ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF FOLSOM
AMENDING CHAPTER 17.104 OF THE FOLSOM MUNICIPAL CODE
RELATING TO THE INCLUSIONARY HOUSING ORDINANCE**

The City Council of the City of Folsom hereby does ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend certain provisions in Chapter 17.104 of the Folsom Municipal Code, "Inclusionary Housing," to assist in alleviating some of the financial impediments to the development of residential housing for all income levels currently facing the real estate development industry in a down economy.

SECTION 2 AMENDMENT TO CODE

Section 17.104.030 of the Folsom Municipal Code is hereby amended to read as follows:

17.104.030 Inclusionary housing requirement.

A. Number and Affordability of Inclusionary Units. All for-sale residential development projects consisting of ten or more units, ~~except~~ including condominium conversion projects, as well as residential rental projects of ten or more units receiving funding assistance from the City or are otherwise subject to a voluntary affordable housing agreement with the City~~providing inclusionary units on site~~, shall include inclusionary housing units equal to ~~fifteen~~ ten percent of the total number of units in the project, excluding density bonus units. The ~~fifteen~~ ten percent shall consist of ~~ten~~ three percent very low income units and ~~five~~ seven percent low income units. ~~Condominium conversion projects consisting of ten or more units which meet the inclusionary requirement by providing on-site units shall include inclusionary housing units equal to ten percent of the total units in the project in the following percentages: four percent very low income units, four percent low income units and two percent moderate income units. Condominium conversion projects that propose to provide inclusionary units by means other than inclusion on-site shall comply with the same percentages or methods of compliance applicable to other development projects as set forth in this chapter.~~

When four or ~~less~~ fewer inclusionary units are required, the inclusionary units shall be provided in the following manner: one inclusionary unit: one low income unit; two inclusionary units: one low income unit and one very low income unit; three inclusionary units: two low income units and one very low income unit; four inclusionary units: ~~two~~ three low income units and ~~two~~ one very low income units.

1. Calculation of Units Required. Where the number of units required to be constructed in the development project or condominium conversion project results in a percentage other than a whole number, the developer ~~may~~ shall round ~~down~~ to the nearest

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whole number the resulting percentage from the total inclusionary housing requirement calculated as provided in this chapter and provide only the whole units resulting from the inclusionary housing requirement calculation. If, after rounding ~~down~~to the nearest whole number, the total number of inclusionary units provided is less than ~~fifteen~~ ten percent of the total project units, any difference in units shall be provided as low income units.

2. Various Methods for Compliance. The inclusionary housing requirement may be satisfied by: including the units within the development project; providing an alternative as set forth in Section 17.104.060; providing the units off-site; dedicating land for other affordable development projects; acquisition, rehabilitation, and conversion of existing market rate units; conversion of existing market rate units; paying an in-lieu fee as described in this Chapter, other methods as approved by the City Council that meet the intent of this Chapter; or a combination of these methods or other alternatives set forth in this ~~chapter~~Chapter.

~~3. Applications Deemed Complete Prior to April 3, 2002. For development applications deemed complete, as defined in Government Code Section 65943, prior to April 3, 2002, the project shall be allowed to meet the inclusionary housing requirement through a land dedication fee that is equal to the project's inclusionary housing requirement times two, times ten thousand dollars. The average land cost for one multifamily unit based on a density of twenty units per acre is determined to be ten thousand dollars at the time the ordinance codified in this chapter is adopted. The average land cost of ten thousand dollars shall be adjusted annually, based on the Consumer Price Index established and published by the State of California Department of Industrial Relations for all California urban consumers. The land dedication fee shall be paid on a pro-rata basis for each market rate unit in the development project at the time each market rate building permit is issued.~~

B. Implementation. The developer shall propose an inclusionary housing plan as provided in this chapter and incorporate the agreed upon plan into conditions on the project and an inclusionary housing agreement as provided in this chapter.

C. Unit Size. The inclusionary housing requirement shall accommodate diverse family sizes by including a mix of studio, one, two and/or three bedroom units and the mix of inclusionary unit sizes shall generally accommodate the household sizes identified in the city's general plan, except "second dwelling units~~granny flats~~," or accessory dwellings, or otherwise negotiated in the inclusionary housing agreement. A developer may propose an alternative mix of the size of units as part of its inclusionary housing plan.

1. Projects of forty residential units or less are exempt from the unit size requirement.

D. Exterior Appearance. Inclusionary units shall be visually compatible with and shall have similar external building materials and finishes as the market rate units in the immediate neighborhood.

E. Access to Common Amenities. Tenants and residents of inclusionary units shall be provided the same rights and access to common amenities in the development project as tenants and residents occupying market rate units.

F. Smaller Parts of Larger Projects. The city shall not approve projects which reasonably appear to be smaller parts of a greater project and have the effect of circumventing the requirements of this chapter.

SECTION 3 AMENDMENT TO CODE

Section 17.104.050 of the Folsom Municipal Code is hereby amended to read as follows:

17.104.050 Specific plan requirement.

Number and Affordability of Inclusionary Units. All specific plans approved pursuant to Folsom Municipal Code Chapter 17.37 on or after the effective date of this chapter and which are not otherwise exempt, shall include ~~10~~ 3 percent of the dwelling units restricted to and affordable to very low income households and ~~5~~ 7 percent of the dwelling units restricted to and affordable to low income households (inclusionary housing requirement).

1. The inclusionary housing requirement required by this section shall be determined at the specific plan stage, rather than on a project by project basis. Where the inclusionary component is not included in the specific plan, it shall be included with individual projects as provided in this section.

2. The specific plan shall include an inclusionary housing plan that establishes, as a minimum but not limited to, the following:

a. The number of market rate units in the specific plan.

b. The inclusionary housing requirement for very low and low income units over the entire specific plan.

c. The location of multifamily parcels (if applicable), subdivisions~~,~~ and/or mixed-use development sites designated to receive the inclusionary units.

d. The requirements for an inclusionary housing plan specified in Section 17.104.040 of this chapter.

3. If the specific plan is initiated by developer(s) or property owners, the implementation of this section shall be through the inclusionary housing agreement signed and approved at the time of adoption of the specific plan.

4. A general provision requiring that an inclusionary housing agreement shall be made a condition of all future discretionary permits for development within the specific plan. The provision shall establish that all relevant terms and conditions of any inclusionary housing agreement shall be filed and recorded as a restriction on the project as a whole and those individual lots, units, or projects which are designated as inclusionary units. The inclusionary housing agreement shall be consistent with Section 17.104.100 of this chapter.

5. Every existing specific plan proposed for amendment shall incorporate into the amended specific plan an inclusionary housing plan, consistent with this section of this chapter.

SECTION 4 AMENDMENT TO CODE

Section 17.104.060 of the Folsom Municipal Code is hereby amended to read as follows:

17.104.060 Alternative methods to meet the inclusionary housing requirement.

Alternatives to the on-site construction of the inclusionary housing requirement shall be encouraged and allowed in order to meet the housing needs for low and very-low income households, consistent with the criterion in subsections 1 through ~~8~~9. Alternatives may include:

1. Land Dedication. The developer may dedicate sufficient land within the city of Folsom on which to construct at least the same number of units and infrastructure to support that number of units as the developer would be required to construct on-site subject to the inclusionary housing requirement, provided that the site will support the same number of units the developer is required to construct, has zoning of a minimum density necessary to accommodate the inclusionary housing requirement, that the site is acceptable to the city, and that the site is restricted for affordable housing. The developer shall dedicate the land to the city, an affordable housing developer, or special needs developer acceptable to the city at no cost to the city.

2. Off-Site Construction ("Off-Site"). The developer may develop housing to satisfy the inclusionary housing requirement at an off-site location within the city of Folsom.

3. Acquisition, Rehabilitation, and Conversion of Market Rate Units. The developer may propose to acquire and rehabilitate existing market rate units in the city of Folsom which are at or above existing affordable rents, which require repair, rehabilitation, modernization or other work, and convert those units to affordable housing units.

4. Conversion of Market Rate Units. A developer may propose to convert existing market rate units in the city of Folsom which do not require rehabilitation and are at or above existing affordable rents to affordable housing units by way of deed restrictions, recorded covenants or other legal mechanisms to assure that the units remain affordable housing units.

5. ~~Accessory~~ Second Dwelling Units. A developer may construct ~~accessory~~ second dwelling units (also referred to as "granny flat") on site of the development project to meet the inclusionary housing requirement, as described in subsections a and b below provided such units meet the requirements of this code. The lots upon which the "~~granny flats" or accessory~~second dwelling units are constructed shall be deed restricted to provide that the units, if rented pursuant to Section 17.104.090(C), shall be restricted to

very low or low income households at affordable rents consistent with the provisions of this chapter.

a. The developer of an exclusively single-family residential project of more than 40 units may construct up to 50 percent of the units required by the inclusionary housing requirement as ~~accessory~~ second dwelling units.

b. The developer of an exclusively single-family residential project of 40 or less units may construct all of the units required by the inclusionary housing requirement as ~~accessory~~ second dwelling units.

6. Inclusionary Housing Credits. A developer may use inclusionary housing credits, as defined in this chapter to meet the inclusionary housing requirement.

7. In-lieu Fee. A developer may pay an in-lieu fee calculated as follows to satisfy all of the inclusionary housing requirements: multiply 1% of the lowest priced for-sale residential unit in the proposed subdivision by the total number of for-sale residential units in the proposed subdivision. For custom lot subdivisions where only lots will be sold, multiply 0.5% of the estimated cost of the least expensive homes anticipated for the proposed subdivision by the total number of for-sale lots in the proposed subdivision. The in-lieu fee is payable at the time of the building permit on a per-unit basis, or at the time of the sale for custom lot subdivisions on a per-lot basis, and may be deferred upon application by the developer and approval in the City's sole and complete discretion pursuant to Section 16.80.030.

8. Combination. Combination of the above alternatives.

9. Other Alternatives. Other alternatives proposed by the developer which are accepted by the ~~city~~ City and meet the requirements and intent of this ~~chapter~~Chapter.

SECTION 5 AMENDMENT TO CODE

Section 17.104.070C of the Folsom Municipal Code is hereby amended to read as follows:

17.104.070 Administration of the inclusionary housing requirement.

C. Modification of Planning and Public Works Development Standards. To the extent feasible in light of the uses, design, and infrastructure needs of the development project, modifications for inclusionary units may include: (1) applicable public works development standards contained in the Folsom Municipal Code, such as alternative standards relating to road widths and parking; and (2) applicable planning standards contained elsewhere in this code such as minimum lot size, alternative housing types, lot coverage, locational and other requirements for approval of duplexes~~,~~ and half-plexes ~~and accessory dwellings~~. Nothing in this provision is intended to permit deviation from the nature and character of buildings erected in the historic district and design shall be consistent with the design guidelines adopted for that portion of the city.

SECTION 6 AMENDMENT TO CODE

Section 17.104.090 of the Folsom Municipal Code is hereby amended to read as follows:

17.104.090 Restrictions on inclusionary units.
Each inclusionary unit created as a result of the ordinance codified in this chapter shall have limitations governing its occupancy and its rental, sale, and/or resale. The purpose of these limitations is to preserve the long-term affordability and to ensure its continued availability for income eligible households.

A. Duration of Affordability for Rental Inclusionary Units. Rental inclusionary units shall remain affordable, and rental inclusionary units permitted under subsection (C)(2) shall be rented to an income eligible person at the same income level of the original for-sale affordable housing price, for a period of no less than thirty years from the recordation of the affordable rental agreement or the first date of rental of the for-sale unit permitted under subsection (C)(2) unless state law requires a longer period. The affordable rental agreement shall be recorded no later than the issuance of the first building permit for the development project.

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B. Affordability and Resale of For-Sale Units.

1. Sale and Resale to an Income-Eligible Person, Exception. After the initial sale of inclusionary for-sale units at a price affordable to the target income level group, inclusionary for-sale units shall remain affordable to subsequent income eligible buyers pursuant to a resale restriction with a term of twenty years, or longer if required by state law or other provisions of this code. The initial owner shall be a first-time home buyer as defined in this chapter. Subsequent owners are not required to be a first-time home buyer. The resale restriction shall require that the unit will be sold, by the initial owner and any subsequent owner, at the same affordable housing price income level as originally sold and will remain at that income level for the duration of the resale restriction term. For example, a home that was sold to the initial owner at a very low income level shall be sold to a subsequent owner who qualifies at the very low income level.

a. If the owner is unable to sell the inclusionary unit within sixty days of offering and advertising the unit for sale, the owner may offer to sell the unit to the city at the affordable housing price at the time of offer. If the city or its assignee does not complete the purchase of the unit within ninety days of the owner's offer of sale to the city, the resale obligations of this section shall terminate; however, the provisions of this section relating to recapture upon sale shall continue to apply and remain in full force and effect.

2. Recapture upon Sale. If the inclusionary unit does not sell within sixty days of offering and advertising the unit for sale and if the city does not acquire the inclusionary unit as specified in this section, the inclusionary unit may be sold at the current market price, and the seller shall pay to the city housing trust fund all proceeds from the sale of the unit less a percentage of profit, if any, as provided in this section. For purposes of this section, profit is defined as the net proceeds from the sale after deducting loan(s),

ordinary expenses attributed to the seller, including real estate commissions not to exceed six percent, and after deducting the current affordable housing price. If the owner has made improvements to the home, profit shall be determined by deducting the adjusted basis of the home, or the current affordable housing price, whichever is higher.

a. The percentage of profit retained by the owner shall vary according to the number of years an owner owns the residential unit. The percentage of profit to be allocated to the owner is provided as follows:

Years Current Owner Owned Residence	Percentage of Profit to Current Owner	Percent Profit Paid to the City's Housing Trust Fund
Less than 1	10	90
Less than 2	20	80
Less than 3	30	70
Less than 4	40	60
5 or more	50	50

3. Evaluation of Owners Repayment Ability. On a bi-annual basis, owners of for-sale inclusionary units whom have acquired a second mortgage or other secondary financing or loan provided by the city will be evaluated by the city housing coordinator as to their ability to initiate repayment procedures. Where the city determines the owner's household income exceeds the affordable income level applicable to the inclusionary unit, the city may require repayment according to the terms provided in the deed of trust or other financing document(s).

4. Guidelines. The city may adopt guidelines for the administration of this program by resolution of the city council.

5. Home Ownership Incentive. The city and/or the RDA may establish guidelines by resolution to create incentives for home ownership, including partial loan forgiveness provisions relating to loans or second trust deeds provided by the city ~~or the RDA~~ depending on the length of time a qualified owner has occupied the residence.

C. Occupancy Requirement.

1. Rental Units. Any person(s) who occupies a rental inclusionary unit produced or acquired with funding assistance from the City or is otherwise subject to a voluntary affordable housing agreement between the City and the unit's developer shall occupy that unit as his or her principal residence and shall annually certify that he/she qualifies for the applicable affordable rent level. The city's housing coordinator shall annually initiate this certification process. If and when any person(s) who rents an inclusionary unit no longer qualifies at the applicable affordable rent and income levels, that person(s) shall be required to quit the unit or pay the market rate for the unit provided another rental unit is made available at the income level of the inclusionary unit.

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2. For-Sale Units. Except as provided in this section, an initial owner who purchases a for-sale inclusionary unit shall occupy that unit as his or her principal residence. The inclusionary housing agreement shall provide that a for-sale inclusionary unit may be rented or leased only after the owner, initial or subsequent, has resided in the inclusionary unit for a period of not less than two years. If the owner rents or leases the inclusionary unit, the renter or lessee shall be an income eligible person ~~and the inclusionary unit shall be rented at no greater a rental rate than the affordable rent level currently in effect. The inclusionary unit shall be rented or leased~~ at the same income level of the original for-sale affordable housing price. For example, if the initial owner bought the unit at the very low income housing price, the unit shall be rented to tenants of very low income ~~rent~~ household~~level currently in effect~~.

a. Any person offering a for-sale inclusionary unit for rent or lease shall notify the city housing coordinator in writing, prior to the renting of the unit, that the unit is offered for rent or lease. Any person offering a for-sale inclusionary unit for rent or lease shall notify prospective tenants of the income eligibility requirements ~~and that the unit shall be rented at an affordable rent level~~.

b. If the city ~~or the RDA~~ has provided loans or other deeds of trust on a for-sale inclusionary unit, the city ~~or RDA~~ may include provisions, based on the ability of the owner to repay the loan or other financing instrument, in the deeds of trust to require repayment of the note secured by that deed of trust if the property is not owner occupied.

c. If the City has provided loans or other financial assistance to purchaser of a for-sale inclusionary unit, the City shall require, in a recorded affordability covenant, that the unit, if rented or leased by the owner, initial or subsequent, pursuant to subsection (C)(2) above, shall be rented at an affordable rent level no greater a rental rate than the affordable rent level currently in effect.

3. Converted Units. Units which are converted from market rate units shall follow the requirements of subsections A, B, and C of this section based on the type of converted residential unit applicable.

4. Resident or Work Eligibility for Affordable Housing Units. To the extent permissible under applicable state and federal law, people who work and/or reside in the city of Folsom shall have priority over other persons to rent or purchase inclusionary units constructed pursuant to the provisions of this chapter. Priority shall be established according to the following provisions:

a. Work. First priority shall first be given to qualified applicants who work in the city of Folsom. To qualify as a person who works in the city of Folsom, the person responsible for renting or purchasing the inclusionary housing unit must demonstrate that both of the following criteria have been met:

i. Type of Work. The applicant must have worked in the city of Folsom for a minimum of one year immediately preceding the date of application. Work is defined for purposes of this section as owning or operating a business, employment for wages or salary for an employer located in the city of Folsom, contract employment where the

actual work is conducted at a city of Folsom location, or commission work where the applicant's principal location from which he/she worked is located in the city of Folsom.
ii. Hours of Work. The applicant must have been employed in the city of Folsom an average of at least twenty hours per week over the course of the qualifying year.
b. Resident. Second priority shall be given to a qualified applicant(s) for rental or for-sale units who is a resident of the city of Folsom. To qualify as a resident of the city of Folsom, the person responsible for renting or purchasing the inclusionary unit must have their principal place of residence in the city of Folsom for a minimum of one year immediately preceding the date of application.
c. Where no applicants meet the priority criteria set forth above, the inclusionary housing units may be made available to other qualified applicants.
d. The owner or manager of inclusionary units, which are offered for rent, sale, or lease, shall require the applicant to provide proof that he/she meets the occupancy and income criteria set forth in this chapter. (Ord. 958 § 2 (part), 2002)

SECTION 7 AMENDMENT TO CODE

Section 17.104.100 of the Folsom Municipal Code is hereby amended to read as follows:

17.104.100 Administration of the inclusionary housing requirement.
A. Proposed Inclusionary Housing Plan. At the time of and as part of the application for the first legislative entitlement, the developer of a development project shall submit a draft inclusionary housing plan consistent with the requirements of Section 17.104.040.

B. Action on Inclusionary Housing Plan. The inclusionary housing plan shall be subject to the same review and approval as the legislative entitlements. No legislative entitlement shall be granted without an approved inclusionary housing plan. The elements of the inclusionary housing plan shall be incorporated into the terms and conditions of the applicable legislative entitlements and project-level approvals.

1. Amendment of Inclusionary Housing Plan. The community development director shall have the authority to approve amendments of the inclusionary housing plan to reflect changes in the underlying development project. Where the proposed amendment(s) will result in a change in the phasing or timing of development of the inclusionary units, the amendment ~~may be approved if the circumstances specified in~~must be reviewed under the criteria in Section 17.104.~~030~~040(~~D~~A)(3) ~~are present and that the requirements of that subsection are satisfied~~.

2. Amendment Process. Amendments which will result in the modification of conditions shall be subject to notice, review, approval and appeal in the same manner as the original approval.

C. Inclusionary Housing Agreement.
1. Requirement. No project-level approval may be issued by the city without an inclusionary housing agreement executed by the owner and recorded against the property,

the developer (if not owner) and the community development director, and approved by the city attorney; provided, that a tentative subdivision map or tentative parcel map may be approved prior to execution or recordation of an inclusionary housing agreement if (a) an inclusionary housing plan including a phasing plan has been approved; (b) any tentative map or parcel map contains conditions that enforce the applicable phasing and other requirements of the housing plan; and (c) the legislative entitlements contain provisions that condition approval of planned development permits, plan review, or building permits on execution and recordation of, and compliance with, an inclusionary housing agreement.

2. Contents. The agreement shall be consistent with the inclusionary housing plan, and shall indicate ownership information, type of inclusionary unit, i.e., for sale or rental, the number and size of very low and low income units, the developer of the inclusionary units, the phasing and construction scheduling of the inclusionary units, commitments for inclusionary incentives and any other information required by the city relative to the inclusionary housing requirement. In the case of alternatives to the inclusionary housing requirement, the agreement shall also contain the information required in this chapter pertaining to the alternative.

3. Information Required from Developer. The developer of the development project shall present to the city: (a) plans, schematics, and details of phasing of the residential project as a whole, including the inclusionary housing requirement; (b) the name and address of the entity which will develop the inclusionary housing requirement if not the developer; (c) in the case of land dedication, an executed irrevocable offer of dedication at no cost to the city; (d) in the case of off-site location, the evidence of control or ownership of the site required in this chapter; and (e) any other information reasonably required by the city in connection with the agreement.

4. Incentives. The community development director shall recommend to the final decision-making body which inclusionary incentives, if any have been requested by the developer, the city will make available in connection with the development project as provided in this chapter. The inclusionary housing agreement shall specify the nature of the incentives provided.

5. Incorporation into Project-Level Approvals and Recordation. The developer obligations and the inclusionary incentives in the agreement shall be incorporated into the applicable project-level approvals. The executed agreement shall be recorded as a covenant running with the land against the real property of the residential project and, in the case of off-site inclusionary units, against the real property on which such inclusionary units are to be located.

D. Affordable Rental and Affordable Housing Agreements. Upon approval of the entitlements for a for-sale development project which shall include inclusionary units, or a residential rental development project to be produced with funding assistance from the City or is otherwise subject to a voluntary affordable housing agreement with the City, the developer shall record with the county recorder's office an affordable rent agreement

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or affordable housing agreement against the parcels identified in the inclusionary housing plan for the inclusionary units. Where the inclusionary unit is a for-sale unit within a development project, the developer shall record the affordable housing agreement relating to the lot(s) within the development project which are to be inclusionary units prior to the issuance of a building permit on any lot(s) within the development project.

E. Administration of Affordability for Rental Inclusionary Housing. The owner of rental inclusionary units or for-sale inclusionary units offered for rent pursuant to Section 17.104.090(C)(2) shall be responsible for certifying the income of tenant to the city at the time of initial rental and annually thereafter. The owner of a for-sale inclusionary unit shall certify to the city the income of the initial purchaser and shall certify to the city that the initial purchaser is a first-time home buyer. The owner of rental inclusionary units shall apply the same rental terms and conditions (except rent levels, deposits and income requirements) to tenants of inclusionary units as are applied to all other tenants, except as otherwise required to comply with government subsidy programs. Discrimination based on subsidies received by the prospective tenant is prohibited. The city shall keep confidential the personal identifying information of the household members occupying an inclusionary unit.

F. ~~Accessory~~ Second Dwelling Units. A real estate disclosure requirement shall be recorded against each lot with a~~n~~ ~~accessory~~ second dwelling inclusionary unit requiring the buyer of the property to agree to ~~the rental and~~ tenant income requirements of the ~~accessory~~ second dwelling inclusionary unit and a form for the city to be notified of transfer of title.

G. Guidelines. The community development director may develop and adopt additional guidelines as necessary for the implementation of this chapter consistent with the terms contained herein and consistent with any guidelines adopted by the city council as provided in this chapter.

H. Appeal. Where the provisions of this chapter vest the community development director with final decision making authority, any applicant aggrieved by the decision of the community development director may appeal that decision to the planning commission. Any appeal of a decision of the community development director must be filed with the community development department within ten calendar days of the date the decision is rendered by the community development director. The community development department shall set the appeal before the planning commission at the next regularly scheduled planning commission meeting, but in no case less than ten calendar days after the community development director's decision.

SECTION 8 AMENDMENT TO CODE

Section 17.104.110(B)(1) of the Folsom Municipal Code is hereby amended to read as follows:

17.104.110 Monitoring of inclusionary housing.

B. Inclusionary Units. Units will be monitored by the city to verify that the units are and will remain affordable.

1. Rental Inclusionary Unit. Owners of the~~se~~ rental inclusionary units produced with funding assistance from the City or are otherwise subject to a voluntary affordable housing agreement with the City will be monitored by the city annually to certify that tenant(s) occupying the unit(s) are income qualified to remain in the unit ~~and~~, including units under Section 17.104.090(C)(1)(c), and that the rent is at or below the affordable rent as stipulated in Section 17.104.090. Owners of the for-sale inclusionary units offered for rent will be monitored by the city annually to certify that tenant(s) occupying the unit(s) are income qualified to remain in the unit. The city shall further monitor approximately ten percent of tenants annually by: (a) requiring the owner submit a copy of the signed rental or lease agreement to verify the rental rate, and (b) independently verifying that the tenant is income-eligible to reside in the inclusionary unit.

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SECTION 9 DELETION FROM CODE

Section 17.104.150 of the Folsom Municipal Code is hereby deleted in its entirety.

SECTION 10 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 11 SEVERABILITY

If any section, subsection, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 12 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption. In lieu of publication of the full text of the ordinance within fifteen (15) days after its passage, a summary of the ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the City Council and a certified copy shall be posted in the office of the City Clerk, pursuant to Government Code section 36933(c)(1).

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on _____, ~~2012~~2013, and the second reading occurred at the regular meeting of the City Council on _____, ~~2012~~2013.

On a motion by Council Member _____, seconded by Council Member _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this _____ day of _____, ~~2012~~ 2013 by the following vote, to wit:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

_____
Stephen E. Miklos, MAYOR

ATTEST:

_____
Christa Saunders, CITY CLERK