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**Preliminary Notes on Inclusionary Zoning Section, Chris S. Berndt, 9/28/01**

Findings and Purpose: be consistent in applying the ordinance to low income households (less than 80% of area median by family size), as stated in our Comprehensive Plan. May be best to say applies to very low and low income households (that would cover less than 50% and less than 80%). These follow HUD definitions.

The purpose could include a reference to implementing the goals **and** action strategies of the Comprehensive Plan.

3.10.1:

(c) seems too restrictive on the rental front. We have already negotiated provision of rental units in one case, not owned by a public entity. Also, the language does not provide for the potential to use nonprofits as owning the housing.

3.10.2:

(a): why call them equivalent residential units. Also do not understand the definition in the ordinance. Suggest just using simple language. Is the intent to establish minimum size of units in the definition??

3.10.3:

(a): how did we arrive at \$20,000/\$15,000? Need a rationale. Number could be higher if it is based on the difference between market and subsidized affordable. It is good to have the annual escalator.

(b) no section?

(d): Interested in exploring the relationship of this fund to the First Option Fund we are now developing for Council consideration, pursuant to Comprehensive Plan. I would like to see revenues from affordable housing fund be able to be used for the first option purpose also. Funds generated by the Development Ordinance provisions should be controlled by the Town Council, rather than being directly given to nonprofits as is now the case.

3.10.4:

(c)(2): land dedication shall be located in the Chapel Hill urban services area (town limits is too restrictive).

(d): dedication of existing units ok if units are rehabilitated to standards approved by the Town Manager. Also, units should not be pre-existing affordable housing (ie, take away from existing affordable stock, or already managed for that purpose).

3.10.4:

(11)

(b): how affordability determined not clear. Why maximum rent deleted? Suggest rents follow Section 8 limits published by HUD. Also, maximum income should be the HUD income limits—why the 10% greater? (Definitions section also has this provision).

3.10.5:

(b) again a reference to 10% higher??

©: asset limits would be established by Council??

(e) and (f): why deleted??

**\*\*Big questions in remainder of ordinance is how resales and rents will be monitored/managed over time to ensure continued affordability. The issue of “permanent affordability” needs to be addressed (for example, Boulder’s ordinance contemplates permanent affordability for both rental and owner-occupied units). Would like further discussion on these points.**