

**MOTION SHEET**

Amending the ordinance in back-up to increase the affordable housing and increase the affordable housing incentive amount.

**Suggested Script: (read the following from the dais):** I move to amend Part 8 of the ordinance in back-up to:

- Add 2.5% affordable multifamily rental housing for households with incomes at 80% of or below the median family income (MFI), for a total of 12.5% affordable rental units, 10% at 60 % MFI and 2.5% at 80% MFI;
- Add 2.5% affordable owner-occupied housing for households with incomes at 120% of or below MFI for a total of 6.25% affordable owner-occupied units, 5% at 80 % MFI and 1.25% at 120 % MFI;
- Add 2.2 million dollars to the affordable housing incentive amount for a total of \$10.2 million. The original amount of \$8 million in the ordinance in back-up was apparently in error, and should have been \$8.7 million, in which case an addition of \$1.5 million is required to achieve the \$10.2 million incentive amount.

**Ordinance Language:** provided to City Clerk

**PART 8. Affordable Housing Program.**

In this Part 8, MFI means median family income for the Austin metropolitan statistical area, as determined annually by the United States Department of Housing and Urban Development. In order to meet the City's affordable housing goals and to ensure long-term affordability, the Landowner and the Landowner's successors and assigns (collectively referred to as the "Landowner") agree to the following:

**A. Multifamily Rental Housing.**

Ten percent of the total number of multifamily rental housing development units located within the Grove PUD will be set aside for occupancy by households with incomes at 60 percent of or below the MFI [~~(Affordable Rental Unit(s))~~], for a rental affordability period of forty years from the date the certificate of occupancy is issued. An additional 2.5 percent of the total number of multifamily rental housing development units located within the Grove PUD will be set aside for occupancy by households with incomes at 80 percent of or below the MFI for a rental affordability period of forty years from the date the certificate of occupancy is issued. Collectively, the 12.5% set aside under this section constitutes the "Affordable Rental Units". In addition, the Landowner agrees to comply with the following:

1. Each lot sold or developed for use multifamily development that will include Affordable Rental Units shall be subject to a restrictive covenant using the form shown in **Exhibit I** and recorded at the time of sale or development in the official public records of the county where the Affordable Development is located. The form of the restrictive covenant may be revised by

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agreement of the Director of Neighborhood Housing and Community Development (NHCD) and the Landowner.

2. Affordable Rental Units must contain a mix of studio, one, two, and three bedroom units in the same proportion as the market rate units.

3. Income qualifications and rents must comply with NHCD compliance guidelines. Compliance with the Affordable Housing Requirements will be monitored by NHCD.

### **B. Owner-occupied Housing.**

At least 5 percent of the total number of units sold as owner-occupied residential housing units located within the Grove PUD will be made permanently available at a price affordable to households with incomes at 80 percent of or below MFI [~~("Affordable Ownership Unit(s)")~~]. An additional 1.25 percent of the total number of units sold as owner-occupied residential housing units located within the Grove PUD will be made permanently available at a price affordable to households with incomes at 120 percent of or below MFI. Collectively, the 6.25% set aside under this section constitutes the "Affordable Ownership Units". In addition the Landowner agrees to comply with the following:

1. The Affordable Ownership Units shall have substantially similar architectural design and restrictions as other residential units offered for sale to the general public.

2. At least 50% of the Affordable Ownership Units must contain 2 or more bedrooms.

3. Affordable Ownership Units must:

a. Be sold to an income eligible household at 80 percent of or below MFI for the 5% set aside or be sold to an income eligible household at 120 percent of or below MFI for the 1.25% set aside;

b. Include resale restrictions that require that resale of the affordable unit must be to a household at 80 percent of or below MFI if the affordable unit was for the 5% set aside or be sold to an income eligible household at 120 percent of or below MFI for the 1.25% set aside;

c. Contain restrictions that will cap the equity that can be achieved upon resale of the affordable unit to maintain the unit's long term affordability in accordance with NHCD guidelines; and

d. Contain a Right of First Refusal to AHFC or other entity designated by the City. The right of first refusal must be assignable to an income-qualified buyer to ensure long term affordability.

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C. The Landowner shall file a written report with the Director of NHCD including the number and location of each Affordable Ownership Unit and each Affordable Rental Unit within the Grove PUD. The initial report shall be filed not later than 15 calendar days following the date a plat or site plan within the Grove PUD is recorded and shall be updated every six months until the Grove PUD is complete.

D. NHCD shall monitor compliance with the requirements of this Ordinance through annual audits.

E. The Grove PUD has been certified for S.M.A.R.T. Housing and is eligible, if compliant with this Ordinance, for a waiver of 100% of the eligible development fees under City Code Chapter 25-1, Article 15 (*S.M.A.R.T. Housing*). The Grove PUD will not request and will not be granted impact fee exemption under City Code Section 25-9-347 (*Exemption for Certain Affordable Housing*).

F. The incentive amount necessary for the Landowner to achieve the affordable housing in this ordinance is \$10,200,000.00 [~~\$8,000,000.00~~] (the "Incentive Amount"). The Landowner will recover a portion of the Incentive Amount through S.M.A.R.T. Housing waiver of development fees. The Landowner will recover the remaining portion of the Incentive Amount through payments from the City property taxes collected from the Property above the City property taxes collected in 2016, or other lawful funding mechanism.

G. The City and Landowner will enter into an Affordable Housing Agreement, approved by City Council, to document how the Incentive Amount will be calculated and paid. The Incentive Amount may not be paid unless the affordable housing requirements in this ordinance are met.