AN ORDINANCE BY Carla Smith

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AN ORDINANCE TO AMEND CHAPTER 28 OF PART 16 OF THE ATLANTA CITY LAND DEVELOPMENT CODE TO PROVIDE FOR DENSITY INCREASES IN EXCHANGE FOR AFFORDABLE WORKFORCE HOUSING; TO DEFINE CERTAIN TERMS; TO PROVIDE LIMITATIONS AND REQUIREMENTS; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta is a growing City that is welcoming new citizens everyday; and

WHEREAS, the City has seen a dramatic increase in the average home prices within City limits; and

WHEREAS, the increase has caused the city to lose some of its historic diversity; and

WHEREAS, in the interest of the maintaining that diversity it is necessary to help the workforce afford housing inside the city;

WHEREAS, it is in the best interest of the City of Atlanta that the workforce have as many tools at their disposal to be able to afford to live in the City; and

WHEREAS, a voluntary workforce housing ordinance will aide the City in its goal to maintain a diverse population and provide the City's workforce an opportunity to live in the City

WHEREAS, it is understood that there it is not possible to maintain all of the affordable units as affordable. However, it is in the best interest of the City to attempt to maintain a steady number of affordable units in the Geographic areas from where they are lost first.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS as follows:

16-28.026 **Affordable Workforce Housing Density Bonus**

(a) Eligibility: Any development with a residential component consisting of ten (10) units or more may, through a development agreement with the City, be allowed to increase the density of the development above the level now permitted by it present zoning classification.

(b) Density Bonus: Developments, which are the subject of an affordable housing development agreement as set forth in subpart (a), may increase the floor area ratio of the development of such developments up to 20% above the floor area ratio allowed by its zoning classification. The increase in floor area ratio shall

require each development to provide parking for each bonus density unit and meet the open space requirements for each bonus density unit. Developers may apply for a Special Administrative Permit for reduction in the open space and parking requirements. To reach the full 20% limit the applicant must provide at least 10% of the total units at an affordable price or at an affordable rental rate for a minimum of 30 years.

(c) Incentives. Notwithstanding any density bonus, Developers may apply with the City for use of the Housing Opportunity Fund as well as other assistance programs to aide in the provision of the affordable units.

(i). Any development that provides at least ten (10%) percent of the units as affordable shall qualify for a twenty-five (25%) percent reduction in building permit fees based on the residential floor area ratio of the development.

(d) Affordable Units. For the purpose of this section affordable workforce housing units and eligible parties shall be shall be defined set forth herein:

i. Maximum price for owner occupied units is the price, at which housing is actually made available to a qualified individual and which does not exceed 2.9 times the household income for the qualified applicant at each income tier. A minimum of 20% of the workforce units must be available for those who qualify up to 60% of AMI and 30% of the affordable units must be available up to 80% of AMI and the remaining 50% of the affordable units must be affordable for 100% AMI or lower with a maximum price equal to the FHA 203(b) limit. The sales price is then adjusted for unit size by applying a 10% sliding scale to reduce the sales price as the unit size decreases.

ii. For rental units a minimum of 20% of the workforce units must be available up to 30% of AMI and 30% of the affordable units must be made available to 45% of AMI. The remaining 50% of the affordable units must be affordable to 60% of AMI or lower for households earning up to 60% of AMI or lower.

iii. Median family income is median income of all families of the Atlanta metropolitan statistical area, according to the most recent data published from time to time by the U.S. Department of Housing and Urban Development.

iv. Fair market rent is the monthly rate of rental housing cost, by bedroom size, published periodically by the United States Department of Housing and Urban Development (HUD). In the event that HUD fails to publish said data for a period of one year

or more, the Commissioner of the Department of Planning and Community Development shall publish annually a set of fair market rents for new construction by adjusting the most recently published HUD data in proportion to the residential rent component of the consumer price index as published annually by the United States Department of Labor.

v. Qualified individual is an individual whose annual income from all sources at the time of closing of a sales contract or execution of a rental agreement does not exceed the maximum income level required for the unit that the individual is attempting to rent or purchase. The median income shall be based on the Metropolitan Atlanta Median household income, as published by the United States Department of Housing and Urban Development. Prior to closing of a sales contract or execution of a rental agreement, each qualified individual shall be required to provide proof of such individual's annual income for the prior calendar year such as W-2 forms, tax returns and similar documentation.

(e) The mix of affordable studio, one bedroom, two bedroom, and three bedroom units shall be proportionally similar to the percentage bedroom mix in the overall development. The size and quality of each affordable unit shall not be smaller than the smallest unit for each unit type in the overall development and shall be dispersed throughout the development. Development of affordable workforce housing and market rate models must be built concurrently.

(f) Long Term Affordability Requirements (For Sale):

i. The established affordability period shall be evidenced by a recorded 30 year deed restriction in form approved by the Bureau of Housing containing a covenant to sell the unit in a manner that will offer the greatest opportunity for such unit to be sold to a qualified household at a price which does not exceed 2.9 times median family income.

ii. If the resale of the affordable workforce housing unit has not taken place within 120 days of the initial date of listing, the City of Atlanta holds the right of first refusal. If the City does not exercise the right of first refusal within ten days of receipt of written notification, the initial property owner shall be allowed to sell the unit at market value.

iii. At the time of closing the City's interest in the property shall take the form of a zero percent nonrecourse loans to qualified

Said agreement shall also contain a covenant that the purchaser and/or tenant shall comply with the affordable workforce housing household income requirements as defined in this Section. The Commissioner of the Department of Planning and Community Development shall be authorized to sign the Development Agreement on behalf of the City of Atlanta. In addition, the City shall place a deed restriction that the workforce unit shall be the principal residence of a qualified buyer or renter. Prior to the first conveyance of a unit, said deed restrictions shall be recorded with the plat of survey.

iii. The Bureau of Housing shall verify and monitor said agreement to ensure compliance with the affordable workforce housing conditions set herein.

iv. Use of the affordable workforce housing density bonus shall authorize the Bureau of Planning to approve a SAP with density which exceeds the density otherwise authorized in the zoning district.

v. For Sale Units: No development that includes affordable workforce housing units for which a density bonus was applied shall be issued a building permit until such time as a development agreement (with deed restrictions on the affordable workforce units) is in place between the City and the developer with the workforce housing conditions set herein.

vi. For Rent Units: No development that includes affordable workforce housing units for which a density bonus was applied shall be issued a building permit until such time as a development agreement (with deed restrictions on the affordable workforce units) is in place between the City and the developer establishing the specific units which are to be rented at maximum rent set forth in this Section and agreeing only to rent such units to a qualified individual. The developer shall also submit to the City copies of the rental lease agreement for each workforce unit prior to the occupancy of that workforce unit to be rented.

Section 2: This ordinance shall become effective immediately upon signature by the Mayor or by operation of law.

Section 3. That all ordinances or parts of ordinances in conflict with this ordinance shall be waived to the extent of the conflict.

individuals in an amount equal to difference between the affordable housing price and the fair market price. Said lien shall remain in place for thirty (30) years unless the property is sold to a buyer(s) who does not qualify as qualified buyer,

iv. Owners who can not find qualified buyers within a certain period of time to purchase the unit at the affordable rate may sell the unit at fair market value to a non-qualifying household (if the City chooses not to exercise its right of first refusal). However, in doing so, the seller shall pay into a City of Atlanta Housing Trust Fund (established solely for providing affordable housing throughout the City) a percentage of the gain-in-value monetary amount earned over and above the initial affordable price for which the unit was purchased. Said percentage amount to be paid shall decline over a period of nine (9) years of ownership as illustrated in the Gain in Value table below. The owner shall be allowed to deduct the initial down payment and the documented amount of capital improvements made to the unit, during the time of ownership, from the equity distribution amount to be paid to the City.

Gain-In-Value Monetary Distribution	
Year 1	City will receive **80%** of the equity
Year 2	City will receive **70%** of the equity
Year 3	City will receive **60%** of the equity
Year 4	City will receive **50%** of the equity
Year 5	City will receive **40%** of the equity
Year 6	City will receive **30%** of the equity
Year 7	City will receive **20%** of the equity
Year 8	City will receive **10%** of the equity
Year 9 and thereafter	Owner will receive **100%** of the equity

(g). Density Bonus and Development Agreement:

i. The Bureau of Planning shall calculate the density bonus and determine the number of units derived from said bonus based on the Special Administrative Permit application submitted by the applicant.

ii. In order to be entitled to the density bonus, the applicant shall execute a Development Agreement with the City. Said agreement shall contain a covenant to sell and/or rent units built at the maximum sales price and/or rental rate as defined in this Section.