

**Attachment N – ORDINANCE
ACTION SHEET**

Policy Decision 1 – Establish Set-Aside Requirements

The Board must establish the percentage of affordable units required in a housing development and the affordability levels those units must serve by selecting one set-aside option for each project type: for-sale, rental, and General Plan Amendment projects. The options are grouped into three tiers based on their estimated impact on housing feasibility, with Tier 1 having the lowest impact and Tier 3 the highest. In light of KMA’s third-party review findings, and Board direction to prepare an ordinance that does not negatively impact housing production, certain Tier 2 and Tier 3 set-asides have been highlighted in grey to identify options that may be less likely to remain feasible under current market conditions.

Choose one for each project type:

	For Sale Projects	For Rent Projects	GPA Projects
Tier 1	<input type="checkbox"/> 10% Moderate	<input type="checkbox"/> 5% Very Low	<input type="checkbox"/> 10% Low
Tier 2	<input type="checkbox"/> 5% Very Low or 10% Low or 15% Moderate	<input type="checkbox"/> 5% Extremely Low or 5% Very Low or 10% Low	<input type="checkbox"/> 10% Very Low or 15% Low or 20% Moderate
Tier 3	<input type="checkbox"/> 5% Low + 10% Moderate	<input type="checkbox"/> 5% Very Low + 5% Low + 10% Moderate	<input type="checkbox"/> 20% Low

Policy Decision 2 – Set the Project Applicability Threshold

The Board must select the minimum project size that will be subject to the inclusionary housing requirements by **choosing one** of the following:

- 5 or more Units
- 10 or more Units
- Another threshold selected by the Board

Policy Decision 3 – Choose at Least One Alternative Compliance Option

The Board must select at least one alternative compliance option that allows developers to satisfy all or part of the affordable housing requirement through a method other than providing the units onsite.

Choose at least one of the following:

<input type="checkbox"/> Off-Site Development	The developer may provide affordable units off-site within the unincorporated area in either the same Community Planning Area, within 3 miles of the market-rate project site, a VMT-efficient or infill area, or a High or Highest Resource Area.
<input type="checkbox"/> Land Donation	The developer may donate land for future affordable housing in the unincorporated area: in the same Community Planning Area, or within 3 miles of the market-rate project site, or a VMT-efficient or infill area, or a High or Highest Resource Area.
<input type="checkbox"/> In-Lieu Fee	The Board may allow developers to pay an in-lieu fee instead of constructing some or all required affordable units. The Board can choose one of the following approaches: <input type="checkbox"/> 1. Allow all projects to pay a fee to satisfy the full affordable housing obligation <input type="checkbox"/> 2. Allow projects to pay a fee to satisfy 50% of the affordable housing obligation <input type="checkbox"/> 3. Allow only projects of less than 10 units to pay a fee instead of constructing affordable units
<input type="checkbox"/> Affordable ADUs	Allow onsite Accessory Dwelling Units (ADUs) to satisfy a portion of the affordable housing requirement, provided the ADUs are affordable and comparable in bedroom count and quality to the market-rate units.
<input type="checkbox"/> All of the Above	Allow all alternative compliance options, providing maximum flexibility for satisfying affordable housing requirements.

Policy Decision 4 – Identify Available Incentives

The Board may select one or more incentives to encourage projects to provide affordable units onsite.

Choose from any of the following:

<input type="checkbox"/> Density Bonus + Concessions	The Board may allow qualifying projects to receive an additional density bonus and one additional concession beyond State and County incentives. The Board can choose one of the following density bonus approaches: <input type="checkbox"/> 1. Allow projects to receive an additional 5% density bonus, or <input type="checkbox"/> 2. Allow projects to double the density bonus otherwise allowed under the State Density Bonus Law, up to a maximum bonus of 50%.
<input type="checkbox"/> Priority Reviews	Allow projects that provide at least 50% more Low-income affordable units than required to receive priority permit processing and review.
<input type="checkbox"/> All of the above	Allow qualifying projects to receive all available incentives, including an additional density bonus, an additional concession, and priority permit processing.