

**RESOLUTION NO. 93- 39**

**A RESOLUTION ESTABLISHING AFFORDABLE HOUSING INCOME LEVELS AND RENTAL AND PURCHASED COST LEVELS AND REPEALING RESOLUTION 91-32**

RECITALS:

- A. The City of Ashland desires to provide affordable housing for its citizens; and
- B. The Land Use Ordinance has been amended to provide density bonuses for providing affordable housing; and
- C. The Land Use Ordinance requires the City Council to adopt a resolution to establish affordability standards to implement the affordable housing density bonuses.

The Mayor and City Council of the City of Ashland, Oregon resolve as follows:

**1. RENTAL HOUSING.** Units designated for affordable rental housing in developments which have qualified for density bonuses under the City's Land Use Ordinance (LUO) shall be rented to individuals or families whose annual income does not exceed 80% of the median income for families in the Medford-Ashland Metropolitan Statistical Area (MSA). This figure shall be known as the "qualifying family income" and shall be determined by the City's Department of Community Development in May of each year from the annual family incomes published by the U.S. Department of Housing and Urban Development (HUD).

The rent charged for such affordable rental housing shall not exceed 23% of the qualifying monthly income (qualifying family income divided by twelve) as provided in the following formulas:

<b>Studio Apartment</b>	<b>23% of the average of 1 &amp; 2 person qualifying monthly incomes</b>
<b>1 Bedroom</b>	<b>23% of the average of 2 &amp; 3 person qualifying monthly incomes</b>
<b>2 Bedroom</b>	<b>23% of the average of 3,4, &amp; 5 person qualifying monthly incomes</b>
<b>3 Bedroom</b>	<b>23% of the average of 4,5,6, &amp; 7 person qualifying monthly incomes</b>
<b>4 Bedroom</b>	<b>23% of the average of 5,6,7, &amp; 8 person qualifying monthly incomes</b>

The City's Department of Community Development shall maintain a table of maximum rent levels permitted under these formulas and shall annually update the table in May of each year.

The owner of the affordable rental housing shall sign a 20-year agreement with the City of Ashland that guarantees these rent levels will not be exceeded and that the owner will rent only to families meeting the income limits. The agreement shall bind subsequent owners who purchase the rental housing during the 20-year period. The

agreement shall also require the owner to rent to HUD Section 8 qualified applicants and agree to accept rent vouchers for all of the affordable units where applicable.

**2. PURCHASED HOUSING.** Units designated for affordable housing available for purchase in developments which have qualified for density bonuses under LUO, shall

2.1. Only be sold to individuals or families whose:

2.1.1. Annual income does not exceed 130% of the median income for families in the MSA.

2.1.2. Net assets, excluding pension plans and IRA's and excluding the down payment (to a maximum of 20 percent of the purchase price) and closing costs, do not exceed \$20,000 for a family or \$130,000 if one family member is 65 years or older.

2.2. Have a purchase price not exceeding the following amounts:

<u>Type of Unit</u>	<u>Purchase Price</u> <u>(revised annually)</u>
Studio	\$75,985
1 Bedroom	\$86,718
2 Bedroom	\$97,665
3 Bedroom	\$108,396
4 Bedroom	\$117,028

The purchase price shall be annually revised in May of each year by the City's Department of Community Development. The annual revision shall be calculated by multiplying the current purchase price by the annual percentage change in median family income as published by HUD for the MSA.

2.3. Be assured to remain affordable as follows:

2.3.1. *FARMER'S HOME ADMINISTRATION (FmHA)* - For housing financed by the FmHA, affordability will be assured by the recapture provisions required by FmHA which requires sellers' to repay FmHA for all the subsidies accrued during the period that they resided in the housing.

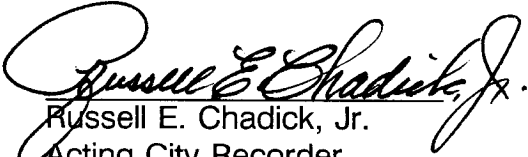
In addition, FmHA financed housing shall be subject to a covenant that for the first five years after the initial purchase, resale can only be to individuals from the same income category as the original purchasers.

2.3.2. *ALL OTHER DEVELOPMENTS* - For all other developments obtaining density bonuses for the provision of affordable housing, affordability will be assured by requiring that the purchasers of the affordable housing units

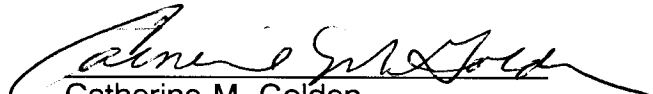
agree to the **City of Ashland Affordable Housing Resale Restriction Agreement** prior to the issuance of building permits for the units.

**3. REPEAL OF RESOLUTION 91-32.** Resolution 91-32 is repealed.


The foregoing resolution was READ and DULY ADOPTED at the regular meeting of the Ashland City Council on the 19<sup>th</sup> day of October, 1993.

  
Russell E. Chadick, Jr.  
Acting City Recorder

SIGNED and APPROVED this 20<sup>th</sup> day of October, 1993.

  
Catherine M. Golden  
Mayor

Approved as to form:

  
Paul Nolte  
City Attorney

**City of Ashland  
Affordable Housing  
Income and Rental Cost Levels  
October 19, 1993**

**Qualifying Incomes for RENTAL HOUSING (as of May 5, 1993)**

<u>Family Size</u>	<u>Annual Income Level (80% of median income)</u>
1	\$19,700
2	\$22,550
3	\$25,350
4	\$28,150
5	\$30,400
6	\$32,650
7	\$34,900
8	\$37,150

**RENTS for affordable units shall not exceed the following:**

<u>Apartment Type</u>	<u>Maximum Rent Level</u>
Studio	\$405/month
1 Bedroom	\$459/month
2 Bedroom	\$536/month
3 Bedroom	\$604/month
4 Bedroom	\$647/month