

Preliminary Land Use Service (PLUS)
Comprehensive Plan Amendments and Municipal Ordinances

Delaware **Office of State Planning Coordination**
 122 Martin Luther King Jr. Blvd. South • Dover, DE 19901 • Phone: 302-739-3090 • Fax: 302-739-5661

Name of Municipality: New Castle County	
Address: 87 Reads Way New Castle, DE	Contact Person: Mary Jacobson
	Phone Number: 395-5144
	Fax Number: 395-5543
	E-mail Address: MAJacobson@nccde.org

Date of Most Recently Certified Comprehensive Plan: 2012

Application Type:
Comprehensive Plan Amendment: _____
Ordinance: No. 17-094
Other: _____

Comprehensive Plan Amendment or Municipal Ordinance prepared by:	
Address:	Contact Person: Mary Jacobson
	Phone Number: 395-5144
	Fax Number: 395-5543
	E-mail Address: MAJacobson@nccde.org

Maps Prepared by:	N/A
Address:	Contact Person:
	Phone Number:
	Fax Number:
	E-mail Address:

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Please describe the submission: This ordinance amends specific provisions of the Traditional Neighborhood Housing Program. See attached.

Introduced by: Mr. Hollins
Date of introduction: October 10, 2017

ORDINANCE NO. 17-094

**TO AMEND *NEW CASTLE COUNTY CODE* CHAPTER 40
(ALSO KNOWN AS THE UNIFIED DEVELOPMENT CODE OR “UDC”),
ARTICLE 7 (“TRANSFER OF DEVELOPMENT RIGHTS AND OTHER
INCENTIVES AND BONUSES”) REGARDING THE TRADITIONAL
NEIGHBORHOOD HOUSING PROGRAM**

WHEREAS, in December of 2014, County Council adopted Substitute No. 2 to Ordinance No. 14-109 creating the Traditional Neighborhood Housing Program (“Program”) to facilitate the supply of housing available to households with moderate incomes; and

WHEREAS, in the first two years since adoption of the Program, only two rezoning applications were submitted that triggered the application of the Program requirements; and

WHEREAS, the applicants have expressed concerns that compliance with the Program will create a financial hardship under current market conditions; and

WHEREAS, the *Delaware Housing Needs Assessment 2015-2022*, issued by the Delaware State Housing Authority, indicates an existing need for affordable rental units in New Castle County; and

WHEREAS, County Council has determined that the provisions of this Ordinance will substantially advance, and are reasonably and rationally related to, legitimate government interests by promoting the health, safety, morals, convenience, order, prosperity and welfare of the citizens of New Castle County.

NOW, THEREFORE, THE COUNTY OF NEW CASTLE HEREBY ORDAINS:

Section 1. *New Castle County Code* Chapter 40 (Unified Development Code or “UDC”), Article 7 (“Transfer of Development Rights and Other Incentives and Bonuses”), Division 40.07.500 (“Traditional Neighborhood Housing Program”), Section 40.07.510 (“Mandatory applicability”), is hereby amended by adding the material that is underscored and deleting the material that is bracketed and stricken, as set forth below:

Sec. 40.07.510. Mandatory applicability.

Required Moderately Priced Dwelling Units (“MPDUs”). . . .

- A. On all rezoning applications proposing twenty-five (25) or more dwelling units.
1. If the number of dwelling units proposed with the rezoning are increased by one hundred (100) percent or more over the number of dwelling units under the base density of the existing zoning, [~~twenty (20) percent of all dwelling units shown on the proposed plan shall be set aside as MPDUs~~] the required MPDU set-aside shall be based upon the number of housing types shown on the proposed plan.
 - a. On plans proposing five (5) or more housing types, fifteen (15) percent of all dwelling units shall be set aside as MPDUs.
 - b. On plans proposing less than five (5) housing types, twenty (20) percent of all dwelling units shall be set aside as MPDUs.
 2. If the number

Section 2. *New Castle County Code* Chapter 40 (Unified Development Code or “UDC”), Article 7 (“Transfer of Development Rights and Other Incentives and Bonuses”), Division 40.07.500 (“Traditional Neighborhood Housing Program”), Section 40.07.530 (“Contribution to the Housing Trust Fund”), is hereby amended by adding the material that is underscored and deleting the material that is bracketed and stricken, as set forth below:

Sec. 40.07.530. Contribution to the Housing Trust Fund.

A contribution shall be made for all dwelling units that are not designated as MPDUs on all Traditional Neighborhood Housing Program plans. [~~The contribution shall be twelve (\$12.00) dollars per one thousand (\$1,000) dollars of permit valuation and~~] All monies shall be payable at the time of issuance of a Certificate of Occupancy [-All monies shall be] and deposited in the Housing Trust Fund. The contribution amount shall be:

- A. \$24.00 per \$1000.00 of permit construction valuation for plans where: (i) the number of dwelling units proposed with the rezoning are increased by one hundred (100) percent or more over the number of dwelling units under the base density of the existing zoning; and (ii) less than twenty (20) percent of all dwelling units are set aside as MPDUs; or
- B. \$12.00 per \$1000.00 of permit construction valuation for all other plans.

Section 3. *New Castle County Code* Chapter 40 (Unified Development Code or “UDC”), Article 7 (“Transfer of Development Rights and Other Incentives and Bonuses”), Division 40.07.500 (“Traditional Neighborhood Housing Program”), Section 40.07.551 (“Homeownership MPDUs”), is hereby amended by adding the material that is underscored and deleting the material that is bracketed and stricken, as set forth below:

Sec. 40.07.551. Homeownership MPDUs.

A. Maximum Sales Price (MSP). The MSP ~~shall~~ will be established for unit size based on presumed household size and the qualifying level for the applicable AMI target. The MSP shall be reflected on ~~the~~ Maximum Allowable Sales Price Calculation Charts maintained by the Department of Community Services.

B. AMI targets. MPDUs designated for homeownership shall be made available to ~~serve~~ homeowners at two income levels calculated as AMI.

1. *Ninety (90) percent AMI target.* ~~[a.]~~ Fifty (50) percent of the MPDUs shall be affordable to qualified households ~~[buyers]~~ with household income[s] up to ninety (90) percent of ~~the~~ AMI.

~~[b. — The MSP for MPDUs designated for the ninety (90) percent target shall be priced at no more than the qualifying level for a buyer at or below eighty (80) percent AMI.]~~

2. *Seventy-five (75) percent AMI target.* ~~[a.]~~ Fifty (50) percent of the MPDUs shall be affordable to qualified households ~~[buyers]~~ with ~~in~~ household income[s] up to seventy-five (75) percent of ~~the~~ AMI.

~~[b. — The MSP for MPDUs designated for the seventy five (75) percent target shall be priced at no more than the qualifying level for a buyer at or below sixty five (65) percent AMI.]~~

Section 4. *New Castle County Code* Chapter 40 (Unified Development Code or “UDC”), Article 7 (“Transfer of Development Rights and Other Incentives and Bonuses”), Division 40.07.500 (“Traditional Neighborhood Housing Program”), Section 40.07.552 (“Rental MPDUs”), is hereby amended by adding the material that is underscored and deleting the material that is bracketed and stricken, as set forth below:

Sec. 40.07.552. Rental MPDUs.

A. Rental MPDUs shall be permitted as follows:

1. [i]n land developments designed as rental communities such as apartment complexes or rental townhouse communities, one hundred (100) percent of the MPDUs may be rental.
2. In land developments not designed as rental communities, up to fifty (50) percent of the MPDUs may be rental.

B. MPDUs designated for homeownership

C. Maximum Allowable Rent (MAR). MAR shall be determined by the Department of Community Services upon the submission of the request for affordable rent determination form. MAR shall be established at rates affordable to qualified households with incomes equal to seventy-five (75) percent of AMI.

~~[1. All MPDUs offered for rental must serve households with qualifying incomes up to seventy five (75) percent of AMI.~~

~~2. MAR for MPDUs shall be established at rates affordable to households at sixty five (65) percent of AMI.]~~

D. Household Eligibility. Rental MPDUs shall be made available only to qualified households with incomes up to seventy-five (75) percent of AMI.

Section 5. New Castle County Council finds that the provisions of this Ordinance are consistent with the spirit and intent of the New Castle County Comprehensive Development Plan.

Section 6. All ordinances or parts of ordinances and all resolutions or parts of resolutions that may be in conflict herewith are hereby repealed except to the extent they remain applicable to land use matters reviewed under previous Code provisions as provided in Chapter 40 of the *New Castle County Code*.

Section 7. The provisions of this Ordinance shall be severable. If any provision of this Ordinance is found by any court of competent jurisdiction to be unconstitutional or void, the remaining provisions of this Ordinance shall remain valid, unless the court finds that the valid provisions of this Ordinance are so essentially and inseparably connected with, and so dependent upon, the unconstitutional or void provision that it cannot be presumed that County Council would have enacted the remaining valid provisions without the unconstitutional or void one, or unless the court finds that the remaining valid provisions, standing alone, are incomplete and incapable of being executed in accordance with County Council's intent. If any provision of this Ordinance or any zoning map or portion thereof is found to be unconstitutional or void, all applicable former ordinances, resolutions, zoning maps or portions thereof shall become applicable and shall be considered as continuations thereof and not as new enactments regardless if severability is possible.

Section 8. This Ordinance shall become effective immediately upon passage by New Castle County Council and approval by the County Executive, or as otherwise provided in 9 *Del. C.* § 1156.

Section 9. This Ordinance shall apply to land development applications submitted after its effective date and, upon the written request of an applicant, also shall apply to any land development application that was submitted to the Department of Land Use after December 19, 2014 that has not yet received final approval by the effective date of this Ordinance.

Adopted by County Council of
New Castle County on:

President of County Council
of New Castle County

Approved on:

County Executive
New Castle County

SYNOPSIS: This Ordinance amends the Traditional Neighborhood Housing Program. This Ordinance will allow the reduction of the number of moderately priced dwelling units (“MPDUs”) required on certain subdivision plans that provide at least five (5) housing types. Accordingly, in situations where a twenty (20) percent MPDU set-aside is required, if five (5) housing types are offered, the MDPU set-aside requirement will be reduced to fifteen (15) percent. However, the contribution to the housing trust fund for the market rate dwelling units shown on these plans will increase from \$12.00 to \$24.00 per \$1,000 of permit construction valuation. The Ordinance also eliminates the eligibility window for homeownership and rental MPDUs, thus raising the allowable maximum sales price and rental price by ten (10) percent. The Ordinance also eliminates the prohibition of rental MPDUs in non-rental communities and allows up to fifty (50) percent of the MPDU set-aside requirement to be rental MPDUs.

FISCAL IMPACT: This Ordinance has no discernable fiscal impact.