

**THE CITY OF LAKE FOREST**

**AN ORDINANCE AMENDING THE LAKE FOREST  
ZONING CODE AND THE LAKE FOREST CITY CODE  
TO ESTABLISH INCLUSIONARY HOUSING  
REQUIREMENTS**

**WHEREAS**, the State of Illinois has enacted the Affordable Housing and Appeal Act, 310 ILCS 67/1 *et seq.*, to encourage counties and municipalities to incorporate Affordable Housing within their housing stock sufficient to meet the needs of their county or community; and

**WHEREAS**, under the Affordable Housing and Appeal Act, the General Assembly found that there exists a shortage of affordable, accessible, safe, and sanitary housing in the State to serve local workforces and retired persons within localities; and

**WHEREAS**, The City of Lake Forest is a home rule unit and therefore is not subject to the terms and requirements of the Affordable Housing and Appeal Act; and

**WHEREAS**, the City nevertheless has identified an unmet need for Affordable Housing among the residents of the City, and the City has therefore adopted an Affordable Housing plan; and

**WHEREAS**, the City has had a rich history of housing diversity, including Affordable Housing Units for persons of low- and moderate-incomes; and

**WHEREAS**, increasing land values resulting from the increased scarcity of undeveloped land and the conversion of existing Affordable Housing Units into more expensive units have placed additional pressures on the availability of Affordable Housing in the City; and

**WHEREAS**, new developments in the City also increase the need for a readily available workforce in or near the City that requires Affordable Housing; and

**WHEREAS**, as new developments are constructed in the City, the gap between the availability of Affordable Housing Units and the need for Affordable Housing Units increases; and

**WHEREAS**, in addition, as new developments utilize land otherwise available for Affordable Housing or convert existing units from Affordable Housing Units, the opportunity for the development of Affordable Housing Units decreases; and

**WHEREAS**, new development projects that do not provide Affordable Housing increase the direct and indirect cost to the City and its residents in providing and obtaining needed services; and

**WHEREAS**, the Mayor and City Council of the City have determined that it is necessary and appropriate to ensure that the impact of new developments on the need for and relative availability of Affordable Housing be borne by the developers of such new developments; and

**WHEREAS**, the Mayor and City Council have also determined that providing proper incentives (including without limitation density bonuses and cost off-sets) neutralizes the financial impact of providing Affordable Housing Units on such developers; and

**WHEREAS**, in furtherance of the City's Affordable Housing plan, and consistent with the Affordable Housing and Appeal Act, the Mayor and City Council have determined that it is in the best interests of the City and its residents to adopt this Inclusionary Housing Ordinance to require developers of new residential projects and conversion projects to provide a quantum of Affordable Housing Units in addition to the number of units otherwise allowable under the City's Zoning Code; and

**WHEREAS**, the Mayor and City Council have further determined that, in light of the density bonuses and cost set-offs provided for in this Ordinance, the net impact of this ordinance

on affected developers is negligible and, to the extent there is any such impact, it is specifically and uniquely attributable to the effects of such development on the City's demand for and availability of Affordable Housing within the City; and

**WHEREAS**, the Mayor and City Council have considered this ordinance following notice duly published and a public hearing before the City's Plan Commission, which Commission recommended the adoption of inclusionary housing provisions consistent with the terms of this Ordinance;

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and City Council of The City of Lake Forest, County of Lake, State of Illinois, as follows:

**SECTION ONE: Recitals.** The foregoing recitals are hereby adopted as the findings and determinations of the City Council and are hereby incorporated into and made a part of this Ordinance as if fully set forth.

**SECTION TWO: Amendment to Zoning Code.** The Lake Forest Zoning Code, being Chapter 46 of the City Code of The City of Lake Forest (the "City Code"), is hereby amended as follows:

(a) Section 46-36, entitled "General Requirements," of Article VII, entitled "Residence and General Residence Districts," of the Zoning Code is hereby amended by adding a new Subsection J, which new Subsection shall hereafter be and read as follows:

**J. INCLUSIONARY HOUSING.**

In addition to the requirements of this Section and the respective district requirements, certain developments shall be subject to the Inclusionary Housing requirements of Chapter 20A of the City Code, which requirements shall be satisfied in addition the provisions of this Chapter.

(b) Section 46-48, entitled “General Requirements,” of Article VIII, entitled “Office and Business Districts,” of the Zoning Code is hereby amended by adding a new Subsection I, which new Subsection shall hereafter be and read as follows:

I. INCLUSIONARY HOUSING.

In addition to the requirements of this Section and the respective district requirements, certain developments shall be subject to the Inclusionary Housing requirements of Chapter 20A of the City Code, which requirements shall be satisfied in addition the provisions of this Chapter.

**SECTION THREE: Amendment to City Code.** The City Code of The City of Lake Forest shall be, and is hereby, amended to include a new Chapter 20A, entitled “Inclusionary Housing,” which new Chapter shall hereafter be and read as follows:

**CHAPTER 20A  
INCLUSIONARY HOUSING**

**Section 20A-1. Definitions.**

(A) In General. The words and phrases used in this Chapter shall be interpreted to have the meanings ascribed to them in this Section. To the extent that words or phrases used in this Chapter are not defined in this Section, but such words or phrases are defined in the Zoning Code (Chapter 46), such words or phrases shall be deemed to have the meanings set forth in the Zoning Code. Otherwise, words and phrases shall be interpreted in their commonly used sense as set forth in the Webster’s Third International Dictionary (Ed.), unless the context reasonably requires another construction.

(B) Definitions. The following words and phrases, when used in this Chapter, shall have the following meanings:

**AFFORDABLE HOUSING:** Decent, safe, sanitary, and appropriate housing that Low- and Moderate-Income Households can own or rent without having to devote more than approximately 30 percent of their gross income to monthly Housing Expenses.

**AFFORDABLE HOUSING TRUST FUND:** A trust fund to be established by the City with the central purpose of providing financial resources to address the Affordable Housing needs of individuals and families of Low- and Moderate-Income Households who live in the City.

**AFFORDABLE HOUSING UNIT:** A dwelling unit that meets the criteria for Affordable Housing.

**AREA MEDIAN INCOME:** The median income level for the Chicago area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size.

**CONVERSION:** A change in a residential or mixed-use rental development to individual-owner residential condominium units.

**COVERED DEVELOPMENT PROJECT:** Any development project in the City that is required to provide Affordable Housing Units under provisions of this Chapter. Projects at one location undertaken in phases, stages, or otherwise developed in distinct parts shall be considered a single Covered Development Project.

**ELIGIBLE HOUSEHOLD:** For purposes of this Chapter, a Low- or Moderate-Income Household.

**HOUSING EXPENSES:** (1) For rental housing – rent and utilities; (2) For home ownership – principal and interest of any mortgages placed on the unit, property taxes, condominium or homeowner’s association fees, if applicable, and insurance.

**LOW-INCOME HOUSEHOLDS:** For owner occupied units, households that have incomes that do not exceed 80 percent of the Area Median Income. For rental units, households that have incomes that do not exceed 60% of the Area Median Income.

**MARKET RATE UNITS:** Residential dwelling units that are not required to be Affordable Housing Units under the requirements of this Chapter.

**MODERATE-INCOME HOUSEHOLDS:** For owner occupied units, households that have incomes that do not exceed 120 percent of the Area Median Income, or such higher income limit as may be established for a local, county, state, or federal housing program. For rental units, households that have incomes that do not exceed 80% of the Area Median Income.

**Section 20A-2. Policy**

The purpose of this Chapter is to promote the public health, safety, and welfare by encouraging high quality housing throughout the community sufficient to meet the needs of all Lake Forest residents. Throughout its history, the City has offered a diverse housing stock that permitted families of varying income levels and with various housing needs to own homes in the community. In recent years, property

values have escalated to the point of discouraging a diverse housing stock. A certain percentage of residents who currently live in Lake Forest are unable to meet or maintain the household income level necessary to support home ownership and, therefore, must look to other communities for housing. Based upon the review and consideration of reports and analyses of the housing situation in the City, it is apparent that the diversity of the City's housing stock has declined as a result of increasing property values and housing costs; that demolition of certain existing dwellings has led to a reduction in the diversity of the City's housing stock and Affordable Housing opportunities, and that subsequent redevelopment has in many cases contributed to property value increases that further the difficulty of making Affordable Housing available in the City. With the exception of housing developed in partnership with the City and the Lake Forest Senior Cottages Foundation, the privately developed new residential housing that is being built in the City generally is not affordable to Low- and Moderate-Income Households. The City recognizes the need to provide alternative housing opportunities in order to maintain the diversity of population that has historically characterized Lake Forest.

While this Chapter provides specific alternatives to the production of on-site Affordable Housing Units, the intent and preference of this Section is to provide permanent Affordable Housing Units that are constructed on the site of the Covered Development Project. Ownership and management of the units by the Lake Forest Senior Cottages Foundation, or a similarly qualified not-for-profit agency, is encouraged.

### **Section 20A-3. Covered Development Projects.**

The provisions of this Chapter shall apply to all residential developments that result in or contain 5 or more dwelling units (excluding any single-family detached dwellings). The types of development subject to the provisions of this Code include without limitation the following:

(A) A development consisting of new residential construction or new mixed-use construction with a residential component;

(B) A development consisting of the renovation or reconstruction of over 50% of the total square footage of an existing multiple family residential structure and that increases the number of residential units from the number of units in the original structure;

(C) A development that will change the use of an existing building in whole or in part from non-residential to residential;

(D) A development that includes the conversion of rental property to condominium property.

**Section 20A-4. Percentage of Affordable Housing Units Required.**

(A) General Requirement. Except as otherwise provided in Section 20A-8, (Cash Payment In-Lieu of Housing Units), at least 15 percent of the total number of dwelling units within any Covered Development Project shall be Affordable Housing Units and shall be located on the site of the Covered Development Project.

(B) Calculation. To calculate the number of Affordable Housing Units required in a Covered Development Project, the total number of proposed units shall be multiplied by 15 percent. For purposes of this calculation, if 15 percent of the number of proposed units results in a fraction, a fraction of 0.5 or more shall be rounded up, and a fraction of less than 0.5 shall be rounded down. For example, a proposed multiple family development containing 15 units would be required to set aside two units as Affordable Housing Units. A similar 20 unit development would be required to set aside three of the units as Affordable Housing Units.

**Section 20A-5. Development Cost Off-Sets.**

An applicant that fully complies with the requirements of this Chapter (including any administrative rules that may be developed in accordance with Section 20A-14) shall, upon written request, receive from the City with regard to only the Affordable Housing Units in the Covered Development Project, a waiver of all of the otherwise applicable application fees, building permit fees, plan review fees, inspection fees, sewer and water tap-on fees, demolition permit fees, impact fees, and other development fees and costs which may be imposed by the City. The fees charged for the total development shall be adjusted proportionately to reflect this waiver of fees for the Affordable Housing Units. In the event that an applicant has paid any development costs that might otherwise be subject to a waiver, such applicant may, upon satisfaction of the requirements of this Chapter, seek reimbursement of such development costs.

**Section 20A-6. Density Bonuses.**

(A) For all Covered Development Projects that are located in the B-2, B-3, or B-4 zoning districts, the maximum floor area ratio for the zoning district may be increased an additional 0.25 if the Affordable Housing Units are constructed on the site of the Covered Development Project.

(B) For all Covered Development Projects that are located in all other zoning districts, a density bonus shall be provided equal to one Market Rate Unit for each Affordable Housing Unit required under this Code if the Affordable Housing Units are constructed on the site of the Covered Development Project; provided, however, that the maximum number of dwelling units in a Covered Development Project shall not, pursuant to the provisions of this Chapter, exceed

115% of the total number of dwelling units otherwise authorized under the applicable zoning district regulations under the Zoning Code. For example, a proposed multiple family development containing 20 units would be required to provide three Affordable Housing Units in the development and would be permitted to construct three additional Market Rate Units; resulting in a total of 23 units in the development.

**Section 20A-7. Integration of Affordable Housing Units.**

(A) Location of Affordable Housing Units. Affordable Housing Units shall be dispersed among the Market Rate Units throughout the Covered Development Project.

(B) Phasing of Construction. Where possible, Affordable Housing Units shall be constructed concurrent with the development of market-rate units. Construction phasing of Affordable Housing Units shall not be delayed beyond the schedule noted below, unless authorized by the Director of Community Development when it is demonstrated by the developer to the satisfaction of the City that a delay is necessary in order to account for the different financing and funding requirements, economies of scale, and infrastructure needs applicable to development of the market rate and the Affordable Housing Units:

<b>Construction of Market-rate Units (%)</b>	<b>Required Construction of Affordable Housing Unit (%)</b>
Up to 30%	None required
30% plus 1 unit	At least 10%
Up to 50%	At least 30%
Up to 75%	At least 50%
75% plus 1 unit	At least 70%
Up to 90%	100%
Fractions of units shall not be counted.	

(C) Exterior Appearance. The exterior appearance of the Affordable Housing Units in any Covered Development Project shall be visually compatible with the Market Rate Units in the development. External building materials and finishes shall be substantially the same in type and quality for Affordable Housing Units as for Market Rate Units.

(D) Interior Appearance and Finishes. Affordable Housing Units may differ from Market Rate Units with regard to interior finishes and square footage, provided that:

(1) Interior features and structural elements of Affordable Housing Units shall comply in all respects to the minimum construction standards set forth in the City Code.

(2) The differences between the Affordable Housing Units and the Market Rate Units shall not include improvements related to energy efficiency, including mechanical equipment and plumbing, insulation, windows, and heating and cooling systems.

(3) The bedroom mix and aggregate gross square footage of the Affordable Housing Units shall be no less than the minimum requirements outlined in the table below (unless adjusted in accordance with Section 20A-12(B) of this Chapter).

Number of Affordable Housing Units	Number of Bedrooms		Minimum Aggregate Gross Square Footage
	1 Bedroom	2 Bedroom	
1	0	1	1,200
2	1	1	2,000
3	1	2	3,200
4	2	2	4,000
5	2	3	5,200
6	3	3	6,000
7	3	4	7,200
8	4	4	8,000
9	4	5	9,200
10	5	5	10,000
11	5	6	11,200
12	6	6	12,000
13	6	7	13,200
14	7	7	14,000
15	7	8	15,200
16	8	8	16,000
17	8	9	17,200
18	9	9	18,000
19	9	10	19,200
20	10	10	20,000

To the extent that a Covered Development Project is required to provide more than 20 Affordable Housing Units, the mix and aggregate gross square footage of such units shall be determined in a manner consistent with the preceding table.

**Section 20A-8. Alternatives to On-Site Affordable Housing Units.**

As an alternative to constructing Affordable Housing on the site of the Covered Development Project, the City Council may approve, concurrent with the approval of the overall development, one or more of the three alternatives to constructing Affordable Housing set forth in this Section. This Section shall not be utilized unless the applicant demonstrates to the satisfaction of the City Council that the alternate means of compliance will further Affordable Housing opportunities in the City to an equal or greater extent than compliance with the on

site requirements of this Chapter. The terms and requirements for utilizing the provisions of this Section shall be specifically set forth in the Development Agreement required pursuant to Section 20A-12(B) of this Chapter.

(A) Cash Payment In Lieu of Affordable Housing Units. A cash payment in lieu of constructing some or all of the required Affordable Housing Units on the site of a Covered Development Project.

(1) Amount and Use of Cash in Lieu. The per unit payment amount for cash in lieu of Affordable Housing Units shall be set at an amount of \$130,000, or such amount as may be determined by ordinance of the City Council. The per unit amount shall be based on an estimate of the cost of providing an Affordable Housing Unit and shall be reviewed periodically by the City Council, with any increase set forth in the City's annual fee ordinance. The cash payment shall be deposited directly into an Affordable Housing Trust Fund established by the City, which shall be used for the purpose of providing financial resources to address Affordable Housing needs within the City by promoting, preserving, and producing long-term Affordable Housing; providing housing-related services; or providing support for not-for-profit organizations that actively address the Affordable Housing needs of residents within the community. The applicant shall execute all documentation relating to such payment as the City Manager (in consultation with the City Attorney) deems to be appropriate.

(2) Calculation. For purposes of determining the total in lieu payment amount, the per unit amount established by the City shall be multiplied by 15 percent of the number of units proposed in the Covered Development Project. For purposes of this calculation, if 15 percent of the number of proposed units results in a fraction, the fraction shall not be rounded up or down. If the cash payment is in lieu of providing one or more but not all of the required units, the calculation shall be prorated as appropriate.

(B) A dedication of land of a size and location appropriate for the development of Affordable Housing Units as determined by the City Council, which dedication shall be made to the City or, at the City's discretion, a qualified not-for-profit housing agency.

(C) The provision of an equivalent number of Affordable Housing Units at another site within the City.

**Section 20A-9. Target Income Levels for Affordable Housing Units.**

(A) For-Sale Affordable Housing Units. In Covered Development Projects that contain for-sale units, at least one Affordable Housing Unit and no less than 50 percent of the Affordable Housing Units shall be sold at a price that is affordable to a Low-Income Household. Any remaining Affordable Housing Units shall be sold at a price that is affordable to a Moderate-Income Household.

The owner shall execute and record any documents required by Section 20A-12 or any other provision of this Chapter to ensure compliance with this Section.

(B) Rental of Affordable Housing Units. In Covered Development Projects that contain rental units, at least one Affordable Housing Unit and no less than 50 percent of the Affordable Housing Units shall be rented or leased at a price that is affordable to a Low-Income Household. Any remaining Affordable Housing Units shall be rented or leased at a price that is affordable to a Moderate-Income Household. The owner shall execute and record any documents required by Section 20A-12 or any other provision of this Chapter to ensure compliance with this Section.

**Section 20A-10. Eligibility of Households.**

(A) For-Sale Affordable Housing Units. Only eligible households shall be permitted to purchase and occupy an Affordable Housing Unit for purposes of satisfying the requirements of this Chapter. In order to address current and anticipated future demands within the City for Affordable Housing, the developer of a Covered Development Project shall establish a plan, which plan shall be subject to the approval of the City Manager (or the Manager's designee). Such plan is intended to give priority to Low- and Moderate-Income Households in the following order (unless adjusted in accordance with Section 20A-12(B) of this Chapter): (1) households who live in Lake Forest and the head of the household or the spouse or domestic partner is 75 years of age or older; (2) households who live in Lake Forest and the head of the household or the spouse or domestic partner is 65 years of age or older; (3) former Lake Forest residents that are age 65 and older; (4) parents of Lake Forest residents who are age 65 and older; (5) households in which the head of the household or the spouse or domestic partner works in Lake Forest. The selection of eligible households for the Affordable Housing Units shall be conducted by the City Manager, or such other person or entity designated by the City Council in accordance with Section 20A-12(B) of this Chapter.

(1) If the gross income of the eligible household increases above the eligible household income levels provided in Section 20A-9, the eligible household may continue to own and occupy the Affordable Housing Unit, subject to the limitations on sale or lease as set forth in Section 20A-11.

(2) The owner of the Covered Development Project shall execute and record any documents required by Section 20A-12 of this Chapter to ensure compliance with this Section.

(B) Rental Affordable Housing Units. Only eligible households shall be permitted to rent and occupy an Affordable Housing Unit for purpose of this Code. In order to address current and anticipated future demands within the City for Affordable Housing, the developer of a Covered Development Project shall

establish a plan, which plan shall be subject to the approval of the City Manager (or the Manager's designee). Such plan is intended to give priority to Low- and Moderate-Income Households in the following order (unless adjusted in accordance with Section 20A-12(B) of this Chapter): (1) households who live in Lake Forest and the head of the household or the spouse or domestic partner is 75 years of age or older; (2) households who live in Lake Forest and the head of the household or the spouse or domestic partner is 65 years of age or older; (3) former Lake Forest residents that are age 65 and older; (4) parents of Lake Forest residents, who are age 65 and older; (5) households in which the head of the household or the spouse or domestic partner works in Lake Forest. The selection of eligible households for the Affordable Housing Units shall be conducted by the City Manager, or such other person or entity designated by the City Council in accordance with Section 20A-12(B) of this Chapter.

(1) If the gross income of the eligible household increases above the eligible household income levels provided in Section 20A-9, during the lease period, the eligible household may continue to lease and occupy the unit and may renew the lease as well, subject to the limitations on lease as set forth in Section 20A-11.

(2) The owner of the Covered Development Project shall execute and record any documents required by Section 20A-12 of this Chapter to ensure compliance with this Section.

#### **Section 20A-11. Period of Affordability.**

(A) Sale of Affordable Housing Units. In Covered Development Projects that contain for-sale units, Affordable Housing Units shall be resold to Low- and Moderate-Income Households in perpetuity, or as long as permissible by law. The owner of the Covered Development Project shall execute and record all documents required by Section 20A-12 of this Chapter to ensure compliance with this Section. In each case, the owner of a for-sale Affordable Housing Unit shall occupy such unit, and such unit may not be leased or subleased unless expressly approved by the City and such lease or sublease is to permit occupancy by a Low- or Moderate-Income Household.

(B) Rental of Affordable Housing Units. In Covered Development Projects that contain rental units, Affordable Housing Units shall be rented to Low- and Moderate-Income Households in perpetuity, or as long as permissible by law. The owner of the Covered Development Project shall execute and record all documents required by Section 20A-12 of this Chapter to ensure compliance with this Section. In each case, the rental Affordable Housing Unit shall be occupied by a Low- or Moderate-Income Household, and such unit may not be leased or subleased unless expressly approved by the City and such lease or sublease is to permit occupancy by a Low- or Moderate-Income Household.

(1) In the event that the owner of a Covered Development Project with one or more rental units sells the development, the new owner shall be required to continue to provide the Affordable Housing Units in accordance with this Chapter.

(2) If the owner of a Covered Development Project with one or more rental units converts the development to condominiums, the development shall be subject to the for-sale development requirements of this Chapter.

**Section 20A-12. Inclusionary Housing Plan and Development Agreements.**

(A) Inclusionary Housing Plan. Prior to the approval of any Covered Development Project by the City (including the issuance of any permits), the applicant shall present to the City Manager (or, in the event that the City Council enters into an agreement with a person or entity to implement provisions of this Chapter, to such person or entity) an inclusionary housing plan that outlines and specifies the Covered Development Project's compliance with each of the applicable requirements of this Code. The plan shall specifically contain, at a minimum, the following information regarding the Covered Development Project;

(1) A general description of the development, including whether the development will contain rental units or individually owned units, or both;

(2) The total number of Market Rate Units and Affordable Housing Units in the development;

(3) The number of bedrooms in each Market Rate Unit and each Affordable Housing Unit;

(4) The gross square footage of each Market Rate Unit and each Affordable Housing Unit;

(5) Site plans showing the location of each Market Rate Unit and each Affordable Housing Unit within the Covered Development Project, and/or floor plans showing the location of each Market Rate Unit and each Affordable Housing Unit within a multiple-family residential structure;

(6) The pricing for each Market Rate Unit and each Affordable Housing Unit;

(7) The phasing and construction schedule for each Market Rate Unit and each Affordable Housing Unit;

(8) Documentation and plans regarding the exterior and interior appearances, materials, and finishes of the development and each of its individual units;

(9) A description of the marketing plan (which shall at least include the priority provisions set forth in Section 20A-10) that the applicant proposes to utilize and implement to promote the sale or rental of the Affordable Housing Units within the development;

(10) A description of the specific efforts that the applicant will undertake to provide Affordable Housing Units to Low- and Moderate-Income Households in accordance with this Chapter;

(11) A description of the documentation deemed necessary or appropriate by the City in accordance with this Chapter to ensure continued affordability of the Affordable Housing Units in accordance with this Chapter.

(B) Development Agreement with Not-For-Profit Agencies. Prior to issuance of a building permit for any Covered Development Project, the applicant shall enter into a development agreement with the City or, at the City's discretion, a qualified not-for-profit housing agency, regarding the specific requirements and restrictions regarding Affordable Housing and the Covered Development Project. The applicant shall execute all documents deemed necessary or appropriate, including restrictive covenants and other related instruments, to ensure the continued affordability of the Affordable Housing Units in accordance with this Chapter. Applicants may also enter into agreements with a not-for-profit housing entity to provide the long-term management, including leasing of the Affordable Housing Units to Low- or Moderate-Income Households, and maintenance of the Affordable Housing Units by the agency.

(C) Additional Documentation. In addition to the requirements of subsections (A) and (B) of this Section (as applicable), the documentation required for Covered Development Projects under this Chapter shall include without limitation:

(1) The identification of target income levels for Affordable Housing Units;

(2) The identification and selection of eligible Low- and Moderate-Income Households for the Affordable Housing Units;

(3) Assurances that, for during the period of affordability, any Covered Development Projects upon which association assessments are imposed are designed to limit such assessments in a manner that will preserve the affordability of the Affordable Housing Units.

(4) Method for marketing of the Affordable Housing Units to eligible Low- and Moderate-Income Households in the community;

(5) The execution and recordation of all documents deemed necessary to ensure the development and continued affordability of the Affordable Housing Units, including without limitation a development agreement between the owner of the Covered Development Project and the City or its designee;

(6) Agreements relating to the long-term management and maintenance of the Affordable Housing Units in a Covered Development Project;

(7) The bedroom mix and aggregate gross square footage of the Affordable Housing Units;

(8) Agreements and decisions regarding the applicability of any one or more of the alternatives to the provision of on-site Affordable Housing Units as set forth in Section 20A-8 of this Chapter.

**Section 20A-13. Preservation of Affordability and Restrictions on Resale.**

(A) For-Sale Affordable Housing Units. A for-sale Affordable Housing Unit, the unit may be sold to a private party who meets the income level and eligibility requirements established in this Chapter. The parties to the transaction shall execute and record all documentation as required by this Chapter and reviewed by the City (or its authorized designee), including at a minimum each of the following:

(1) The Affordable Housing Unit shall be sold to and occupied by an eligible Low- and Moderate-Income Household.

(2) The Affordable Housing Unit shall be conveyed subject to restrictions that shall permanently maintain the affordability of such Affordable Housing Units for eligible Low- and Moderate-Income Households.

(3) The resale price of any permanently Affordable Housing Unit shall not exceed the purchase price paid by the seller of that unit plus inflation as measured by the Consumer Price Index (All Urban Consumers, All Cities average, residential real estate) for the period of time that the unit owner resided in the unit.

(B) Rental Affordable Housing Units. For Covered Development Projects with that contain Affordable Housing Units for rent, the owner of the development shall execute and record such documentation as required by this Chapter to ensure the provision and continuous maintenance of the Affordable Housing Units. All documents shall be submitted to the City (or its authorized designee) for review to ensure, at a minimum, each of the following:

(1) The Affordable Housing Units must be leased and occupied by eligible Low- and Moderate-Income Households.

(2) The Affordable Housing Units must be leased at rent levels affordable to eligible Low- and Moderate-Income Households.

(3) Preference for the Affordable Housing Units shall be given to eligible households pursuant to the priorities set forth in Section 20A-10, of this Chapter.

**Section 20A-14. Implementation.**

The City Manager (or the Manager's designee) shall develop appropriate regulations and forms that are consistent with this Chapter and necessary or convenient to effect its efficient and effective administration. Such regulations and rules shall be reported to the City Council and thereafter made available to the public.

**SECTION FOUR: Severable.** In the event any part or parts of this Ordinance shall be found to be unlawful or unconstitutional by a court of competent jurisdiction, such unlawfulness or unconstitutionality shall not affect the validity of the remaining parts of this Ordinance.

**SECTION FIVE: Effective Date.** This Ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form in the manner provided by law.