

ARTICLE 1307
WORKFORCE HOUSING INCENTIVE

- 1307.01 Workforce dwellings are rental or owner-occupied dwelling units that meet the standards of this Article 1307. This Article 1307 shall only apply within the CM-LTN, IR-R, RT, CB and CS zoning districts. All of the requirements of this Ordinance shall continue to apply, except for provisions specifically modified by this Article 1307.
- 1307.02 This Article 1307 shall only be available if a development will include 20 or more new dwelling units. If a minimum of 10% of the total dwelling units in a development will be sold or leased as workforce dwellings, then a density bonus shall be allowed. If more than 30 percent of the total dwelling units in a development are workforce housing units, the density bonus shall only be available for that first 30 percent of the total dwelling units. The density bonus shall be that for every workforce dwelling unit, 1.5 additional dwelling units shall be allowed in the development beyond the number of dwelling units that would otherwise be allowed. However, in no case shall the total density of the development exceed a minimum average lot area of 1,000 square feet of lot area per dwelling unit. The restrictions of this Article shall be established and enforced by lease and by deed. The bonus may be rounded to the nearest whole number. The following are examples of how these provisions are intended to function:
- (a) If a development is permitted to have the minimum 20 dwelling units and the applicant chooses to use the 30 percent workforce (WF) housing (14 market rate ("MR") + 6 WF), they may construct 6 x 1.5, or 9 additional units:
29 units total (23 MR + 6 WF)
 - (b) If a development is permitted to have 40 dwelling units total (36 MR + 4 WF), the applicant may construct 4 x 1.5, or 6 additional units:
46 units total (42 MR + 4 WF)
 - (c) If a development is permitted to have 100 dwelling units total (90 MR + 10 WF), the applicant may construct 10 x 1.5, or 15 additional units:
115 units total (105 MR + 10 WF)
 - (d) If a development is permitted to have 100 dwelling units total and the applicant chooses to build 30 WF units (70 MR + 30 WF), using the maximum 30 percent workforce bonus provision, the applicant may construct 30 x 1.5, or 45 additional units:
145 units total (115 MR + 30 WF)
 - (e) If a development is permitted to have 100 dwelling units total and the applicant chooses to build 40 WF units (60 + 40 WF), they may construct 30 x 1.5, or 45 additional units.*

- 1307.03 A workforce dwelling unit shall be affordable to households with an income not to exceed 80 percent of the Area Median Income for the Allentown-Bethlehem-Easton Metropolitan Statistical Area as estimated annually by the US Department of Housing and Urban Development, or its successor estimate. Income shall be based upon the calendar year prior to the date of the sale or rental. Households whose income does not exceed 80 percent of such Area Median Income as adjusted for household size are eligible to purchase or lease a workforce dwelling unit.
- 1307.04 For a rental workforce dwelling unit, the monthly rent payment and any maintenance fees shall not exceed an amount equivalent to the Fair Market Rents for the number of bedrooms, for the Metropolitan Statistical Area as published annually by the U.S. Department of Housing & Urban Development, or its successor measurement. Costs for utilities are not included in such maximum.
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- 1307.05 For owner-occupied workforce housing units, the Administrative Agency shall establish a maximum sales price for the initial sale of the dwelling unit. The maximum sales price shall be affordable to a household with total household income that is no more than 80 percent of the Area Median Income, as calculated above. Such affordable sales price shall be based upon a currently available typical 30 year fixed rate mortgage, a down payment of no more than 15 percent of the purchase price, an estimate of property taxes and homeowner insurance premiums, and an estimate of any homeowners/condominium association fees. The sales price shall be set so that the total of such costs at the time of the initial sale will not exceed 30 percent of the gross income by a household earning 80 percent of the Area Median Income.
- 1307.06 In order to lease or purchase a workforce dwelling unit, the household must receive a "Certificate of Qualification" from the City-designated Administrative Agency. The Administrative Agency shall be a non-profit organization, governmental bureau or agency or housing authority that has agreed to accept responsibility for such matter and has been designated by the City of Bethlehem Department of Community and Economic Development as being the designated Administrative Agency.
- (a) The owner shall provide the Administrative Agency with a minimum of 60 days of advance written notice of the seller's intent to put a workforce dwelling on the market. For owner-occupied workforce housing units, the Administrative Agency shall establish a maximum sales price for any re-sale of each dwelling unit. The seller shall reimburse the Administrative Agency for the cost of a professional appraisal of the current market value of the dwelling unit. Such maximum sales price shall be based upon the actual sales price paid by the owner, plus 50 percent of the change in the market value of the dwelling unit from the time of most recent previous sale to the present day. In addition, the sales price may include the costs directly associated with the actual sale of the dwelling, including any realtor commissions.

1307.07 The restriction upon the workforce dwelling units shall continue for 20 years after each workforce dwelling unit is initially occupied. At the end of such 20 year period, the sales or rental prices of the workforce dwelling units shall not be restricted, and the proceeds of sales shall be controlled by the then-current owner. The restriction upon the workforce housing shall apply at the time of the initial lease or sale of the dwelling units and any subsequent sale, lease or sublease of the dwelling units to a different household. The income determination shall be based upon the income of the inhabitants of the dwelling unit during the calendar year prior to the sale or lease, regardless of changes in income that may occur by that same household in subsequent years. This Article shall not require a household to move out of a workforce dwelling unit because their income has increased.

1307.08 The applicant shall as part of its zoning application, provide documentation as to how this program shall be funded, monitored, implemented and enforced and shall agree that the program conditions and requirements will be made a condition of City approval. Applicants must contract with the Administrative Agency to oversee compliance with this section, with that Administrative Agency responsible to periodically certify compliance in writing to the City Department of Community and Economic Development.

1307.09 The proposed workforce dwelling units shall be integrated throughout the development, as opposed to being isolated to one portion of a development or one floor of a building. The workforce dwelling units shall have the same exterior facade materials as market rate dwellings in the development, and be indistinguishable in appearance. The workforce housing units shall have no greater percentage of multi-family units than the market rate dwellings.

1307.10 The workforce dwelling unit shall be occupied by the household that has a "Certificate of Qualification" as their primary place of residence. Any sale, lease or sublease shall require re-certification of the owner/tenant by the Administrative Agency. The owner shall have the right to select a buyer or tenant provided the requirements of this Article are met.