**Memorandum**

**September 27, 2018**

|  |  |
| --- | --- |
| **From:** | Councilwoman Maria D. Quiñones Sánchez |
| **Re:** | Bill No. 170678-A |

Please find below of Bill No. 170678, as amended on September 27, 2018. The bill becomes effective immediately if signed into law by the Mayor of Philadelphia.

* The legislation, as amended, does *NOT* include any mandate that developers of certain residential housing developments either create and preserve affordable housing units or tender payment to the Philadelphia Housing Trust Fund (PHTF).
* The legislation maintains the following voluntary zoning bonuses,[[1]](#footnote-1) originally passed on July 21, for building permit applicants who either record a covenant to create and preserve at least 10% of new units at affordable rates or tender payment to the PHTF at rates specified on page 2.

|  |  |  |  |
| --- | --- | --- | --- |
| Zoning District | Additional Gross Floor Area, as % of Lot Area | Additional BuildingHeight, in Feet | Additional % ofBuilding Units |
| RM-1 |  | 7, up to 45 | 25-50 |
| RM-2 | 25-50 |  |  |
| RM-3 | 50-75 |  |  |
| RM-4 | 100-175 |  |  |
| RMX-1 | 50-75 |  |  |
| RMX-2 | 75-125 |  |  |
| RMX-3 | 150-250 |  |  |
| IRMX | 150-250 |  |  |
| CMX-1 |  | 7, up to 45 | 25-50 |
| CMX-2 |  | 7, up to 45 | 25-50 |
| CMX-2.5 |  | 7, up to 62 | 25-50 |
| CMX-3 | 150-300 |  |  |
| CMX-4 | 150-250 |  |  |
| CMX-5 | 300-400 |  |  |

* For developers who create and preserve five or more “low-income” housing units:
	+ Height limits shall increase by up to 7 feet, but shall in no case exceed 45 feet, for properties within RM-1, CMX-1, and CMX-2 districts, and shall in no case exceed 62 feet, for properties within CMX-2.5 districts.
	+ The amount of housing units permitted shall increase by 50% for properties within RM-1, CMX-1, CMX-2, and CMX-2.5 districts.
	+ The maximum base floor area ratio shall increase, by 50% for properties within RM-2 districts; by 75% for properties within RM-3 and RMX-1 districts; by 125% for properties within RMX-2 districts; and by 250% for properties within IRMX and RMX-3 districts.
* For developers who create and preserve five or more “moderate-income” housing units:
	+ Height limits shall increase by up to 7 feet, but shall in no case exceed 45 feet, for properties within RM-1, CMX-1, and CMX-2 districts.
	+ The amount of housing units permitted shall increase by 25% for properties within RM-1, CMX-1, CMX-2, and CMX-2.5 districts.
	+ The maximum base floor area ratio shall increase, by 25% for properties within RM-2 districts; by 50% for properties within RM-3 and RMX-1 districts; by 75% for properties within RMX-2 districts; and by 150% for properties within IRMX and RMX-3 districts.
* Set-aside units must be affordable, such that monthly housing costs do not exceed 30% of gross income for households earning, at the time of initial occupancy, up to:
	+ 50% of Area Median Income (AMI), for “low-income” rental units.
	+ 60% of Area Median Income (AMI), for “moderate-income” rental units.
	+ 70% of Area Median Income (AMI), for “low-income” for-sale units.
	+ 80% of Area Median Income (AMI), for “moderate-income” for-sale units.
* Payment to the PHTF in lieu of creating and preserving affordable units must be tendered prior to building permit issuance. The payment shall be calculated, depending upon the bonus earned, by multiplying bonus lot area by $20 to $24; by multiplying bonus gross floor area by $25 to $30; or by multiplying bonus units by $25,000 to $30,000.
* Title 14 maintains standards, as adopted on July 21, for the construction, marketing, occupancy, and maintenance of affordable housing units; rates for payments to PHTF in lieu of creating and preserving affordable housing units; remedies for non-compliance; and reporting standards.
1. Bill No. 170678, as amended, does not alter existing bonus provisions, under Section 14-702(7) of the Philadelphia Code, which entitle developers who create and preserve “low-income” or “mixed-income” housing units to an increase in maximum floor area ratio for properties within CMX-3, CMX-4, and CMX-5 zoning districts. The September 27 amendment provides that bonuses are not available for projects of three units or less; that CMX-3 floor area maximums increase by 50% in transit-oriented districts and that bonuses earned pursuant to 14-702(7) do not count against limitations of 14-702(4). [↑](#footnote-ref-1)