

Affordable Housing Fee Reduction

Study Session

Liz Stead, Interim Co-Director
Nick Whipple, Planning Manager
Mathieu Menard, Senior Planner
Development Services Department

December 12, 2022



Direction for Council Consideration

Initiate action to reduce permit review and inspection fees for qualifying affordable housing projects.



Agenda



Objectives



Process



Proposed Scope



Summary of Issues



Engagement



Objectives

Next Right Work reduce fees for affordable housing projects

AHS Action C-5. Reduce costs of building affordable housing (e.g. code amendments, **lower fees**, reduced parking, city-funded street improvements).



City of Bellevue Affordable Housing Strategy

Approved by City Council
June 5, 2017



Process

Step 1: Council Initiation (Tonight)

- Overview of proposed scope and schedule
- Council initiation



Step 2: Council Study Session (Q2 2023)

- Reporting back
- Council input on final scope
- Draft proposal for fee waiver program



Step 3: Action (Q2 2023)

- Council Action



Review and Inspection Fees

- DS operates under cost-recovery model
- Permit fees cover cost of services-permitting, inspections, review, etc.
- Permit Fees vary based on project size
- Currently waive transportation & school impact fees for qualifying projects



Proposed Scope

Eligible projects:

- 100% affordable housing projects at or below 80% AMI
- Permanent supportive housing projects
- Emergency housing projects
- Homeless services uses



Amount of reduction:

- Waive up to 100% of review and inspection fees
- Does not include pass-through fees

Fee Estimate Examples

Eligible projects:

- Highland Village
 - Renovations, demolition, and construction of 96 units ~\$226,820
- Horizon Supportive Housing
 - 95-unit supportive housing project ~\$156,656
- Polaris at Eastgate
 - 354-unit affordable housing project ~\$918,868



Photo Credit: King County Housing Authority



Summary of Issues

- Assess potential fiscal impact
- Evaluate impact to cost-recovery model
- Determine funding mechanism
- Analyze potential upper-limit to program



Public Engagement

Stakeholders

- Affordable housing advocacy groups
- Developers and builders, including affordable housing providers
- Supportive housing and service providers

Other inputs

- Neighbor and peer cities



Direction for Council Consideration

Initiate action to reduce permit review and inspection fees for qualifying affordable housing projects.

