Inclusionary Housing

The primary intent of the City’s inclusionary requirement is to achieve the construction of new affordable units in the City and on housing sites as projects are built. The second priority is construction of affordable units off-site, or the transfer of sufficient land to the City or a City-approved affordable housing specialist or an in-lieu payment to this City. Please consult Goleta Municipal Code Chapter 17.28, Inclusionary Housing, for all of the requirements. The information provided in this handout an overview of some of the highlights of Chapter 17.28 and does not contain every detail of requirements needed to implement Municipal Code Chapter 17.28, Inclusionary Housing.

1. **Applicability.** The requirements of Chapter 17.28 apply to every residential development project that includes two or more housing units, unless exempt. Refer to Section 17.28.020 for applicability details and exempt projects.

2. **Income Levels and Unit Affordability.** For the purpose of determining the income levels for potentially eligible households, the City uses the Santa Barbara County income limits found in Title 25, Section 6932 of the California Code of Regulations. (Refer to Section 17.28.030 for specifics.) Projects developing five units must provide twenty (20) percent affordable units of the total number of units. The affordability levels are spelled out in Section 17.28.040 (A) (1). A reduction to fifteen (15) percent of the units may be allowed if the Review Authority finds that a development will provide a public benefit exceeding the requirements of the Title 17 of the Goleta Municipal Code.

3. **Length of Term.** The term of affordability restrictions must be based on applicable federal laws and financing mechanism, generally 45-55 years but not less than 30 years, and must provide for monitoring and reporting in a manner acceptable to the City (Refer to Section 17.28.050.)

4. **Inclusionary Housing Plan and Agreement.** Each residential development that is subject to Chapter 17.28 that will construct, or acquire and rehabilitate affordable units must provide an inclusionary Housing Plan in compliance with Section 17.28.060
a) No development application will be deemed complete until an Inclusionary Housing Plan containing all of the elements listed in 17.28.060 (A) has been submitted in a form meeting the approval of the Director.

b) Before the City issues a building permit or approves a final map, whichever occurs first, the developer must record an Inclusionary Housing Agreement that conforms to the requirements of Section 17.28.050, Inclusionary Housing Requirements, and a separate Affordability Control Covenant in a form approved by the City Attorney that complies with Chapter 17.28.

c) All inclusionary units sold or rented to eligible households are subject to the below regulations. Compliance reporting shall be the responsibility of the property owner or affordable housing management entity in the case of rental units.

i. Principal Residence: The owner/renter must use and occupy the inclusionary unit as their principal place of residence.

ii. No Rental of For-Sale Units: The owner is expressly prohibited from leasing or renting the inclusionary unit, unless the City has given its prior written consent to such lease or rental on the basis of a demonstrated hardship by the owner.

iii. No Subleasing of Rental Units: An eligible renter is expressly prohibited from subleasing the inclusionary unit, unless the City has given its prior written consent to such sublease on the basis of a demonstrated hardship by the renter.

iv. Reporting: The Director may require certification of continuing occupancy of the inclusionary unit by eligible households

5. Inclusionary Unit Restriction. The initial sales price or rental of an inclusionary unit will be set in compliance with any affordable housing policy or resolution adopted by the City Council and/or an inclusionary housing agreement entered into with the City. A new affordability housing covenant will be required upon each change of ownership of an inclusionary unit/transfer/conveyance. The maximum resale price and qualifications of the purchasers permitted on resale of an inclusionary unit must be specified in an affordability housing covenants approved by the City Attorney. (Refer to Section 17.28.080 for more specifics.)

6. Construction Standards for Inclusionary Units. Inclusionary units must contain, on average, the same number of bedrooms, bathrooms, and square footage as the non-inclusionary units within the development. The inclusionary units must be compatible with market rate units in regard to appearance, materials, and exterior design. All for sale inclusionary units must be reasonably dispersed throughout the development. In rental projects, inclusionary units may be to facilitate third-party management. All inclusionary units must be constructed and occupied concurrently with or before the occupancy of market-rate units.
Density Bonus

The purpose of the provision of Chapter 17.27 of the Goleta Municipal Code is to implement the City Housing Element policies to promote the increase in housing opportunities for households of all income categories. The information provided in this handout an overview of some of the highlights of Chapter 17.27 and does not contain every detail of requirements needed to implement Municipal Code Chapter 17.27, Density Bonus.

1. **General Provisions.** Developers seeking to construct affordable housing projects in accordance with the Goleta Municipal Code may utilize the density bonus allowances set forth in State Density Bonus Law, pursuant to California Government Code Section 6915 et seq. Where a conflict occurs between City regulations and State law, State law will govern. All affordable units must be dispersed within the market-rate project and must be constructed and occupied concurrently with or before the market-rate units (Refer to Section 17.27.020).

2. **Density Bonus Agreement and Effect of Granting a Density Bonus.** A Density Bonus Agreement will be made a condition of approval for all projects granted a density bonus. The Agreement must be recorded as a restriction on the parcel(s) on which the affordable housing units will be constructed. The granting of a density bonus will not require a General Plan amendment or other similar amendment unless associated with development that otherwise would require such a discretionary review and approval (Refer to Section 17.27.020).

3. **Application and Review Process.** The applicant must request in the application the incentives or concessions the applicant wishes to obtain, together with financial data showing how the incentives are necessary to make the affordable units feasible. Granting of concession will not require approval of a variance of other discretionary approval (Refer to Section 17.27.030 (A) of the Goleta Municipal Code).

4. **Density Bonus Agreement.** All affordable housing projects receiving a density bonus or incentive require the approval of a Density Bonus Agreement conforming to the provisions of Title 7, Division 1, Chapter 4, Article 4.3 of the Government Code. The Agreement must be recorded as covenant on the title to the property. The Agreement must include, without limitation, all of the topics/items listed in Section 17.27.030 (B) of the Goleta Municipal Code.

5. **Notice of Conversions.** Notice of conversions of affordable units to market rate units after fulfilment of the required Term of Affordability must be provided pursuant to Section 17.27.020 (C) of the Goleta Municipal Code.