



# **AFFORDABLE HOUSING STANDARDS**

**Resale/Rent Formula  
Land Use Ordinance**

# RESALE FORMULA OPTIONS

Resale Restrictions are included in covenants recorded on the deed of affordable housing units. These Resale restrictions ensure a covered unit remains affordable at changes in ownership.

## Indexed Based Resale Formula

- Variable
  - Factors in Area Median Income
  - Factors in interest rates
  - Factors in Home Owner Dues
  - Can result in little or no appreciation when wages are stagnant, interest rates rise, or HOA dues increase

## Fixed Rate Resale Formula

- Predictable
  - 1.5% annual appreciation
  - Less than average market rate increases
  - Can outpace wage increases



# RENTAL COST FORMULA CHANGE (18.2.5.050.B.1)

## Current Formula

Calculation based on household sizes and 23% of gross income toward rent.

- 1BDR @ 60%AMI = \$576
- 2BDR @ 60%AMI = \$610
- 3BDR @ 60%AMI = \$759
  
- 1BDR @ 80%AMI - \$844
- 2BDR @ 80%AMI - \$986
- 3BDR @ 80%AMI - \$1,112

## Proposed Formula

Match the Annual State of Oregon and HUD HOME Program:

### HOME- LOW RENT

- 1BDR @ 60%AMI = \$608
- 2BDR @ 60%AMI = \$730
- 3BDR @ 60%AMI = \$842

### HOME- HIGH RENT

- 1BDR @ 80%AMI - \$747
- 2BDR @ 80%AMI - \$926
- 3BDR @ 80%AMI - \$1061



# HOUSEHOLD ASSET LIMITATIONS

## Net Asset Limitations – Ownership affordable Housing (18.2.5.050.C.1.c)

- Amend the provisions of the Ashland Land Use Ordinance relating to the maximum net assets for households in the affordable housing program to adjust the limits for consumer price index changes since 2005:
  - Current: \$20,000 asset maximum or \$130,000 for retired households.
  - Proposed: \$25,000 asset maximum or \$175,000 for retired households.



## Land Use Ordinance Amendments

Chapter 18.2.5.050 sets forth affordable housing standards in the Land Use Ordinance.

Annexations, Zone Changes, Condo-Conversions, and projects getting a density bonuses for affordable housing, must address the affordable housing standards.

# LAND USE ORDINANCE AMENDMENTS

## Base Density

### (18.2.5.050.G.1.)

- Clarify that the “Base Density” of a property for determining affordable housing unit requirements shall be calculated using the area to be developed.
- Excluding portions of the property containing undevelopable areas such as:
  - Wetlands
  - Floodplain Corridor & Riparian Lands
  - Slopes Greater Than 35%
  - Land Dedicated As A Public Park.



# LAND USE ORDINANCE AMENDMENTS

## Affordable Housing Unit Equivalence Values (18.2.5.050.G.1.c&d)

- Newly include rental units within the 80%AMI level as qualified affordable housing.
- Remove the 60%AMI ownership and rental units as having an equivalence value of 1.5 units.

Income Target	Equivalency Value
120% AMI Ownership	.75
100% AMI Ownership	1.0
80%AMI Ownership OR RENTAL	1.25
<del>60%AMI</del> Ownership or Rental	<del>1.5</del>



# LAND USE ORDINANCE AMENDMENTS

## Affordable Housing Unit Equivalence Values (18.2.5.050.G.1.c&d)

Units created by non-profit housing providers, targeted to households earning 60% AMI or below, would still qualify as affordable housing as they would comply the 80% AMI or below level.

Income Target	Equivalency Value
120% AMI Ownership	.75
100% AMI Ownership	1.0
80%AMI Ownership OR RENTAL	1.25
60%AMI Ownership or Rental	1.5





# LAND USE ORDINANCE AMENDMENTS

## Household sizes used for calculating initial Purchase Price (18.2.5.050.C)

Unit Type	Occupancy
Studio	1 person household income for the designated income level
1 Bdr	2 person household income for the designated income level
2 Bdr	<del>4</del> <u>3</u> person household income for the designated income level
3 Bdr	<del>6</del> <u>5</u> person household income for the designated income level
<del>4 Bdr</del>	<del>7 person household income for the designated income level</del>

remain eligible for covered units but the sale price shall not be adjusted based on the median incomes of the larger household sizes.



# LAND USE ORDINANCE AMENDMENTS

## Affordable Housing Development Timing (18.2.5.050.G.4)

- Dedication of land through transfer of title to a non-profit affordable housing provider will satisfy the timing requirements and there would be no further timing restriction for the market rate units.



# LAND USE ORDINANCE AMENDMENTS

## Affordable Housing Distribution (18.2.5.050.G.5)

- Remove the provision within the Ashland Land Use Ordinance that requires affordable units be distributed throughout the project.



# LAND USE ORDINANCE AMENDMENTS

## Affordable Housing Comparable Bedroom Number / Materials (18.2.5.050.G.6)

- Amend the provisions of the Ashland Land Use Ordinance that require affordable housing units to have a comparable bedroom number, and similar building materials, to newly allow different housing types provided the number of bedrooms remains comparable.
- Example
  - Market Rate Unit = 3BDR detached SFR
  - Affordable Unit = 3 BDR attached SFR, condominium, apartment, cottage etc.



# LAND USE ORDINANCE AMENDMENTS

## Term of Affordability (18.2.5.050.G.8)

- Amend the provisions of the Ashland Land Use Ordinance requiring a long term of affordability for covered affordable units through annexation or zone changes.
  - Current: 60 years
  - Proposed: 30 years



# LAND USE ORDINANCE AMENDMENTS

## Annexation Density Bonus (18.2.5.050.G.8)

- Amend the provision of the Ashland Land Use Ordinance that limits the density bonus allowable for affordable housing provided as part of an annexation to 25%.
- Inconsistent with Performance Standards allowable bonuses
- Performance Standards ordinance provisions currently allow for 35% maximum density bonus for affordable housing and a cumulative bonus of up to 60%



# LAND USE ORDINANCE AMENDMENTS

## **Annexation : Contiguous with the present city limits (18.5.8.050.C)**

- Amend the Land Use Ordinance to clarify that land separated only by a County, City, or Railroad Right-of-Way, qualify as meeting the “contiguous” criteria.



# LAND USE ORDINANCE AMENDMENTS

## Annexation : 5-year supply of land Criteria (18.2.5.050.H.1)

- Amend the provisions of the Ashland Land Use Ordinance that relate to residential annexations requiring there be less than a five-year supply of vacant or redevelopable land in the current City Limits.
- Removal of this requirement was a recommendation of the Ashland Housing Strategy Implementation Plan:  
*“Revise the City’s annexation policies to eliminate the requirement to demonstrate less than a five-year supply of land. Existing policies were intended to help ensure orderly growth; however, this is the role of the City’s Urban Growth Boundary (UGB). Creating obstacles to annexing land within the UGB for housing contributes to higher land costs and makes it difficult to find land for larger housing developments.”*





# NEXT STEPS

- Planning Commission  
Study Session:  
April 21, 2020
- Housing and Human Services  
Commission:  
Study Session:  
April 23, 2020
- City Council:  
Study Session:  
May 18, 2020

