

**List of Proposed Administrative Changes to the Affordable Housing Ordinance (AHO)**

ATTACHMENT III

<b>Section</b>	<b>Topic</b>	<b>Proposed Change</b>	<b>Reason</b>
SEC. 10-17.120(b)	Definition of Affordable Ownership Cost	Modify language to be inclusive of all potential monthly housing cost payments as a basis for calculating the maximum purchase price. As development requirements change, so do the required housing costs. Inclusive language allows the City to include direct housing costs, not specifically listed in the AHO, in calculating the affordable ownership costs. These costs may be project specific or changes in industry standards, for example, cost for solar leases.	Align with Affordable Housing Agreement (AHA)
10-17.205	Unit Threshold Requirements	Definition of Residential Development Project includes projects with two or more units or lots. Add language to Unit Threshold Requirements to clarify that the requirements apply to lots as well as units consistent with the definition.	Clarification
10-17.205(b&e)	Unit Threshold Requirements	Add language to identify the level of approval currently required (Decision Making Body) to means of compliance	Clarification
10-17.210(c)	On-Site Units in Ownership Residential Projects	This section currently only legally restricts ownership units to moderate income; however, the AHO allows the applicant to elect to provide units affordable at lower income targets. Add language so that the legal restriction will correspond with the affordability levels chosen by the developer.	Clarification
10-17.215	On-Site Units in Rental Residential Projects	This section currently only legally restricts rental units to low and very low income; however, the AHO allows the applicant to elect to provide units affordable at lower income targets. Add language so that the legal restriction will correspond with the affordability levels chosen by the developer.	Clarification
10-17.220(a)	Design, Distribution and Timing of Affordable Units	The AHO requires that the on-site affordable units be at least equal in size and amenities as the market rate units. Add clarifying language that indicates that size refers to both number of bedrooms and square footage.	Clarification
10-17.220(b)	Design, Distribution and Timing of Affordable Units	Change approval level of the Affordable Housing Phasing Plan from the City Council to the decision-making body to streamline the approval process.	Streamlining/Align with development process
10-17.225(c)	Off-Site Construction	The AHO requires that the affordable off-site units be at least equal in size and amenities of units that would be provided on-site. Add clarifying language that indicates that size refers to both number of bedrooms and square footage.	Clarification

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10-17.510 (d)	Affordable Housing Plan	Applicants are required by the AHO to produce the affordable units concurrently or prior to the market rate units. Applicants that wish to seek permits or certificates of occupancy for market rate units prior to completion of all affordable units must submit a plan that describes the timing of development of the number of affordable units proportionate to each proposed phase. These projects may not be phased in the traditional sense but have a staggered development timeline which causes confusion for the developers. Revise language to clarify requirements to improve compliance with this requirement.	Clarification
10-17.510 (g)	Affordable Housing Plan	Reduce requirement from providing marketing plan at application phase to providing a <i>preliminary</i> marketing plan since developers do not typically have their marketing team identified at this stage of development.	Streamlining/Align with development process
10-17.515(e)	Affordable Housing Agreement	Change requirement from providing marketing plan in Affordable Housing AHA to including marketing plan requirements in the AHA. Affordable Housing Agreement stipulates time frame for providing final marketing plan. Having the marketing plan outside AHA allows staff to address change in timeline or market conditions that effect the marketing plan.	Streamlining/Align with development process
10-17.805	Selection Criteria	Revise selection criteria to give priorities to include persons displaced by City Activity for the affordable units to be consistent with AHA.	Alignment with AHA
10-17.820	Resale of For-Sale Affordable Units	Delete language requiring the lessor of two different indices to calculate the maximum sales price. Existing Resale restriction documents only reference one of the two indices and therefore do not evaluate which of the two is less. Staff recommends using only one index in the resale restriction formula to provide clearer requirements for owners of affordable units.	Alignment with Borrower Occupancy and Resale Restrictions
10-17.835	Marketing Plan	Add additional language to elaborate on Marketing Plan requirements including requirements to affirmatively further fair housing and provide marketing materials in multiple languages.	Clarification/Alignment with AHA
10-17.1010	Purpose, Limitations and Administration.	Staff proposes increasing the proportion of the affordable housing in-lieu fees that can be used to cover administrative costs from 10% to 15% if allowable under state law. The fees paid under the AHO are not covering the administrative cost to the City due to a decrease in large projects paying fees.	