

**Affordable Housing Task Force  
Final Proposal**

**1. Affirmation of the Affordable Housing Goals.**

- a. At any point in time, a minimum of 12½% of the housing units in Davidson shall be affordable.
- b. In the case of newly constructed housing, the Town has a goal of providing the following distribution of that 12½% affordable housing.
  - i. 30% to very low income households, those with less than 50% of the area's median income (AMI).
  - ii. 50%–70% to low income households, those with between 50% and 80% of the AMI.
  - iii. 0%–20% to moderate income households, those with between 80% and 120% of the AMI.
- c. The Town is willing to assist in the provision of affordable housing in order to secure the benefits from a diverse housing stock.
- d. The owners/occupants of such affordable housing will also participate in the provision of the affordable housing, although the means of that participation will vary with the method of its provision. For example, the property owner may accept less-than-market rate property appreciation or a tenant may accept fewer amenities.
- e. The Town, affordable housing nonprofits, and developers will employ a variety of tools to meet the affordability goals, to match the characteristics of each project, to fulfill the town's housing needs, to maintain the Town's investment, and to eliminate substandard housing.
- f. Affordable housing will be dispersed throughout the Town.
- g. Affordable housing will be designed to be complementary to the neighborhood.
- h. The affordable housing program will acknowledge the value of homeownership, accommodate the need for rental housing, and direct development in order to maintain stable neighborhoods.

**2. The following statements define an “approved affordable housing nonprofit”.**

- a. “An affordable housing nonprofit” is either a 501C(3) nonprofit or a governmental agency with a primary purpose to assist people in securing affordable housing.
- b. To become “approved”, the affordable housing nonprofit must present to the Town Board for its approval a plan describing how it will participate in meeting the goals listed in Section 1.
- c. To maintain its status as “approved”, the affordable housing nonprofit must report to the Town Board annually on its progress in meeting that plan as well as its progress in fulfilling the obligations it has undertaken under agreement with developers under Section 5.

**3. The following affordable housing obligations apply to all new development proposals that include some residential component.**

- a. Developers must provide 12½% of the finished residential units as affordable units as described in either subsection (b) or (c) below.

- b. Developers building 7 or fewer units must either build one affordable unit or pay a fee to the Town of Davidson based upon the formula below. The Town of Davidson must use the mitigation payments solely for the acquisition of land for, or the construction of, affordable housing.

$$\text{Fee} = (X/8)C$$

where X = the number of units

C = the average cost of materials for a house constructed by *Our Towns Habitat for Humanity*.

- c. Developers building 8 units or more must include with the materials submitted to the Planning Board and to the Town Board for the approval of those Boards either:
  - i. An affordable housing plan with the details described in Section 4.
  - ii. A letter signed by both the developer and the executive director of an approved affordable housing nonprofit with the details described in Section 5.

As with any component of a development proposal, the Planning Director will provide an assessment of these materials to the Planning Board and to the Town Board.

- d. Unless otherwise approved by the Town Board, the following household sizes and unit sizes for affordable housing are defined:

Type	Bathrooms	Minimum Square Footage		
		People	Attached Units	Detached Units
Efficiency	1	1	350	-
1 Bedroom	1	1-2	550	900
2 Bedroom	1	2-4	750	1,000
3 Bedroom	2	4-6	950	1,100
4 Bedroom	2	6-8	1,050	1,200

- e. The Town may assess the civil penalties prescribed by the ordinance for violations of Sections 3, 4, and 5.

**4. Components required for an affordable housing plan.**

- a. The plan will describe how 12½% of the finished units will be affordable in a manner that conforms to the Town’s goals outlined in Section 1. The table below summarizes some of the possibilities for meeting the Town’s goal of the distribution of new affordable housing.

Number of New Affordable Units:	The number of units to be affordable by households with income (I):		
	I < 50% AMI	50% AMI ≤ I < 80% AMI	80% AMI ≤ I < 120% AMI
1	0 – 1	0 – 1	0
2	0 – 2	0 – 2	0
3	1	2	0
4	1 – 2	2 – 3	0
5	1 – 2	2 – 4	0 – 1
6	2	3 – 4	0 – 1
7	2 – 3	3 – 5	0 – 1
8	2 – 3	4 – 6	0 – 1
9	3	5 – 6	0 – 1
10	3 – 4	5 – 7	0 – 2
11	3 – 4	5 – 8	0 – 2

12	4	6-8	0-2
13	4-5	6-9	0-2
14	4-5	7-10	0-2
15	5	7-10	0-3
And so on			

b. Further, the plan must describe:

- i. How the affordable housing will be designed to be complementary to the neighborhood.
- ii. How the phasing of the affordable units will be proportional to the number of residential units in each preliminary plat except that the certificates of occupancy (CO) for the last 10% of the market rate units in the project will be not be issued until the COs have been issued for all of the affordable units.
- iii. The mechanism(s) the developer will employ to ensure that the units remain affordable to the targeted households for a minimum of 30 years.
- iv. The mechanism(s) the developer will employ to ensure that the designated units are and remain occupied by the targeted households for a minimum of 30 years; this may include a separate written agreement with an approved affordable housing nonprofit.
- v. The mechanism(s) by which the Town Planning Staff can monitor and verify the provisions of the affordable housing plan.

**5. Components required for a letter signed by both the developer and the executive director of an approved affordable housing nonprofit.**

- a. The nonprofit agrees to assume the obligations of the developer to provide affordable housing under this ordinance.
- b. The details of the financial agreement between the developer and the nonprofit so that the Town can be assured that the developer will compensate the nonprofit adequately for meeting those obligations including but not limited to property acquisition, unit construction, marketing expenses, and homeowner education.
- c. The letter will include the acknowledgement that, in addition to any other legal consequences, upon the determination that the developer has failed to fulfill the agreement with the nonprofit the approval for the development and any certificates of occupancy for unoccupied units are automatically revoked.