

# Proposed Edits to UDO Adoption Draft

## 20.04.110(c)(7) – Payment-in-Lieu

### CURRENT LANGUAGE

#### (7) Payment-in-Lieu

- (G) A payment-in-lieu of providing housing that meets the Tier 1 or Tier 2 affordability criteria may be authorized by the Plan Commission if it determines that:
- i. Creation of affordable housing on the petitioner’s property would lead to an undesirable area/neighborhood concentration of very low- or low-income housing; or
  - ii. Creation of affordable housing on the petitioner’s property would result in income-restricted households being located more than a 10-minute walk or one-quarter mile from needed public services or public transit; or
  - iii. Because of the small size of the petitioner’s project, compliance with Tier 1 or Tier 2 affordability standards would require the creation of less than three affordable dwelling units.
- (H) The provisions of this Section 20.04.110(c)(7) shall not become effective until the City adopts administrative procedures for calculating, collecting, accounting for, and spending payments-in-lieu in compliance with all applicable law.

### PROPOSED LANGUAGE – clarify procedures and methods used and have Common Council approve the procedures.

#### (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 the Plan Commission if it determines that:
- i. Creation of affordable housing on the petitioner’s property would lead to an undesirable area/neighborhood concentration of very low- or low-income housing; or
  - ii. Creation of affordable housing on the petitioner’s property would result in income-restricted households being located more than a 10-minute walk or one-quarter mile from needed public services or public transit; or
  - iii. Because of the small size of the petitioner’s project, compliance with Tier 1 or Tier 2 affordability standards would require the creation of less than three affordable dwelling units.
- (B) The provisions of this Section 20.04.110(c)(7) shall not become effective until the **City Common Council** adopts administrative procedures for calculating, collecting, accounting for, and spending payments-in-lieu in compliance with all applicable law. **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.

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## 20.07.10 – Defined Words

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### **PROPOSED LANGUAGE – add new definitions**

#### **Low and Moderate Income Housing**

Residential housing units that serve individuals, households, or families with annual incomes less than 80 percent of the Area Median Income. These housing units would qualify under Section 20.04.110(c)(2)(B) (Eligibility) for Tier 2 affordable housing incentives.

#### **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)(B) (Eligibility) for Tier 1 affordable housing.