



Legislation Text

File #: 01559, Version: 2

Fiscal Note

Approval would streamline several procedures to improve the efficiency of the inclusionary dwelling unit program. As such it will help reduce future costs of the program.

Title

~~SUBSTITUTE - Amending the Inclusionary Zoning Policies and Protocols document to change the source of interest rates used to establish the price for inclusionary unit for sale dwelling, and designate certain positions within the City to implement portions of the inclusionary dwelling program, and authorize the Plan Commission to adopt changes in the Inclusionary Zoning Program Policies and Protocol as needed.~~

Body

BACKGROUND:

On February 4, 2004 the Common Council adopted a set of policies and protocols to establish the administrative procedures for the inclusionary zoning program. These policies required the use of a local area survey of different lending institutions as the source to establish the interest rate used in the calculation of the maximum prices for the for-sale inclusionary units. In addition, neither the current ordinance nor the policies document designate an official to sign the City's routine 'option' on inclusionary units, and thus, by default, require the mayor to sign each option agreement required under the ordinance.

Experience since the adoption of ordinance and the policies document suggests that there is a better source to use in the calculation of interest rates, and a more efficient method to sign routine options than the current adopted policies.

ACTION:

WHEREAS, the Common Council has adopted an inclusionary zoning ordinance and policies document that established a methodology to set a maximum sales price for an inclusionary dwelling unit, and left open the signing of routine options required under the ordinance for for-sale inclusionary units,

WHEREAS, Freddie Mac publishes a readily accessible interest rate that is soundly based in a systematic survey of lenders in this region, and is more easily available and credible than the current one cited in the policy document,

WHEREAS the original ordinance did not designate a City staff position to sign the routine 'options to purchase' required under the for-sale provisions of the inclusionary dwelling unit ordinance upon the original sale of the unit by the developer/builder, and thus by default, requires the mayor to sign each one,

~~WHEREAS the Council oversaw the development of the initial "policies and protocols" document that established procedures for the inclusionary dwelling unit program,~~

NOW, THEREFORE, BE IT RESOLVED that the Common Council approve the following changes in the Policies document:

1. page 17, section b): Principal and interest: average 30-year mortgage low rate published by Freddie Mac in the ~~Wisconsin State Journal~~ each March 1, June 1, September 1, or December 1 or soon thereafter.
2. page 8, section 8: New last paragraph: "The Community Development Grants Supervisor or his/her designee shall be authorized to sign the original 'options to purchase' required under the ordinance as part of the developer's agreement and sale to the original eligible families for the for-sale inclusionary dwelling units."
3. ~~Authorize the Plan Commission to approve future changes in the Policies and Protocol document, and provide periodic reports to the Council on those adopted changes as a point of information.~~

NOTE: A complete Policies and Protocols document is available on the following website: www.cityofmadison.com/cdbg under the Housing Developers' Toolbox section.