

BOARD OF ALDERMEN

ITEM NO. B(4)

AGENDA ITEM ABSTRACT

MEETING DATE: June 26, 2012

TITLE: Public Hearing on a Land Use Ordinance Text Amendment Relating to Payments-in-Lieu for Affordable Housing Units

DEPARTMENT: PLANNING	PUBLIC HEARING: YES <u>X</u> NO <u> </u>
ATTACHMENTS: <ul style="list-style-type: none">A. Consistency ResolutionsB. Draft OrdinanceC. Land Use Ordinance RequestD. Memo from Community Home Trust, 2-7-12E. LUO Excerpt Section 15-54.1F. Resolution setting an affordable housing payment in-lieu fee in the Miscellaneous Fees and Charges ScheduleG. Resolution granting waiver of application feeH. Recommendations from Planning Board and Orange County	FOR MORE INFORMATION CONTACT: Patricia McGuire – 918-7327 Mike Brough – 929-3905 Tina Moon – 918-7325

PURPOSE

The Town received a request from Community Home Trust to amend the Land Use Ordinance relating to the payment-in-lieu fee for 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 February 7th, Robert Dowling and Anita Badrock, staff with the Community Home Trust submitted a memo to the Board of Aldermen requesting action specific to the sale of affordable housing units in the Ballentine subdivision (*Attachment D*). The request included three parts: 1) amending the ordinance to allow units to be sold to buyers whose income exceeds 80% of the Area Median Income, 2) allowing the developer of the Ballentine subdivision to make a reasonable payment in lieu for two townhomes, and 3) modifying the performance scheduled for the pace of completing the second phase of the affordable housing component of the project. This agenda item responds to item 2.

The current payment in-lieu option is provided for in Section 15-54.1 of the Land Use Ordinance (*Attachment E*). Subsection 15-41.1(b)(4) describes the mechanism used for determining the appropriate payment based on the average subsidy for affordable housing units developed in Orange County in the previous year. Staff from the Community Home Trust have indicated the need to modify the in-lieu-of payment for this project to order for the two townhouses, planned as affordable units, to be sold at market rate so long as a reasonable payment-in-lieu is made. A draft ordinance changing the

method for calculating the payment is provided (*Attachment B*). Staff is still collecting confirming information related to construction costs from local developers. Details will be provided at the hearing.

FISCAL IMPACT

Public hearings involve costs for staff and attorney time, and public notice. Mr. Dowling has also requested a waiver of the fee for amending the Land Use Ordinance. A resolution granting a waiver of the application fee is attached (*Attachment F*).

STAFF RECOMMENDATION

Staff recommends that the Board of Aldermen, adopt the resolution finding consistency and the draft ordinance (*Attachments A-1 and B*), adopt the resolution to establish the payment-in-lieu fee as a new fee in the Miscellaneous Fees and Charges Schedule (*Attachment F*) and adopt the resolution to waive the cost of the text amendment (*Attachment G*).