

1 The proposed amendment would change the proposed fee floor to the higher amount recommended by
2 Cornerstone. This range is roughly equivalent 5% of units provided under a performance option.
3 Proposed amendments are shown in [track changes](#).

4 Section 2. Program Parameters. The Council requests that the Department of Planning
5 and Development (DPD) and the Office of Housing (OH) develop, in cooperation with the
6 Council, a proposed council bill to implement the Program, subject to the following parameters.

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- 8 b. Affordable Housing Linkage Fees. Fees should not exceed the maximum
9 supportable level set forth in the nexus analysis, but may be set below that level.
10 Fees should vary based on the extent of impact on the demand for low and
11 moderate income housing. Local market conditions and effects on development
12 feasibility should be considered in setting the fees. Fees should be no lower than
13 those set out in the table below for commercial and residential land use categories.
14 While these projected fees are supported by the nexus analysis, the actual fee
15 amounts adopted or the manner in which the fees are structured, could be adjusted
16 based on further analysis or information.

	Commercial Uses	Residential Uses
Higher Cost Areas	\$224 6 / net square foot of new building area (NSF)	\$224 6 / NSF
Medium Cost Areas	\$120 / NSF	\$120 / NSF
Lower Cost Areas	\$75 / NSF	\$75 / NSF

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1 The proposed amendment corrects an error in Resolution 31551 to clarify that limitations on other subsidy
2 would apply to the performance option. Proposed amendments are shown in track changes.

3 Section 2. Program Parameters. The Council requests that the Department of Planning
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5 Council, a proposed council bill to implement the Program, subject to the following parameters.

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7 c. Performance. For commercial and residential development, the Program should
8 provide the option of onsite or nearby performance in an amount roughly
9 equivalent to the fees. Under the performance option, affordability levels for
10 studios and one bedrooms should be lower than affordability levels for other
11 units. The Council will consider whether replacement or preservation of existing
12 units affordable to existing low and moderate income households should be a
13 means to perform. Generally, the Program should limit performance to units in
14 projects not receiving other subsidies. However, the Council will consider
15 exceptions for tax exemptions for multifamily development authorized by
16 Revised Code of Washington Chapter 84.14, four percent low income housing tax
17 credits authorized by Section 42 of the Internal Revenue Code, and tax-exempt
18 bonds.

19 d. Use of Revenue. OH should develop policies for approval by the Council for use
20 of Program revenue. Those policies should reflect the findings of the nexus
21 analysis, which quantifies impact by income category. Among other things,
22 policies should establish:

23 1. Use of fee revenue to serve higher need worker households consistent with
24 the nexus analysis; policies should specify an amount of Program revenue,
25 determined by the nexus analysis, to be expended on units for households
26 earning between 60% and 80% of Area Median Income and on units for
27 households earning less than 60% of Area Median Income;

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2. Where projects funded by Program revenue can be located;
3. Guidelines for expenditure of Program revenue, including but not limited to expenditure of Program revenue on family-sized units;
4. How Program revenue may be used for homeownership units; and
- ~~5. Limitations on how Program revenue can be used in conjunction with other subsidy sources, with consideration given to use of Program revenue in conjunction with tax exemptions for multifamily development authorized by Revised Code of Washington Chapter 84.14, four percent low income housing tax credits authorized by Section 42 of the Internal Revenue Code, and tax-exempt bonds.~~

1 The proposed amendment would eliminate recommended policy parameters related to Program phase-in.
2 This would preserve the option for full fees to be effective upon passage of an implementing ordinance.
3 Proposed amendments are shown in [track changes](#).

4 Section 2. Program Parameters. The Council requests that the Department of Planning
5 and Development (DPD) and the Office of Housing (OH) develop, in cooperation with the
6 Council, a proposed council bill to implement the Program, subject to the following parameters.

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8 ~~e. Program Phase-in. To allow real estate markets to adjust to the Program, fees~~
9 ~~should be phased in over a three year period with the first year beginning on~~
10 ~~October 1, 2015 and ending on September 30, 2016. In the first year an amount~~
11 ~~equal to approximately one third of the linkage fee established for a given area~~
12 ~~should apply. In the second year an amount equal to approximately two thirds of~~
13 ~~the linkage fee for a given area should apply. In the third year, the total linkage~~
14 ~~fee should apply. The current Affordable Housing Incentive Program should be~~
15 ~~maintained for the duration of the phase in period. While both programs operate,~~
16 ~~the higher applicable fee should apply.~~

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1 The proposed amendment would change the proposed fee floor to a range. This range is roughly
2 equivalent to between 3% and 5% of units provided under a performance option. Proposed amendments
3 are shown in track changes.

4 Section 2. Program Parameters. The Council requests that the Department of Planning
5 and Development (DPD) and the Office of Housing (OH) develop, in cooperation with the
6 Council, a proposed council bill to implement the Program, subject to the following parameters.

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- 8 b. Affordable Housing Linkage Fees. Fees should not exceed the maximum
9 supportable level set forth in the nexus analysis, but may be set below that level.
10 Fees should vary based on the extent of impact on the demand for low and
11 moderate income housing. Local market conditions and effects on development
12 feasibility should be considered in setting the fees. Fees should be no lower than
13 ~~those~~ the range set out in the table below for commercial and residential land use
14 categories. While these projected fees are supported by the nexus analysis, the
15 actual fee amounts adopted or the manner in which the fees are structured, could
16 be adjusted based on further analysis or information.

	Commercial Uses	Residential Uses
Higher Cost Areas	\$16 - <u>22</u> / net square foot of new building area (NSF)	\$16 - <u>22</u> / NSF
Medium Cost Areas	\$10 - <u>12</u> / NSF	\$10 - <u>12</u> / NSF
Lower Cost Areas	\$5 - <u>7</u> / NSF	\$5 - <u>7</u> / NSF

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