

Proposed Owner Occupancy Change

- Removing owner occupancy in exchange for **affordability restrictions**
 - Existing code requires that a homeowner live on the same parcel with an Accessory Dwelling Unit, either in the primary dwelling or in the ADU.
 - The City currently allows properties that are not in conformance with this requirement to rent both the ADU and the single-family home with a restriction that the ADU be rented at a below market-rate rent. This restriction on rent remains in place until the property becomes owner-occupied again. The proposal would allow any ADU owner to use this provision. The affordability level is proposed to be set at a level affordable to a household with income at 50% of the Area Median Income (AMI).
 - The current rent for a Studio unit that can be paid by a household at this affordability level is \$761, and for a 1-bedroom it is \$870.

Draft Ordinance Language:

~~“d. Notwithstanding subsection (9)(a), the community development director, in consultation with the city manager and city attorney, shall be authorized to promulgate regulations intended to legalize accessory dwelling units which are nonconforming solely by virtue of the fact that the property owner has failed to comply with subsection (9)(a)’s the owner occupancy requirement may be waived, including but not limited to regulations providing for the amortization of the nonconformity by specifying a period of time within which the absentee owner must either establish occupancy or discontinue the accessory dwelling unit use of the property or alternatively sell the property, and regulations providing in exchange for the recordation of land use agreements specifying the terms of amortization a land use agreement stating that rental rates in one of the dwelling units on the property, or two in the case of single-family parcels over 10,000 square feet net lot area, shall be restricted to a rent that is affordable to households earning no more than 50% of the Area Median Income, and that the units shall be consistently rented to income-qualified tenants. Failure to comply with these conditions by allowing units to stand vacant or be occupied by non-qualifying households shall constitute a violation of this section and will result in code enforcement action.~~