KEYSER MARSTON
ASSOCIATES

MEMORANDUM

To: Riley Sholes and Jacob Dawe
County of Sacramento

From: Keyser Marston Associates, Inc.

Date: May 6, 2026

Subject: Inclusionary and Affordable Housing Impact Fee Programs within SACOG Region

Keyser Marston Associates, Inc. (KMA) has prepared this memorandum for the County of Sacramento (County) as a summary of inclusionary and residential affordable housing impact fee programs in the Sacramento Area Council of Governments (SACOG) region, to provide context for potential updates to the County's Affordable Housing Ordinance (AHO). The summary is for general comparison purposes and is not an assessment of efficacy.

SUMMARY

Following is a summary of the features of inclusionary and residential affordable housing impact fee programs within the SACOG region:

1. **Program Type.** Fifteen programs were surveyed in the SACOG region.
   - **Three are affordable housing impact fee programs,** including Sacramento County's, for which payment of a fee is the principal requirement. Alternatives to providing on-site units are available in two of the three programs;
   - **Ten are inclusionary programs** where a requirement to provide on-site affordable units is the principal requirement. Alternatives such as in-lieu fees, land dedication, or off-site construction are commonly also made available.
   - **Two are general plan or housing element policies** that are applied on a project-by-project basis to master plans and specific plans.

2. **Onsite Affordable Unit Requirement.** Onsite affordable unit requirements and options range from 5% to 35%. Ten percent (10%) is the most common. Sacramento, Folsom,

Loomis, Placer County, West Sacramento, Woodland and Roseville's General Plan goal are all at the 10% level.

Jurisdictions with affordable unit set-asides above 10% include Davis, Winters, Rocklin's interim ordinance, and Yolo County. Davis requires up to 25% affordable for certain project types. Winters is at 15%. Rocklin's interim requirement varies from 5% to 15% depending on the income level of the units provided. Yolo County requires 20% for for-sale and 35% for rental projects over 20 units.

Sutter County, with a 5% set-aside, is the only jurisdiction that requires less than 10% affordable.

Sacramento County exempts multifamily projects developed at 17 units per acre or above that provide 20% on-site affordable units. Additionally, fee credit is provided for affordable units, with the amount of credit calculated based on the average public subsidy per unit determined by the Sacramento Housing and Redevelopment Agency (SHRA), which is $101,270 per affordable unit based on information provided by SHRA as of April 2026. Based on this figure, a project with an average market rate home size of 2,000 square feet that provides approximately 7.2% affordable units on-site within the project would fully satisfy the Affordability Fee requirement[1].

3. **Affordability Levels.** Programs most commonly require a mix of Very Low and Low income units. A few require Moderate Income units in for-sale projects. Only Placer County and Winters allow Moderate Income affordable rental units. None require Extremely Low Income units; however, Rocklin's interim ordinance provides an option to provide Extremely Low Income units at a reduced set-aside percentage of 5%. A description of these income categories is provided at the end of the memo.

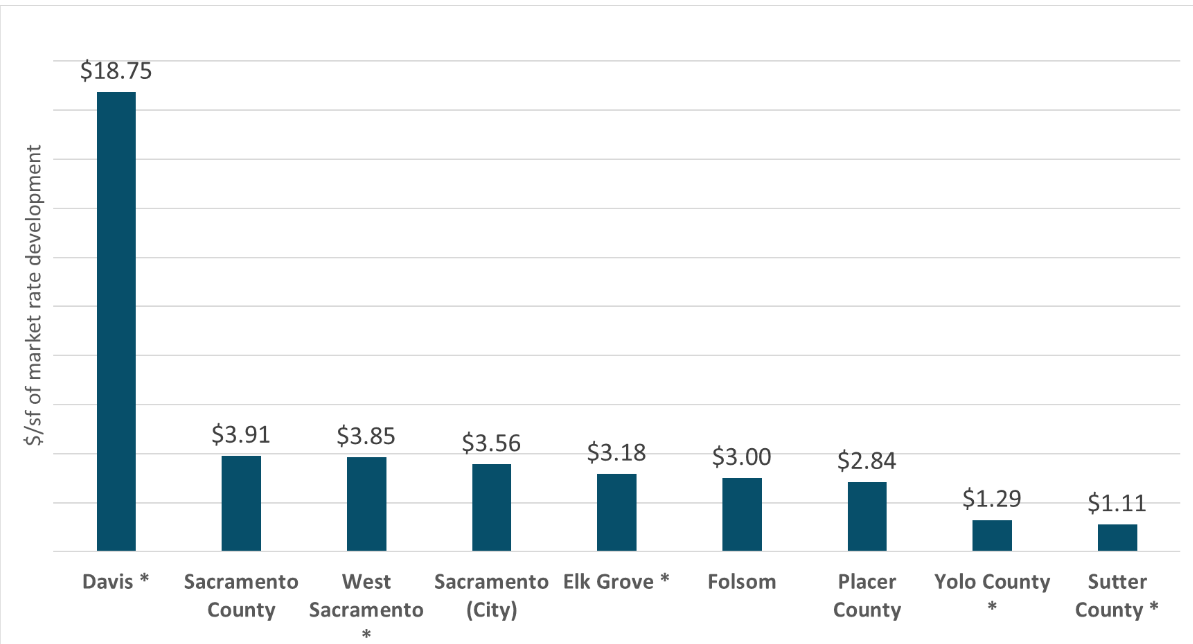
4. **In-Lieu Fee Structure.** The structure of fees varies:
   - **Per Square Foot:** Sacramento County, the City of Sacramento, Folsom, and Placer County assess fees per square foot of market rate residential development.

[1] Percentage is derived from the SHRA-reported average public subsidy per unit of $101,270 and the fee obligation applicable to a 2,000 square foot market rate unit of $7,820 (=2,000 sf x $3.91 / sf). The inclusionary percentage that would result in the fee being fully credited is 7.17%, representing the affordable units sufficient to fully credit the Affordability Fee obligation as a percentage of total market rate and affordable units (7.17% = $7,820 / ($101,270 + $7,820).

- **Per Market Rate Unit**: West Sacramento and Elk Grove assess fees per market rate unit.
- **Per Affordable Unit Owed**: Sutter County, Yolo County and Davis assess fees on a per affordable unit owed basis.

5. **In-Lieu Fee Rates.** Chart 1 provides a comparison of in-lieu fee and impact fee rates in the SACOG region. For ease of comparison, per unit fees are converted to an equivalent per square foot rate using a 2,000 square foot single family home as the basis (selected since most residential development in the County has been single family).

Chart 1. Comparison of In-Lieu Fee and Affordable Housing Impact Fee Rates ($/square foot)



** Fee converted to equivalent $/sf based on a 2,000 sf for-sale unit and the applicable set-aside percentage. Underlying fees are stated per market unit (Elk Grove, West Sacramento) or per affordable unit owed (Davis, Sutter County, Yolo County).*
Note: Excludes jurisdictions that do not have adopted fee schedules.

- Fees in approximately the $3 to $4 per square foot range are most common in the SACOG region. This includes the County ($3.91 psf), the City of Sacramento ($3.56 psf), Elk Grove ($3.18 psf), Folsom ($3 psf), West Sacramento ($3.85 psf), and Placer County ($2.84 psf proposed for FY 26-27). Fees in this range are typically less costly than providing units onsite, and developers will generally select fee payment over unit provision when given a choice. Fee levels may change in Placer County and Elk Grove, as both have initiated studies to support updates to their programs.

- Davis has substantially higher fees than other jurisdictions, with a $250,000 per affordable unit owed rate, which converts to $18.75 per square foot based on a 2,000 square foot home[2]. Fees recommended by the Loomis Planning Commission in 2025 also exceed other jurisdictions at $10 to $11 per square foot, depending on tenure, but are not yet adopted.

- Sutter and Yolo County have lower fees that equate to $1.11 and $1.29 per square foot, respectively, when expressed per square foot. However, neither allow fee payment by right.

6. **Alternative Compliance Options.** Most programs offer a range of compliance options, including land dedication and offsite construction. Some jurisdictions also allow acquisition and rehabilitation of existing affordable units, preservation of existing affordable units, and custom proposals. Most alternative compliance options require approval by the applicable jurisdiction.

AFFORDABLE HOUSING REQUIREMENTS BY JURISDICTION

Affordable housing requirements applicable to residential development in each of the jurisdictions are described below and summarized in Table 2. Information is drawn from ordinances, fee resolutions, staff reports, and Housing Element documents. Provisions are simplified for comparison purposes. Programs are updated from time to time, and it is possible some will have been updated following KMA's review. For any use beyond a general comparison, please consult source documents or agency staff.

A. Affordable Housing Impact Fee Programs

Three jurisdictions – the City of Sacramento, the City of Elk Grove, and Sacramento County have affordable housing programs structured as impact fees.

Sacramento County. The County's existing Affordable Housing Ordinance (AHO) assesses a fee of $3.91 per square foot of new market rate residential development. Projects receive credit toward the fee from providing affordable units on-site based on an average per-unit subsidy determined by SHRA. The fee may be paid by right.

---

[2] Assuming a lot size of less than 5,000 square feet.

City of Sacramento. Sacramento's program charges a base fee of $3.56 per square foot of new market rate residential development and offers a 10% onsite option at Low income affordability as an alternative to fee payment. A reduced fee of $1.54 per square foot applies in designated housing incentive zones. A $0 rate applies to single family projects of 20 units per acre or more and multifamily projects built to a density of 40 units per acre or more. An updated feasibility study was prepared and considered by the Sacramento City Council in December 2025, which at that time declined to move forward with an update to the program.

Elk Grove. Elk Grove assesses a per-unit flat fee rather than a per-square-foot fee: $6,354 per unit for single-family projects (one to two units) and $3,812 per unit for multifamily projects (three or more units). No onsite option is provided. An update to the program is currently in progress.

B. Inclusionary Programs with Onsite Requirements and In-Lieu Fee Options

Ten jurisdictions have inclusionary programs with onsite unit requirements and, in most cases, in-lieu fee options.

Folsom. Folsom requires for-sale projects to set aside 10% of units at Very Low and Low income prices. Requirements do not apply to rentals at all. Projects may pay an in-lieu fee by right of $3.00 per square foot. A $2.50 per square foot rate applies to multifamily for-sale units that are 1,500 square feet or less. Folsom's in-lieu fee was previously set at 1% of the lowest market sales price in the project and was revised in February 2026 to the current per square foot structure.

Loomis. Loomis adopted an inclusionary program requiring 10% of units to be affordable onsite in 2022. For-sale projects must provide units at Low income and rental projects must provide 5% at Very Low income and 5% at Low income. In-lieu fee payments are allowed only for projects with five to nine units and for fractional unit obligations. An in-lieu fee schedule is not yet adopted. A study was completed and, based on the study, the Planning Commission recommended in-lieu fees of $10 per square foot for for-sale projects and $11 per square foot for rental projects, which were considered by the Town Council in May 2025 but not adopted. Instead the Town Council directed staff to schedule a combined workshop with the Town Council and Planning Commission.

Placer County. Placer County has a 10% onsite requirement applicable to both for-sale and rental projects. Projects with fewer than 100 units may pay an in-lieu fee of $2.84 per square foot (proposed FY 26-27 rate) by right; fee payment requires approval for projects with 100 units or more. Placer County recently completed a nexus study to support potential program updates.

Sutter County. Sutter County's inclusionary ordinance requires 5% of units in projects of 10 or more to be affordable at Moderate income or below. Use of the option to pay an in-lieu fee equivalent to $44,300 per affordable unit (and calculated as 10% of CA HOME single family maximum purchase price for Sutter County) is subject to approval by the Planning Commission. For a 2,000 square foot home, the fee equates to approximately $1.11 per square foot.

Yolo County. Yolo County requires for-sale projects of 10 or more units to provide 20% affordable units split between Low and Moderate income. Rental projects of 20 or more units must provide 35% affordable units (25% Very Low and 10% Low income), while smaller rental projects of 7 to 19 units must provide 25% (15% Very Low and 10% Low income). Projects below these thresholds pay an in-lieu fee: $12,920 per for-sale unit owed and $17,610 per rental unit owed. For a 2,000 square foot home, the fee is equivalent to approximately $1.29 per square foot. Use of the in-lieu fee requires Board approval.

Davis. The affordable unit set-aside requirements in Davis vary by product type: 25% for single-family detached on lots over 5,000 square feet, 15% for detached homes with lots of 5,000 square feet and below, 10% for attached for-sale, and 5% for stacked condominiums. Rental projects must set aside 15% of units. For-sale units target Moderate income, while rental units target a 50/50 mix of Very Low and Low income. The in-lieu fee is $250,000 per affordable unit owed. For a 2,000 square foot single family home with a lot size less than 5,000 square feet, the fee is equivalent to approximately $18.75 per square foot. The fee is available by right for rental projects and requires approval for for-sale projects. For-sale projects with more than 200 units must meet at least half of the obligation on-site.

West Sacramento. West Sacramento requires 10% of units to be affordable in projects of five or more units. For-sale projects target Low income while rental projects target a mix of Very Low (5%) and Low (5%) income. The City has an in-lieu fee of $7,699 per market-rate unit, with use of this compliance option subject to City Council approval, which in practice has commonly been given.

Rocklin. Rocklin adopted an interim inclusionary ordinance in 2025 applicable to projects of 10 or more units. The interim ordinance requires 15% Low income, or 10% Very Low income, or 5% Extremely Low income units. No in-lieu fee has been adopted under the interim ordinance. KMA has prepared a feasibility and nexus study for Rocklin and has recommended a permanent ordinance with a 5% Low income set-aside and a $5 per square foot in-lieu fee available by right; however, a permanent ordinance to replace the current interim ordinance has not yet been adopted.

Winters. Winters requires 15% of units in projects of five or more to be affordable: 6% at Very Low income and 9% at Low or Moderate income. It appears no in-lieu fee schedule has been adopted based on a review of information available on the City's website. Use of the in-lieu fee option requires City approval.

Woodland. Woodland requires 10% of units to be affordable at Low income in for-sale projects of 10 or more units and rental projects of 20 or more units. Reduced requirements apply in certain mixed-use and commercial zones, which sunset after the later of two years from adoption (2022) or issuance of 400 building permits in the applicable zones, after which citywide standards apply. It appears no in-lieu fee schedule has been adopted based on a review of information available on the City's website. Use of the in-lieu fee option requires either a demonstration of infeasibility to the City Council or a finding by the Community Development Director that fee payment would accomplish the ordinance's objectives.

C. Other Affordable Housing Requirements (No Formal Inclusionary Program)

Roseville and Rancho Cordova do not have formal inclusionary housing programs but do have policies to implement affordable housing requirements through development agreements for larger master plans and specific plans.

Roseville. The City's General Plan establishes a goal that 10% of all new housing will be affordable to moderate, low, and very low income households, which is implemented through Specific Plans on a parcel-by-parcel basis. In-lieu fees are allowed in limited cases and are calculated based on an affordability gap analysis. Off-site construction within high-density rental tax credit projects is a permitted alternative to onsite affordable units.

Rancho Cordova. The City's Housing Element requires new residential projects in newly developing areas (generally south of Highway 50) to include an Affordable Housing Plan identifying how the project will contribute to affordable housing production. These areas are generally high-resource areas, reflecting a goal of including affordable housing in high-opportunity locations. Compliance options include onsite affordable units, land dedication, rehabilitation of existing affordable units, and in-lieu fees.

SACOG region jurisdictions for which no inclusionary or residential affordable housing impact fee program was identified include Galt, Isleton, Lincoln, Auburn, Colfax, Citrus Heights, Live Oak, Yuba City, Marysville, Wheatland, Placerville, El Dorado County, and Yuba County.

Household Income Categories

Household income categories discussed in this memo are defined by the California Department of Housing and Community Development (HCD) in relation to the Area Median Income (AMI):

- Extremely Low Income: households earning up to 30% of AMI;
- Very Low Income: households earning over 30%, up to 50% of AMI;
- Low Income: households earning over 50% of AMI, up to 80% of AMI; and
- Moderate Income: households earning over 80% of AMI, up to 120% of AMI.

The 2025 median income for a family of four in Sacramento County is $120,800 (2026 income limits were not yet released). Table 1 identifies income limits for each income category and household size.

Table 1. 2025 Sacramento County Income Limits

		Household Size (Persons)					
Income Category	**% of AMI**	**1**	**2**	**3**	**4**	**5**	**6**
Extremely Low Income	30% AMI	$27,050	$30,900	$34,750	$38,600	$41,700	$44,800
Very Low Income	50% AMI	$45,050	$51,450	$57,900	$64,300	$69,450	$74,600
Low Income	80% AMI	$72,050	$82,350	$92,650	$102,900	$111,150	$119,400
Median Income	100% AMI	$84,550	$96,650	$108,700	$120,800	$130,450	$140,150
Moderate Income	120% AMI	$101,450	$115,950	$130,450	$144,950	$156,550	$168,150

Source: California Department of Housing and Community Development, 2025 Income Limits.
AMI = Area Median Income

Table 2. Summary of Inclusionary and Affordable Housing Impact Fee Programs Applicable to Residential Development: SACOG Region

Jurisdiction	Program Type	Percent Affordable Units for On-Site Option or Requirement	Affordability Level of Provided Units	Smallest Project Subject to Ordinance	In-Lieu or Impact Fee Rate	Equivalent psf rate based on 2,000 sf Single Family Unit	Fee by Right? (Y/N)	Last Ordinance Update
Counties								
Placer	Incl.	10%	Specific Plan/Master Plan: VL (4%), Low (4%), Mod (2%); Other: FS: 10% Mod; R: 4% VL, 6% Low	8 units	$2.84 psf (FY 26-27 proposed)	$2.84	Yes if < 100 units, subject to approval if 100+ units	2020 (update in progress)
Sacramento	Fee	~7% on-site to receive full credit for Affordability Fee assuming 2,000 sf homes	Fee Credit: R: 20% VL; 80% Low; FS: Low	1 unit	$3.91 psf	$3.91	Yes	2014
Sutter	Incl.	5%	FS: 5% Mod or Low R: 2.5% VL and 2.5% Low	10 units	$44,300 / aff unit owed	$1.11	No, subject to PC approval.	1995
Yolo	Incl.	FS: 20% R 7-19 units: 25% R: 20+ units: 35%	FS: 10% Low + 10% Mod; R ≥20 units: 25% VL + 10% Low; R < 20 units: 15% VL + 10% Low.	1 unit	FS: $12,920; R: $17,610 / aff unit owed (sliding scale for smaller projects)	$1.29	No except FS projects <10 units, R< 7 units. Others w/ infeasibility finding + approval	2015
Cities								
Davis	Incl.	FS: 25%: SFD > 5,000 sf lots 15%: SFD lots <5,000 sf 10%: Attached FS 5%: Stacked condo R: 15%	FS: Mod R: VL (50%), Low (50%) and avg at 65% AMI	FS: 5 units R: 7 units	$250,000 / affordable unit owed	$18.75 (assumes <5,000 sf lots)	FS: No and projects > 200 units must provide half on-site; Rentals: Yes	2023 and 2025 for rental guidelines

Table 2. Summary of Inclusionary and Affordable Housing Impact Fee Programs Applicable to Residential Development: SACOG Region

Jurisdiction	Program Type	Percent Affordable Units for On-Site Option or Requirement	Affordability Level of Provided Units	Smallest Project Subject to Ordinance	In-Lieu or Impact Fee Rate	Equivalent psf rate based on 2,000 sf Single Family Unit	Fee by Right? (Y/N)	Last Ordinance Update
Elk Grove	Fee	none	none	1 unit	MF: $3,812; SF:$6,354/ market unit	$3.18	Yes	2013 (update in progress)
Folsom	Incl.	10% (FS only)	VL (3%), Low (7%)	10 units	FS only: $3.00 psf, $2.50 for multifamily for-sale units of 1,500 sf or less.	$3.00	Yes	2026
Loomis	Incl.	10%	FS: Low; R: VL (5%), Low (5%)	5 units	SF: $10; R: $11 psf (PC recommended; not adopted)	$11 (not adopted)	No; only for projects 5-9 units and fractional requirements	2022
Rancho Cordova	HE Policy	case-by-case through specific plans	n/a	n/a	Negotiated. Sample of affordable housing plans shows range of ~$2,500 to $7,300 per market unit	n/a	Determined case-by-case for specific plans	n/a
Rocklin (interim ordinance)	Incl.	15% Low or 10% VL or 5% ELI	Low or below	10 units	none adopted	n/a	No, only with Council approval	2025
Rocklin - KMA Recommended	Incl.	5% Low	Low	10 units	$5/sf	$5.00	Yes	TBD

Table 2. Summary of Inclusionary and Affordable Housing Impact Fee Programs Applicable to Residential Development: SACOG Region

Jurisdiction	Program Type	Percent Affordable Units for On-Site Option or Requirement	Affordability Level of Provided Units	Smallest Project Subject to Ordinance	In-Lieu or Impact Fee Rate	Equivalent psf rate based on 2,000 sf Single Family Unit	Fee by Right? (Y/N)	Last Ordinance Update
Roseville	GP goal	10% implemented through specific plans	FS: 10% (4% VL, 4% L, 2% Mod) R: 10% (5% Low, 5% VL)	n/a	Case-by-case		No, case-by-case and rarely used.	1988
Sacramento	Fee	10%	Low	1 unit	$3.56 psf; $1.54 in incentive zone; $0 for higher density (20+ dua for single family 40+ for multifamily)	$3.56	Yes	2015 (2025 update was proposed but not adopted)
West Sacramento	Incl.	10%	FS: Low (10%); R: VL (5%), Low (5%)	5 units	$7,699/ mkt unit	$3.85	No, requires council approval	2020
Winters	Incl.	15%	VL (6%); Low or Mod (9%)	5 units	no adopted in-lieu fee schedule	n/a	No	2017
Woodland	Incl.	10%; 5% at max density (FS) or for 31-80 unit projects in designated mixed-use/commercial zones	Low	FS: 10 units R: 20 units; Certain mixed-use zones: 31 units (FS & R)	no adopted in-lieu fee schedule	n/a	No, requires infeasibility or director finding	2025

FS=for-sale; R=Rental; Incl.=Inclusionary; Fee = impact fee; HE = Housing Element; GP = General Plan; VL = Very Low; Mod = Moderate; dua = dwelling units per acre.
SACOG region jurisdictions with no program: Galt, Isleton, Lincoln, Auburn, Colfax, Citrus Heights, Live Oak, Yuba City, Marysville, Wheatland, Placerville, El Dorado County, and Yuba County. Program terms are simplified for purposes of this summary. Consult jurisdiction code, fee schedules and jurisdiction staff for any use beyond a general comparison.