

City of Bloomington

Common Council

Legislative Packet -

Addendum

Posted on 29 January 2026

Containing legislation and materials related
to:

Wednesday, January 14, 2026

Regular Session at 6:30pm

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Planning and Transportation Staff Presentation to City Council January 14, 2026

Ordinance 2026-01 Response to Resolution 2025-12

See full [Resolution 2025-12 Source Document \(PDF\)](#).

Language from Resolution 2025-12

Section 1.

Pursuant to IC 36-7-4-602(b), the Common Council directs the Plan Commission to prepare a proposal consistent with this resolution to amend the text of the UDO (BMC 20.04.1 IO(c)(5)) (Affordable Housing Incentives) to assess the incentive structure and consider creating additional incentives for affordable housing, including but not limited to expected owner-occupied unit development.

Section 2.

The Common Council further directs the Plan Commission to prepare a proposal to amend the text of the UDO (BMC 20.04.1 IO(c)(7)) (Payment-in-Lieu), to assess the payment-in-lieu option and consider an increase in the qualifying standard for developments utilized a payment-in-lieu procedure.

Existing Unified Development Ordinance (UDO) Language from Section 1 in 20.04.110(c)(5)

(5) Affordable Housing Incentives

(A) Reduced Bulk Requirements

The following dimensional standards shall apply to single-family and duplex residential lots in the R1, R2, R3, and R4 zoning districts that meet either of the two criteria in subsection (2) above:

- i. The minimum lot area for subdivision may be reduced up to 50 percent.
- ii. The minimum lot width for subdivision may be reduced up to 40 percent.
- iii. The side building setbacks may be reduced to five feet regardless of the number of stories.
- iv. The rear building setback may be reduced to 15 feet.
- v. Where these standards conflict with the neighborhood transition standards established in Section 20.04.070(d)(5) (Neighborhood Transition Standards), the neighborhood transition standards shall govern.

(B) Primary Structure Height

i. Eligibility

In addition to the eligibility criteria in 20.04.110(c)(2), affordable housing projects seeking increased maximum primary structure height shall comply with the following criteria:

1. The building shall contain six or more dwelling units; and
2. Unit size and bedroom mix for deed-restricted units shall be comparable to those for market-rate units.

ii. Tier 1 Projects

Projects that meet the Tier 1 affordability standards may increase the primary structure height by one floor of building height, not to exceed 12 feet, beyond the maximum primary structure height established for the zoning district where the project is located, as identified in Section 20.04.020 (Dimensional Standards).

iii. Tier 2 Projects

Projects that meet the Tier 2 affordability standards may increase the primary structure height by two floors of building height, not to exceed 24 feet, beyond the maximum primary structure height established for the zoning district where the project is located, as identified in Section 20.04.020 (Dimensional Standards).

iv. Sustainable Development Bonus

1. Tier 1 Projects: Projects that are eligible for increased primary structure height for affordable housing and sustainable development shall be eligible for one additional floor of building height, not to exceed 12 feet.
2. Tier 2 Projects: Projects that are eligible for increased primary structure height for affordable housing and sustainable development shall be eligible for one additional floor of building height, not to exceed 12 feet. The additional floor of building height granted under this subsection (iv)(2) shall be limited to 50 percent of the building footprint area of primary structure, and that additional floor shall be set back at least 10 feet further than the lower floors of the building.

Proposed Unified Development Ordinance (UDO) Language from Section 1 in 20.04.110(c)(5)

(5) Affordable Housing Incentives

(A) Reduced Bulk Requirements

The following dimensional standards shall apply to single-family [Proposed Text to Add] (detached) [End Proposed Text to Add] and duplex residential lots in the R1, R2, R3, and R4

zoning districts [Proposed Text to Add] that are also intended for owner-occupancy [End Proposed Text to Add] that meet either of the two criteria in subsection (2) above:

- i. The minimum lot area for subdivision may be reduced up to 50 percent.
- ii. The minimum lot width for subdivision may be reduced up to 40 percent.
- iii. The side building setbacks may be reduced to five feet regardless of the number of stories.
- iv. The rear building setback may be reduced to 15 feet.
- v. [Proposed Text to Add] The maximum impervious surface coverage may be increased to 80 percent. [End Proposed Text to Add]
- vi. Where these standards conflict with the neighborhood transition standards established in Section 20.04.070(d)(5) (Neighborhood Transition Standards), the neighborhood transition standards shall govern.

(B) Primary Structure Height

i. Eligibility

In addition to the eligibility criteria in 20.04.110(c)(2), affordable housing projects seeking increased maximum primary structure height shall comply with the following criteria:

1. The building shall contain six or more dwelling units; and
2. Unit size and bedroom mix for deed-restricted units shall be comparable to those for market-rate units.

ii. Tier 1 Projects

Projects that meet the Tier 1 affordability standards may increase the primary structure height by one floor of building height, not to exceed 12 feet, beyond the maximum primary structure height established for the zoning district where the project is located, as identified in Section 20.04.020 (Dimensional Standards).

iii. Tier 2 Projects

Projects that meet the Tier 2 affordability standards may increase the primary structure height by two floors of building height, not to exceed 24 feet, beyond the maximum primary structure height established for the zoning district where the project is located, as identified in Section 20.04.020 (Dimensional Standards). [Proposed Text to Add] Projects that meet the Tier 2 affordability standards may increase the maximum impervious surface coverage allowance by 10 percent, and may decrease the landscape area by 10 percent. [End Proposed Text to Add]

iv. Sustainable Development Bonus

1. Tier 1 Projects: Projects that are eligible for increased primary structure height for affordable housing and sustainable development shall be eligible for one additional floor of building height, not to exceed 12 feet.

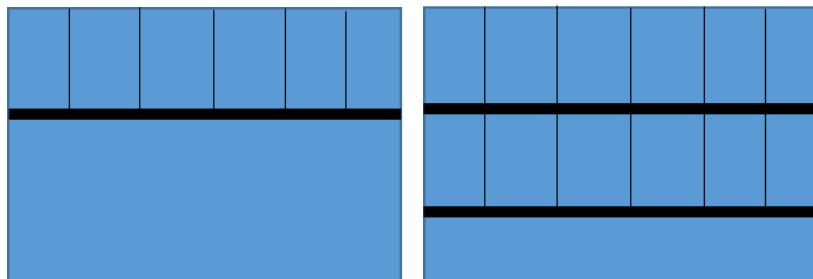
2. Tier 2 Projects: Projects that are eligible for increased primary structure height for affordable housing and sustainable development shall be eligible for one additional floor of building height, not to exceed 12 feet. The additional floor of building height granted under this subsection (iv)(2) shall be limited to 50 percent of the building footprint area of primary structure, and that additional floor shall be set back at least 10 feet further than the lower floors of the building.

[End of UDO Language]

The changes in the proposal include:

- Clarification that this section applies to detached single-family
- Includes a reference for the intent of owner-occupancy
- Allows increase to maximum impervious surface coverage to 80 percent in this section
- Allows increase to maximum impervious surface coverage by an additional 10 percent for Tier 2 Projects

[Two images included below. They are both blue rectangles. The first rectangle shows a thick black line bisecting the rectangle into top and bottom sections with about 40 percent of the rectangle above the thick black line. The top section is further divided into 6 smaller rectangles, representing the potential for six development sites. The second rectangle shows a thick black line in the same location and a second thick black line with about 20 percent of the rectangle below it, creating three large rectangles with roughly 40 percent in the top rectangle, 40 percent in the middle rectangle, and 20 percent in the bottom rectangle. The top and middle rectangles are further divided into 6 small rectangles each, for a total of 12 small rectangles representing the potential for twelve development sites. The image is portraying a potential increase in development sites when the allowable impervious surface coverage area (represented by the development areas) is increased.]



Existing Unified Development Ordinance (UDO) Language from Section 2 in 20.04.110(c)(7)

(7) Payment-in-Lieu

(A) A payment-in-lieu of providing housing that meets the Tier 1 or Tier 2 affordability criteria may be authorized by an agreement with the City, and all payments will be deposited into the Housing Development Fund.

(B) The provisions of this Section 20.01.010(a)(7) shall become effective no later than the effective date of the UDO, by which time administrative procedures for calculating, collecting, accounting for, and spending payments-in-lieu in compliance with all applicable law shall be adopted and publicly available in the Administrative Manual within the Planning and Transportation Department. The procedures used for calculating, collecting, accounting for, and spending shall be reviewed frequently and updated as local housing market conditions change. The calculations may use or be based upon one or more of the following methods:

- i. Housing and Urban Development (HUD) annual rents based on Area Median Income;
- ii. Area Median Income (per person, income bracket, etc.);
- iii. Rental rates per unit or per bedroom;
- iv. Utility rates allowances per unit;
- v. Tiered rental rates based on percentages above and/or below AMI; and
- vi. Payment contribution rates.

Proposed Unified Development Ordinance (UDO) Language from Section 2 in 20.04.110(c)(7)

(7) Payment-in-Lieu

(A) [Proposed Text to Add] The dollar amount provided as [End Proposed Text to Add] a payment-in-lieu of providing housing [Proposed Text to Add] must be based on the minimum percentage of eligible units as described in the Administrative Manual. A payment-in-lieu option is only available [End Proposed Text to Add] [Proposed Text to Remove] ~~that meets the Tier 1 or Tier 2 affordability criteria~~ [End Proposed Text to Remove] [Proposed Text to Add] in petitions for projects that contain more than 30 dwelling units, [End Proposed Text to Add] may be authorized by an agreement with the City, and all payments will be deposited into the Housing Development Fund.

(B) The provisions of this Section 20.01.010(a)(7) shall become effective no later than the effective date of the UDO, by which time administrative procedures for calculating, collecting, accounting for, and spending payments-in-lieu in compliance with all applicable law shall be adopted and publicly available in the Administrative Manual within the Planning and Transportation Department. The procedures used for calculating, collecting, accounting for, and spending shall be reviewed frequently and updated as local housing market conditions change. The calculations may use or be based upon one or more of the following methods:

- i. Housing and Urban Development (HUD) annual rents based on Area Median Income;
- ii. Area Median Income (per person, income bracket, etc.);
- iii. Rental rates per unit or per bedroom;
- iv. Utility rates allowances per unit;

- v. Tiered rental rates based on percentages above and/or below AMI; and
- vi. Payment contribution rates.

[End of UDO Language]

The changes in the proposal include:

- Adds reference to the Administrative Manual
- Adds requirement for at least 30 dwelling units to use the payment-in-lieu option

Proposed Administrative Manual Language in conjunction with the Proposed Unified Development Ordinance (UDO) Language from Section 2 in 20.04.110(c)(7)

Calculating a Housing Development Fund Contribution (aka “Payment-in-Lieu”)

For nonresidential, student housing, or dormitory projects, a linkage study must first be approved by the City. The project must also satisfy all applicable standards within 20.04.110 C, Affordable Housing, of the UDO. [Proposed Text to Add] Residential projects must satisfy all applicable standards within 20.04.110 C, Affordable Housing, of the UDO. [End Proposed Text to Add]

Contributions to the Housing Development Fund will be calculated [Proposed Text to Add] as follows: [End Proposed Text to Add] [Proposed Text to Remove] ~~on a bedroom basis as follows:~~ [End Proposed Text to Remove]

- Eligible [Proposed Text to Add] units [End Proposed Text to Add] [Proposed Text to Remove] ~~bedroom~~ [End Proposed Text to Remove] calculation:
 - [Proposed Text to Add] 30% [End Proposed Text to Add] [Proposed Text to Remove] 15% [End Proposed Text to Remove] of total project [Proposed Text to Add] dwelling units [End Proposed Text to Add] [Proposed Text to Remove] ~~bedroom~~ [End Proposed Text to Remove], rounded up to the nearest whole [Proposed Text to Add] unit [End Proposed Text to Add] [Proposed Text to Remove] ~~bedroom~~ [End Proposed Text to Remove].
- The [Proposed Text to Add] base [End Proposed Text to Add] contribution rate per eligible unit is \$50,000. This rate applies for units containing one to three bedrooms. For units with four or five bedrooms, an additional \$5,000 is required for each bedroom over three bedrooms. This contribution rate may be changed annually by City staff to reflect changing construction costs or other economic factors affecting development costs.

[Proposed Text to Remove] Sample Project Calculation:

$$\underline{32 \text{ total bedrooms}} \times 0.15 = 4.8$$

Round up to 5 bedrooms

~~5 bedrooms x \$20,000 = \$100,000 contribution to the Housing Development Fund [The \$20,000 was changed to \$30,000 in 2025] [End Proposed Text to Remove]~~

Sample Project Calculation: [Proposed Text to Add]

132 total units x 0.30 = 39.6

Round up to 40 eligible units

40 eligible units x \$50,000 = \$2,000,000

Extra bedrooms over three bedroom units: 12

12 x \$5,000 = \$60,000

\$2,060,000 total contribution to the Housing Development Fund [End Proposed Text to Add]

[End of UDO Language]

The changes in this portion of the proposal include:

- Clarifying the count is 'Units'
- Base is 30 percent of the project dwelling units
- \$50,000 per unit (1 to 3 bedrooms)
 - Additional \$5,000 per bedroom for units with 4 or 5 bedrooms

Proposed Potential Amendment Language

(2). Eligibility

Projects that satisfy one of the following criteria shall be eligible for the incentives established in subsection below:

(A) Tier 1

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. [Proposed Text to Add] **For Multifamily units:** [End Proposed Text to Add] A minimum of 15 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning less than 90 percent of the HUD AMI for Monroe County, Indiana; [Proposed Text to Remove] -or [End Proposed Text to Remove]

[Proposed Text to Add] iii. **For Single Family Residential Units:** A minimum of 15 percent of the total number of units shall be owner occupied, inhabited by income-eligible households earning less than 120% of the HUD AMI for Monroe County but shall comply with the most current Fannie Mae and Freddie Mac guidelines.

Upon request and review a waiver may be considered if it is determined that AMI targets cannot be achieved with current market conditions. [End Proposed Text to Add]

(A) Tier 2

[Proposed Text to Add] **For Multifamily units:** [End Proposed Text to Add]

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. A minimum of 7 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 90 percent of the HUD AMI for Monroe County, Indiana; and
- iii. A minimum of 8 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 70 percent of the HUD AMI for Monroe County, Indiana.

[Proposed Text to Add] **For Single Family Residential Units:** Minimum of 15 percent of the total number of units shall be owner occupied, inhabited by income-eligible households earning less than 120% of the HUD AMI for Monroe County but shall comply with the most current Fannie Mae and Freddie Mac guidelines.

Upon request and review a waiver may be considered if it is determined that AMI targets cannot be achieved with current market conditions. [End Proposed Text to Add]

Ordinance 2026-02 Response to Resolution 2025-17

See full [Resolution 2025-17 Source Document \(PDF\)](#).

Language from Resolution 2025-17

Section 2.

Pursuant to IC 36-7-4-602(b), the Common Council directs the Plan Commission to prepare a proposal consistent with this resolution to amend the text of the UDO (BMC 20.04.110(c)(2)) (Eligibility) to include an AMI requirement within Tier 1 and Tier 2 Affordable Housing Projects, as follows:

Tier 1 Affordable Housing Projects to include at least some units to be priced below 90% of AMI, using whole percentages for each tier.

Tier 2 Affordable Housing Projects to include at least some units priced below 70% of AMI, using whole percentages for each tier.

Section 3.

The Common Council further directs the Plan Commission to prepare a proposal to amend the text of the UDO (BMC 20.03.040(b)(3)) (Qualifying Standards) to adjust the minimum qualifying standards for affordability applicable to Planned Unit Developments, requiring that such developments meet or exceed the Tier 1 Affordability standard.

Section 4.

The Common Council further directs the Plan Commission to review and propose any additional amendments necessary to align other sections of the UDO with the changes described in Sections 1 and 2 of this Resolution.

Existing Unified Development Ordinance (UDO) Language from Section 2 in 20.04.110(c)(2)

(2). Eligibility

Projects that satisfy one of the following criteria shall be eligible for the incentives established in subsection 5 below:

(A) Tier 1

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. A minimum of 15 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning less than 120 percent of the HUD AMI for Monroe County, Indiana; or

(B) Tier 2

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. A minimum of 7.5 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 120 percent of the HUD AMI for Monroe County, Indiana; and
- iii. A minimum of 7.5 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 90 percent of the HUD AMI for Monroe County, Indiana.

Proposed Unified Development Ordinance (UDO) Language from Section 2 in 20.04.110(c)(2)

(2). Eligibility

Projects that satisfy one of the following criteria shall be eligible for the incentives established in subsection 5 below:

(A) Tier 1

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. A minimum of 15 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning less than 90 percent of the HUD AMI for Monroe County, Indiana; or

(B) Tier 2

- i. At least 60 percent of the total gross floor area of the building (including additional area awarded with an incentive) is dedicated to residential dwellings; and
- ii. A minimum of 7.5 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 90 percent of the HUD AMI for Monroe County, Indiana; and
- iii. A minimum of 87.5 percent of the total dwelling units (including those on floors awarded with an incentive) are income-restricted permanently, unless otherwise adjusted or forfeited by the City, to households earning below 70 percent of the HUD AMI for Monroe County, Indiana.

[End of UDO Language]

The changes in the proposal include:

- Tier 1 projects amended to less than 90 percent
- Tier 2 projects amended to less than 90 percent and 70 percent
- Percentages change to whole numbers

Existing Unified Development Ordinance (UDO) Language from Section 3 in 20.02.040(b)(3)

(b) Qualifying Standards

A petition for rezoning into a Planned Unit Development (PUD) district shall only be considered if the petition meets the following criteria, as determined by the Planning and Transportation Director:

- 1) The proposed PUD zoning district includes a minimum of five acres of land;
- 2) The land included in the proposed PUD zoning district is not within the Mixed-Use Downtown (MD) zoning district;
- 3) Where residential dwelling units are proposed, a minimum of 15 percent of the total dwelling units must be permanently income limited through a deed restriction to households earning less than 120 percent of the HUD AMI for Monroe County, Indiana and the development will be subject to the applicable standards established in Subsection 20.04.110(c): Affordable Housing, unless the City otherwise adjusts or releases this requirement.;

Proposed Unified Development Ordinance (UDO) Language from Section 3 in 20.02.040(b)(3)

(b) Qualifying Standards

A petition for rezoning into a Planned Unit Development (PUD) district shall only be considered if the petition meets the following criteria, as determined by the Planning and Transportation Director:

- 1) The proposed PUD zoning district includes a minimum of five acres of land;
- 2) The land included in the proposed PUD zoning district is not within the Mixed-Use Downtown (MD) zoning district;
- 3) Where residential dwelling units are proposed, [Proposed Text to Add] the total dwelling units proposed must include, at a minimum, the percentage of permanently income-limited units required in 20.04.110(c)(2)(A) Tier 1, at the AMI percentages listed in that section [End of Proposed Text to Add] [Proposed Text to Remove] ~~a minimum of 15 percent of the total dwelling units must be permanently income limited through a deed restriction to households earning less than 120 percent of the HUD AMI for Monroe County, Indiana and~~ [End of Proposed Text to Remove] the development will be subject to the applicable standards established in Subsection 20.04.110(c): Affordable Housing, unless the City otherwise adjusts or releases this requirement.;

[End of UDO Language]

The change in the proposal is:

- Added reference to minimum percentages listed for Tier 1

Existing Unified Development Ordinance (UDO) Language from Section 4 in Definitions

Workforce Housing

Residential housing units that serve individuals, households, or families with annual incomes less than 120 percent of the Area Median Income. These housing units would under Section 20.04.110(c)(2) (Eligibility) for Tier 1 affordable housing.

Proposed Unified Development Ordinance (UDO) Language from Section 4
in Definitions

[Proposed Text to Remove]

Workforce Housing

~~Residential housing units that serve individuals, households, or families with annual incomes less than 120 percent of the Area Median Income. These housing units would under Section 20.04.110(e)(2) (Eligibility) for Tier 1 affordable housing.~~ [End of Proposed Text to Remove]

The change in the proposal is:

- Removed definition of Workforce Housing