

# Discussion of Fee Waiver for Affordable Housing



# Approach

- Responding to interest and policy guidance
- Reviewing options for program design
- Seeking Council direction to staff and PC

# Goals for A Waiver

- Direct financial support to a project,
- Visible policy and political support
- Improve the financial viability of a project

# Income Limits

- City incentives range from 60 – 80% AMI
- <60% -- government financed market
- <80% -- low end of market rate housing

# Current Incentives and Income limits

Incentive	Income Target	Term of Affordability	Area of Application
Property Tax Exemption (PTE)	70% AMI	12 Years	Certain Areas
Reduced Parking	60% AMI	30 – 99 Years	Citywide
Increased Density	70-80% AMI	99 Years	185th Station Area
TIF Exemption	60% AMI	30 – 99 Years	Citywide
Direct Investment	60% AMI	50	Citywide

# Waiver Eligibility

- Just not-for-profits?
- Not-for-profits only may pose unanticipated limits
- Available with other incentives
- Income targeting secures affordability interests.

# New Construction Only

- New Construction generates new housing
- Preservation also a goal and strategy

# Application to Mixed Income

- Option to allow for all units or just affordable units
- Impact in Station Area



# Cost Modelling

- Total permit revenue: \$1.29M
- Permit fees +/-1-1.5% of construction cost
- 20% units affordable: \$21K - \$28K
- Ronald Commons: \$96K

# Staff Recommendation

- Has a 60% AMI threshold for affordability,
- Is available to both non-profit and for-profit developers,
- Can be used in conjunction with other affordable housing incentives,
- Can be used for both new construction and remodels/renovations,
- Only applies to units that meet the affordability requirements and not to the entire development if some of the units in a development are market rate, and
- Is available citywide.



# Moving Forward

- Council review and direction -- Tonight
  - Does Council wish to proceed with development of a Fee Waiver Program?
  - If yes, is the Staff Recommendation sufficient or does Council have additional or different direction for the Planning Commission?
  - If no, are there other options Council wishes to consider?