

18.2.5.050 Affordable Housing Standards

A. General Eligibility – Rental and Purchased Housing.

1. All qualifying ownership or rental units required to be affordable through density bonuses, annexation, zone change, condominium conversion, or other land use approval under this section shall not be eligible to receive a waiver of the Community Development and Engineering Services fees associated with the development of said affordable units unless a waiver is approved by the City Council.
2. All qualifying ownership or rental units required to be affordable through density bonuses, annexation, zone change, condominium conversion, or other land use approval under this section shall be eligible to receive a deferral of the System Development Charges associated with the development of said affordable units.
3. All qualifying ownership or rental units voluntarily provided as affordable to low-income households, consistent with subsections [18.2.5.050.A.1](#) and [18.2.5.050.A.2](#), above, shall be eligible for a System Development Charge, Engineering Service, and Community Development Fee deferral or waiver without obtaining approval from the Council.
4. Affordable Housing Units covered under this section can only be sold or rented to occupant households from the same income category as the original purchasers or renters for a period of not less than 30 years, or as required through the condition of approval for a unit required to be affordable through a land use approval.
5. System Development Charges, Engineering Services, and Community Development Fees may be deferred or waived when units are sold or rented to low-income persons. For purposes of this subsection, “low-income persons” means:
 - a. With regard to rental housing, persons with an income at or below 60 percent of the area median income (AMI) as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development (HUD); and
 - b. With regard to home ownership housing and lease to purchase home ownership housing, persons with an income at or below 80 percent of the AMI as determined by the State Housing Council based on information from HUD.

B. Rental Housing. Units designated for affordable rental housing in developments which have qualified for density bonuses, annexation, zone change, condominium conversion, or other land use approval under this section shall be rented to individuals or households whose annual income is consistent with the target income identified in the planning approval. Incomes shall be qualified as being equal to or less than either the 60 percent or 80 percent median income level maximums annually established for households in the Medford-Ashland Metropolitan Statistical Area (MSA). This figure shall be known as the “qualifying household income” and shall be determined by the City’s Community Development Department in May of each year from the annual family incomes published by HUD for the Medford-Ashland MSA.

1. Area Median Income – 60 and 80 Percent. The rent charged for such affordable rental housing benefiting households earning 60 percent area median income or less, and 80 percent of area median income or less, including any homeowners' association or maintenance fees, shall comply with the maximum rents established by U.S. Department of Housing and Urban Development (HUD) for the HOME program for the corresponding bedroom size.

- a. The City's Community Development Department shall maintain a table of maximum rent levels established by U.S. Department of Housing and Urban Development (HUD) for the HOME program and shall annually update the table in May of each year.
- b. The HUD "low rent" limit shall apply to units targeted toward households earning 60 percent of area median income or less.
- c. The HUD "high rent" limit shall apply to units targeted toward households earning greater than 60 percent area median income up to and including 80 percent of area median income.
- d. Low-income housing tax credit (LIHTC) assisted affordable rental housing units, subject to rent control through the LIHTC program, may utilize the rent limits established by the LIHTC program as an alternative to the rent levels established by U.S. Department of Housing and Urban Development (HUD) for the HOME program. Upon completion of the LIHTC compliance period the maximum rent levels established in subsections [18.2.5.050.B.1.a](#) through [18.2.5.050.B.1.c](#) shall apply through the remaining term of affordability.

2. Owner's Obligation. The owner of the affordable rental housing shall sign a 30-year agreement, or longer depending on the period of affordability established through a planning action approval or legislative land use decision, with the City that guarantees these rent levels will not be exceeded and that the owner will rent only to households meeting the income limits. The agreement shall bind subsequent owners who purchase the rental housing during the established period of affordability. The agreement shall also require the owner to allow the unit to be rented to HUD Section 8 qualified applicants and agree to accept rent vouchers for all of the affordable units when applicable. The City shall file the agreement for recordation in the County Clerk deed records, Jackson County, Oregon.

3. Certification of Qualifying Occupants. The owner of record, or the designated agent of the record owner, shall annually file with the City a signed certificate stating the occupants of the record owner's rental housing units continue to be qualified households, or are a household that qualified at its initial occupancy, within the meaning of this resolution, and any amendment made to it. The City shall provide the record owner or the record owner's agent with access to a form to complete and sign to comply with this provision.

C. Purchased Houses – Qualifying. Units designated for affordable housing available for purchase in developments which have qualified for affordable housing density bonuses, annexation, zone change, condominium conversion, or other land use approval under this section must satisfy the criteria in subsections [18.2.5.050.C.1](#) and [18.2.5.050.C.2](#), below:

1. They shall only be sold to occupant households whose:

- a. Annual income is consistent with the target income identified in the planning approval for the development. Incomes shall be qualified at the applicable 80 percent, 100 percent, or 120 percent median income levels for households based on number of people per household as adjusted annually by HUD for the Medford-Ashland Metropolitan Service Area (MSA).
- b. The maximum initial purchase price shall be determined on the date the designated affordable unit enters the affordable housing program. The maximum initial purchase price is based on a formula that accounts for what a qualifying household can afford to pay as a maximum monthly housing payment. The formula used to calculate the maximum monthly housing payment incorporates the following:
 - i. The maximum monthly housing payment shall not exceed 30 percent of the monthly income for the target income level indicated in subsection [18.2.5.050.C.1.a.](#)
 - ii. The formula used to calculate the monthly housing payment shall include principal, interest, taxes, and insurance (PITI) and any homeowners' or regular maintenance fees.
 - iii. The formula used to calculate the monthly housing payment will assume a down payment equal to ten percent of the purchase price.
 - iv. The formula used to calculate monthly housing payment will assume a 30-year fixed-rate mortgage with an interest rate of five percent.
- c. The maximum monthly housing payment for a covered unit shall be established to not exceed the affordability limits, established in this section, and pursuant to the occupancy number indicated in [Table 18.2.5.050.C.](#)

Table 18.2.5.050.C. Occupancy Basis for Affordable Ownership Housing

Unit Type		Occupancy
Studio	=	1 person household income for the designated income level
1 bedroom	=	2 person household income for the designated income level
2 bedroom	=	3 person household income for the designated income level
3 bedroom or greater	=	5 person household income for the designated income level
Households with a greater or lesser number of occupants shall remain eligible for covered units but the sale price shall not be adjusted due to household size above the limits established above.		

- d. Net assets, excluding pension plans and IRAs and excluding the down payment and closing costs, do not exceed \$25,000.00 for a household or \$175,000.00 if one household member is 65 years or older.
2. They shall remain affordable as follows:
- a. The purchasers of the affordable housing units shall agree to the City of Ashland Affordable Housing Resale Restriction Agreement establishing a period of affordability of not less than 30 years.

- b. The maximum resale price will be calculated using the current seller's initial purchase price plus an additional 0.125 percent of said initial purchase price for each full month the current seller has owned the home.
- c. In no event will a purchaser be required to sell the unit subject to the Affordable Housing Resale Restriction Agreement for less than his or her original purchase price, plus any applicable closing costs and realtor fees. (Ord. 3195 § 3, amended, 12/01/2020)

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The Ashland Land Use Ordinance is current through Ordinance 3199, passed June 15, 2021.

Disclaimer: The City Recorder's office has the official version of the Ashland Land Use Ordinance. Users should contact the City Recorder's office for ordinances passed subsequent to the ordinance cited above.

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