



Guiding Principles for Affordable Housing in New Rental Housing Development

Summary of Benchmarking Research

Overview

Staff conducted national benchmarking research on the underlying principles and policies for jurisdictions with inclusionary housing policies. This research was conducted to assist in guiding the Town's thinking in formulating guiding principles and goals for affordable housing in new rental housing development. The purpose of this document is to outline the findings from the benchmarking research.

Research Questions and Findings

Question 1: What is the main goal for the affordable housing policy?

Key Findings:

- a. Most jurisdiction's goal is to receive units on site
- b. Boulder has been successful in using payments to develop units, although with land becoming more scarce they are having more challenges with this
- c. Chicago's goal is largely dependent on the amount of affordable housing in the surrounding area of the development

Question 2: What should the payment-in-lieu amount be based on?

Key Findings:

- a. Most of the jurisdictions base their payment amount on the cost of constructing an affordable unit
- b. Three of the jurisdiction's payment amount vary based on the amount of affordable housing in the area and housing costs

Question 3: What is a reasonable percentage of units to expect on-site?

Key Findings:

- a. 16% was the average percentage of affordable units expected in new rental development for the jurisdictions researched
- b. Some jurisdictions had expectation ranges based on the amount of affordable housing in the area. For example, if a new development was in an area with little existing affordable housing, they would be expected to include a higher percentage of affordable housing.
- c. Four of the jurisdictions had ranges up to 20% or higher

Question 4: What affordability levels are being targeted?

Key Findings:

- a. Most jurisdictions targeted household income levels at 60-65% area median income (AMI) or below
- b. Three jurisdictions targeted a range of incomes, ranging from 50-130% AMI



Summary of Research Findings

	Main Goal: Receive Units or Payment		Basis for Payment Amount			% Affordable Units Expected	Targeted Affordability Level
Jurisdiction	Units on Site	Payment	Cost of Construction	Subsidy Required	Varies by Type or Location of Development		
Boulder, CO		X	X			25%	60% AMI
Burlington, VT	X			X		15-25%	65% AMI
Cambridge, MA	X		X			20%	65% AMI
Chicago, IL					X	10%	60% AMI
Fairfax County, VA	X				X	5-20%	60-100% AMI
San Francisco, CA	X		X			12%	55-130% AMI
Santa Fe, NM	X		X		X	15%	50-80% AMI

Policy Links

- Boulder
 - <https://bouldercolorado.gov/housing/inclusionary-housing>
- Burlington
 - <https://www.burlingtonvt.gov/CEDO/Inclusionary-Zoning>
- Cambridge
 - <https://www.cambridgema.gov/CDD/housing/fordevelopersandpropmanagers/inclusionarydevelopers>
- Chicago
 - <https://www.chicagorealtor.com/advocacy/advocacy-resources/affordable-requirements-ordinance-aro-faqs/>
- Fairfax County, VA
 - <https://www.fairfaxcounty.gov/housing/resources/affordable-dwelling-unit-program-resources-developer>
- San Francisco
 - <https://sfmohcd.org/inclusionary-housing-program-fee-schedule>
- Santa Fe
 - https://www.santafenm.gov/affordable_housing