



REQUIREMENTS FOR  
**Inclusionary Affordable Housing**

City of San Diego  
Development Services Department

INFORMATION  
BULLETIN

**532**

July 2020

**\* The information contained in this bulletin reflects amendments as adopted by O-21167 N.S. and will not apply within the Coastal Overlay Zone until the California Coastal Commission certifies it as a Local Coastal Program Amendment.**

This bulletin provides a summary of the City of San Diego's Inclusionary Affordable Housing Ordinance. For more details, please see Chapter 14, Article 2, Division 13 of the San Diego Municipal Code (SDMC), as well as the San Diego Housing Commission's Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual (Procedures Manual).

**I. INCLUSIONARY AFFORDABLE HOUSING ORDINANCE APPLICABILITY**

The Inclusionary Affordable Housing Ordinance applies to all new residential development of 10 or more dwelling units and to all condominium conversions of two or more dwelling units. Developments are required to provide a certain percentage of affordable units in the development. Applicants may also choose to pay an Inclusionary In Lieu Fee for all or a portion of the inclusionary dwelling units; rehabilitate existing dwelling units or SRO Hotel Rooms; convert hotel or motel guest rooms to inclusionary dwelling units; or donate land.

Residential development that provides affordable dwelling units as a condition of the development and has an application for a development permit, for a subdivision, or for a Building Permit deemed complete before July 1, 2020 shall be subject to the version of the Inclusionary Affordable Housing Regulations in effect prior to July 1, 2020, as set forth in the Procedures Manual.

The Inclusionary In Lieu Fee applicable to residential development that has an application for a development permit, for a subdivision, or for a Building Permit deemed complete before July 1, 2020 shall be \$12.73 per square foot multiplied by the net building area of the unrestricted market-rate residential development.

**II. EXEMPTIONS FROM THE INCLUSIONARY HOUSING ORDINANCE**

The following types of residential development projects are exempt from the Inclusionary Housing Ordinance as outlined in SDMC Section 142.1303.

- A.** Projects subject to the North City Future Urbanizing Area inclusionary housing requirements.
- B.** Rehabilitation of an existing building that does not result in a net increase of dwelling units.
- C.** Density bonus units constructed in accordance with the provisions of Chapter 14, Article 3, Division 7.

**III. DEVELOPMENT OF INCLUSIONARY DWELLING UNITS**

The Inclusionary Affordable Housing Regulations may be satisfied by setting aside 10 percent of the total dwelling units in the development for households earning at or below certain income levels. From July 1, 2020 through June 30, 2024, these requirements shall be implemented incrementally as set forth in the Procedures Manual.

**IV. INCLUSIONARY IN LIEU FEE**

From July 1, 2020 through June 30, 2024, the Inclusionary In Lieu Fee requirements shall be implemented incrementally. The amount of this fee is the product of the applicable square foot charge (rate) as shown below, multiplied by the net building area as defined in the San Diego Municipal Code. Net building area means the aggregate gross floor area of all the unrestricted dwelling units within a development, excluding areas outside the dwelling unit's habitable space such as garages, carports, parking areas, porches, patios, open space, and excluding common areas such as lobbies, common hallways, stairways, elevators and equipment spaces.

Deemed Complete Date	Applicable Square Foot Charge (Rate) to Calculate Fee
July 1, 2020 - June 30, 2021	\$ 15.18
July 1, 2021 - June 30, 2022	\$ 17.64
July 1, 2022 - June 30, 2023	\$ 20.09
July 1, 2023 - June 30, 2024	\$ 22.55
July 1, 2024 and after	\$ 25.00*

\* The Inclusionary In Lieu Fee shall be updated annually in accordance with Section 142.1306.

**V. OTHER METHODS OF COMPLIANCE**

The requirements of the Inclusionary Affordable Housing Ordinance may also be satisfied by the following methods.

**A. Rehabilitation of Existing Dwelling Units, SRO Hotel Rooms, or Conversion of Guest Rooms**

Existing dwelling units and SRO Hotel Rooms can be rehabilitated or existing guest rooms in a motel or hotel could be converted to inclusionary dwelling units to satisfy the requirements in accordance with SDMC Section 142.1307.

**B. Land Donation**

Land may be donated if the value of the land is equal to or greater than the applicable Inclusionary In Lieu Fee as outlined in SDMC 142.1308.

**VI. VARIANCES AND WAIVERS**

The Inclusionary Housing Ordinance allows applicants to request a Variance (Process 4) or Waiver (Process 5) from the affordable housing requirements. A Variance is required to deviate from specific portions of the Ordinance; and a Waiver is required to be exempted entirely from the Ordinance. The City decision-maker may approve a Variance or Waiver only if specific findings can be substantiated (see SDMC Section 142.1311).

**VII. THE AFFORDABLE/IN-FILL HOUSING AND SUSTAINABLE BUILDINGS EXPEDITE PROGRAM**

This program is an optional service available for a fee, and provides reduced project processing times in the development review process for both discretionary and ministerial projects that provide affordable housing. This expedite program significantly streamlines the City permit process, and typically results in time savings in excess of 50 percent. For more information, please see Information Bulletin 538.

**Documents referenced in this Information Bulletin**

- Inclusionary Affordable Housing Ordinance, [SDMC Chapter 14, Article 2, Division 13](#)
- San Diego Housing Commission's Inclusionary Affordable Housing Implementation and Monitoring Procedures, [Procedures Manual](#)
- [Information Bulletin 538](#), Affordable/In-fill Housing and Sustainable Buildings Expedite Program