

## Mandatory Workforce Housing City-Wide

On November 27, 2018, the City of Brookhaven adopted a complete rewrite to its Zoning Ordinance. This is a comprehensive document with substantial, significant changes to land development patterns in Brookhaven. Of particular importance, the adopted ordinance includes a mandatory inclusionary zoning provision applicable to residential developments city-wide.

The City defines “Workforce Housing” as for-sale or rental housing units that are affordable to those households earning less than 80% AMI (currently, \$69,700).

The City provides for incentives to developers that restrict more than the mandatory minimum amounts of units to Workforce Housing, including additional height bonus, waiver of fees, and expedited permitting. Additionally, the required Workforce Housing units do not apply towards density maximums.

The Brookhaven Planning Commission took up discussion of the complete proposed Zoning Ordinance at its Work Session and Commission meeting on September 5th. At these hearings, the Planning Commission **expanded the mandatory Workforce Housing requirements to apply city-wide**. Previously, the mandatory workforce house provisions applied only in the Buford Highway Overlay District.

The Planning Commission recommended the proposed Zoning Ordinance, including the city-wide mandatory Workforce Housing provisions, at its October 3rd meeting. At its October 23 City Council meeting, the Brookhaven City Council voted to move the Zoning Ordinance Rewrite to a future Work Session, with the expectation that it be brought back for final action at City Council’s November 27 City Council meeting. At November 27th’s City Council meeting, the measure passed 4-1, with Councilmember Bates Mattison as the sole “no” vote.

The Ordinance stipulates that whenever the City approves a special land use permit or the rezoning of property, the developer must restrict at least 10% of the dwelling units as Workforce Housing. For this provision to apply, the SLUP or rezoned property must contain 10 or more new or additional dwelling units on one or more lots or parcels under common ownership or control. This applies to new construction, rehabilitation, or conversion from rental housing to condominiums. However, Workforce Housing units are not counted as dwelling units for the purpose of calculating maximum allowable density.

The City defines “Workforce Housing” as for-sale or rental housing units that are affordable to those households earning less than 80% AMI (100% AMI is currently \$69,700).

The City provides minor incentives to developers that restrict more than the mandatory minimum amounts of units to Workforce Housing, including additional height bonus, waiver of fees, and expedited permitting.

### A. Pertinent Definitions

- a. Residential Housing Project – “One or more buildings that collectively contain 10 or more new or additional dwelling units on one or more lots or parcels under common ownership or control...” Under this definition, a “residential housing project” may consist of new construction, rehabilitation, or the conversion of rental housing to condominiums. This definition is directed to be construed broadly.
- b. Workforce Housing -- “For-sale or rental housing units that are affordable to those households earning no more than 80-percent AMI” (currently Atlanta MSA AMI is \$69,700).

### B. Mandatory Inclusionary Zoning Minimums

- a. Whenever the City approves a special land use permit or the rezoning of property, and such property is subsequently developed with a residential housing project, the developer **MUST** restrict at least 10-percent of the dwelling units in the residential housing project as workforce housing.

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- b. Workforce Housing units are not counted as dwelling units for purpose of calculating the maximum allowable density allowed on the subject property.
- C. Developer Incentives for Exceeding Mandatory Inclusionary Zoning Minimums
  - a. Developers will be granted one additional story of bonus building height for each 10-percent of workforce housing units provided in excess of the mandatory minimums (e.g. 20% workforce housing equals one additional story).
  - b. Residential and mixed-use buildings on properties within this district may exceed the maximum applicable building height limit of the underlying zoning district if approved through the special and use permit procedures.
  - c. The Planning Commission is authorized to recommend, and the City Council is authorized to approve, other incentives to projects that exceed applicable mandatory minimum provisions of workforce housing, including fee waiver, expedited permitting, and financial assistance.

Please see below for estimated sales price and rental price of an “affordable unit” for an individual(s) making 80-percent of the Atlanta Area Median Income, as defined in this Ordinance. Assumptions are based on FHA guidelines that no more than 30-percent of gross annual income should be dedicated to housing. This can be interpreted to mean that no more than 30% of gross annual income should be dedicated to rent or mortgage, solely, or that no more than 30% of gross annual income should be dedicated to all living expenses (generally, utilities, homeowner’s insurance, HOA fees, etc.). The below models are based on the assumption that no more than 30% of gross annual income should be dedicated to rent or mortgage, without controlling for tertiary housing costs.

<b>City of Brookhaven</b>			
<b>Atlanta MSA AMI = \$69,700</b>		<b>Atlanta MSA 80% AMI = \$55,760</b>	
<b>Affordability Calculator – Ownership Model</b>		<b>Affordability Calculator – Rental Model</b>	
	<b>Total Est. Sales Price*</b>		<b>Rent</b>
<b>Family of One</b>	\$123,000	<b>Family of One</b>	\$976
<b>Family of Two</b>	\$141,700	<b>Family of Two</b>	\$1,115
<b>Family of Three</b>	\$161,000	<b>Family of Three</b>	\$1,255
<b>Family of Four</b>	\$179,600	<b>Family of Four</b>	\$1,394
<b>Family of Five</b>	\$194,500	<b>Family of Five</b>	\$1,506

  

<p>*Total Est. Sales Price assumes 30-year fixed mortgage at annual interest rate of 4.1%</p>	<p>AMI percentage adjustments for family size are 70% for one person.            AMI percentage adjustments for family size are 80% for two persons.            AMI percentage adjustments for family size are 90% for three persons.            AMI percentage adjustments for family size are 100% for four persons.            AMI percentage adjustments for family size are 108% for five persons.</p>
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