Affordable Housing Implementation Fee In Lieu



Affordable Housing Options & Strategy

- Lower the incomes, greater the support needed
- **Inclusionary Housing** effective in 50% to 80% AMI range
- Lower than 50% needs public subsidy

Housing Options BASED ON INCOME SHOPELINE

INCOME % OF MEDIAN)

\$130,000 Able to afford the median priced home; \$530,000, May 2017.

\$96,000 Median

MEDIAN

Can purchase the lowest priced single-family house or have a choice in condo/townhouse market.

· Afford up to \$2400/month for housing: 21% of owner-occupied homes

\$76,800

ENTRY TO MARKET

many rental housing. May be able to puch avings or gifts for a down payment or are willing to pay more of income for housing. Limited First Time Home Buyer assistance av

· Afford up to \$1920/month: 13% of owner-occupied homes. 44% of renter-occupied homes, 24% of all housing units.

\$48.00

WORKFORCE HOUSING

Exclusively rental housing. Construction requires subsidy usuall state and/or local governments.

cupied homes. 24% of renter-occupied homes. 11% of all housing units.

\$28,000

VERY LOW INCOME

Exclusively multi-family rental operated by non-profits or housing authorities. Needs subsidy for capital and operating costs. Construction subsidized through federal low-income tax credits, WA State Housing Trust Funds, other state and local programs. Operating costs subsidized by Section 8 Vouchers, other public resources or private foundations/organization

· Afford \$720/month; no owner-occupied homes. 14% of renter-occupied homes; 5% of all housing stock.

Source: ARCH 2017



Station Area Zoning Provisions

- Workforce housing
- Policy Direction -- Construct Aff. Hsg. on site.
- Implementation steps
 - Fee In Lieu
 - Housing Trust Fund
 - Administrative/Permit Procedures



PTE Interplay

- PTE Adopted April 2017
- 20% of units affordable @ 70% AMI
- 12 year tax exemption; 99 yr aff. commitment
- Best financial option for developers
- Expires 2021



Fee In Lieu

- Set Fee equal to or better than
- Calculating the fee
 - Affordability Gap
 - Production Cost
- Apply to all or fractional units
- Fee due at time of Cert of Occupancy

Questions - Direction

- Establish a Fee In Lieu
 - Calculating the fee: Affordability Gap
 - Apply to Fractional Units only
- Clarify Interplay with PTE
- Establish Housing Trust Fund
- Clarify Income Verification Method

