



Regional Housing Incentive Program – User Guide

A. Incentive Program Purpose

The Regional Housing Incentive Program (RHIP) provides development incentives (i.e. density bonuses, reduced setbacks, increased height, etc.) for **multifamily residential projects** that support affordable housing objectives in the unincorporated County.

B. How it works

Residential projects that support affordable housing initiatives gain **incentive points**, which can be used to gain project incentives (see D. Incentive Categories and Point Costs).

Project applicants will work with a County planner to determine (1) how many incentives points a project accrues and (2) how those points will be spent on the different development incentives.

C. How to Participate in the RHIP

There are two methods for participation in the RHIP:

1. *Provide Guaranteed Affordable Units*

For every unit that is deed restricted to **very-low-income households**¹, a project gains two incentive points that can be spent on incentives shown in D. Incentive Categories and Point Costs

1 very low-income unit = 2 incentive points

2. *In-Lieu Fee*

A project applicant may also contribute to the Regional Housing Incentive Fund and opt to pay the in-lieu fee (currently set at \$30,000) to accrue one incentive point ([Section 31.03.01](#)).

In-lieu fee payment (\$30k) = 1 incentive point

¹ Very-low-income units may not be funded through government funded tax credits or similar program to be eligible for incentive points unless 100% of the dwelling units in the project are guaranteed to be affordable in the very low-, low-, and/or moderate-income categories (not counting manager dwelling units).



D. Incentive Categories and Point Costs

Incentive Categories	Incentives	Applicable Standards by Incentive Category (Incentive Points Apply Separately for Each Incentive Category)					
		1 Incentive Points	2 Incentive Points	3 Incentive Points	4 Incentive Points	5 Incentive Points	6 Incentive Points
A	Waive standards requiring commercial use or affordable housing in OP, CR, and CS land use categories	N/A	No commercial use or affordable housing in OP, CR, and CS land use categories	N/A	N/A	N/A	N/A
B	Increase maximum residential density	2 additional units per acre	4 additional units per acre	6 additional units per acre	8 additional units per acre	10 additional units per acre	12 additional units per acre
	Increase maximum floor area	Low intensity: 80% Medium intensity: 110% High intensity: 150%	Low intensity: 100% Medium intensity: 150% High intensity: 200%	No max. floor area	No max. floor area	No max. floor area	No max. floor area
C	Reduce minimum off-street parking	No min. guest parking	No min. guest parking, 0.25 space/unit reduction	No min. guest parking, 0.50 space/unit reduction	N/A	N/A	N/A
D	Increase maximum height	5 ft. increase	10 ft. increase	N/A	N/A	N/A	N/A
	Reduce minimum setbacks for projects with residential use	10 ft. min. front setback and 5 ft. min. side and rear setbacks unless this Title otherwise allows for a smaller setback	No min. front, side, and rear setbacks	N/A	N/A	N/A	N/A
	Reduce minimum open area	5% reduction	10% reduction	N/A	N/A	N/A	N/A



E. Project Examples

Example 1: Providing Very-Low Income Units

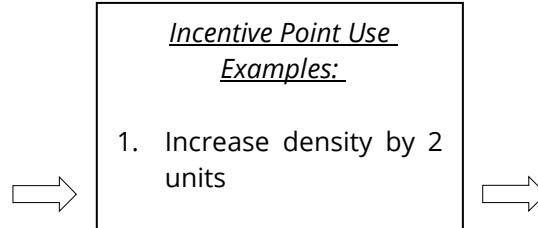
Base Project:

Base Units Allowed:
10 units

Very-Low Income Units Provided:
4 units

In-Lieu Fee Contribution:
\$0

Incentive Points Available:
2 incentive points



Incentive Enhanced Project:

Base Units Allowed:
12 units

Reduced Setbacks:
Front – 10 ft.
Side – 5 ft.
Rear – 5 ft.

Example 2: Paying In-Lieu Fee

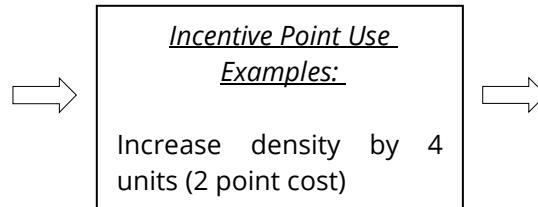
Base Project:

Base Units Allowed:
10 units

Very-Low Income Units Provided:
0 units

In-Lieu Fee Contribution:
\$60,000

Incentive Points Available:
2 incentive points



Incentive Enhanced Project:

Base Units Allowed:
14 units



F. Frequently Asked Questions

1. Can incentive points be transferred from one project to a project on a different site?

No.

Incentive points can only be used for the project in which they were accrued, and no transfer of points is permitted.

During entitlement, the project applicant will work with County staff to determine (1) program participation method, (2) how many incentive points will be accrued, and (3) how those incentive points will be used on the project. Any remainder points if existing may not be transferred to another project site.

2. Can the RHIP be used in conjunction with State Density Bonus law?

Yes.

The RHIP modifies baseline standards which can then be further modified by State Density Bonus Law.

Example:

Project uses RHIP to increase baseline density from 10 units/acre up to 20 units/acre.

If this project used State Density Bonus Law to achieve a 10% density bonus, that 10% would be applied to the new baseline density of 20 units/acre, which is equivalent to 2 additional units/acre.

The final density for this project would then be 22 units/acre.

3. What types of development include "multifamily residential projects"?

Multifamily residential projects include building types that have more than 1 residential unit and can include: duplexes, triplexes, quadplexes, apartment buildings, and mixed-use developments with 2 or more residential units.

Subdivisions may also be eligible for the RHIP if the subdivision is proposed with the subsequent development of multifamily units.

4. Does the RHIP override local Planning Area and Community Planning Standards (PAS & CAS)?

Yes.

The RHIP does override local PAS and CAS if those were more restrictive than what the program allows.

5. What standards does the RHIP not override?

The RHIP does not override local health and safety standards or standards not enforced through the County Code.

Standards not enforced through the County Code include (1) the Local Agency Management Plan (PLAN)



managed by RWQCB, (2) the Airport Land Use Plan managed by the Airport Land Use Commission, and (3) any standards required by SLO County Air Pollution Control District.

6. How is the in-lieu fee determined?

The initial in-lieu was set through extensive outreach with stakeholders regarding the average cost to build very-low income units.

The in-lieu fee will be evaluated and adjusted on an annual basis based on inflation and program participation rates.