

Setting the Fee In Lieu for Affordable Housing In Station Areas

Action Item:
Implement Affordable Housing Program



Producing Affordable Housing

- Strong support for development of Affordable Housing
- Inclusionary provisions in Station Area Plans
- Expand use of MF-PTE to Station Areas
- Focused on households earning less than 80% of AMI: \$76,800 in 2017.

Council Direction from 7/24/17

- Allow FIL for Fractional Units only
 - Example: 96 units req'd to provide 19.6 units.
Only .6 for FIL
- Develop fee proposal based on “affordability gap”
 - Difference between Affordable Rent and Market Rent

Using the FIL

- No fractional units with PTE
- Anticipate very limited use while PTE operative
- Setting the fee allows developers to make best economic choice
- Funds collected retained in separate fund
- Funds used to develop affordable housing
 - Allocated as with HS Funding
 - Used to support development costs
 - Target to below 60% AMI

Recommended Fee

- Fee calculated using current market data on development costs and returns

Proposed Fees:

Zoning district	Fee per unit if providing 10% of total units as affordable	Fee per unit if providing 20% of total units as affordable
MUR-45	\$206,152.00	\$158,448.00
MUR-70	\$206,152.00	\$158,448.00
MUR-70 with development agreement	\$253,855.00	\$206,152.00

