AFFORDABILITY IMPACT STATEMENT
NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT
CITY COUNCIL AGENDA:
RESOLUTION NO. 20140317-040

PROPOSED CODE AMENDMENT:	CITY CODE CHAPTER 25-2, SUBCHAPTER E (*DESIGN STANDARDS AND MIXED USE*) IS AMENDED TO ADD A NEW ARTICLE 6: MICRO UNITS: ARTICLE 6: MICRO UNITS **A. PURPOSE.** THE PURPOSE OF A MICRO UNIT IS TO PROVIDE AN EFFICIENCY DWELLING UNIT THAT ALLOWS INCREASED DENSITY, REDUCED PARKING, AND PROMOTES AFFORDABILITY ALONG CORE TRANSIT CORRIDORS AND FUTURE CORE TRANSIT CORRIDORS. A BUILDING MAY CONTAIN ANY MIXTURE OF MICRO UNITS AND OTHER TYPES OF APARTMENTS, OR MAY CONTAIN ENTIRELY MICRO UNITS.
IMPACT ON REGULATORY BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT	☒ POSITIVE ☐ NEGATIVE ☐ NEUTRAL THE CODE AMENDMENT ESSENTIALLY ESTABLISHES AN ADDITIONAL DENSITY BONUS TOOL FOR THE CITY TO HELP INCENTIVIZE THE DEVELOPMENT OF LONG-TERM AFFORDABLE HOUSING. IN EXCHANGE FOR INCREASED ENTITLEMENTS RELATING TO PARKING AND SITE AREA REQUIREMENTS, A DEVELOPMENT CONTAINING MICRO UNITS MUST MEET THE AFFORDABILITY REQUIREMENTS OUTLINED IN THE CODE. THE DENSITY BONUS AND SIMILAR DEVELOPER INCENTIVE TOOLS ARE CURRENTLY THE MOST EFFECTIVE MEANS THE CITY HAS TO ENSURE THAT NEW PRIVATE SECTOR DEVELOPMENT CONTRIBUTES TO THE CITY'S EFFORTS TO MEET THE HIGH DEMAND FOR HOUSING AFFORDABLE TO HOUSEHOLDS AT 60% MFI AND BELOW.
LAND USE / ZONING OPPORTUNITIES FOR AFFORDABLE HOUSING DEVELOPMENT	☒ POSITIVE ☐ NEGATIVE ☐ NEUTRAL THE REDUCED DIMENSIONAL AND PARKING REQUIREMENTS COULD BENEFIT AFFORDABLE HOUSING DEVELOPERS IN THE DEVELOPMENT OF SINGLE RESIDENT OCCUPANCY UNITS AND PERMANENT SUPPORTIVE HOUSING DEVELOPMENTS.
IMPACT ON COST OF DEVELOPMENT	☐ POSITIVE ☐ NEGATIVE ☒ NEUTRAL REDUCED SITE AREA AND PARKING REDUCTIONS FOR MICRO UNITS COULD RESULT IN LOWER COST OF THE DEVELOPMENT OVERALL. THESE SAVINGS TO THE DEVELOPER COULD TRICKLE DOWN TO THE RESIDENTS AND THEREFORE CONTRIBUTE TO MORE AFFORDABLE UNITS. HOWEVER, THE DIMENSIONAL AND PARKING REDUCTIONS DO NOT GUARANTEE A REDUCTION IN RENTAL RATES, SALE PRICES, OR OVERALL AFFORDABILITY TO RESIDENTS.

IMPACT ON PRODUCTION OF AFFORDABLE HOUSING	☒ POSITIVE ☐ NEGATIVE ☐ NEUTRAL THE AMENDMENT HAS THE POTENTIAL TO SPUR THE PRODUCTION OF AFFORDABLE HOUSING UNDER THE DENSITY BONUS PROGRAM. THE PROPOSED AMENDMENT STIPULATES THAT IN ORDER TO BE ELIGIBLE FOR THE REDUCED DIMENSIONAL OR PARKING STANDARDS A BUILDING MUST MEET THE AFFORDABILITY REQUIREMENTS OF PART 2, SECTION E.
PROPOSED CHANGES IMPACTING HOUSING AFFORDABILITY:	THE PLANNING AND DEVELOPMENT REVIEW DEPARTMENT ISSUED A MEMO TO MAYOR AND COUNCIL IN MARCH 2014. THIS MEMO STATED THAT: "THE OVERWHELMING FACTOR THAT IS DRIVING THE CONSTRUCTION OF MICRO-UNITS IS A NEED FOR AFFORDABLE HOUSING…MICRO-UNITS OFFER THE ABILITY TO RENT OR BUY SPACE FOR LESS THAN COMPARABLE (ALBEIT LARGER) UNITS IN THE SAME AREA, ALTHOUGH THE COST FOR A MICRO-UNIT ON A PER-SQUARE-FOOT BASIS IS OFTEN HIGHER THAN A TRADITIONAL APARTMENT OR CONDO." THIS STATEMENT IS SIGNIFICANT BECAUSE IT HIGHLIGHTS THAT ALTHOUGH SMALLER UNITS CAN PROVIDE AN ALTERNATIVE HOUSING TYPOLOGY THAT MAY BE MORE AFFORDABLE TO SOME INDIVIDUALS; THE TYPOLOGY ALONE IS NOT INHERENTLY AFFORDABLE TO ALL HOUSEHOLDS. IN ORDER TO ENSURE THAT A MICRO-UNIT IS AFFORDABLE THERE MUST BE A CODIFIED AND LEGALLY BINDING AFFORDABILITY REQUIREMENT AS IS INCLUDED IN THE PROPOSED CODE AMENDMENT.
ALTERNATIVE LANGUAGE TO MAXIMIZE AFFORDABLE HOUSING OPPORTUNITIES:	NHCD WORKED CLOSELY WITH PDRD STAFF THROUGH THE CODE AMENDMENT DEVELOPMENT PROCESS AND HAD THE OPPORTUNITY TO CONTRIBUTE TO THE PROPOSED AMENDMENT LANGUAGE. NHCD DOES NOT PROPOSE ANY ALTERNATIVE LANGUAGE AT THIS TIME.
OTHER HOUSING POLICY CONSIDERATIONS:	
DATE PREPARED:	SEPTEMBER 29, 2014
DIRECTOR'S SIGNATURE:	Kh Copic for Betsy Spencer