

IMPACT STATEMENT

Legislation title: *Expand and clarify eligibility for the System Development Charge Exemption Program and Construction Excise Tax Exemption for affordable housing developments (Ordinance; amend Code Chapter 6.08 and Section 30.01.095)

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Purpose of proposed legislation and background information:

This action updates Code Section 30.01.095 for the Partial and Full Exemptions of System Development Charges for Affordable Housing Developments to include common areas and other shared space within rental projects as well as clarify that shelter facilities are eligible under the program to receive exemptions. This action also updates Code Section 6.08.020, 6.08.060, and 6.08090 to exempt shelter facilities from the Affordable Housing Construction Excise Tax.

Financial and budgetary impacts:

Expanding what areas and project types are eligible under the System Development Charge (SDC) Exemption Program and Affordable Housing Construction Excise Tax Exemption Process, does increase the number of projects which may qualify to benefit from the exemptions and could result in less CET revenue PHB and less SDC revenue for the four bureaus charging SDCs: Parks, Water, Environment Services and Transportation. Developers of rental projects and shelter facilities applying for the exemption program are primarily non-profit agencies, many of whom receive funding from the City already for their projects. Exempting the CET and SDCs means that less City money needs to be spent through direct funding for affordable housing projects.

Community impacts and community involvement:

The proposed code changes are a result of requests made by non-profit developers and providers in a response to the Housing State of Emergency. The changes have been reviewed by staff at the SDC bureaus.

Budgetary Impact Worksheet**Does this action change appropriations?**

- YES: Please complete the information below.
 NO: Skip this section