

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Freeman / 48178	NA

Legislation Title:

A RESOLUTION stating the City’s intent to implement an affordable housing linkage fee program, establishing policy parameters for such a program, and directing the Department of Planning and Development and the Office of Housing to develop regulations implementing an affordable housing linkage fee program.

Summary of the Legislation:

This legislation establishes the City’s intent to establish a linkage fee program (Program) to mitigate the impact of new commercial and residential development on the demand for housing affordable to low and moderate income households. The resolution does the following:

- Establishes the City’s intent to implement the Program;
- Establishes policy parameters for Program implementation including a preliminary base fee level and generalized geography;
- Requests that the Office of Housing and the Department of Planning and Development work with the Council to develop legislation to implement the Program by the end of the second quarter to allow the Program to be effective by the end of the September 2015.

Background:

In 2013 the Council passed Resolution 31444, which established a work program for reviewing and updating the City’s affordable housing incentive program. The affordable housing incentive program is a program whereby developers of commercial and residential projects in certain zones can choose to access extra commercial or residential floor area in exchange for the provision of some moderate income housing or an in-lieu payment. Program requirements vary by zone.

Pursuant to Resolution 31444, the Council retained Cornerstone Partnership, Otak Inc., and David Rosen & Associates (DRA) to serve as consultants in review of the program. Cornerstone served as the lead policy consultant. Otak prepared a report on best practices for affordable housing production. And, DRA prepared an economic analysis of the affordable housing incentive program. DRA also prepared a nexus analysis that 1) establishes a causal relationship between new commercial and residential development and demand for low and moderate income housing and 2) quantifies a maximum supportable linkage fee to mitigate the impact of that increased demand.

Please check one of the following:

X This legislation does not have any financial implications.