

A F F O R D A B L E H O U S I N G
A D V I S O R Y C O M M I T T E E
M E M O



Meeting Date: April 11, 2018

File Number: N/A

CITY OF BEND

Staff Members: Pauline Hardie, AICP, Senior Code Planner

SUBJECT: Proposed Bend Development Code (BDC) amendments for affordable housing.

PROPOSAL/ISSUE: The proposed amendments relocate current affordable housing incentives (density, height, lot coverage, and parking) located throughout the Code to BDC 3.6.200.C, Affordable Housing Strategies. The proposed amendments include a new incentive that would allow the required lot area and dimensions to be reduced for an affordable housing development. This incentive could be useful if a developer receives a density bonus and needs to reduce the lot area and/or dimensions in order to get the additional lots. The Affordable Housing Advisory Committee previously reviewed this incentive and discussed that it should apply to lots with duplexes and/or triplexes.

The proposed amendments revise the way the density bonus is calculated and clarify that when a developer provides a percentage of dwelling units as affordable, that they would be eligible for an increase in dwelling units over the maximum residential density that could be rented or sold at market rates.

Proposed Bend Development Code Update (Draft)

Note:

Text in underlined typeface is proposed to be added

Text in ~~strikethrough~~ typeface is proposed to be deleted.

***Indicates where text from the existing code has been omitted because it will remain unchanged.

Staff comments are ***bold and italicized***

Chapter 3.6 SPECIAL STANDARDS AND REGULATIONS FOR CERTAIN USES

C. Affordable Housing Strategies. ~~Through the adoption of two resolutions by the City Council (Resolutions 2423 and 2428),~~ ~~the~~ The City of Bend provides an incentive program to developers to assist in the development of affordable housing.

1. For the purposes of the incentive program, the City defines affordable housing as housing with a sales price or rental amount that is within the means of a household that may occupy moderate- and low-income housing, meeting one of the thresholds defined in subsections (C)(1)(a) and (b) of this section.
 - a. In the case of dwelling units for sale, “affordable” means housing in which the mortgage, amortized interest, taxes, insurance, and condominium or association fees, if any, constitute no more than 30 percent of such gross annual household income for a family at 80 percent of the area median income, based upon most recent HUD income limits for the Bend Metropolitan Statistical Area (Bend MSA).
 - b. In the case of dwelling units for rent, “affordable” means housing for which the rent and utilities constitute no more than 30 percent of such gross annual household income for a family at 60 percent of the area median income, based upon most recent HUD income limits for the Bend Metropolitan Statistical Area (Bend MSA).
2. In association with the land use review process, and prior to the issuance of a building permit for any units in an affordable housing development, the owner shall enter into an affordable housing development agreement with the City. The development agreement shall set forth the commitments and obligations of the City and the owner, including, as necessary, conditions to ensure the completion of affordable housing in the development.
3. The owner ~~shall~~ must execute any and all documents deemed necessary by the City in a form to be established by the City Attorney, including, without limitation, restrictive covenants, deed restrictions, and related instruments (including requirements for income qualification for tenants of for-rent units) to ensure the continued affordability of the affordable housing units in accordance with this section.

4. Developments in compliance with 3.6.200(C)(1) may be eligible for tThe following are the developer incentives adopted by the City unless otherwise specified:

a. ~~Expedited review and permitting processing. (**Expedited review is based on a SOP, which sets times that are not established in the code.**)~~

b. ~~Planning and building fee exemptions up to \$10,000 per project. (**Fees should not be in the BDC.**)~~

c. ~~System development charge (SDC) deferrals. (**Fees should not be in the BDC.**)~~

a. d. ~~Allow a density bonus when developing affordable housing units. Density Bonus. A developer may be eligible for a density bonus when a percentage of the proposed dwelling units are affordable. The percentage of affordable units is based on the maximum number of dwelling units that would be allowed under the Comprehensive Plan designation for the subject site. The corresponding density bonus in Table 3.6.200C is an increase in dwelling units over the maximum residential density that can be rented or sold at market rates.~~

The maximum density must be calculated in compliance with BDC 2.1.600(C)(1). For purposes of calculating maximum density, fractional units are rounded down to the next whole unit. For purposes of calculating the number of affordable units and bonus units, fractional units are rounded up to the next whole unit.

For example, a 10,000 square foot lot designated RH is permitted nine units (maximum density is rounded down). Of the nine units, the developer proposes 20% of the units to be affordable (9 units * 20% = 1.8 units, which is rounded up to two units). Therefore, of the nine units, two must be affordable. Since the applicant is proposing 20% of the units as affordable, the developer may receive a corresponding density bonus of 10% (9 units * 10%= 0.9 units, which is rounded up to one additional market rate unit). Therefore, the proposed project may have ten units, two of which must be affordable.

Table 3.6.200.C - Density Bonus (Relocated from BDC 2.1.600 and revised)

<u>Percent of Affordable Units Based on Maximum Density</u>	<u>Market Rate Density Bonus</u>
<u>10%</u>	<u>5%</u>
<u>20%</u>	<u>10%</u>
<u>30%</u>	<u>15%</u>
<u>40%</u>	<u>20%</u>
<u>50%</u>	<u>25%</u>

- b. e. Allow a 10-foot building height bonus for multifamily housing when affordable housing units are gained. (See BDC 2.1.800.) **Building Height Incentive.** An increase in building height not to exceed 10 feet above the height of the underlying zone may be allowed for multifamily housing when the additional units gained by the height increase are affordable housing units. (Relocated from 2.1.800.B.1)
- c. **Lot Coverage Exception.** For affordable housing developments where 50 percent or more of the dwelling units are deemed affordable in conformance with BDC 3.6.200.C.1, the entire development may develop with a 50 percent lot coverage. (Relocated from 2.1.700.D)
- d. **Lot Area and Dimensions Exception.** For affordable housing developments where 50 percent or more of the dwelling units are deemed affordable in conformance with BDC 3.6.200.C.1, the required lot area and dimensions for the proposed lots or parcels may be reduced up to 20 percent for the entire residential development. For affordable housing developments where less than 50 percent of the dwelling units are deemed affordable in conformance with BDC 3.6.200.C.1, the required lot area and dimensions for the proposed affordable housing dwelling unit's lots or parcels may be reduced up to 20 percent. (New. If they get a density bonus, then they may need to reduce

lot area to get more lots. AHAC discussed having this only apply to duplexes and triplexes.)

- e. **Parking Requirement Reduction.** The parking requirement for affordable housing units is one on-site parking space per affordable housing unit. (Also located in BDC 3.3)