

RESOLUTION NO. 2006- 13

A RESOLUTION AMENDING AND RESOLUTION 2005-46

RECITALS:

- A. WHEREAS, in 1993, the City of Ashland passed Resolution no. 1993-39 which established affordable housing income levels and rental and purchased cost levels.
- B. WHEREAS, in 2005, the City of Ashland passed Resolution 2005-46 which required provisions for homeowner and maintenance fees to be included in the affordability calculations for its affordable housing program.
- C. WHEREAS, neither resolution contained provisions establishing rent levels or purchase price levels for households earning 60%, 80% 100% or 120% of the area median income (AMI).
- D. WHEREAS, neither resolution required Principal, Interest, Taxes and Insurance (PITI) to be included in the maximum housing costs of eligible households in the affordability calculations for the purchasing part of its affordable housing program.
- E. WHEREAS both resolutions used “not-to-exceed purchase price” as a qualifying criterion for purchasing housing units, which criterion requires annual revision, and the current resolution seeks to replace the “not-to-exceed purchase price” with a “percent of household income” criterion which does not require annual revision.
- F. WHEREAS, the City considers that a range of qualifying incomes maximizes the potential for success of its affordable housing program.
- G. WHEREAS, the City desires that PITI be included in the affordability calculations for the various income levels of qualified households and that the “percent of household income” criterion be used in place of the “not-to-exceed purchase price” criterion.

NOW THEREFORE, THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

Resolutions 1993-39 and 2005-46 are hereby amended in their entirety as follows:

SECTION 1. GENERAL ELIGIBILITY – RENTAL AND PURCHASED HOUSING

1.1 All qualifying ownership or rental units required to be affordable through density bonuses, annexation, zone change, condominium conversion, or other land use approval under the Ashland Land Use Ordinance (ALUO) shall not be eligible to receive a waiver of the Community Development and Engineering Services fees associated with the development of said affordable units unless a waiver is approved by the Ashland City Council.

1.2 All qualifying ownership or rental units required to be affordable through density bonuses, annexation, zone change, condominium conversion, or other land use approval under the ALUO shall be eligible to receive a deferral of the System Development Charges associated with the development of said affordable units.

1.3 All qualifying ownership or rental units voluntarily provided as affordable to low income households, consistent with section 1.1 and 1.2, above, shall be eligible for a System Development Charge, Engineering Service, and Community Development Fee deferral or waiver without obtaining approval from the Ashland City Council.

1.4 Affordable Housing Units covered under this Resolution can only be sold or rented to occupant households from the same income category as the original purchasers or renters for a period of not less than 30 years, or as required through the condition of approval for a unit required to be affordable through a land use approval.

1.5 System Development Charges, Engineering Services, and Community Development Fees may be deferred or waived when units are sold or rented to low-income persons. For purposes of this subsection, "low-income persons" means:

a. With regard to rental housing, persons with an income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development; and

b. With regard to home ownership housing and lease to purchase home ownership housing, persons with an income at or below 80 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

2. RENTAL HOUSING -. Units designated for affordable rental housing in developments which have qualified for density bonuses, annexation, zone change, condominium conversion, or other land use approval under the ALUO shall be rented to individuals or households-whose annual income is consistent with the target income identified in the planning approval. Incomes shall be qualified at the 60% or 80% median income levels for households in the Medford-Ashland Metropolitan Statistical Area (MSA). This figure shall be known as the "qualifying household 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) for the Medford-Ashland Metropolitan Service Area (MSA).

2.1 Area Median Income – 80%. The rent charged for such affordable rental housing benefiting households earning 80% Area Median Income or greater, including any home-owners association or maintenance fees, shall not exceed 23% of the qualifying monthly income (qualifying family income divided by twelve) as provided in the following formulas:

Studio Apartment	23% of the average of 1 & 2 person qualifying monthly incomes
1 Bedroom	23% of the average of 2 & 3 person qualifying monthly incomes
2 Bedroom	23% of the average of 3, 4, & 5 person qualifying monthly incomes
3 Bedroom	23% of the average of 4, 5, 6, & 7 person qualifying monthly incomes
4 Bedroom	23% of the average of 5, 6, 7, & 8 person qualifying monthly incomes

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.

2.2 Area Median Income – 60% or lower. The rent charged for such affordable rental housing benefiting households earning 60% Area Median Income or less, including any home-owners association or maintenance fees, shall comply with the maximum rents established by the State of Oregon HOME Program based on the target income qualification as adjusted annually by the Department of Housing and Urban Development for the Medford-Ashland Metropolitan Service Area. The HOME program indexed allowable rents are adjusted annually by the State of Oregon Housing and Community Services Department (OHCS).

2.3. Owner's Obligation. The owner of the affordable rental housing shall sign a 30-year agreement, or longer depending on the period of affordability established through the ALUO, with the City of Ashland that guarantees these rent levels will not be exceeded and that the owner will rent only to households meeting the income limits. The agreement shall bind subsequent owners who purchase the rental housing during the established period of affordability. The agreement shall also require the owner to allow the unit to be rented to HUD Section 8 qualified applicants and agree to accept rent vouchers for all of the affordable units when applicable. The City shall file the agreement for recordation in the County Clerk deed records, Jackson County, Oregon.

2.3.1. Certification of qualifying occupants. The owner of record, or the designated agent of the record, owner, shall annually file with the City of Ashland a signed certificate stating the occupants of the record owner's rental housing units continue to be qualified households, or are a household that qualified at its initial occupancy, within the meaning of this Resolution, and any amendment made to it. The City of Ashland shall provide the record owner or the record owner's agent with access to a form to complete and sign to comply with this provision.

3. PURCHASED HOUSES - QUALIFYING. Units designated for affordable housing available for purchase in developments which have qualified for density

bonuses annexation, zone change, condominium conversion , or other land use approval under the ALUO must satisfy two criteria.

1. They shall only be sold to occupant households whose:
 - a. Annual income is consistent with the target income identified in the planning approval for the development. Incomes shall be qualified at the applicable 60%, 80%, 100% or 120% median income levels for households based on number of people per household as adjusted annually by the Department of Housing and Urban Development for the Medford-Ashland Metropolitan Service Area.
 - i. The maximum monthly payment for a covered unit shall be established to not exceed the affordability limits, established above, indicated in following table:

Studio = 1 person household income for the designated income level
1 Bedroom = 2 person household income for the designated income level
2 Bedroom = 4 person household income for the designated income level
3 Bedroom = 6 person household income for the designated income level
4 Bedroom = 7 person household income for the designated income level


Households with a greater or lesser number of occupants shall remain eligible for covered units but the sale price shall not be adjusted due to household size above the limits established above.
 - b. Net assets, excluding pension plans and IRA's and excluding the down payment and closing costs, do not exceed \$20,000 for a household or \$130,000 if one household member is 65 years or older.
 - c. Mortgage payment does not exceed more than 30% of the monthly income for the target income level indicated in 3.1(a)(i) on total housing costs which includes PITI and any homeowners or regular maintenance fees.
 - d. The maximum monthly payment for a covered unit shall be calculated by utilizing the interest rate for the Oregon Bond Loan RateAdvantage as updated by the State of Oregon Housing and Community Services Department.
2. They shall remain affordable as follows:
 - a. The purchasers of the affordable housing units shall agree to the City of Ashland Affordable Housing Resale Restriction Agreement establishing a period of affordability of not less than 30 years. In no event will a purchaser be required to sell the unit subject to the aforementioned

Agreement for less than his or her original purchase price, plus any applicable closing costs and realtor fees.

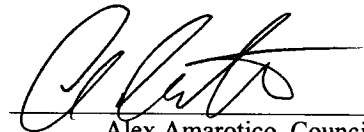
b. For housing financed by Farmer's Home Administration (FmHA), the affordability shall be assured by the FmHA's recapture provisions FmHA which require sellers to repay FmHA for all the subsidies accrued during the period the sellers resided in the housing unit.

SECTION 2. EFFECTIVE DATE. This Resolution takes effect upon signing by the Mayor.

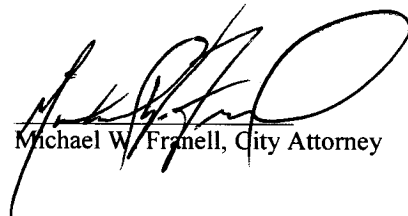
This resolution was read by title only in accordance with Ashland Municipal Code §2.04.090 duly PASSED and ADOPTED this 21 day of June, 2006.


Barbara Christensen, City Recorder

SIGNED and APPROVED this 21 day of June, 2006.


Alex Amarotico, Council Chair

Review as to form:


Michael W. Frannell, City Attorney