

SECTION 7.4 – BELOW MARKET RATE DWELLING UNITS

A. FINDINGS

It is the public purpose and policy of the City of Stamford, the Southwestern Regional Planning Agency and the State of Connecticut to achieve a diverse and balanced community with housing available for households of all income levels. Economic diversity fosters social and environmental conditions that protect and enhance the social fabric of the City and are beneficial to the health, safety and welfare of its residents and to the environmental quality and economy of the region.

The Stamford Master Plan 2002 has documented a growing affordability gap between the supply of housing and the demand for housing. This affordability gap is driven by several broad trends including the fact that home sale prices have grown as fast or faster than household earnings, that rents in newer apartment developments are well out of reach of most low and moderate income households, and that the limited inventory of affordable market-rate apartments and condos coupled with the inventory of assisted housing units is inadequate to meet the demand for affordable housing.

A significant cause of this affordability gap and crisis in the availability of a diversity of housing opportunities is the rapid increase in employment in the City. Employment in Stamford increased by 8,000 jobs between 1980 and 1990 and is projected to add 9,000 more jobs by the year 2000 and an additional 7,700 jobs by the year 2010.

The Master Plan establishes the goal of providing decent, affordable housing for all of the residents of Stamford, whatever their economic conditions. To address the continuing loss of affordable housing, coupled with the increasing affordability gap and growing housing demand, the City of Stamford has established the goal of producing a minimum of 8,000 affordable housing units, in addition to what is currently available.

The Master Plan recommends, as a key element of a coordinated housing strategy, that the City's Zoning Regulations incorporate a mandatory inclusionary housing requirement, with appropriate incentives, consistent with established planning principles and contextual development.

The inclusionary housing program defined herein is necessary to provide continuing housing opportunities for low and moderate income households and working people. It is necessary to help maintain a diverse housing stock and to allow working people to have better access to jobs and upgrade their economic status. The regional trend toward increasing housing prices will, without intervention, result in inadequate supplies of affordable housing and will negatively impact the ability of local employers to attract and maintain an adequate work force. Because remaining opportunity for new residential development within the city is limited, it is essential that a reasonable proportion of new development be devoted to housing that is affordable to low and moderate income residents and working people.

Therefore, to implement the policies of the Master Plan, it is essential that new residential development contain housing opportunities for households of low and moderate income, and that the City provide a regulatory and incentive framework that ensures development of an adequate

supply and mix of new housing to meet the future housing needs of all income segments of the community.

B. AUTHORITY

These regulations are enacted under the authority of the Charter of the City of Stamford and Section 8-2(i) of the Connecticut General Statutes.

C. STANDARDS

The purpose of this section is to establish uniform definitions, standards and procedures to apply in all cases where Below Market Rate (BMR) Dwelling Units are required under the terms of these Regulations. Standards for the level of affordability and the number of required BMR units and other special standards are established separately by zoning district and are stated elsewhere in these Regulations.

1.) The term "Below Market Rate Dwelling Unit" (BMR) shall be defined to be a dwelling unit restricted as to sale or rent based on the most current statistics of median family income for the Stamford Standard Metropolitan Statistical Area (SMSA) as published and periodically revised by the U.S. Dept. of Housing and Urban Development. The criteria for pricing one-bedroom BMR units shall be the SMSA median income for families of one and one-half; two-bedroom BMR units shall be priced based on the SMSA median income for families of three persons; and three-bedroom BMR units shall be priced based on the SMSA median income for families of four and one-half persons. BMR units offered for sale shall be limited to a selling price that is affordable to a purchaser with an income not exceeding the criteria family income, according to unit type as set forth above, based on industry-standard mortgage underwriting guidelines, and based on prevailing interest rates and a ten percent (10%) down payment. BMR units offered for rent shall be restricted to a maximum annual rent, inclusive of all basic utilities except telephone, not to exceed 30% of the criteria family income, according to unit type as set forth above.

Rental restrictions shall remain in full force and effect for so long as the building or development exists, and shall be administered in accordance with written guidelines as adopted and periodically revised by the Zoning Board. BMR units offered for sale shall remain subject to resale controls for so long as the building or development exists, and shall not exceed a resale price equal to the current BMR sale price for a comparable unit, as set forth above. The allowable resale price may be reduced if the physical conditions reflect abnormal wear and tear due to neglect, abuse or insufficient maintenance. BMR sale and resale requirements shall be administered in accordance with written guidelines as adopted and periodically revised by the Zoning Board, with suitable restrictive covenants in deeds, running with the land and senior to all financing instruments, to carry out and effectuate these obligations.

ELIGIBLE FAMILY INCOME LIMITS - YEAR 2011

AFFORDABILITY	FAMILY SIZE					
	one	two	three	four	five	six
25% of Median	\$22,155	\$25,320	\$28,485	\$31,650	\$34,182	\$36,714
50% of Median	\$44,310	\$50,640	\$56,970	\$63,300	\$68,364	\$73,428
60% of Median	\$53,172	\$60,768	\$68,364	\$75,960	\$82,036	\$88,114

2.) Below Market Rate Dwelling Units shall be designed, constructed, sold or rented, managed and controlled as to resale in accordance with such other necessary written administrative policies, definitions and guidelines as officially adopted by the Zoning Board and/or the City of Stamford, as amended from time to time. When located within the development, such BMR units shall be constructed with floor area, finishes and amenities comparable to the market rate units within the development, and shall be reasonably distributed throughout the project and provided in a mix of unit types, as determined by the Zoning Board, provided that the average floor area of BMR units shall be comparable to the average floor area of the market rate units within the development. The Board, in its sole discretion, may approve a different number of BMR units provided that the total floor area of BMR units approved by the Board is comparable to the total floor area of the BMR units which would otherwise be required pursuant to these Regulations.

3.) Management Plan. A proposal to establish BMR units shall be accompanied by a management plan ("Affordability Plan"), subject to approval of the Zoning Board, providing all of the necessary information and documentation to ensure the construction and continued operation of affordable housing, including the following:

- i) the person or organization responsible for administering the plan, including the application procedures and screening criteria to determine the income eligibility of applicants, and reporting and enforcement mechanisms;
- ii) affirmative fair marketing procedures governing the sale or rental of the BMR units;
- iii) proposed sale or rental prices of BMR units and the basis for their determination;
- iv) identification and timetable for the completion and even distribution of the BMR units among the market-rate units in the development; and
- v) other information as may be required by the Zoning Board.

The Affordability Plan shall encourage the participation of families with Section 8 vouchers and use of other local, State and/or federal programs and initiatives to further write down the affordability of BMR units to families earning less than fifty percent (50%) of the Stamford SMSA median income or to increase the number of BMR units within the project.

4.) Alternative Methods of Compliance: Pursuant to an application for Special Exception, the Zoning Board in its sole discretion may approve alternative methods of satisfying a BMR requirement, including but not limited to the dedication of vacant land, the construction of BMR units on another site, the acquisition and enforcement of rental/sales price restrictions on existing dwelling units, or the payment of an appropriate in-lieu housing fee. Any such proposal shall demonstrate to the satisfaction of the Zoning Board that the alternative method(s) is desirable and will further affordable housing opportunities in the City to a greater extent than the provision of on-site BMR units, either through the production of a greater number of affordable housing units and/or larger bedroom size units and/or units for families below the required targeted income brackets.

- (a) Land Dedication: a BMR requirement may be satisfied by the dedication of land within the City in-lieu of providing affordable housing on-site. The value of land to be dedicated

shall be determined by an independent appraiser, at the cost of the developer, who shall be selected from a list of certified appraisers provided by the City, or by such alternative means of valuation mutually acceptable to the developer and the City. The land to be dedicated shall have a value equal or greater than the fee-in-lieu contribution that would otherwise be required to satisfy the BMR requirement. In addition, the land must be of suitable character and location, and zoned to allow construction of a number of dwelling units equal or greater than the number of BMR units being satisfied.

(b) Dedication of Existing Units: a BMR requirement may be satisfied by restricting the rental or sale price of existing dwelling units within the City, through covenants, contractual arrangements, or resale restrictions, the form and content of which are acceptable to the Zoning Board. The restriction of such existing units must result in the creation of units that are equivalent in value, quality, and size as compared to the on-site BMR units that would otherwise be constructed.

(c) Off-Site Construction of BMR Units: a BMR requirement may be satisfied through the off-site construction or substantial rehabilitation of BMR dwelling units within the City of Stamford, subject to the following standards: (i) the location, architectural design and siting of such units shall be subject to approval by the Zoning Board; (ii) such units shall not serve to displace existing affordable housing units; (iii) off-site BMR units shall be generally consistent with all applicable standards of this section, including but not limited to, value, quality and size of on-site units that would otherwise be constructed; (iv) the Board shall condition the issuance of certificates of occupancy for the development project with the completion of the off-site affordable units and/or establish other reasonable performance conditions necessary to insure that the off-site BMR units will be built in a timely manner.

(d) Fee-in Lieu Payment: a BMR requirement may be satisfied, in whole or in part, through the payment of a “fee-in-lieu” cash contribution to a City of Stamford fund, or other approved non-profit or for-profit organization dedicated to affordable housing initiatives. Notwithstanding any other provisions of this Section 7.4 to the contrary, the cash contribution shall be determined based on the number of BMR units otherwise required to be constructed on-site and the current SMSA median household income for a family of four persons, and the following criteria for each of three required affordable income ranges: BMR units affordable at the 25% of SMSA family income level shall require a cash contribution not less than 240% of the SMSA median income; BMR units affordable at the 50% of SMSA median family income level shall require a cash contribution not less than 145% of the SMSA median income; and BMR units affordable at the 60% of SMSA median family income level shall require a cash contribution not less than 110% of the SMSA median income. Where the contribution is targeted to assist an identified off-site project providing affordable housing, the Board shall condition the issuance of certificates of occupancy for the development project with the completion of the off-site affordable units and/or establish other reasonable performance conditions necessary to insure that the off-site BMR units will be built in a timely manner. (205-11) (209-08)

CALCULATION OF CASH PAYMENT, 50% AMI – YEAR 2011

2011 Median Income, Family of Four = \$126,600
Cash Payment = 145% x \$126,600 = \$183,570

(e) Other Equivalent Actions: a BMR requirement may be satisfied through other in-lieu contributions and efforts that, in the discretion of the Zoning Board, are judged to have a value that is equal or greater than the “fee-in-lieu” cash contribution otherwise required and will further the affordable housing goals and purposes of this section. (203-08)

(f) The Zoning Board may approve on-site or off-site BMR units at affordability levels ranging from 25% to 80% of the Area Median Income (AMI), in order to increase the opportunity and range of family incomes served by the BMR program. Subject to approval by the Board, the number of required BMR units affordable at 50% AMI may be substituted using the following approximate ratios (209-09):

- One (1) BMR unit at 25% AMI equals 1.70 units at 50% AMI
- One (1) BMR unit at 60% AMI equals 0.75 units at 50% AMI; and
- One (1) BMR unit at 80% AMI equals 0.40 units at 50% AMI.