

San Diego County

Inclusionary Housing Ordinance Applicant Guide



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Introduction

On June 24, 2026, the San Diego County Board of Supervisors adopted the County's Inclusionary Housing Ordinance and associated In-Lieu Fee Ordinance. This document is meant to guide applicants as they navigate the permitting process and apply the ordinance to their project. *For official requirements, applicants must always refer back to the adopted Inclusionary Housing Ordinance (Zoning Ordinance Sections [6341](#) & [7430](#)).*

What is an Inclusionary Housing Ordinance?

An inclusionary housing ordinance is a relatively simple concept:

Whenever new housing projects are permitted, inclusionary housing guarantees a portion of that new housing will be affordable to Lower- or Moderate-income households.

Inclusionary Housing is a common tool used by local jurisdictions to ensure affordable housing is supported by new development. Most incorporated cities within San Diego County and many more across the State of California have adopted similar ordinances, though each has slightly different requirements for affordable housing.

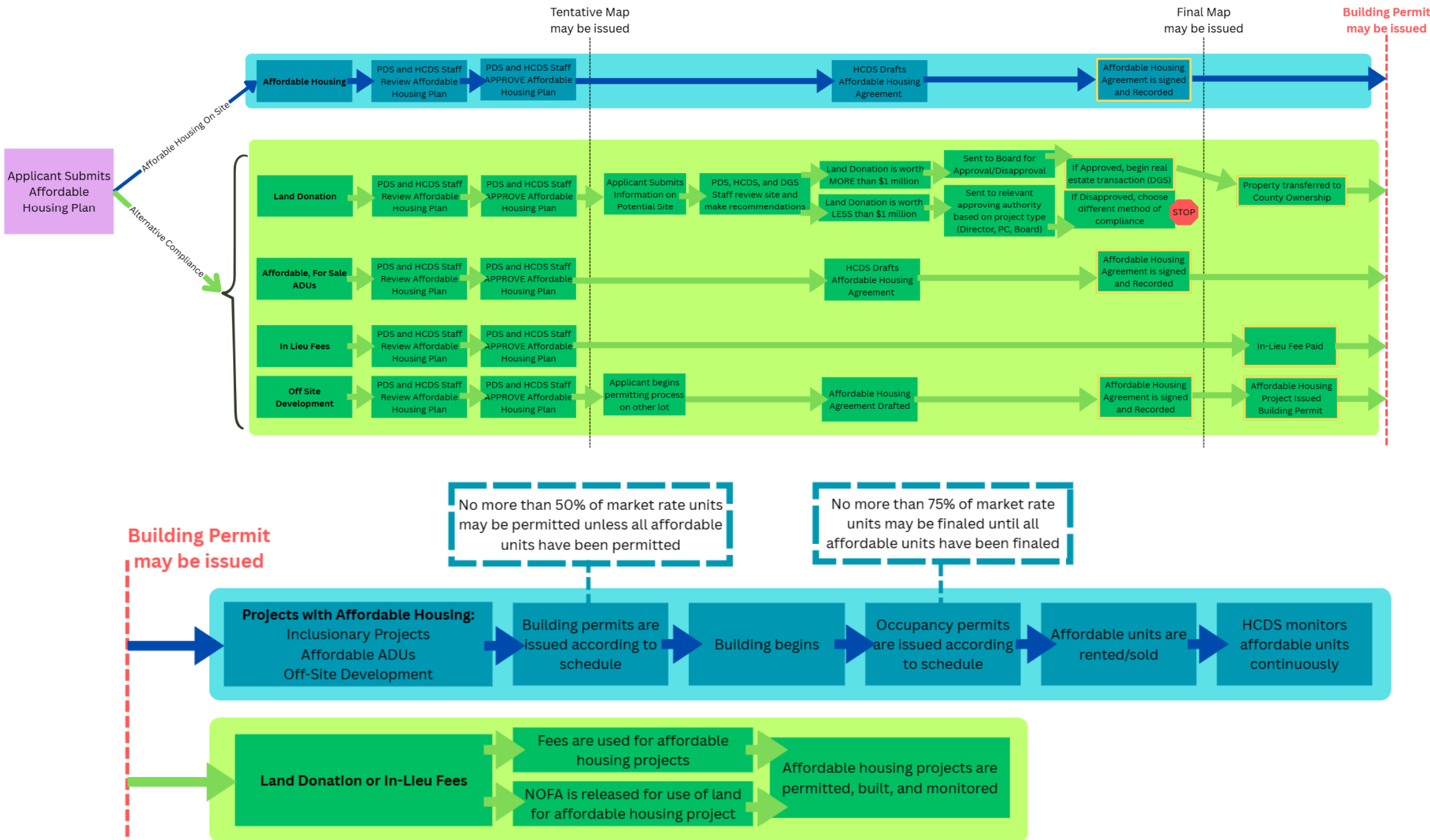
The County's Inclusionary Housing Ordinance is made up of four main components:

1. **Set Aside:** Amount and level of affordable housing required
2. **Minimum Project Size:** Number of residential units proposed before inclusionary requirements apply.
3. **Alternative Compliance:** Options available to applicants if they cannot provide affordable housing units on-site.
4. **Incentives:** Density bonus and processing rewards for building affordable housing units on-site.

More information on each of the components is detailed in the guidance document below and the [inclusionary housing ordinance](#) itself.

Inclusionary Housing Quick Reference Sheet			
Set-Aside Requirements			
Project Type	For Sale Projects	For Rent Projects	General Plan Amendment (GPA) Projects
Set Aside Amount	5% Very Low or 10% Low or 15% Moderate	5% Extremely Low or 5% Very Low or 10% Low	20% Low
Minimum Project Size and Applicability			
Projects with 10 or more units are subject to Inclusionary Housing requirements. Submitted projects prior to October 22, 2026 shall not be subject to the Inclusionary Housing Ordinance.			
Alternative Compliance			
<p>The following alternative compliance options are available to satisfy inclusionary housing requirements for projects that do not elect to build the affordable housing on-site. The Board of Supervisors directed that the County prioritize certain types of alternative compliance in the following order:</p> <ol style="list-style-type: none">1. Land Donation2. Affordable, For-Sale ADUs (Covering up to 50% of the requirement or up to 5 units)3. In-Lieu Fees (Covering 50% of the requirement)4. In-Lieu Fees (Covering 100% of the requirement)5. Off-Site Development <p>If an applicant wants to use a form of alternative compliance that is a lower priority, they will need to include a justification in their affordable housing plan submitted to the County and describe why each higher priority option is impractical for their project.</p>			
Incentives			
Density Bonus + Incentives	Projects which provide all required affordable units on-site may choose to <u>double the density bonus</u> otherwise allowed under the State Density Bonus Law, up to a maximum bonus of 50%, and two additional density bonus incentives beyond State law.		
Priority Review Times	Allow projects that provide at least 50% more Low-income affordable units on-site than required to receive priority discretionary permit processing and review within <u>30 days from a completed application</u> . <i>For Rent:</i> Provide an additional 5% Low (e.g. total: 15% Low) <i>For Sale:</i> Provide an additional 5% Low (e.g. total: 15% Low) <i>GPA:</i> Provide an additional 10% Low (i.e. total 30% Low)		

Inclusionary Housing Flow Chart



Exemptions

The Inclusionary Housing Ordinance does not apply to all residential and mixed-use projects, instead, it has some specific exemptions.

Effective Date of the Ordinance (Section 6341.b.1)

The Inclusionary Housing Ordinance does not apply to any projects with applications **submitted before October 22nd, 2026**. The Board directed the ordinance to be implemented 120 days after its passage on June 24th, 2026.

What does “submitted” mean?

For a project to be submitted to the County, it must have submitted a [preliminary application \(SB 330\)](#) or full application by October 21st, 2026. The application does not need to be deemed complete by County staff and applications that need additional documentation will retain a submittal date before the inclusionary housing ordinance is effective. The following shall **not** be considered a submittal that exempts a project from inclusionary housing requirements:

- Initial Consultation
- Zoning Verification Letter
- Pre-Intake Assessment
- Pre-Application Meetings

Minimum Project Size (Section 6341.b.1.i)

Residential or mixed-use projects with **fewer than ten housing units** do not have to comply with the Inclusionary Housing Ordinance. If a project proposes nine housing units, the project is not subject to the inclusionary housing ordinance.

Importantly, **ADUs do not count** towards the ten-unit threshold. If a project proposed nine primary homes and nine ADUs for a total of eighteen units, the project would *not* have to comply with the inclusionary housing ordinance despite having more than ten units. Similarly, density bonus units added do not count towards the ten-unit threshold either. Applicability is based on the proposed number of primary dwelling units, not the number of lots.

100% Affordable Housing Projects Section 6341.b.1.ii.a)

Projects that propose 100% affordable housing will not need to comply with the inclusionary housing ordinance. Affordable housing plans may still be requested for review

purposes and affordable housing agreements will need to be recorded before the project is permitted.

Set-Asides

Set asides are the **amount and level of affordable housing** that must be included in a project to satisfy the inclusionary housing requirement. For instance, 10% Low-income housing or 5% Very Low-income housing. The County's set-aside varies by project type – for rent, for sale, or General Plan Amendment (GPA) projects. For rent and for sale projects have multiple set-asides for an applicant to choose from, but GPA projects are required to deed-restrict 20% of their housing as Low-income.

Whether a project is considered “for-rent” or “for-sale” may be confusing depending on the type of project being proposed or the plans an applicant has for a development. After all, Some applicants may only entitle the property or sell the whole development to a long-term holder of the property who will rent a collection of housing units. To help with this distinction, determine whether the individual units are **separately saleable**. For instance, a condo building or new subdivision may create individually saleable units. This would mean an applicant can choose between the different set-asides offered under the for-sale set-aside requirements outlined in the table below. For-sale units may still be purchased by an individual and rented to a tenant, only the designated affordable units in a project will have specific restrictions on renting or selling.

If the proposed development is a GPA project, the distinction between for rent and for sale does not apply and the applicant will be required to provide 20% low-income housing or satisfy their affordable housing requirement with a form of alternative compliance.

San Diego County Set-Aside Requirements (Section 6341.c)		
For Sale Projects	For Rent Projects	General Plan Amendment (GPA) Projects
5% Very Low OR 10% Low OR 15% Moderate	5% Extremely Low OR 5% Very Low OR 10% Low	20% Low

If a project is mixed for-sale and for-rent, each portion of the project will have to comply with a chosen level of affordability. For instance, if a 100-unit project had a 50-unit apartment building and a 50-unit single family development as one project, both portions would need to satisfy their own affordability requirement. These could be different levels of

affordability, such as 5% very low income for the rentals and 15% moderate income for the saleable portion, or the same, 10% low income overall.

Determining Number of Required Affordable Units

To determine the number of affordable units needed to satisfy an affordable housing requirement, multiply the total number of units in the project, before applying density bonus, by the set aside percentage.

For example, if 50 housing units were proposed and an applicant wanted to provide 10% low income housing their total affordable housing requirement would be 5 affordable units: $50 \text{ units} \times 10\% = 5 \text{ low-income units}$.

When density bonuses are applied, the additional market rate units do not connect to the fraction of affordable housing required, on the base units of a project need to provide a proportional amount of affordable housing. Using the same project above, a 10% low-income project could qualify for a 40% density bonus. In this case, the project would qualify for 20 additional market rate units.

If an applicant took advantage of this density bonus, their project could include 70 total units, with 5 affordable for low-income units and 65 market rate units.

Base Project: 50 units (45 market rate, 5 low income)

Density Bonus: +20 market rate units

Total Project: 70 units (65 market rate (45 base + 20 density bonus), 5 low income)

Applicants will need to provide details on their base project, affordable units, and density bonus when they fill out their affordable housing plan.

Rounding Rules (Section 6341.c.1.ii.a)

When calculating the required number of affordable housing units, if the set-aside includes fractional units of 0.5 or above, one additional affordable unit shall be provided at the affordability level required by the set-aside amount. Total set-aside requirements below 0.5 units are rounded up or paid for through an in-lieu fee.

Comparability of Affordable and Market Rate Units (Section 6341.c.1.iii)

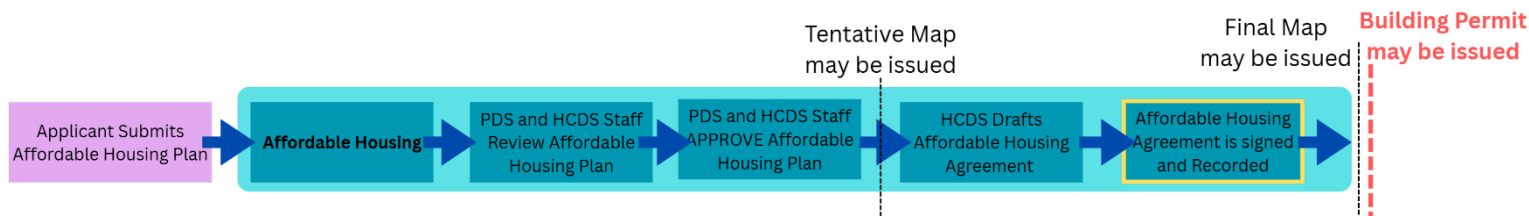
Affordable units must have the same exterior and interior style, entrances, and access to amenities and services as market rate units. Affordable units must have a proportional mix of bedroom counts and be evenly distributed throughout the development.

If the market-rate units are being offered for sale, the affordable units should be too. If the market-rate units are rentals, the affordable units should be listed for rent. If the market-rate units are a mix of for-sale and rental, a proportional mix of affordable for-sale and for-rent units may be offered.

Timing of Construction (Section 6341.c.3)

All required affordable housing units, including off-site affordable housing units, shall be made available for occupancy concurrently with the market-rate units.

The County may not issue building permits for more than 50% of the market-rate units until it has issued building permits for all the affordable units, and the County may not approve unit occupancy final inspections for more than 75% of the market-rate units until it has issued unit occupancy final inspections for all of the affordable units. The County and developer may agree on an alternative schedule for development that is included in the affordable housing agreement. A hold may be placed on the issuance of the permit and unit occupancy final inspection for market-rate developments if these requirements are not satisfied.



Alternative Compliance

State law does not require jurisdictions to adopt an inclusionary housing ordinance, but it does regulate inclusionary housing ordinances if jurisdictions choose to adopt them. One requirement is that **applicants must have at least one other way to meet the affordable housing requirements other than providing the affordable housing on-site.** The County of San Diego's Inclusionary Ordinance allows applicants to choose from five different alternative compliance options and **in the following order of priority:**

1. Land Donation
2. Affordable, For Sale ADUs
3. In-Lieu Fees - Covering 50% of the inclusionary housing requirement
4. In-Lieu Fees - Covering 100% of the inclusionary housing requirement
5. Off-Site Development

More information on each type of alternative compliance is available below.

Prioritization (Section 6341.d)

When the Board of Supervisors considered and adopted the Inclusionary Housing Ordinance, they directed projects to prioritize the use of alternative compliance in the order listed above. For instance, an applicant would be eligible to use in-lieu fees to cover 100% of their affordable housing requirement, if the applicant justifies that the higher priority alternative compliance of land donation, affordable ADUs, and in-lieu fees covering 50% of the affordability requirement, are **impractical for the project**.

Justification for the impracticality of different alternative compliance options are recorded on the affordable housing plan for a project should discuss impracticalities of meeting each form of alternative compliance. **Justifications should be thoughtful and rationally related** to each form of alternative compliance but **should never require the applicant to submit a detailed pro forma or conduct an additional study**.

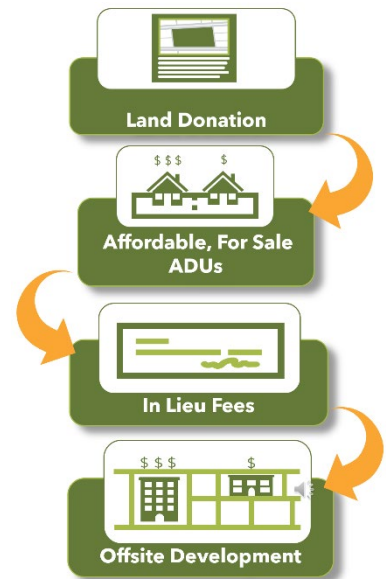
Land Donation (Section 6341.d.1)

Land Donation allows an applicant to donate land to the County of San Diego instead of providing affordable housing on-site. The site must be of equal or greater value to their potential in-lieu fee and suitable for affordable housing development according to the ordinance criteria. Applicants will be responsible for analyzing the lot, including providing a preliminary title report, appraisal report, review of hazardous materials, and any environmental conditions.

Land donation is restricted geographically and must satisfy at least one of the following geographic requirements:

- a. Within the same Community Planning Area as the applicant's project
- b. Within an unincorporated village area
- c. Within a High or Highest Opportunity Area, as determined by the [California Tax Credit Allocation Committee \(CTCAC\)](#)
- d. Within a Vehicle Miles Traveled (VMT) efficient or Infill area

Notably, land donation is allowed within cities of San Diego County, provided they are in high or highest opportunity areas or a VMT efficient or infill area.



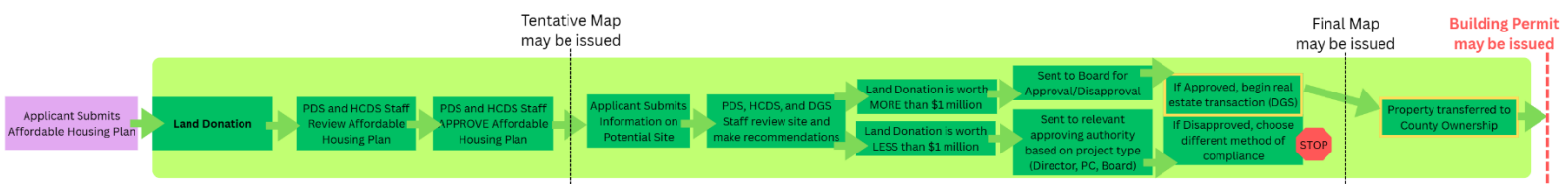
Importantly, if land is deemed suitable for affordable housing development, any property worth more than \$1 million will need to go to the Board of Supervisors for approval. Any project that chooses to use land donation will need to satisfy all these requirements *before* any residential units are permitted for the applicant's project.

State density bonus law provides a density bonus for land donations; however, the location criteria are stricter in some instances, and additional requirements must be met. For instance, land donations need to be within a half mile of the project site, at least one acre in size, and have access to public facilities.

Additional Criteria for Land Donation

The proposed land donation must also satisfy the following conditions to be acceptable to the County in accordance with the ordinance:

1. Does not include steep slopes
2. Does not include wetlands, floodways, or floodplains
3. Does not include prime farmland or farmland
4. Does not include habitat for protected species, conserved land, or is part of a conservation easement.
5. Does not include hazardous materials or the site(s) has been appropriately remediated.
6. The General Plan and Zoning allow for residential development and multifamily housing development at a density that would include at least as many units that otherwise would have been in the residential development.
7. The property has access to all the following utilities: water, sewer, electricity, and gas.



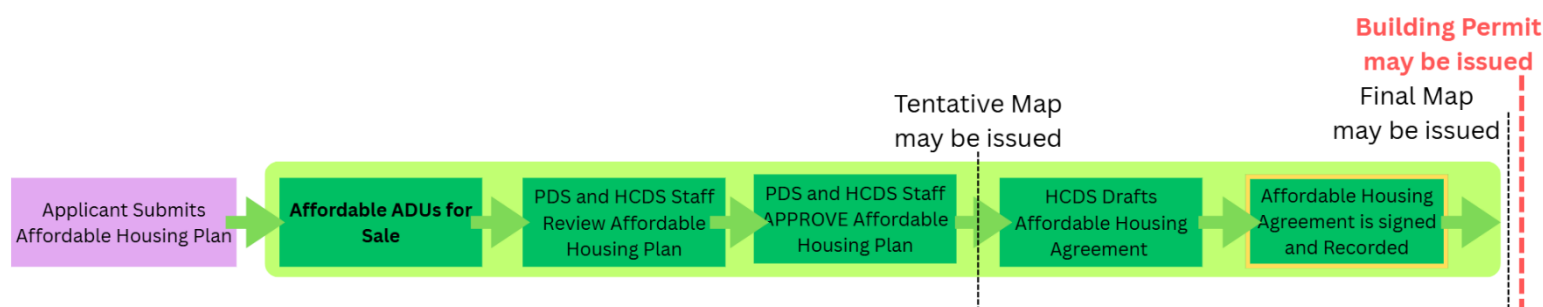
Affordable ADUs (Section 6341.d.2)

Affordable, for sale Accessory Dwelling Units (ADUs) may satisfy up to 50% the requirement but no more than 5 units of the affordability requirement for housing projects. Any project that proposes affordable ADUs must be consistent with Section 6156.x in the Zoning Ordinance provisions to sell ADUs contained in Section 6156.x.C (Sale of ADUs for or by a Nonprofit) or Section 6156.x.D (ADUs Sold as Condominiums).

Since ADUs can only cover 50% of the requirement for affordable housing, an applicant will still need to meet their full affordability requirement by deed-restricting additional units within the project or other alternative compliance options such as in-lieu fees.

Similar to other affordable housing units, affordable ADUs must be of a similar bedroom count and style, evenly distributed across a development, and have equal access to amenities and common spaces within a development. ADUs should be processed and deed-restricted the same as affordable housing units for on-site development.

Since ADUs must be consistent with state law, they may be better suited for large subdivisions of single-family homes instead of multifamily developments which limit the number of ADUs to the whole development instead of the number of single-family lots.



In-Lieu Fees (Section 6341.d.3 and Section 6341.d.4)

Housing and mixed-use projects that qualify for inclusionary housing have an **option to pay a fee** instead of providing affordable units on-site. This fee is called an in-lieu fee. Fees are collected into a trust fund managed by HCDS and used for affordable housing development throughout San Diego County, including incorporated cities. The in-lieu fees vary by project type (for rent, for sale, GPA) similar to set-asides.

Calculating the total in-lieu fee is based on the **total interior square feet** of a project and the “assumed proportion of market rate housing”. The assumed proportion of market rate housing is tied to the type of project the same way in-lieu fee rates are. The assumed proportion of market rate housing is based off the forgone set-aside tied to the in-lieu fee rate. Since the in-lieu fee rate and assumed proportion of market rate housing are consistent for each project type, they can be multiplied together to determine the **effective in-lieu fee rate**.

	For Rent Projects	For Sale Projects	GPA Projects
In-Lieu Fee Rate	\$18.69 per square foot	\$21.37 per square foot	\$41.82 per square foot
Assumed Proportion of Market Rate Housing	95%	90%	80%
Effective In-Lieu Fee Rate (In-Lieu Fee Rate x Assumed Proportion of Market Rate Housing)	\$17.7555 per square foot	\$19.233 per square foot	\$33.456 per square foot

In-Lieu Fee Equation:

$$\text{Total Interior Square Feet} \times \text{In-Lieu Fee Rate} \times \text{Assumed Proportion of Market Rate Housing} = \text{Total In-Lieu Fee}$$

Or

$$\text{Total Interior Square Feet} \times \text{Effective In-Lieu Fee Rate} = \text{Total In-Lieu Fee}$$

Examples

For Rent Project of 50,000 square feet:

$$50,000 \times \$18.69 \times 0.95 = \$887,775$$

$$50,000 \times \$17.7555 = \$887,775$$

For Sale Project of 10,000 square feet:

$$10,000 \times \$21.37 \times 0.9 = \$192,330$$

$$10,000 \times \$19.233 = \$192,330$$

GPA Project of 25,000 square feet:

$$25,000 \times \$41.82 \times 0.8 = \$836,400$$

$$25,000 \times \$33.456 = \$836,400$$

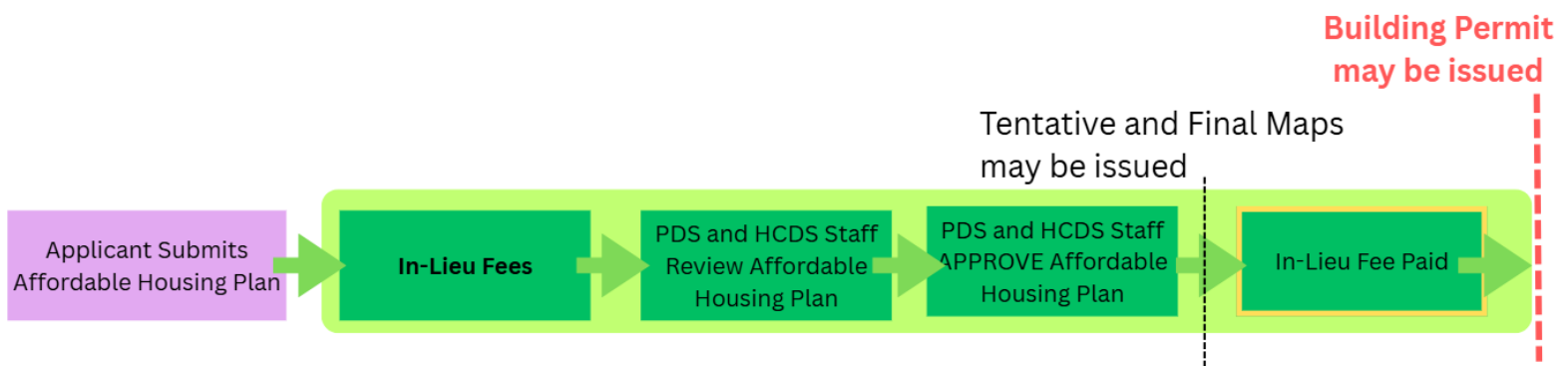
Timing of Charging In-Lieu Fees

In-lieu fees must be paid by the applicant **before building permits are issued**. However, some large projects may not have the total square feet for their project immediately available at the time of their initial submittal or even when they have an approved subdivision map. A large subdivision may be built in phases over years after a final map is approved and at the time of the final map, the buildings on those lots may not be finalized and approved. In instances where building permits are issued in phases, in-lieu fees will also be required in phases and charged at the time of building permit issuance. A 100-unit for sale project with a total 100,000 square feet of interior space built over 3 phases would need to pay a fee equal to the amount of square feet being permitted at each phase.

Phase	Units Permitted	Square Foot	Total In-Lieu Fee Charged before Building Permit Issuance
Phase 1	40	40,000	\$769,320
Phase 2	30	30,000	\$576,990
Phase 3	30	30,000	\$576,990

Rounding Rules and Fractional Fees (Section 6341.c.1.ii.a)

When calculating the required number of affordable housing units, if the set-aside includes fractional units of 0.5 or above, one additional affordable unit shall be provided at the affordability level required by the set-aside amount. Total set-aside requirements below 0.5 units are rounded up or paid for through an in-lieu fee.



Off-Site Development (Section 6341.d.5)

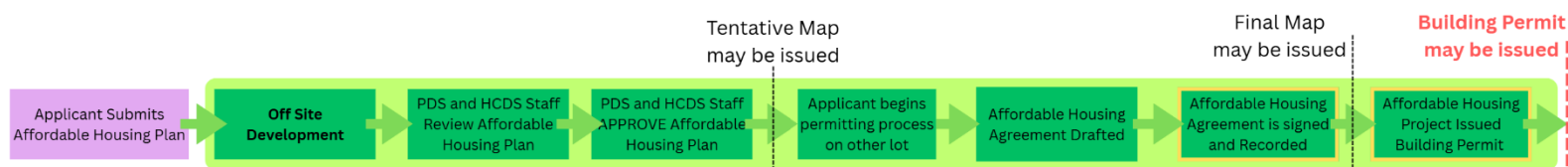
The final form of alternative compliance available to applicants is off-site development where the required affordable units are permitted and built in a different location than the main market rate project. Applicants must provide the same amount of affordable housing that would otherwise be required and deed-restrict off-site housing development in the same way.

Like land donation, off-site development has the same geographic limitations. Applicants must build the affordable housing off-site within any of the following geographies:

- Within the same Community Planning Area
- Within an unincorporated village area
- Within a High or Highest Opportunity Area as determined by the TCAC
- Within a VMT efficient or Infill area

Notably, an applicant can build affordable housing in any city within the County, but it must still meet one of the listed geographic criteria. For instance, the off-site location must be in a high-opportunity area or in a VMT efficient area within a city.

Permitting the units in a different jurisdiction presents some logistical hurdles that applicants should be aware of. Critically, the County's Inclusionary Housing Ordinance requires that no more than 50% of the building permits for the main/market rate portions of the project may be issued until all the affordable housing units have been issued permits. Further, the County cannot approve final occupancy for the market rate units until at least 75% of the affordable units have received final occupancy inspections. If an applicant is working with another jurisdiction, they will have to provide proof from a different jurisdiction that they have satisfied these conditions.



Incentives

To help offset the cost of providing affordable housing and reward the inclusion of affordable housing on-site, the inclusionary housing ordinance expanded existing incentive programs. The ordinance expands both **density bonus** and **priority review** for projects that provide affordable housing.

Density Bonus

Density bonus is one of the most used affordable housing incentives across the State of California. It has two components: the **increase in allowable density** suggested by its name, and **flexibility in zoning rules known as incentives, concessions and waivers**. Generally, both rewards are scaled with the amount and level of affordable housing provided. For instance, a project providing 10% low-income housing can get a 20% density bonus and one incentive according to state law. Comparatively, a project could also provide 5% very low-income housing and receive the same benefits. The Inclusionary Housing Ordinance expanded both components of density bonus.

Density Bonus Expansion (Section 6341.e.1)

The Board of Supervisors voted to expand the density bonus program in two ways. Firstly, it doubled the density increases allowed by state law up to a threshold of 50%. For instance, when a project provides 10% low-income housing, state law provides a 20% density bonus. The inclusionary housing ordinance doubled the reward for providing 10% low-income housing to a 40% density bonus.

The second part of density bonus, known as incentives and concessions, provides flexibility for zoning related standards. This allows an applicant to request a limited number of changes to the zoning such as increases in building height, reductions in setbacks and parking, and even changes in building designator. Applicants need to request and specify which zoning related standard they would like relaxed and relate it to a cost reduction for their project. Before the Inclusionary Housing Ordinance, the County already offered one additional incentive beyond state law. The Inclusionary Housing Ordinance added one more incentive so that the County now offers two incentives beyond state law.

The two tables below demonstrate the reward for density bonus with the passage of the Inclusionary Housing Ordinance:

Density Bonus Incentives

Number of Incentives (+2 from County)	Very Low-Income Percentage	Low Income Percentages	Moderate Income Percentages
3	5%	10%	10%
4	10%	17%	20%
5	15%	24%	30%
6	100%	100%	(100% low-income projects may allow 20% mod)

Density Bonuses

Percent of Affordable Housing	Very Low-Density Bonus	Low Density Bonus	Moderate Density Bonus
5%	40%	-	-
6%	45%	-	-
7%	50%	-	-
8%		-	-
9%		-	-
10%		40%	10%
11%		43%	12%
12%		46%	14%
13%		49%	16%
14%		50%	18%
15%			20%
16%			22%
17%			24%
18%			26%
19%			28%
20%			30%
21%			32%
22%			34%
23%			36%
24%			38%
25%			40%
26%			42%
27%			44%
28%			46%
29%			48%
30%			50%
...			
100%	80%	80%	80%

Priority Review (Section 6341.e.2)

Discretionary projects that provide 50% *more* low-income housing than required can request priority review. The amount of affordable housing that must be provided on-site (not ADUs) to qualify for priority review is:

General Plan Compliant For Rent: 15% Low

General Plan Compliant For Sale: 15% Low

General Plan Amendment: 30% Low

Priority review provides discretionary application review within 30 business days from a completed application. Priority review should be treated the same as projects with [guaranteed review times](#) such as workforce housing, housing in VMT efficient or infill areas, and 100% affordable housing projects.

Inclusionary Housing Ordinance Procedures and Rules

Documenting Inclusionary Housing

Affordable Housing Plan

An **Affordable Housing Plan** (PDS-274) is a document that shows how an applicant will comply with the inclusionary housing ordinance. It is a form that planners can review at the beginning of a project application to document how the project applicant will satisfy the inclusionary housing ordinance. The plan will show how many affordable housing units will be deed-restricted at which levels of affordability, or which form of alternative compliance the applicant will pursue.

Affordable Housing Agreements

An **Affordable Housing Agreement** is the official, legally enforceable mechanism that deed-restricts housing units and makes them Affordable. The agreement is signed by both the applicant and the County and recorded on the deed of the property. Affordable housing *plans* are translated into affordable housing *agreements* by San Diego County Housing and Community Development Services (HCDS), who will monitor and enforce the requirements during the term of affordability.

If an applicant builds affordable housing units on-site or off-site, no building permits or final maps shall be issued until affordable housing agreements have been signed and recorded. Tentative maps may be issued without an affordable housing agreement, but an affordable housing agreement will be a condition of receiving a final map.

Other permits, such as grading permits, may be issued before an affordability requirement, but no building permits may be issued until an affordability agreement is signed by both the applicant and the County and recorded on the deed of the property.

Where will information about inclusionary projects be recorded?

Inclusionary housing projects will be tracked in different ways depending on the type of project and whether they provide affordable units on-site. For every qualifying inclusionary project, there will always be at least 2 ways the project will be documented:

1. **Affordable Housing Plan:** This document will show either the number of affordable units or form of alternative compliance the applicant selects. It will be added to a project record for every project with 10 or more residential units.
2. **Plot Plan:** a plot plan with 10 or more units will always show which units are affordable, how the project intends to comply with inclusionary housing requirements, or if the project is exempt from inclusionary housing. If the project needs a Site Plan, that should also show which units are affordable or note alternative compliance.

There are other types of documentation that will be added to a project record, but these depend on the nature of the project, whether affordable housing is included, or if the applicant selects certain alternative compliance options.

If the project is providing affordable housing on-site...

1. **Affordable Housing Agreement:** This is the legal agreement that places a deed restriction on the property. It will be signed by both the applicant and the County and then recorded.

If the project is subdividing...

1. **Tentative Map:** The method of compliance with the inclusionary housing application will be documented in the notes of the tentative map.
2. **Final Map:** The method of compliance will be documented on the final map and conditions met for a map to be finalized. Affordable housing projects will need to be signed and record their affordability agreement as a condition of their final map. Other forms of alternative compliance may be satisfied after a final map is issued but before a building permit is issued.

If the project is paying an in-lieu fee...

1. **Record of In-Lieu Fee:** An in-lieu fee must be paid before a building permit is issued for projects that choose to pay an in-lieu fee instead of providing affordable housing on-site.

If the project is donating land...

1. **Real estate transaction finalized by the County:** Real estate transactions will require the approval of either the Director, Planning Commission, or Board of Supervisors. Official approval documents from any of these sources must be submitted to the County.

If the project is building affordable housing off-site...

1. **A record of the building permit from another project:** This will be a record of another building permit issued either by the County or another jurisdiction. An applicant will need to provide proof of a building permit for an affordable housing project before building permits are issued for their main, market rate project.

Definitions

Affordable Housing

Under the County of San Diego's Inclusionary Housing Ordinance, affordable housing refers to all units deed-restricted by the County of San Diego's Housing and Community Development Services department through a recorded Affordable Housing Agreement. The Affordable Housing Agreement restricts occupancy and the rental rate or sales price of the units built to satisfy the inclusionary housing affordable housing requirement.

Affordable housing is often defined as housing for which a household pays no more than 30% of its income on housing costs; however, the practical application is more complex. In practice, Affordable Housing refers to deed-restricted units where rents/prices are set according to the requirements of the specific affordable housing program imposing the restriction. A household's annual income, adjusted for household size, is used to determine eligibility for occupancy. Although income limits determine eligibility, variations in actual household income may result in households spending more than 30% of their income on housing costs while living in a deed-restricted affordable unit.

Area Median Income is calculated annually for every metropolitan area and non-metropolitan area in the United States by the U.S. Department of Housing and Urban Development and published annually as part of Title 25, Section 6932 of the California Code of Regulations.

More information on [San Diego County Area Median Income \(AMI\) \(2026\)](#)

More information on [Rental Rates for by AMI \(2026\)](#)

Affordable Housing Plan

This is the document an applicant will submit for any project with 10 or more residential units. It will detail either how their project is exempt or how they intend to satisfy the inclusionary housing requirement, either by building affordable units on-site or satisfying the conditions of alternative compliance.

Affordable Housing Agreement

This is the legal agreement that an applicant will sign and record with the County to de-restrict proposed units as affordable housing.

Submitted Project

A submitted project is a project that has submitted either a full or preliminary application for a residential development. This includes projects that submit an SB 330 form, or preliminary application. This is important for projects that are submitted prior to October 22nd, 2026 because the inclusionary housing ordinance will not apply to projects submitted prior to this date. Submitted projects do *not* include other documents such as zoning verification letters, initial consultations, or other similar information seeking submittal.

Density Bonus

Density bonus is an incentive for providing affordable housing. It allows an applicant to exceed the zoned density of a parcel proportional to the amount and level of affordable housing provided. Density bonus is a state law; however, the inclusionary housing ordinance has doubled state density bonuses up to a maximum of 50% in the unincorporated area of San Diego County. See density bonus table in this document.

Density Bonus Incentives

Density bonus incentives are the second half of state density bonus law and provide additional rewards for proving affordable housing on-site by providing zoning regulation flexibility. The number of incentives a project is eligible for scales with the amount and level of affordable housing provided on-site, just like density bonus. Incentives can be used to change and relax zoning regulations like setbacks, building height, design standards, parking, open space, and even building designator. The inclusionary housing ordinance expanded density bonus incentives above state law by one. This adds to the extra density bonus incentive San Diego County already enacted. See density bonus incentive table in this document.

Set-Aside

The set-aside is the amount of affordable housing required for each project type.

Minimum Project Size

The amount of units that need to be in a project for the inclusionary housing ordinance to apply. In the case of the County, the minimum project size is 10 units or more.

Alternative Compliance

The alternative options an applicant may choose other than providing affordable housing on-site that will satisfy the inclusionary housing requirement. They are land donation, affordable for-sale ADUs, in-lieu fees, and off-site development.

Useful Links

- [Inclusionary Housing Webpage](#)
- [Inclusionary Housing Webinar](#)
- [Preliminary Application, SB 330 Form](#)
- [Density Bonus FAQ](#)