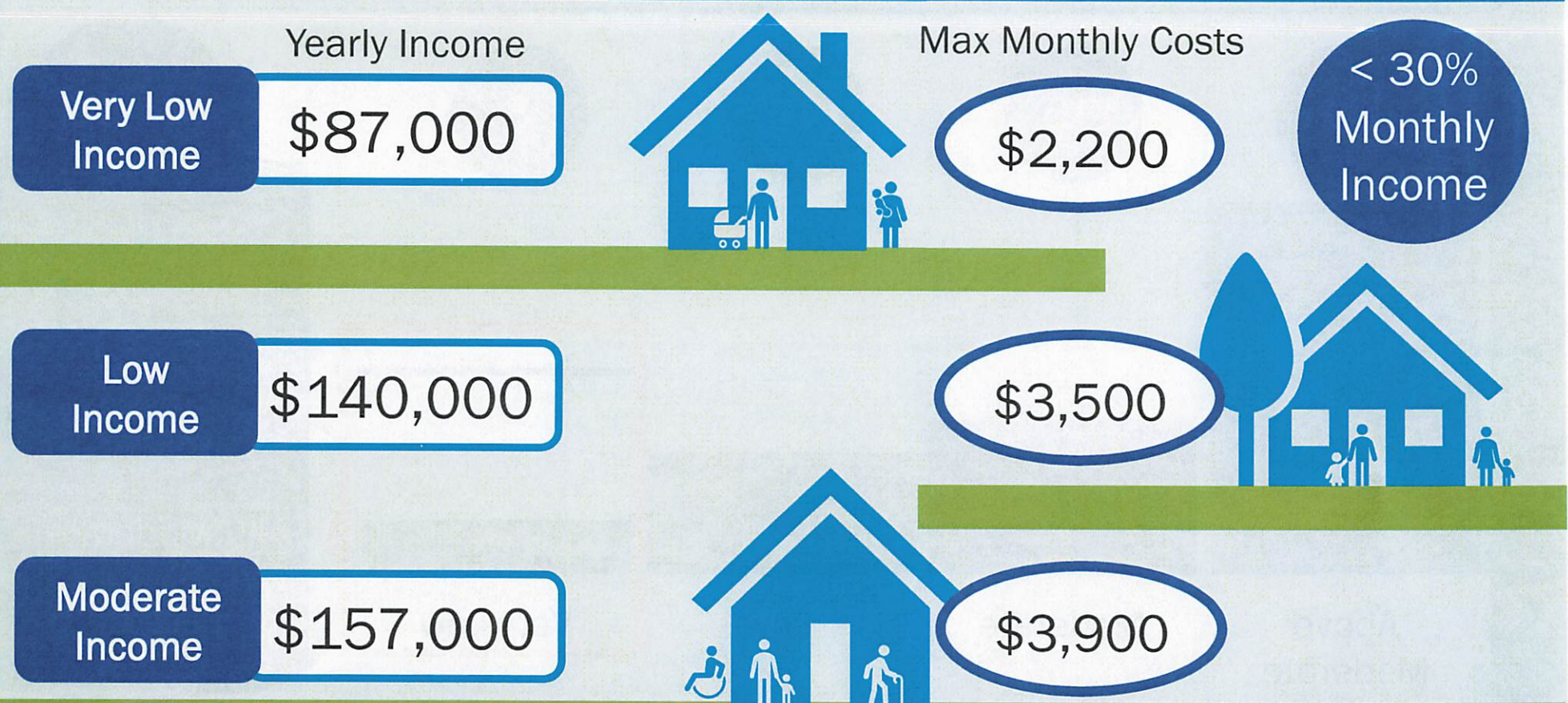
- Housing Element Implementation program
- Potential consequences of not adopting include:
 - Funding eligibility
 - Increased legal risk
 - Limits to local control over land use decisions



Regional Housing Needs Allocation (RHNA) Progress



Family of Four Yearly Income and Monthly Costs



2024 Board Direction

- Staff presented the Inclusionary Housing Ordinance to the Board of Supervisors in 2024
- Return after presentations on the Development Feasibility Analysis (DFA) and Vehicle Miles Traveled (VMT)
 - *Ensure overall housing production is not negatively impacted*
 - *Align with state density bonus law to provide incentives & consider phase-in*
 - *Continue to engage with experts and community*
 - *Reduce radius for off-site development from 5 miles to 3 miles*

Economic Analysis

2023 Economic Analysis

- Evaluated feasibility of range of set-asides and identified in-lieu fees

2026 Independent Review

- Methodology consistent with industry practice
- Economic conditions have changed over time
- **Recommendation:** Include set aside requirements that enable projects to absorb requirements and market shifts

4 Components & Decision Points

1

Set-Aside Requirement

Choose from:

Low Impact
(Tier 1)

Medium Impact
(Tier 2)

High Impact
(Tier 3)

2

Minimum Project Size

Choose from:

Lower threshold

Higher threshold

3

Alternative Compliance

Choose from:

Range of options from least to most flexible

4

Incentives

Choose from:

None, some, or all

1

Set-Aside Requirement

2

Minimum Project Size

3

Alternative Compliance

4

Incentives

1 Set-Aside Requirement

5% - 20%

Percentage



Very Low, Low, or Moderate

Level of Affordability



For Sale

Focus on Low and Moderate-income

For Rent

Focus on Extremely and Very Low-income

GPA's

Focus on higher overall requirement

1 Set-Aside Requirement

Choose one for each project type

	For Sale	For Rent	GPA's
Tier 1	10% Moderate	5% Very Low	10% Low
Tier 2	5% Very Low or 10% Low or 15% Moderate	5% Extremely Low or 5% Very Low or 10% Low	10% Very Low or 15% Low or 20% Moderate
Tier 3	5% Low + 10% Moderate	5% Very Low + 5% Low + 10% Moderate	20% Low

1 Set-Aside Requirement

Choose one for each project type

	For Sale	For Rent	GPA's
Tier 1	10% Moderate	5% Very Low	10% Low
Tier 2	5% Very Low or 10% Low or 15% Moderate	5% Extremely Low or 5% Very Low or 10% Low	10% Very Low or 15% Low or 20% Moderate
Tier 3	5% Low + 10% Moderate	5% Very Low + 5% Low + 10% Moderate	20% Low

1 Set-Aside Requirement

1

Set-Aside Requirement

Choose from:

Low Impact
(Tier 1)

Medium Impact
(Tier 2)

High Impact
(Tier 3)

2

Minimum Project Size

Choose from:

Lower threshold

Higher threshold

3

Alternative Compliance

Choose from:

Range of options from least to most flexible

4

Incentives

Choose from:

None, some, or all

1

Set-Aside Requirement

2

Minimum Project Size

3

Alternative Compliance

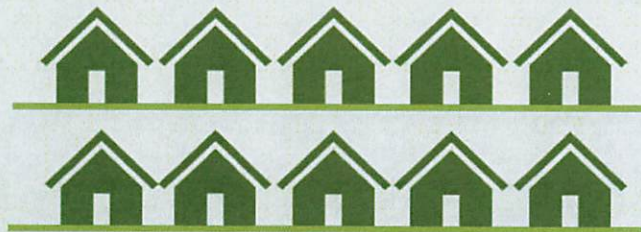
4

Incentives

2 Minimum Project Size

Choose a size

Establishes which projects the ordinance applies to, based on unit count, excluding ADUs



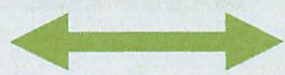
Applies to fewer projects

10



Applies to more projects

5



2 Minimum Project Size

1	Set-Aside Requirement		
Choose from:	Low Impact (Tier 1)	Medium Impact (Tier 2)	High Impact (Tier 3)
2	Minimum Project Size		
Choose from:	Lower threshold	Higher threshold	
3	Alternative Compliance		
Choose from:	Range of options from least to most flexible		
4	Incentives		
Choose from:	None, some, or all		

1

Set-Aside Requirement

2

Minimum Project Size

3

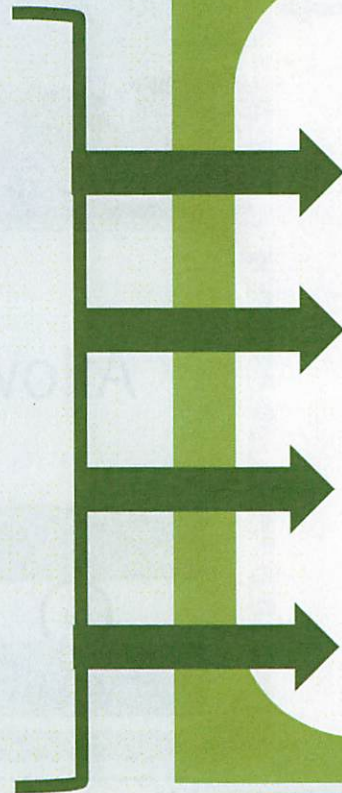
Alternative Compliance

4

Incentives

3 Alternative Compliance

Choose at least one

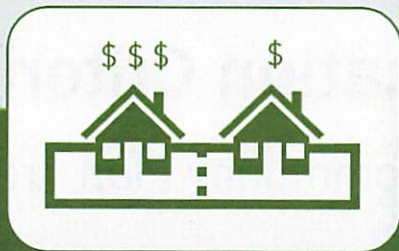


Location Criteria

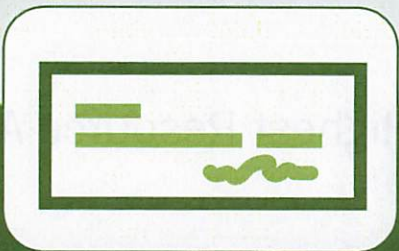
- Same Community Plan Area, or
- Within 3 miles, or
- High & Highest Resource Areas, or
- VMT Efficient & Infill Areas

3 Alternative Compliance

Choose at least one



Accessory Dwelling Units



In Lieu Fees



Allow for **All Projects** or **Small Projects**

Fully or **Partially** **Covers Requirement**

3 Alternative Compliance

1

Set-Aside Requirement

Choose from:

Low Impact
(Tier 1)

Medium Impact
(Tier 2)

High Impact
(Tier 3)

2

Minimum Project Size

Choose from:

Lower threshold

Higher threshold

3

Alternative Compliance

Choose from:

Range of options from least to most flexible

4

Incentives

Choose from:

None, some, or all

1

Set-Aside Requirement

2

Minimum Project Size

3

Alternative Compliance

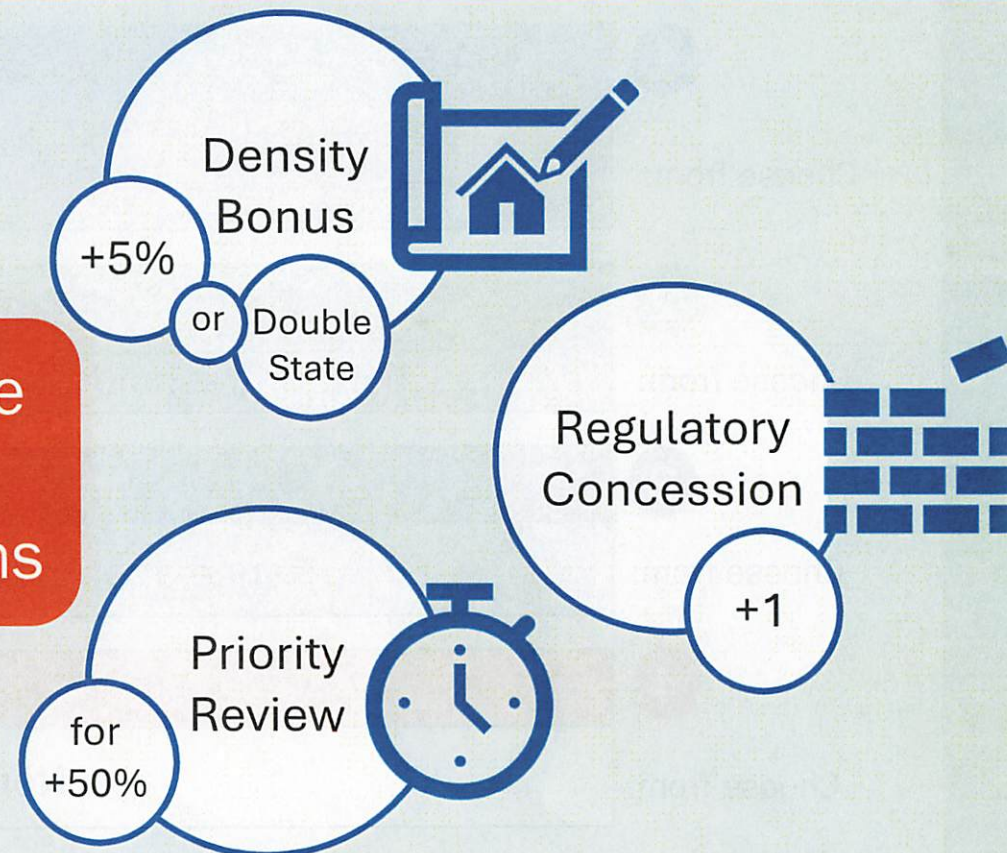
4

Incentives

4 Incentives

Add none, any, or all

Encourage building affordable units onsite, instead of using alternative compliance options



4 Incentives

Choose from:	1 Set-Aside Requirement		
	Low Impact (Tier 1)	Medium Impact (Tier 2)	High Impact (Tier 3)

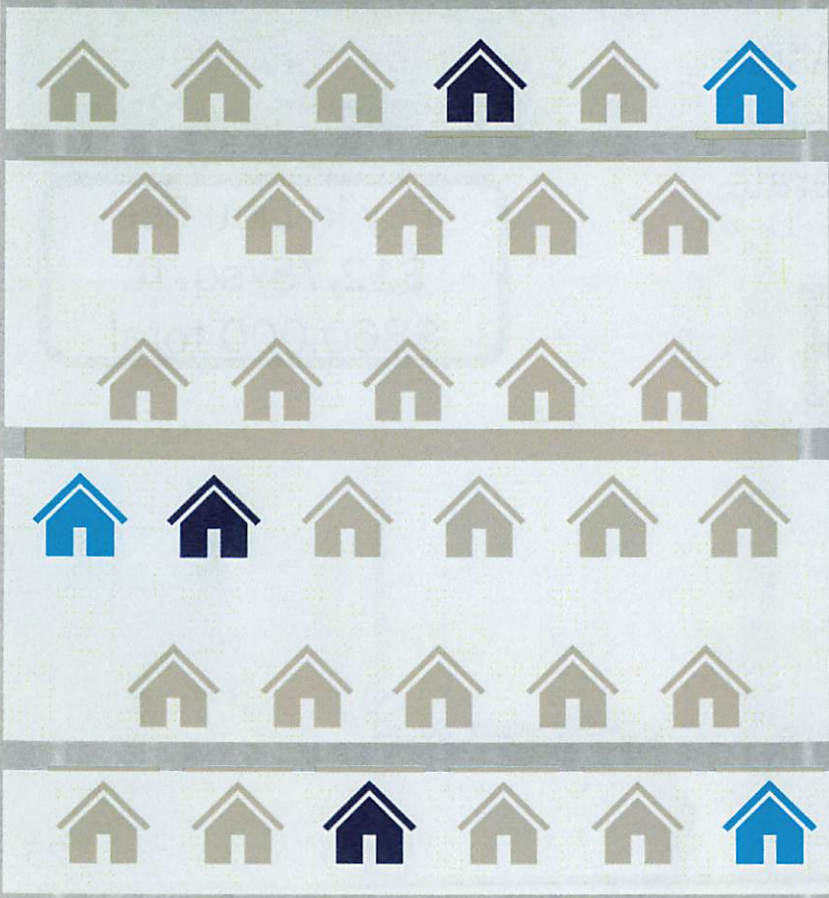
Choose from:	2 Minimum Project Size	
	Lower threshold	Higher threshold

Choose from:	3 Alternative Compliance	
	Range of options from least to most flexible	

Choose from:	4 Incentives	
	None, some, or all	

Example: For Sale Project

30 Units and 2,500 square feet per unit



Build Set-Aside
Units On-site
10% Moderate

Density Bonus
+10% Units

Choose Alternative
Compliance

Example: For Sale Project

30 Units and 2,500 square feet per unit



Build Set-Aside
Units On-site
10% Moderate

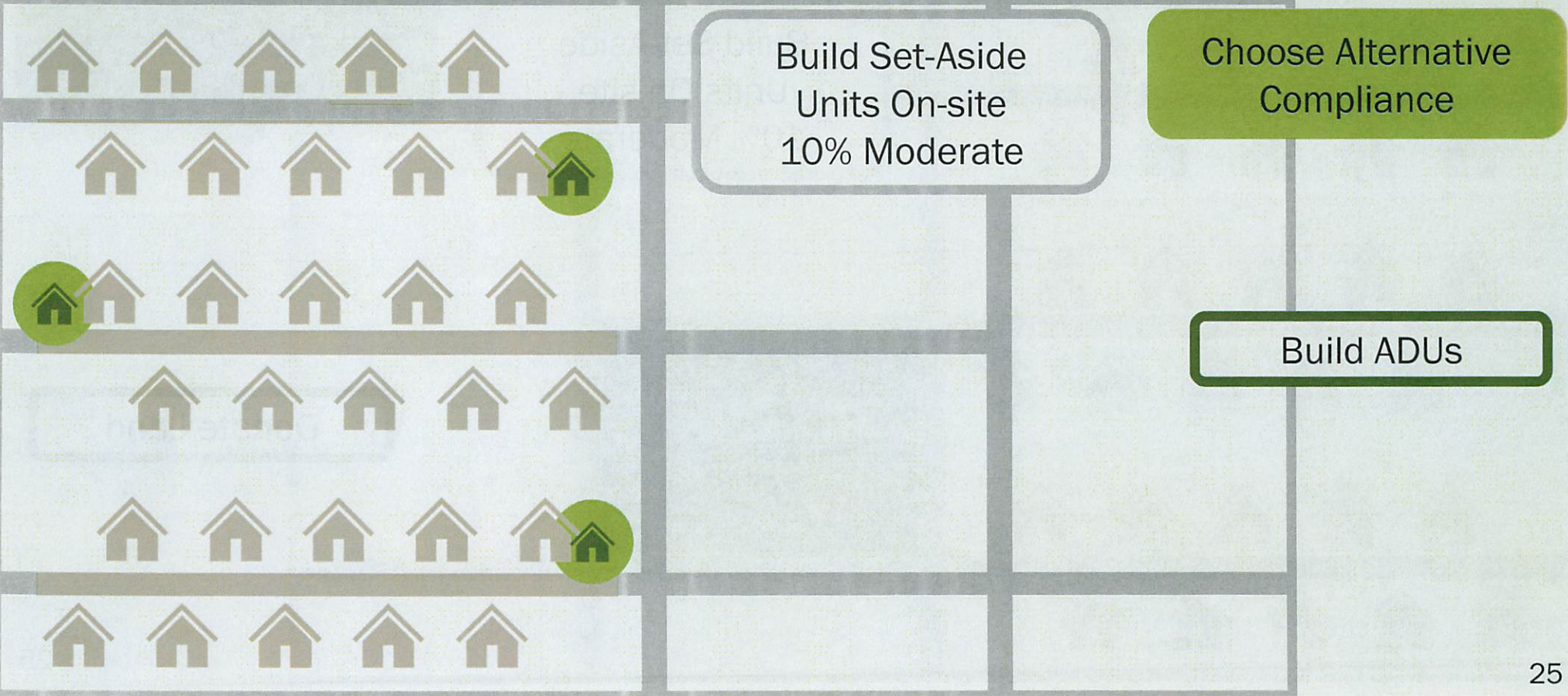


Choose Alternative
Compliance

Pay In-Lieu Fee
\$12.75/sq. ft.
\$860,000 total

Example: For Sale Project

30 Units and 2,500 square feet per unit



Example: For Sale Project

30 Units and 2,500 square feet per unit



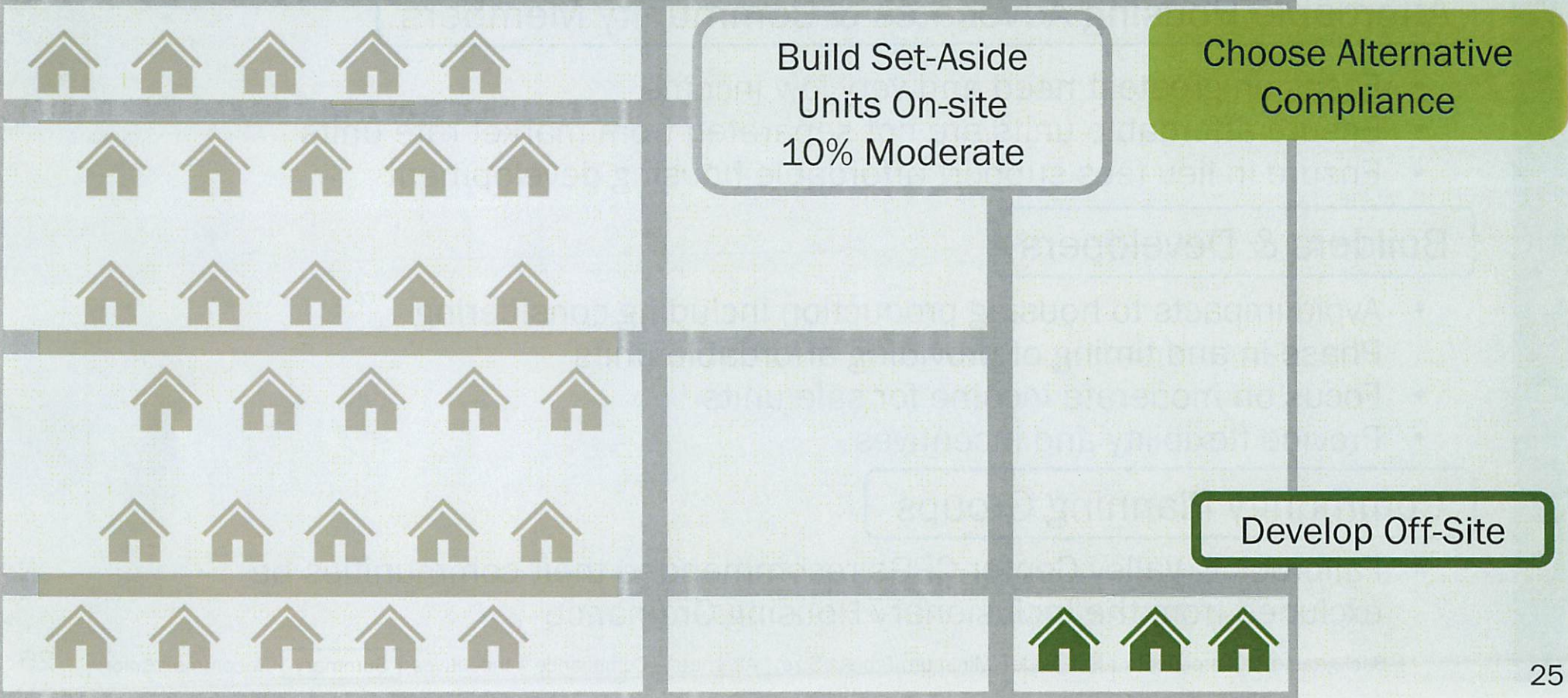
Build Set-Aside
Units On-site
10% Moderate

Choose Alternative
Compliance

Donate Land

Example: For Sale Project

30 Units and 2,500 square feet per unit



Feedback Summary

Affordable Housing Advocates & Community Members

- Focus on greatest need and very low income
- Ensure affordable units are not separated from market-rate units
- Ensure in-lieu fees support affordable housing development

Builders & Developers

- Avoid impacts to housing production including considering Phase-in and timing of providing affordable units
- Focus on moderate income for sale units
- Provide flexibility and incentives

Community Planning Groups

- Fallbrook & Valley Center CPGs recommended their communities be excluded from the Inclusionary Housing Ordinance

Incorporating Feedback into Ordinance Options



Added Option for a Flexible Set Aside Requirement (Tier 2)

- Moderate income for-sale affordable units
- Focus on changing market conditions
- Opportunity to choose from multiple set-aside requirements

Expanded Alternative Compliance Options

- In-lieu fees for all projects
- Flexibility for land donation and off-site development locations
- ADUs as an alternative compliance option
- Adjustments to comparability requirements

Expanded Incentives

- Expanded incentives, including an option to double the state density bonus

Incorporating Feedback into Ordinance Options



Additional feedback received that could be incorporated into the Ordinance:

- Clarify language on use of Density Bonus incentive so that it more explicitly does not count against the number of concessions or incentives available under state density bonus.
- Allow use of In Lieu Fees, Land Donations, and off-site construction outside of unincorporated County

Staff Recommendation

- Find the proposed ordinances comply with CEQA
- Adopt the Inclusionary Housing Ordinance,
- Adopt the In Lieu Fee Ordinance (if applicable), and
- Incorporate changes to clarify language on the use of Density Bonus incentives and to allow the use of In Lieu Fees, Land Donations, and off-site construction outside of unincorporated county



County of San Diego

Inclusionary Housing Ordinance

Board of Supervisors

June 24, 2026

Item 5