



STAFF REPORT AND FISCAL IMPACT NOTE

Ordinance: O-21-19

Title: Moderately Priced Dwelling Units (MPDUs)

Date: April 27, 2019

STAFF REPORT

This ordinance has four primary purposes.

- It extends the required occupancy period for for-sale moderately priced dwelling units (“MPDUs”) from 10 years to 30 years, and it extends the occupancy period of rental MPDUs from 20 years to 99 years. (The length of the occupancy periods is removed from the definition and placed in a new separate section.)
- It provides that the required number of MPDUs is proportionate to the approved development density, but the variable percentage may not be less than 15 percent.
- It deletes the fee in lieu of providing MPDUs.
- It includes a grandfathering provision which provides that applications filed before the effective date of the ordinance are evaluated based on Chapter 20.30 as it existed at the time of the application.

Note that 20.30.160 is amended to delete Section E, relating to fees in lieu. The remaining portions of the section are not included in this ordinance because O-44-18 also addresses this section.

Other changes:

- The reference to ensuring that private developers constructing MPDUs “incur no loss or penalty” as a result of the construction is deleted because there may be some loss of profit when every development subject to the chapter must include MPDUs.
- The applicability of the chapter to developments of 10 or more dwelling units is removed from the definition of “applicant” and placed in 20.30.030.
- The definition of an MPDU is modified to provide that an MPDU may be offered for sale or rent to eligible persons, but the ability to offer it to the Department of Planning and Zoning is deleted.

- Section B of 20.30.050 is deleted as redundant and underinclusive. 20.30.40 includes the contents of the required agreement, and it does so in far more detail than deleted section B.
- There are style changes throughout.

Prepared by Linda Schuett, Acting City Attorney

According to Peter Gutwald, Planning and Zoning Director, this ordinance has no impact on the staff.

Prepared by Teresa Sutherland, City Manager

FISCAL IMPACT

This ordinance has no fiscal impact on City operating expenses. We are unable to predict the impact on future General Fund revenues. Eliminating the fee in lieu of building MPDUs will eliminate all new revenue into the Homeownership Assistance Trust Fund.

Prepared by Jodee Dickinson, Finance Director