

Form revised: December 12, 2012

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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|--------------------|------------------------------|---------------------------|
| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
| Legislative | Ketil Freeman/4.8178 | NA |

Legislation Title:

AN ORDINANCE related to land use and zoning; amending Section 23.49.012 and 23.49.015 to change the contribution amounts for downtown affordable housing and childcare incentive programs and to establish automatic inflationary adjustments.

Summary of the Legislation:

This ordinance raises in-lieu fee payment amounts for the Affordable Housing Incentive Program that operates in the Downtown Urban Center. Developers choosing to build above a base floor area ratio or height for commercial and residential development, respectively, can make an in-lieu payment as an alternative to building affordable housing. In-lieu fee adjustments for commercial development reflect inflationary increases since the program was first adopted in 2001. In-lieu fee adjustments for residential development reflect inflationary increases since the program was first adopted in 2006 plus a 20% premium intended to encourage construction of units in new buildings, as opposed to in-lieu payment. Approximately 15% of the commercial in-lieu fee provides revenue for childcare.

Background:

This legislation would make changes to in-lieu fees charged for downtown development to make them commensurate with fees established for development in the South Lake Union Urban Center through Council Bill 117603.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

| Fund Name and Number | Department | Budget Control Level* | 2013 Appropriation | 2014 Anticipated Appropriation |
|----------------------|------------|-----------------------|--------------------|--------------------------------|
| | | | | |
| TOTAL | | | | |

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

Changes to fees will likely lead to increased appropriations to the Office of Housing Low-income Housing Fund and the Office of Housing Operating Fund. Appropriations would occur only to the extent that the Affordable Housing Incentive Program is utilized for downtown development. Appropriation would be offset by revenue from the fee increases.

While it is difficult to predict how much development might occur downtown over the next twenty years, the Department of Planning and Development (DPD) has estimated that up to 11.4 million square feet of residential development and 12.6 million square feet of commercial development could occur over the 2031 planning horizon. A portion of future development that exceeds base heights or base FARs established by zone would be subject to the increased fees.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Department | Revenue Source | 2013 Revenue | 2014 Revenue |
|-----------------------------|-------------------|-----------------------|---------------------|---------------------|
| | | | | |
| TOTAL | | | | |

Revenue/Reimbursement Notes:

While it is difficult to predict how much development might occur downtown over the next twenty years, DPD has estimated that up to 11.4 million square feet of residential development and 12.6 million square feet of commercial development could occur over the 2031 planning horizon. A portion of future development that exceeds base heights or base FARs established by zone would be subject to the increased fees. This would result in revenue to the Office of Housing and the Human Services Department to develop affordable housing and childcare.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

| Position Title and Department | Position # for Existing Positions | Fund Name & # | PT/FT | 2013 Positions | 2013 FTE | 2014 Positions* | 2014 FTE* |
|--------------------------------------|--|--------------------------|--------------|-----------------------|-----------------|------------------------|------------------|
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | | | |

* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes:

None.

Do positions sunset in the future?

Not applicable.

Spending/Cash Flow:

| Fund Name & # | Department | Budget Control Level* | 2013 Expenditures | 2014 Anticipated Expenditures |
|---------------|------------|-----------------------|-------------------|-------------------------------|
| | | | | |
| TOTAL | | | | |

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

None.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

A portion of bonus program fees may be utilized by the Office of Housing for program administration. Increased fees could offset the need for some future General Subfund support to the Office of Housing.

b) What is the financial cost of not implementing the legislation?

Not increasing the fees could result in foregone revenue equal to the difference between existing fees and proposed in-lieu fees.

c) Does this legislation affect any departments besides the originating department?

This legislation could generate additional revenue for the Office of Housing and the Human Services Department.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None.

e) Is a public hearing required for this legislation?

Yes.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle*

Times required for this legislation?

Yes.

g) Does this legislation affect a piece of property?

This legislation affects the Downtown Urban Center.

h) Other Issues: None.

List attachments to the fiscal note below: None.