

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAPLEWOOD, MISSOURI, AMENDING CHAPTER 56, ZONING, ARTICLE III. SUPPLEMENTARY REGULATIONS, TO ADD DIVISION 11. – AFFORDABLE HOUSING SET ASIDE ORDINANCE, SECTIONS 56-723 – 56-729, TO ENCOURAGE INCLUSIVE HOUSING DEVELOPMENT IN THE CITY OF MAPLEWOOD

WHEREAS, the Plan and Zoning Commission submitted an application to the zoning administrator as set forth in Sec. 56-824 (a) of the City Code; and

WHEREAS, the Plan and Zoning Commission recommended approval of the proposed set aside zoning ordinance amendment by a vote of 5 ayes, 0 nays at their June 5, 2023 meeting; and

WHEREAS, the City Council held a public hearing on August 8, 2023 regarding the proposed amendments to the zoning ordinance; and

WHEREAS, the City Council finds that the City's housing stock lacks affordable housing options, with potential serious consequences for the well-being of its residents, particularly lower-income and middle-income earners; and

WHEREAS, over 50% of renting households in Maplewood's lowest-income census tract experience housing cost burden (i.e., pay more than 30% of income to housing), and the St. Louis metropolitan area has received failing grades for providing affordable housing to renters and to the lowest income residents, according to the St. Louis Affordable Housing Report Card Rent Burden Map; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") defines "very low income" to be households earning 50% or less of the Median Family Income for a county or metropolitan area, which is consistent with the percentage of Maplewood's lowest-income census tract experiencing housing burden; and

WHEREAS, inadequate federal funding causes significant delay and shortage of Housing Choice Vouchers for eligible families, including an average wait time of 46 months in St. Louis County and a national average of only 10% of eligible families receiving funding, according to a report by Center on Budget and Policy Priorities; and

WHEREAS, low-income and renting households in Maplewood are vulnerable to displacement due to a combination of factors including, but not limited to, the City's high opportunity location, in-demand housing market, and aging housing stock; and

WHEREAS, the City Council believes that incentivizing new multi-family residential development increases availability of higher-priced, market-rate units but fails to provide units renting at prices comparable to Maplewood's older existing multi-family housing stock; and

WHEREAS, a formula utilizing HUD's Median Family Income for the St. Louis Metropolitan Area and a rent variable will ensure that affordable housing incentivized by this ordinance reflects current housing market conditions and provides developers and eligible households with defined rental rates linked with the size and use of rental units; and

WHEREAS, the City Council believes that the affordable housing set aside ordinance will assist in allowing the City to meet its affordable residential housing needs;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MAPLEWOOD, MISSOURI, AS FOLLOWS:

Section I. Article III. Supplementary Regulations of Chapter 56, Zoning, of the City Code is hereby amended by adding the following:

Division 11. - AFFORDABLE HOUSING SET ASIDE

Section 56-723. – Purpose

The purpose of this division is to encourage inclusive housing development in the city by pairing economic incentives provided by the city with the development of affordable housing units. The requirements of this division are based on a number of factors including, but not limited to, the City's commitment to economic diversity; the need for affordable housing as reflected in local, state, and federal housing regulations and policies; the demand for affordable housing created by market-rate development; the depletion of potential affordable housing sites by market-rate development; and the impact that the lack of affordable housing production has on the health, safety, and welfare of the City's residents.

Section 56-724. – Definitions

The following definitions shall apply to this division:

- a) *Affordable housing unit* means any dwelling unit that rents for an amount at or below the maximum rent per unit type, as calculated below, based on the HUD Median Family Income (MFI) for the St. Louis Metropolitan Area, and housing cost as 30% of household income:

$$\text{Maximum rent per unit type} = \text{MFI} \times \text{Rent Variable} \times 30\% \div 12 \text{ months}$$

Unit Type	Rent Variable
Studio	25%
1 Bedroom	30%
2 Bedrooms	35%
3 Bedrooms	40%

Unit Type	Rent Variable
4+ Bedrooms	45%

- b) *Economic incentives* means incentives granted by the city or any economic development agency or 501c3 nonprofit organization created by the city, in the nature of the capture and redirection, abatement, or exemption of taxes or the issuance of bonds or grants by the city or other city-backed financing.
- c) *Market-rate unit* means a dwelling unit as to which the rental rate or sales price is not restricted by this division.
- d) *Multi-family housing* means any property providing multiple dwelling units, whether for rent or sale, including but not limited to apartments, condominiums, townhouses, or the multi-family residential component of a mixed used project, within a single building or lot.
- e) *Multi-family housing project* means a multi-family housing development or redevelopment for which city permits and approvals are sought.
- f) *Naturally occurring affordable housing (or NOAH)* means any existing housing meeting the criteria as defined in subsection 3a of this section.

Section 56-725. – Affordable Housing Obligation for Economic Incentives

- a) The provision of affordable housing units in the manner described in this division shall be a necessary and non-negotiable condition for the award of any economic incentives to developers of all multi-family housing projects seeking such incentives. Additional conditions, whether or not related to the provision of affordable housing units, may be required as part of a development agreement so long as such conditions do not result in reduction of the amount or nature of affordable housing units provided.
- b) Prior to receiving any economic incentives, the developer of a multi-family housing project shall, on behalf of itself and all successors in interest, covenant with the city the following:
 1. That at least 20 percent of the total dwelling units in the multi-family housing project are affordable housing units (in cases where 20 percent of units results in a fraction, the fraction must be rounded up for the minimum requirement to be met) and shall remain affordable housing units for the duration of the economic incentives awarded.
 2. That the developer will use a procedure deemed acceptable by the city to verify that the residents of affordable housing units meet the eligibility requirements set forth in this division. Verification shall occur at the time an initial lease is entered into and at least annually thereafter. The city or its designee shall have the right to audit any such income verification procedure records.

3. That the developer will not engage in any discriminatory housing practices as defined in sections 30-20, 30-21, and 30-22 of the city's Code of Ordinances, including discrimination based on lawful sources of income.

Section 56-726. – Eligibility Requirement

Only households with an income, adjusted for size, qualifying as “very low income” as defined by the annual HUD Adjusted Home Income Limits for the St. Louis Metropolitan Area shall be eligible to occupy or own affordable housing units.

Section 56-727. – Affordable Housing Unit Requirements

For purposes of this division, all affordable housing units shall meet the following criteria:

- a) All affordable housing units shall be on the principal multi-family housing project site.
- b) All affordable housing units shall be mixed with market-rate units and not clustered together or segregated by structural barriers or separate entrances.
- c) All affordable housing units shall, at a minimum, be proportional to market-rate units with respect to number of bedrooms per unit.
- d) If the multi-family housing project contains a phasing plan, the phasing plan shall provide for the development of affordable housing units concurrently with the market-rate units. No phasing plan shall provide that the affordable housing units are the last units to be built in a multi-family housing project.
- e) The quality and cost of in-unit finishes, systems, appliances, and square footage of all affordable housing units shall be comparable with that of market-rate units on the multi-family housing project site.
- f) The exterior appearance of affordable housing units shall be made similar to market-rate units by the provision of exterior building materials and finishes substantially the same in type and quality.

Section 56-728. – Naturally Occurring Affordable Housing Requirements

In order to protect Maplewood residents living in naturally occurring affordable housing (NOAH), any multi-family housing project identified as NOAH, or identified as NOAH within the preceding three years, may be eligible for economic incentives only if the residents of any affordable housing units in the multi-family housing project identified as NOAH receive priority placement (right of return) in a similar affordable housing unit in the new multi-family housing project and receive fair market rent differential compensation for a substantially similar dwelling unit during the duration of the displacement period, if any.

Section 56-729. – Exemption.

Any multi-family housing project that has been awarded federal or state low income housing tax credits from the Missouri Housing Development Commission is exempt from this division and can seek economic incentives without meeting its requirements.

Section II. This ordinance shall be in full force and effect fifteen (15) days after its passage and approval.

Passed this 8th day of August, 2023

Nikylan Knapper, Mayor

Attest: _____
Andrea Majoros, City Clerk

Approved this 8th day of August, 2023

Nikylan Knapper, Mayor

Attest: _____
Andrea Majoros, City Clerk