

CHAPTER 1376

Affordable Housing Standards

Because the remaining land appropriate for new residential development in the City is limited, and because there is a documented shortage of affordable housing that is available to low-income and very low-income households in the City, it is essential that a reasonable proportion of such land be developed into housing units affordable to the City's workforce. The affordable housing section is for the purpose of accommodating and encouraging diverse and balanced neighborhoods with quality, well-designed housing that is affordable to the City's low-income and very low-income residents.

- 1376.01 Compliance required.
- 1376.02 Standards.
- 1376.03 Affordable housing incentives.

CROSS REFERENCES

Zoning and planning in home rule cities – MCLA 117.4i
Regulation of land development and establishment of districts; provisions; uniformity of regulations; limitations – MCLA 125.3201

1376.01 COMPLIANCE REQUIRED.

Any project receiving a density bonus or dimensional modification incentive must meet the requirements of this chapter.
(Ord. 822. Passed 1-5-09.)

1376.02 STANDARDS.

Prior to approval of any site plan including a density bonus, applicants must submit documentation indicating compliance with the following:

- (a) **Integration:** Affordable dwelling units shall be constructed on-site dispersed throughout the project.
- (b) **Design:** Affordable units shall be comparable in bedroom mix, design, and overall quality of construction to the market-rate units in the development. The exterior appearance of affordable units shall be visually compatible with the market rate units in the development, and exterior building materials and finishes shall be substantially the same in type and quality for affordable and market-rate units.
- (c) **Phasing.** Affordable housing units shall be constructed concurrently with the market-rate units. If a project is constructed in phases, affordable housing units shall be integrated proportionately in each phase of the project.
- (d) **Long-term affordability:** Affordable housing units shall remain affordable for a period of at least 30 years.
- (e) **Affordability level and pricing:** Maximum rental rates and sale prices shall be established annually by the City based on unit size and household income, as follows:
 - 1. Sale prices for owner-occupied units shall be calculated based on monthly payment including an available fixed rate thirty-year mortgage, a down-payment not exceeding 5% of the purchase price, property tax estimates, homeowner's

insurance, and any applicable condominium association fees. The monthly payment that is used to calculate the sale price shall be no more than 30% of the monthly income of a household earning at or below 80% of the area median income, as determined by HUD and adjusted for household size and corresponding number of bedroom units.

2. Monthly rental rates shall be calculated on the basis of 30% of the gross monthly income of households earning 60% of the area median income, as determined by HUD and adjusted for household size and corresponding number of bedroom units.
 3. In calculating the rental and sales prices of affordable housing units, the following relationship between unit size and household size shall apply.
 - i. Efficiency units: 1-person household
 - ii. One-bedroom units: 2-person household
 - iii. Two-bedroom units: 3-person household
 - iv. Three-bedroom units: 4-person household
 - v. Four-bedroom and larger units: 5-person household
- (f) **Sale or Rent to Eligible Households.** Affordable housing units shall be sold or rented only to qualified households or eligible nonprofits.
- (g) **Sale of Affordable Housing Units:** Affordable housing units for sale as owner-occupied units shall be sold to eligible nonprofits or qualified households as follows:
1. **Eligible housing nonprofit purchase:** An eligible housing nonprofit agency may purchase the affordable housing units for subsequent sale to qualified households. If the affordable housing unit is purchased by an eligible housing nonprofit, the agency shall submit any documents deemed necessary by the City Attorney, including restrictive covenants and other legal documents, to ensure the continued affordability of the units in accordance with this section.
 2. **Private party purchases:** In all other sales of affordable housing units, the parties to the transaction shall execute and record such documentation as necessary to ensure the continued affordability of the affordable housing units in accordance with this section.
- (h) **Rental of Affordable Housing Units:** Rental units shall be rented to and occupied by eligible very-low income households at an affordable cost in keeping with the requirements of this section. If the owner of affordable rental units regulated by this section converts the development to condominiums, the development shall be subject to the for-sale affordable housing requirements of this section.
- (i) **Affordability Agreement.** Prior to issuing approval, an agreement in a form acceptable to the City Attorney that addresses price and resale restrictions, homebuyer or tenant qualifications, procedures for determining eligibility, long-term affordability, and any other applicable topics of the affordable housing units shall be submitted to the Planning Department. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.
- (j) **Failure to Rent or Sell Affordable Housing Units.** For affordable housing units constructed under the terms of this Chapter, marketing begins on the date when the affordable housing unit is completed and available for viewing.
1. If, after 365 days of marketing, an affordable owner-occupied housing unit is not sold to an eligible housing nonprofit or household at or below 80% AMI, the unit

may be marketed as an affordable housing unit for an eligible household with income at or below 100% of the area median income.

2. If, after 365 days of marketing, an affordable rental housing unit is not rented to a household at or below 60% AMI, the unit may be marketed to a household at or below 80% of the area median income.
3. Any of the affordable housing units that are marketed under this provision remain subject to the long-term affordability and eligibility criteria included in this Chapter.

(Ord. 822. Passed 1-5-09.)

1376.03 AFFORDABLE HOUSING INCENTIVES.

- (a) **Density Bonus.** A density bonus shall be provided equal to one market-rate unit for each affordable housing unit that meets the standards defined in Section 1376.02. Density shall not exceed the maximum density specified in Chapter 1368, Size and Area Requirements.
- (b) **Dimensional Standards Modification.** The maximum impervious surface percentage, as specified in Chapter 1368, Size and Area Requirements, may be increased by up to 10 percentage points over that percentage permitted without an affordable housing incentive, if necessary to accommodate the density bonus units on-site.
- (c) **Property tax exemption.** A property providing affordable housing maybe eligible for a property tax exemption as established in the City Code of Ordinances, Chapter 881, Low Income Housing Tax Exemption.

(Ord. 822. Passed 1-5-09.)