

## BOARD OF ALDERMEN

ITEM NO. C(2)

### AGENDA ITEM ABSTRACT

MEETING DATE: Tuesday, February 21, 2012

**TITLE: Follow-Up to Request from Community Home Trust and Request-to-Set a Public Hearing on an LUO Text Amendment – Relating to the Definition of Affordable Units**

<b>DEPARTMENT: PLANNING</b>	<b>PUBLIC HEARING: YES <u>X</u> NO <u>  </u></b>
<b>ATTACHMENTS:</b> <b>A. Resolution</b> <b>B. Memo from Community Home Trust, 2-7-12</b> <b>C. Land Use Ordinance Amendment Request</b> <b>D. Fee Waiver Policy</b> <b>E. Draft Ordinance</b> <b>F. LUO Excerpt Section 15-182.4</b>	<b>FOR INFORMATION CONTACT:</b> Patricia McGuire – <b>918-7327</b> Mike Brough – <b>929-3905</b>

#### **PURPOSE**

On February 7<sup>th</sup>, Community Home Trust staff Robert Dowling and Anita Badrock submitted a request to the Board of Aldermen regarding the pricing of affordable housing units in relation to the Ballentine subdivision. The Board directed staff to follow-up and place on an upcoming agenda.

#### **INFORMATION**

The Community Home Trust memo (*Attachment B*) requested action on three items:

- 1) Amending the Land Use Ordinance so that two of the designated affordable homes in the Ballentine subdivision can be sold to buyers whose income is higher than 80 percent of the Area Median Income (to be completed before the end of March)
- 2) Allowing the developer of the Ballentine subdivision to make a reasonable payment in lieu for the final two townhomes that will be part of a mixed building of market rate and affordable townhomes (June 30, 2012 is the requested date for completion).
- 3) Modifying the performance scheduled for the pace of completing the second phase of affordable housing components of the development (June 30, 2012 is the requested date for completion).

A request to amend the Land Use Ordinance in relation to the first item was submitted on January 27, 2012, and scheduled on the Calendar of Agenda Items for February 21<sup>st</sup> and March 27<sup>th</sup> (request-to-set and public hearing, respectively). A copy of the amendment request is attached (*Attachment C*). Mr. Dowling inquired about a mechanism for waiver of the \$425 fee for land use ordinance text amendments. A copy of the Town's Fee Waiver Policy, which relates to the waiver of fees associated with affordable housing providers, is attached (*Attachment D*). The policy does not reference waiver of fees for items other than permits and engineering fees.

The Board of Aldermen discussed the Community Homes Trust request and directed that staff attempt to obtain a waiver from Orange County to reduce the review time of the ordinance

amendment to no less than 10 days and if so attempt to schedule a public hearing on the amendment for February 28<sup>th</sup>. If the waiver could not be obtained, a public hearing date of March 20<sup>th</sup> was identified. Staff has evaluated the schedule further and determined that of the two choices, March 20<sup>th</sup> is the earliest possible hearing date due to public notice and Planning Board review requirements.

Staff comments on the requested actions is as follows:

1. Draft ordinance has been prepared. The ordinance, if adopted, would allow up to 20 percent of for-sale affordable housing units provided to be provided at a price up to 100 percent of the median family income. Staff notes that this provision would apply where a developer is providing at least five affordable units; for any smaller number 20 percent yields less than a whole number. The relevant LUO section is attached (*Attachment F*).
- 2, 3 Staff has discussed this request with Jeremy Medlin of M/I Homes and expects to receive an application for a minor modification of the Ballentine CUP in time for the Board to review in conjunction with a public hearing on the draft ordinance described above. The expected date of the public hearing is March 20, 2012.

The draft ordinance must be referred to Orange County and the Planning Board.

### **STAFF AND FISCAL IMPACT**

Public hearings involve costs for staff and attorney time, and public notice. Mr. Dowling has requested a waiver of the fee for amending the Land Use Ordinance. The application fee for a modification fee for the Community Home Trust is expected to be covered by permit holder, M/I Homes.

### **RECOMMENDATION**

The staff recommends that the Board of Aldermen consider the resolution setting a public hearing on March 20<sup>th</sup> and referring the draft ordinance for Planning Board and Orange County review. The resolution also amends the fee waiver policy to allow the waiver of fees for text amendments.