

Ordinance #20-0503  
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UDO-CC7

**AN ORDINANCE AMENDING CHAPTER 4 AND CHAPTER 6 OF THE UNIFIED DEVELOPMENT ORDINANCES (UDO) TO REVISE BONUS DENSITY FOR AFFORDABLE HOUSING PROVISIONS AND TO REVISE ALTERNATIVE PARKING AND PARKING INCENTIVES**

Be it ordained by the \_\_\_\_\_, that the Unified Development Ordinances are amended as follows:

**Section 1.** Chapter 4, Subsection 4.1.6 of the UDO is amended as follows:

**4.1.6 BONUS DENSITY FOR AFFORDABLE HOUSING**

**A. DENSITY INCREASE PERMITTED**

1. An increase in the density otherwise permitted in the zoning district may be permitted for developments which provide on-site ~~or off-site~~ housing opportunities for low- or moderate-income households.

A contract shall be approved by the County Attorney or City Attorney, and the ~~Forsyth County Department of Housing (FCDH)~~ **Forsyth County Community and Economic Development (FCCED)** or the Winston-Salem Community Development Department (CD) as a condition of special use district zoning, preliminary subdivision approval, or other site plan review guaranteeing that the reserved units will be purchased by or rented to qualifying households, and shall be binding for a ~~period of not less than fifteen (15) years from the date on which the unit is first occupied~~ **period established by County or City Affordable Housing programs.**

2. The reserved lots or rental units shall be indicated on the site plan submitted.

**B. APPLICABILITY**

**1. DUPLEX OR MULTIFAMILY UNITS**

A twenty-five percent (25%) density bonus for duplex or multifamily units may be approved if:

- a. A minimum of forty percent (40%) of the **total** units are to be rented to families earning less than sixty percent (60%) of Forsyth County median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development (HUD). (Hereinafter, median income ); or
- b. A minimum of twenty percent (20%) of the **total** units are to be rented to families earning less than fifty percent (50%) of median income.

**2. SINGLE FAMILY DETACHED UNITS**

NOTE: Items to be removed are indicated with a ~~strike through~~; items to be added are shown as **highlighted**. Items with a single underscore are applicable to Forsyth County only, and *italicized* items are applicable to Winston-Salem only.

A twenty-five percent (25%) density bonus for single family residential development may be approved if twenty-five percent (25%) of all **total** units, or a minimum two units, are to be sold to families earning less than eighty percent (80%) of median income.

~~3. DONATION OF LAND~~

- ~~a. A twenty five percent (25%) density bonus for single family residential development may be approved if land with suitable soils or access to public water and sewer is donated to Forsyth County or the City of Winston-Salem Housing Authority for the purpose of the development of affordable housing within the same census tract or adjoining tracts.~~
- ~~b. The donated land shall contain at a minimum the land area needed to develop the total number of the bonus units, in accordance with the zoning requirements of the district in which the donated land is located.~~

**C. CONTRACT FOR SALE OF SINGLE FAMILY RESIDENCES**

Approval of the special use district zoning, preliminary subdivision, or other site plan review shall not occur until there is a contract between the property owner and Forsyth County or the City of Winston-Salem, which shall also be binding on future owners of the reserved lots. The contract shall be administered by ~~FCDH~~ **FCCED or CD**, and shall include the following provisions:

**1. APPROVAL OF SALES AND REALES**

All sales and resales **of units** shall be approved by ~~FCDH~~ **FCCED** or ~~the HND~~ **CD** to assure ownership by qualifying buyers in accordance with the following eligibility criteria.

**a. INCOME**

Family income at the time of purchase shall not exceed the limits set forth in **Section 4.1.6B, Applicability**.

**b. RESIDENCY**

At least one member of a qualifying household must have lived or worked in Forsyth County for the past twelve (12) months.

**2. DURATION OF CONTRACT**

The contract shall apply to each of the reserved lots, and shall continue to affect a particular lot for ~~a minimum period of fifteen (15) years after the initial sale of that lot~~ **a time period established by County or City Affordable Housing policies**.

**3. OCCUPANCY**

There shall be no occupancy of the unit prior to its sale to a qualifying buyer.

**4. SCHEDULE**

The contract shall include a schedule by which construction and sale of the reserved units will be accomplished.

**5. RESALE PRICE**

- a.** The resale price of any reserved housing unit shall not, at any time during the life of the contract, exceed the maximum amount affordable to the purchasing low or

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moderate income household ~~as defined by the AMI percentage outlined in section 4.1.6B, Applicability.~~

- b. The maximum sale or resale price shall be determined by ~~FCDH or HND~~ **FCCED or CD** (depending on jurisdiction), calculated by using ~~HUD modeling for housing affordability~~ **current appraisal.**
- c. ~~HUD modeling takes into consideration assumptions such as interest rates, percentage of annual income allowed for housing, and amount of down payment.~~

**6. VIOLATION OF CONTRACT**

Violation of any of the terms of the contract required by this section may constitute grounds for revocation of the special use district zoning, preliminary subdivision, or other site plan review.

**D. CONTRACT FOR RENTAL OF DUPLEX OR MULTIFAMILY UNITS**

Approval of the special use district zoning, preliminary subdivision, or other site plan review shall not occur until there is a contract between the property owner or developer and Forsyth County or the City of Winston-Salem, which shall also be binding on future owners of the development. The contract shall be administered by ~~the County, the City, or the Housing Authority~~ **Forsyth County or the City of Winston-Salem**, and shall include the following provisions:

**1. APPROVAL OF RENTALS**

All rentals shall be approved by ~~FCDH, HND, or the Housing Authority~~ **FCCED or CD** to assure occupancy by qualifying households in accordance with the following eligibility criteria:

**a. INCOME**

- i. Family income at the time of purchase shall not exceed the limits set forth by ~~FCDH or HND~~ **FCCED or CD.**
- ii. Families whose income increases above the eligibility requirements may continue to occupy the rental unit, unless otherwise required through terms of the rental agreement between the lessor and lessee.

**b. RESIDENCY**

At least one member of a qualifying household must have lived or worked in Forsyth County for the past twelve (12) months.

**2. CHANGE IN OCCUPANCY**

Every change in occupancy during the ~~fifteen (15) year~~ term of the contract shall be approved by ~~FCDH or HND~~ **FCCED or CD** to assure continued compliance with eligibility criteria.

**3. MAXIMUM RENT**

- a. ~~The maximum rent allowed shall be computed by multiplying the applicable percentage of median income by the value of median income at the time of the transaction, then multiplying the resulting value by the maximum percentage of income spent for housing, as recommended by the mortgage banking industry.~~ **determined using HUD's**

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annual income guidelines and/or its annual Fair Market Rent information based on local jurisdiction.

- b. The value for median income used in calculating maximum allowable rent shall be adjusted to reflect the maximum family size appropriate for the number of bedrooms, as determined by FCDH or HND, determined using HUD's annual income guidelines and/or its annual Fair Market Rent information based on local jurisdiction.

**4. VIOLATION OF CONTRACT**

Violation of any of the terms of the contract required by this section may constitute grounds for revocation of the Special Use District zoning, preliminary subdivision, or other site plan review.

**E. DISCLOSURE OF CONTRACT TERMS TO POTENTIAL HOME-BUYERS**

**1. EXPLANATION TO PROSPECTIVE BUYER**

- a. Staff from the ~~FCDH or HND~~ FCCED or CD shall meet with the prospective buyer prior to the purchase to assure that all terms of the contract are fully understood.
- b. Such explanation shall communicate that although building permits for the improvements to the structure may be obtained if the owner wishes to remodel or construct an addition or accessory structures, there is no assurance that the investment will be regained if the unit is sold prior to the expiration of the contract due to the requirement that it be purchased by a moderate income household.

**2. HOME OWNERSHIP COUNSELING**

Home ownership counseling shall be made available to ~~first-time~~ buyers to provide information on such topics as insurance and maintenance. The counseling shall be provided by ~~FCDH or HND~~ FCCED or CD.

**F. ~~RESERVED~~ CONVEYANCE OF PROPERTY TO FORSYTH COUNTY, CITY OF WINSTON-SALEM OF THE HOUSING AUTHORITY**

- ~~1. Land donated to Forsyth County or Winston-Salem pursuant to Section 4.1.6B.3, Donation of Land, to enable a developer to obtain a density bonus shall be donated in trust for the purpose of the development of affordable housing.~~
- ~~2. An agreement between the developer and Forsyth County or Winston-Salem and the instruments of conveyance shall insure this trust as determined by the County or City Attorney.~~

**Section 2.** Chapter 6, Subsection 6.1.5 of the UDO is amended as follows:

**6.1.5 ALTERNATIVE PAKRING AND PARKING INCENTIVES**

**D. PARKING ALTERNATIVES IN SELECTED ZONING DISTRICTS**

**3. ALTERNATIVE PARKING COMPLIANCE FOR MULTIFAMILY DEVELOPMENT NEAR TRANSIT**

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Alternative compliance with parking regulations may be allowed for the uses Residential Building, Duplex; Residential Building, Townhouse; Residential Building, Twin Home; and Residential Building, Multifamily, where such uses are:

- a. located on sites within  $\frac{1}{4}$  mile of a current Winston-Salem Transit Authority (WSTA) route, and
- b. located on sites which are within one-quarter ( $\frac{1}{4}$ ) mile of a designated *Legacy* Growth Corridor, and/or within one-quarter ( $\frac{1}{4}$ ) mile of an activity center as identified in *Legacy* or associated area plans.

If the conditions of both **a.** and **b.** above are met, parking requirements may be reduced to one (1) parking space per dwelling unit regardless of unit size or bedroom count.

**Section 3.** This Ordinance shall be effective upon adoption.

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