

## BOARD OF ALDERMEN

ITEM NO.D(1)

### AGENDA ITEM ABSTRACT

**MEETING DATE: March 20, 2012**

**TITLE: Public Hearing on a Land Use Ordinance Text Amendment Relating to the Definition of Affordable Housing Units**

<b>DEPARTMENT: PLANNING</b>	<b>PUBLIC HEARING: YES</b>
<b>ATTACHMENTS:</b> <ul style="list-style-type: none"><li><b>A. Consistency Resolutions</b></li><li><b>B. Draft Ordinance</b></li><li><b>C. Land Use Ordinance Amendment Request</b></li><li><b>D. Memo from Community Home Trust, 2-7-12</b></li><li><b>E. LUO Excerpt Section 15-182.4</b></li><li><b>F. Resolution granting waiver of application fee</b></li><li><b>G. Recommendation from Planning Board</b></li></ul>	<b>Patricia McGuire – 918-7327</b> <b>Mike Brough – 929-3905</b> <b>Christina Moon – 918-7325</b>

#### **PURPOSE**

The Town received a request from Community Home Trust to amend the Land Use Ordinance relating to the price of affordable housing units. A draft ordinance making the requested changes has been prepared. The Board must receive public comment before taking action on the draft ordinance.

#### **INFORMATION**

On January 27<sup>th</sup>, Community Home Trust (Home Trust) submitted a request to amend the Land Use Ordinance (LUO) to allow up to 25 percent of affording housing units to be made available, for sale, to a family whose income exceeds 80 percent of the area median income (AMI) (*Attachment C*). On February 7<sup>th</sup>, Home Trust submitted a request to the Board of Aldermen, specific to the Ballentine subdivision, to allow two of the designated affordable homes in the subdivision to be sold to buyers earning up to 115 percent percent of the AMI (*Attachment D*). Home Trust further asked for an expedited amendment review process to allow for the sale of these two units by the end of March.

Section 15-182.4 of the LUO currently provides for a residential density bonus through the construction of affordable housing, whereby 15 percent of housing in the new development is offered for rent or for sale at a price that does not exceed the affordable amount for a family earning 80 percent of the AMI (*Attachment E*). The draft ordinance, if adopted, would amend sections 15.182.4(b)(1) and 15.182.4(b)(2) to allow 25 percent of the affordable housing units (roughly 4 percent of the total number of the housing units in the development) to be sold to households earning between 80 and 115 percent of the AMI. The proposed ordinance would only apply to

those projects where the developer is providing at least four affordable units; the 25 percent allowance for projects requiring fewer affordable units would result in less than a whole number.

Staff are discussing the other actions noted in the CHT February 7 memo. Follow-up is expected to be scheduled during the current fiscal year.

### **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 Revisions to the Town's Fee Waiver Policy, included in this meeting's consent agenda as Item B -, allow the Board of Aldermen to consider waiving fees for land use ordinance text amendments initiated by nono-profit entities in the business of providing affordable housing units. A resolution granting a waiver of the application fee is attached (*Attachment F*).

### **STAFF RECOMMENDATION**

Staff recommend that the Board of Aldermen, adopt the resolution finding consistency and the draft ordinance (*Attachments A-1 and B* ).