DEVELOPMENT STANDARD BONUSES FOR RESIDENTIAL DISTRICTS

The purpose of the Development Standard Bonus is intended to meet key goals by providing incentives for the construction of high quality, larger-scale development projects that are reasonably compatible with the architectural and environmental character of the City. Key goals include, but are not limited to:

- Promoting the City's affordable housing program;
- Implementation of officially-adopted plans for an area;
- Preservation of critical environmental features on the site;
- Assisting in meeting critical infrastructure needs; and
- Effectively incorporating public transit

A Development Standard Bonus application is only applicable to development projects located within residential districts (RS-2, RS-4, RS-8, RM-6, RM-8 and RM-16) and for projects that propose more than 4 units. For specific details of this ordinance, refer to the Unified Development Ordinance, Section 7-16-2(d)(17).

THE REVIEW PROCESS

The Development Standard Bonus application is reviewed through the Conditional Use Permit process that involves a minimum 4-6 month review of the project by several City Boards and Commissions. Each meeting following the pre-application conference with staff will involve notification to the public through local advertisement in the newspaper, notification by mail to those properties that are located within 200 feet of the proposed development, and posting of the site with a city "Z" sign. The following outlines the review process:

- Pre-application Conference: A pre-application conference with the City's Technical Review Manager or Technical Review Committee (TRC) is required before a formal application can be submitted.
- TRC - Public Meeting: a review of the project and concept plans by the City's Technical Review Committee (TRC) to ensure that the design of the project has the ability to comply with all applicable City and State Codes.
- Planning and Zoning Commission - Public Hearing: a review by the City's Planning and Zoning Commission (PZC) that evaluates the recommendation of the TRC (technical merits of the project), the exceptional development components of the project and makes a determination on the project's ability to comply with the seven (7) Conditional Use permit standards. The Planning and Zoning Commission's recommendation on the project will be provided to City Council.

- City Council - Public Hearing: a review of the project by the Asheville City Council (CC). The city council will evaluate the merits of the project and take into consideration the reviews and recommendations of the TRC and PZC in an effort to make the final determination on whether or not to grant the Conditional Use permit.
- Final TRC Meeting: (Required only if approved by City Council): A detailed technical review of the project by the TRC. The applicant is required to submit detailed site plans that meet all of the City's technical standards and any conditions that were added to the project through the Conditional Use permit approved by City Council. These plans will ultimately result in the issuance of a zoning permit, grading and erosion control permit, stormwater permit and driveway permit.

SEVEN (7) CONDITIONAL USE PERMIT STANDARDS

(The Asheville City council must find that all seven (7) conditional use permit standards have been met in order to approve the Conditional Use permit.)

1) That the proposed use or development of the land will not materially endanger the public health or safety;

2) That the proposed use or development of the land is reasonably compatible with significant natural and topographic features on the site and within the immediate vicinity of the site given the proposed site design and any mitigation techniques or measures proposed by the applicant;

3) That the proposed use or development of the land will not substantially injure the value of adjoining or abutting property;

4) That the proposed use or development of the land will be in harmony with the scale, bulk, coverage, density, and character of the area or neighborhood in which it is located;

5) That the proposed use or development of the land will generally conform with the comprehensive plan, smart growth policies, sustainable economic development strategic plan and other official plans adopted by the City;

6) That the proposed use is appropriately located with respect to transportation facilities, water supply, fire and police protection, waste disposal, and similar facilities; and

7) That the proposed use will not cause undue traffic congestion or create a traffic hazard.

DEVELOPMENT STANDARD BONUS FOR RESIDENTIAL DISTRICTS

Type of Bonus Requested	Applicant To Check	N/A	Planning Staff
RS District: **Less than 20 percent** of the units proposed are affordable to persons with incomes below 80 percent of the area median income (Maximum of 125% bonus)			
RS District: 20 percent or more of the units proposed are affordable to persons with incomes below 80 percent of the area median income (Maximum of 150% bonus)			
RM District: **Less than 20 percent** of the units proposed are affordable to persons with incomes below 80 percent of the area median income (Maximum of 150% bonus)			
RM District: 20 percent or more of the units proposed are affordable to persons with incomes below 80 percent of the area median income (Maximum of 200% bonus)			
Alterations to the typical development standards are being requested (i.e. density, height, number of units per building, setbacks, lot size, and lot width)			

EXCEPTIONAL DEVELOPMENT CHECKLIST

In order for an application to be considered for a Development Standard Bonus (Reference Section 7-16-2(d)(17)) a minimum of three (3) of the following items must be incorporated into the design of the project. Plans associated with this application shall reflect the items selected below for compliance.

REQUIREMENT – Please check all that apply.	Applicant To Check	N/A	Planning Staff
Higher Quality Building Design:			
• Variation in materials and massing to break up the appearance of large facades			
• Use of higher quality building materials			
• Building Design and Orientation Sensitive to Surrounding Neighborhood Context and/or Community Heritage			
• Design approved by appointed City design board, etc			
• Other, Describe:			

Significant Use of Green Building Techniques (i.e. LEED Certification, NC Healthy Built Homes, etc.)			
Enhanced Landscaping Through the Use of Additional and/or Larger Plants			
Project Amenities (park, playground, walking trail, benches, etc.)			
Enhanced Stormwater Management through the Use of Pervious Paving Surface for Parking Areas and/or Bioretention Stormwater Systems			
Environmentally Sensitive Design that: • Preserves Existing Vegetation/Significant Trees and other Critical Environmental Features on Site;			
• Enhances Other Environmental Features of the Property (beyond what is typically required by the City of Asheville)			
Pedestrian Orientation and Public Amenities			
If Located on a Major Thoroughfare, Minimizing the Number of Access Points by Using Shared Driveways With Adjoining Parcels			
Transit Facilities for Larger Projects (bus stop area, covered bench, etc.)			
Other, Describe:			

2008: AFFORDABLE HOUSING RATES AND STANDARDS FOR COMPLIANCE

The following criteria must be met for a project to qualify as "affordable housing" in order to receive a density bonus or other special consideration as outlined in the UDO. The intent of these standards is to set a clear definition of affordability, create criteria to prevent the improper use of these allowances, and ensure that the units remain affordable for a reasonable period of time. The definitions below are consistent with those used for the Housing Trust Fund and proposed for the fee rebate program. The figures are likely to change on an annual basis and should be updated according.

FOR SALE:
The maximum price of dwelling units for sale is based on affordability for a household with income 100% of the Area Median Income. The limits are currently:

0 bedrooms (efficiency)	$115,000
1 bedroom	$125,000
2 bedrooms	$145,000
3 or more bedrooms	$160,000

Any sale must be an "arm's length" transaction with no family or business connection between the developer and the initial buyer.

The City is currently using an equity recapture process on units for sale in which the difference between the affordable sales price and the appraised value is filed as a subordinate lien on the property. The developer will be required to execute a Declaration of Restrictions and Covenants prior to marketing the units which will identify the affordable units within the project and establish the price caps, income restrictions, and equity interest of the City. Buyers of the affordable units will sign a Promissory Note and Deed of Trust at closing with interest charged at the rate of appreciation. In the event that the property is sold, transferred, or fails to remain as the buyer's primary residence, these funds immediately become due and payable and are returned to the Housing Trust Fund for reinvestment in other affordable projects.

The developer must provide acceptable means to notify the City of Asheville Planning & Development Department of all re-sales of affordable units over the 10 year period.

FOR RENT:
The maximum rental rate for dwelling units is based on the average of 130% of HUD's Fair Market Rent and the maximum rent affordable at 75% of the Area Median Income (adjusted for household size and utility costs) and rounded upward. The limits are currently:

Efficiency	$ 600
1-bedroom	$ 650
2-bedroom	$ 780
3-bedroom	$ 900
4-bedroom	$ 1000

The listed rental rates do not include utilities. If some utilities are included in a proposal, then rents may be adjusted accordingly upon consultation with the Community Development Division.

A deed restriction must be placed on each affordable rental project. Units within the project which are identified as affordable will be limited to increases of no more than 4% per year for the first 10 years (or the annual increase in the Consumer Price Index, whichever is greater). This restriction would be eliminated in the case of foreclosure by the lender. The City's Community Development Department will issue a request for rent certifications on December 31st of each year. This will include name of tenants, unit number, and current rental rate. Failure to meet rental affordability requirements will result in a daily fine of $100.

**** Staff is still in the process of finalizing the details cited above on both "for sale" units and "rental" units. Please note a condition will be added to all Development Standard Bonus requests and/ or other application requests that involve affordable units meeting the above criteria that states, "A certificate of occupancy for this project will not be released until the applicant finalizes deed restrictions details ensuring future affordability of the affordable units proposed." ****

Revised Rent and Price Limits
for the City of Asheville's Housing Trust Fund and Fee Rebate Programs
FY 2008-2009

1. Maximum Sales Prices for units assisted by the Housing Trust Fund or Fee Rebate Program

Bedrooms	Current Maximum Sales Price	**Revised Maximum Sales Price**	% Increase	Income needed to buy w/o subsidy*
0 BR	$110,000	**$115,000**	4.5%	37,000
1 BR	$120,000	**$125,000**	4.2%	40,000
2 BR	$135,000	**$145,000**	7.4%	46,500
3 BR	$150,000	**$160,000**	6.7%	51,500
4 BR	$150,000	**$170,000**	13.3%	56,000

* Assumes buyer qualifies for a 30-year mortgage at 7% interest, with a 3% downpayment.

2. Maximum Rents for units assisted by the Housing Trust Fund - normal terms*

Bedrooms	Current Maximum Monthly Rents	**Revised Maximum Monthly Rents**	% Increase
0 BR	550	**600**	9.1%
1 BR	650	**650**	0.0%
2 BR	750	**780**	4.0%
3 BR	850	**900**	5.9%
4 BR	950	**1,000**	5.3%

* Normal loan terms are 2% interest with repayments amortized over a maximum term of 30 years.

3. Maximum Rents for units assisted by the Housing Trust Fund with special terms*

Bedrooms	Current Maximum Monthly Rents	**Revised Maximum Monthly Rents**	% Increase
0 BR	442	**475**	7.5%
1 BR	465	**510**	9.7%
2 BR	551	**610**	10.7%
3 BR	638	**700**	9.7%
4 BR	698	**770**	10.3%

* Special loan terms are either 0% interest with principal-only payments amortized over a maximum of 30 years or 2% interest-only payments with principal deferred for up to 30 years.

Note: Rent limits are not needed for the Fee Rebate program. To avoid administrative complexity, rebates for rental units depend on the units being assisted by another local, state, or federal program that requires continued affordability, such as the Housing Trust Fund or the HOME program.