

Development Fee Framework Status Report

Community and Economic Development Committee

June 27, 2022

Item d(3)

Office of Economic Development and Cultural Affairs
Jerad Ferguson, Housing Catalyst



| Background

- **March 2019** – Added Universal Development Fee as City Council Priority.
- **November 2019** – Strategy pivoted to “Framework” concept versus Universal Fee.
- **March 2020** – Planned update to CED Committee became an Information Memorandum.
- **February 2021** – Update to CED Committee on Fee Framework and City Council adopted changes to Inclusionary Housing Ordinance (IHO).
 - New geographic areas adopted as standard for Framework

| Development Fee Framework

- Context of the Report on the Cost of Development started in 2018.
- Intended to facilitate housing production by making City's fees easier to predict and understand.
 - Framework not proposing to increase or decrease fees.
- Focused the three major residential development fees and taxes, plus any future fees.
 1. Inclusionary Housing Ordinance
 2. Parkland Dedication/Park Impact Ordinances
 3. Construction Taxes

Elements of Development Fee Framework



Metric of Calculation



Development Geography



Timing of Payment



Development Typology

Development Fee Framework Working Group

Working Group Outcomes	
Objective	Simplify the administration and calculation of major residential development fees and taxes to provide transparency and certainty to the public and development community.
Goal # 1	Adoption of a formal policy by the City Council to memorialize the Development Fee Framework elements and parameters.
Goal # 2	Develop a webpage or other resources that outlines current fee estimates and conditions organized by geography that could be used to evaluate City costs quickly and easily.

Other Modifications to the Framework

- ✓ **Timing of Payment** – Shifting the timing of payments to the scheduling of final inspection.
- ✓ **Construction Taxes** – Goal to provide accurate assumptions and estimates.

Next Steps:

- Fee Framework Working Group will continue to meet to accomplish Goal #1 to formally adopt Framework policy.
 - Estimate completion in spring 2023.
 - Add Goal #1 to Housing Crisis Work Plan.
- Staff is working on Goal #2 to develop impact fee registry as part of Housing Crisis Work Plan.
- Report on Cost of Development this fall is an additional opportunity to discuss Fee Framework.
- Conduct additional public outreach to receive feedback as policy is developed.

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