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Overview: Affordable Housing Regulations and Policies

April 27, 2005

Following is an overview of the Town's affordable housing regulations and policies, as set forth in the following documents and practices:

- Comprehensive Plan Goal
- Council Expectations Regarding Zoning Changes
- Regulations of the Land Use Management Ordinance
- Modification of Regulations – Additional Finding for Special Use Permit Applications Not Meeting Regulations

Comprehensive Plan Goal

The Town's Comprehensive Plan contains the following language: "The Town shall encourage developers of residential developments of 5 or more units to (a) provide 15 percent of their units at prices affordable to low and moderate income households, (b) contribute in-lieu-fees, or (c) propose alternative measures so that the equivalent of 15 percent of their units will be available and affordable to low and moderate income households."

In the case of a Special Use Permit application, the Council needs to make a determination regarding whether or not the proposed development conforms with the Comprehensive Plan. The affordable housing goal is a component of the Comprehensive Plan, and may be a component of the Council's determination.

Council Expectations Regarding Zoning Changes

On March 6, 2000, the Town Council adopted a resolution that stated the Council's expectations for affordable housing as a component of new residential development proposals accompanied with a rezoning application. The resolution stated the Comprehensive Plan goals regarding affordable housing and the Council's expectation that applicants seeking approval of rezoning applications containing a residential component will incorporate a 15% affordable feature into their plans, and that mechanisms will be proposed to assure ongoing affordability of the dwelling units. A zoning change is a legislative decision and as such is a discretionary decision by the Town Council.

Regulations of the Land Use Management Ordinance

Current Land Use Management Ordinance regulations specify that, for a major development proposing 5 or more single-family or two-family lots, at least 25% of the dwelling units shall be restricted in size to no more than 1,350 square feet of floor area for a 30-month period. The regulations, modified last December, specify that in

calculating how many such houses are to be required, the total number of lots is multiplied by .25, and resulting fractions are rounded up.

In lieu of providing size restrictions for 25% of the homes in a new subdivision, a developer may offer and the Council may choose to accept 15% affordable units. If the Council authorizes the provision of 15% affordable units, at least 15% of the dwelling units of a major subdivision must be priced to be affordable to individuals and families who have incomes at or below 80% of the area median income for a family of four. The regulations, as modified last December, state that resulting fractions of units are rounded up.

For major development applications which propose to create 5-12 residential lots, the applicant may propose and the Town Council may authorize a payment to the Town to fund affordable housing initiatives (in lieu of small or affordable houses on the ground). The regulations specify that the resulting fractions are not dropped in calculating the payment. For example: In a 10-lot subdivision, if a developer proposed and the Council authorized a payment-in-lieu of providing affordable housing, 15% would be 1.5 houses. And, if the estimate of funding that would be needed to make an affordable homeownership opportunity available in the proposed development were to be \$100,000, then the payment amount would be \$150,000 ($1.5 \times \$100,000 = \$150,000$). Resulting fractions would not be dropped in calculating the payment.

Modification of Regulations – Additional Finding for Some Special Use Permit Applications

When considering any Special Use Permit application, the Town Council must make four findings. One of those findings is whether the development achieves the objectives of the Comprehensive Plan. A goal of the Comprehensive Plan, as noted above, encourages residential development to have 15% of the dwelling units as affordable.

Occasionally, an applicant will propose development that does not meet all of the regulations in the Land Use Management Ordinance, and accordingly ask the Council to modify regulations for the site. The Ordinance contains a provision that allows the Council to so modify regulations, if it makes a finding that public purposes would be satisfied to an equivalent or greater degree. This then becomes an additional finding. This public purpose finding is a discretionary decision by the Town Council.

If affordable housing, or a payment-in-lieu, is proposed, the Council may find that public purposes are satisfied to an equivalent or greater degree because of an affordable housing offering.