

Summary

Board Bill Number 29

Introduced by Alderman Megan Green

May 13, 2022

This Board Bill sends a \$10,000 per unit “Dwelling Unit Reduction Surcharge Fund” to voters for approval to fund affordable housing.

**BOARD BILL NUMBER 29 INTRODUCED BY ALDERWOMAN MEGAN GREEN/
ALDERWOMAN ANNIE RICE/ ALDERWOMAN CHRISTINE INGRASSIA/
ALDERMAN DAN GUENTHER**

1 An ordinance submitting to the qualified voters of the City of St. Louis for approval of the
2 establishment of a Dwelling Unit Reduction Surcharge to address loss of affordable
3 housing through development and provide a source of funding for the creation,
4 maintenance, and improvement of safe and affordable housing in the City of St. Louis in
5 order to enhance preservation and maintenance of the City’s cultural and economic
6 diversity.

7 **WHEREAS**, the demolition of existing dwellings in the City of St. Louis has led to a
8 reduction in diversity of the City’s housing stock and a decrease in the availability of
9 affordable housing options within the City; and

10 **WHEREAS**, the Affordable Housing Report Card found that there is a shortage of
11 approximately 35,000 affordable housing units available to low and moderate income
12 households in the St. Louis region, which is harmful to the health, prosperity, economic
13 stability and general welfare of the City; and

14 **WHEREAS**, in some neighborhoods subsequent redevelopment has contributed to
15 increases in housing prices that make it difficult for residents to obtain affordable housing,
16 and has even led to the displacement of residents from neighborhoods; and

17 **WHEREAS**, the Dwelling Unit Reduction Surcharge would provide a source of
18 revenue to help fund new initiatives to address the City’s affordable housing needs.

19 **NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS**
20 **FOLLOWS:**

21 **SECTION ONE. Title.**

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This ordinance shall be known as the Dwelling Unit Reduction Surcharge Ordinance, and is to be imposed in addition to all other fees, surcharges, and taxes imposed by the City of St. Louis, the State of Missouri, or any other municipal corporation of the City of St. Louis or political subdivision of the State of Missouri.

SECTION TWO. Definitions.

A. “Dwelling Unit Reduction Surcharge Fund” means the fund to be established by Ordinance which can receive and expend monies collected upon the passage and implementation of the Dwelling Unit Reduction Surcharge, which shall be dedicated to the creation, preservation, maintenance and improvement of affordable housing for households whose income is sixty percent or less of Area Median Income. The Affordable Housing Director may implement programs including, but not limited to, down payment and/or rental assistance, building rehabilitation and/or construction loans, property acquisition and disposition, and grants to nonprofit organizations that serve households that earn less than sixty percent of Area Median Income.

B. “Affordable Housing” means decent, safe sanitary housing .

1) Affordable Housing, Owner Occupied. The cost of the mortgage payment and relevant expenses (a calculation of property taxes, homeowner’s insurance, utilities and renter’s insurance, and when applicable, condominium or homeowner association fees) of owner occupied dwelling units shall not exceed thirty percent of the relevant household’s gross annual household income (the total income of all adults over

1 eighteen years of age in the household).

2 2.) Affordable Housing, Rental. The cost (including a utility allotment and adjustment
3 for household size) of rental dwelling units shall not exceed thirty percent of the
4 relevant household's gross annual household income (the total income of all adults
5 over eighteen years of age in said household).

6 C. "Area Median Income" means the median income level for the City of St. Louis
7 metropolitan statistical area, as established and defined in the annual schedule
8 published by the Secretary of the United States Department of Housing and Urban
9 Development and adjusted for household size.

10 D. "Dwelling Unit Reduction" means the alteration of a structure of a building in
11 whole or in part resulting in the reduction of the number of Dwelling Units at the time
12 application for building permit is applied for.

13 E. "Dwelling Unit" means a room or group of contiguous rooms that include facilities
14 used or intended to be used for living, sleeping, cooking and eating, and that are
15 arranged, designed or intended for use exclusively as living quarters.

16 F. "Relevant Household" means a low or moderate household whose total income does
17 not exceed the relevant percent of median income whose total income does not exceed the
18 relevant percent of median income for the St. Louis City primary metropolitan statistical
19 area, as established and defined in the annual schedule published by the Secretary of
20 Housing and Urban Development, and adjusted for household size. A low income
21 household has income that does not exceed sixty percent of Area Median Income. A

1 moderate income household has income that does not exceed one hundred percent of the
2 Area Median Income.

3 **SECTION THREE. Dwelling Unit Reduction Surcharge.**

4 A. Any person granted a building permit for alteration in any way of a residential
5 structure which results in Dwelling Unit Reduction shall pay at the time of the
6 permit issuance a Dwelling Unit Reduction Surcharge of: 1) ten thousand dollars
7 for the loss of any Dwelling Unit as a result of the work to be performed under the
8 permit, except as otherwise provided in Section C herein.

9 B. Payment.

10 Prior to the issuance of any building permit for alteration of any residential
11 building which alteration results in reduction of any, or of any number, of
12 Dwelling Units, the permit applicant shall pay to the Building Division an amount
13 of the Dwelling Unit Reduction Surcharge required under subsection A of this
14 section.

15 C. Exemptions. The Dwelling Reduction Unit Surcharge required under this
16 ordinance will not apply if:

17 (1) At least fifty percent of the Dwelling Units in any building which will exist
18 following the work performed pursuant to the permit which triggered the
19 Dwelling Unit Reduction Surcharge will be restricted to providing Dwelling
20 Units for households earning up to sixty percent of the Area Median Income,
21 as evidenced by documentation required by the Building Division; or

22 (2) The work to be performed pursuant to the permit which triggered the Dwelling

1 Unit Reduction Surcharge is determined to be necessary to remedy conditions
2 imminently dangerous to life, health or property, as evidenced by a written
3 order issued by the Building Commissioner.

4 (3) The residential building at which work will be performed pursuant to the
5 permit which triggered the Dwelling Unit Reduction Surcharge is located
6 within one of the following Market Value Analysis categories: G, H, I. . The
7 Community Development Association (CDA) shall update the Market Value
8 Analysis every five years and provide a copy to the Building Division and
9 Publish on the City website. The most recent Market Value Analysis can be
10 found in **Attachment A**.

11 D. Deposit and use of revenue.

12 The revenue generated by the Dwelling Unit Reduction Surcharge shall be
13 deposited by the Building Division in the Dwelling Unit Reduction Surcharge
14 Fund to be established by Ordinance. Such revenue shall be reserved and utilized
15 to pay the administrative costs and expenses of implementing this section, and after
16 subtracting such costs and expenses, transferred by the Building Division to the
17 Dwelling Unit Reduction Surcharge Fund, as defined herein.

18 The Affordable Housing Commission will recommend expenditures of this Fund,
19 which may only be used for programs which advance the creation, preservation
20 and improvement of Affordable Housing

21 E. Rules.

22 The Building Commissioner is authorized to promulgate rules necessary or

1 appropriate to implement this section.

2 F. General Applicability. Imposition of the surcharge shall not apply to any
3 demolition for which a perfected application for the demolition permit was on file
4 with the City on or before the effective date of this surcharge.

5 **SECTION FOUR.** The foregoing proposed question shall be submitted to the
6 qualified voters of the City of St. Louis at the general municipal election to be held
7 on November 8th, 2022, and if said proposed question shall receive in its favor the
8 votes of a majority of the qualified voters voting thereon, the proposal shall be
9 adopted and the Dwelling Unit Reduction Surcharge shall be established. The
10 qualified voters may, at such election, vote a ballot in the following form:

11 **OFFICIAL BALLOT**

12 Instructions to voters:

13 To vote in favor of the proposition submitted upon this ballot, place an “X” in the
14 square opposite the word “Yes” and to vote against any proposition submitted upon
15 this ballot, place an “X” in the square opposite the word “No”.

16 The proposition shall appear on the ballot as follows:

17 Shall a Dwelling Unit Reduction Surcharge of ten thousand dollars per lost
18 Dwelling Unit be added to the building permit fee for alterations to residential
19 properties when the work to be performed will result in such loss of existing
20 Dwelling Unit/s, and funds generated from the Dwelling Unit Reduction Surcharge
21 shall be expended to promote affordable housing and address the effects of
22 gentrification and displacement, with exemptions to the Surcharge provided for the

1 provision of Affordable Housing and for emergency demolitions to protect the
2 public health and welfare?

3 _____ Yes _____ No

4 **SECTION FIVE.** The Board of Election Commissioners shall provide the ballots
5 or voting machines or both and conduct the election and shall ascertain and certify
6 the result thereof according to the law. If voting machines are used, the aforesaid
7 “OFFICIAL BALLOT” shall be placed or posted on the said voting machines
8 wherever said machines are used under the direction of the Board of Election
9 Commissioners for the City of St. Louis and according to law.

10 **SECTION SIX.** Upon the approval of this Ordinance, it shall be published in the
11 City Journal, the official publication of the City of St. Louis, Missouri. Proof of the
12 publication of this Ordinance shall be made by affidavit of the City Register, and
13 such affidavit shall be filed in the office of the City Register and a copy of such
14 publication shall be attached thereto.

15 **SECTION SEVEN.** This being an Ordinance providing for the submission of a
16 question to the voters, it is hereby declared to be an emergency ordinance as
17 provided for by Article IV. Section 20 of the Charter of the City of St. Louis and
18 shall be effective immediately upon approval by the Mayor.

Board Bill Number 29

Attachment A

Market Value Analysis

