



Date: June 1, 2021
To: Jeremy Oslund, CCSWW
From: Rachael Markle, Director Planning and Community Development
Regarding: Potential Fee Waivers for Affordable Housing
CC: Jim Hammond; Nathan Daum

The 198th Street affordable housing development as described is likely eligible for fee waivers. The following fee waivers are described in Shoreline’s Municipal Code and may be applicable:

- A. Potential exemptions from paying Impact Fees for:
 - I. Parks, Open Space and Recreation Facilities (SMC 3.70.070)
 - II. Transportation Impact Fees (SMC 3.80.070)
- B. Affordable Housing Development Fee Waiver (SMC 20.30.100(B)(3) and SMC 20.40.230)

Refer to Chapter 3.70 and Chapter 3.80 for specific conditions that must be met to qualify for exemptions from paying impact fees for parks, open space and recreation facilities; and transportation impact fees.

The affordable housing development fee waiver described in SMC 20.40.230 allows for the waiver of the following “development fees” for qualifying affordable housing projects:

- a) Building and inspection Fees
- b) Land Use Fees
- c) Civil Fees
- d) Site Fees
- e) Zoning Fees

Fees related to services provided by Shoreline Fire are not included. The waiver also does not apply to wastewater connection fees.

Expedited Review is not offered as an incentive. If affordable housing applicants want to have permits expedited, then the expedited permit fee would apply.

Reminder, (a)ny claim for an exemption from fees for development of low-income/affordable housing must be made no later than the time of application for a building permit.

Chapter 3.70 IMPACT FEES FOR PARKS, OPEN SPACE, AND RECREATION FACILITIES

3.70.070 Exemptions.

Except as provided for below, the following shall be exempted from the payment of all parks, open space, and recreation impact fees:

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G. Low-income housing provided by a non-profit entity. "Low-income housing" means housing with a monthly housing expense that is no greater than 30 percent of 60 percent of the median family income adjusted for family size for the county where the project is located, as reported by the United States Department of Housing and Urban Development. As provided in RCW [82.02.060](#), a nonprofit entity, as defined in RCW [84.36.560](#)(7)(f), as amended, shall be entitled to an exemption of impact fees under the following conditions:

1. The developer/applicant shall execute and record a covenant that prohibits using the property for any purpose other than for low-income housing except as provided within this subsection;
2. The covenant shall, at a minimum, address price restrictions and household income limits for the low-income housing;
3. The covenant shall run with the land and apply to subsequent owners and assigns;
4. The covenant must state that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;
5. Any claim for an exemption for low-income housing must be made no later than the time of application for a building permit;
6. Any claim for an exemption for low-income housing not made shall be deemed waived;
7. The developer/applicant or any subsequent property owner shall file a notarized declaration with the city manager as provided in SMC [3.27.080](#)(A), as amended, within 30 days after the first anniversary of the date of issuance of the building permit and each year thereafter.

Covenants shall be recorded with the applicable county auditor or recording officer. [Ord. 786 § 1 (Exh. A), 2017]

Chapter 3.80 IMPACT FEES FOR TRANSPORTATION

3.80.070 Exemptions.

Except as provided for below, the following shall be exempted from the payment of all transportation impact fees:

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G. Low-Income Housing Provided by a Nonprofit Entity. "Low-income housing" means housing with a monthly housing expense that is no greater than 30 percent of 60 percent of the median family income adjusted for family size for the county where the project is located, as reported by the United States Department of Housing and Urban Development. As provided in RCW [82.02.060](#), a nonprofit entity, as defined in RCW [84.36.560](#)(7)(f), as amended, shall be entitled to an exemption of impact fees under the following conditions:

1. The developer/applicant shall execute and record a covenant that prohibits using the property for any purpose other than for low-income housing except as provided within this subsection;
2. The covenant shall, at a minimum, address price restrictions and household income limits for the low-income housing;
3. The covenant shall run with the land and apply to subsequent owners and assigns;
4. The covenant must state that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;
5. Any claim for an exemption for low-income housing must be made no later than the time of application for a building permit;
6. Any claim for an exemption for low-income housing not made shall be deemed waived;
7. The developer/applicant or any subsequent property owner shall file a notarized declaration with the city manager as provided in SMC [3.27.080](#)(A), as amended, within 30 days after the first anniversary of the date of issuance of the building permit and each year thereafter.

Covenants shall be recorded with the applicable county auditor or recording officer.

H. Community-Based Human Services Agencies. Development activities of community-based human services agencies which meet the human services needs of the community such as

providing employment assistance, food, shelter, clothing, or health services for low- and moderate-income residents may be entitled to an exemption of impact fees under the following conditions:

1. An applicant for an exemption must request the exemption no later than the time of application for a building permit. Any request not so made shall be deemed waived.

2. To be eligible for an exemption, the applicant shall meet each of the following criteria:

a. The applicant must have secured federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

b. The applicant must provide services and programs to those considered most vulnerable and/or at risk, such as youth, seniors, and those with financial needs, special needs and disabilities, and be responsive to the variety of cultures and languages that exist in the city.

c. The applicant shall certify that no person shall be denied or subjected to discrimination in receipt of the benefit of services and programs provided by the applicant because of sex, marital status, sexual orientation, race, creed, color, national origin, or the presence of any sensory, mental, or physical disability.

d. The applicant must provide direct human services at the premises for which the applicant is seeking exemption.

3. The city manager, or designee, shall review application for exemptions pursuant to the above criteria and shall advise the applicant, in writing, of the granting or denial of the application. The determination of the city manager shall be the final decision of the city with respect to the applicability of the community-based human services exemption.

4. Prior to issuance of building permit, the applicant shall execute and record a covenant with the King County recorder's office at the applicant's sole expense. The covenant shall prohibit using the property for any purpose other than community-based human services for a period of 10 years; shall run with the land and apply to subsequent owners and assigns; and must state that if the property is converted to a use other than human services, the applicant must pay the applicable impact fees in effect at the time of conversion.

5. The amount of impact fees not collected from human services agencies pursuant to this exemption shall be paid from public funds other than the impact fee account.

SMC 20.40.230 Affordable housing.

H. A development fee waiver may be approved by the Director for City imposed fees based on the percentage of affordable housing units to be constructed or remodeled that will be affordable to residents whose annual income does not exceed 60 percent King County Area Median Income. The development fee waiver will be commensurate with the percentage of affordable units in the development. (Ord. 767 § 1 (Exh. A), 2017; Ord. 731 § 1 (Exh. A), 2015; Ord. 724 § 1 (Exh. A), 2015; Ord. 462 § 1, 2007; Ord. 238 Ch. IV § 3(B), 2000).

20.30.100 Application.

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B. All applications for permits or actions within the City shall be submitted on official forms prescribed and provided by the Department.

At a minimum, each application shall include:

1. An application form with the authorized signature of the applicant.
2. The appropriate application fee based on the official fee schedule (Chapter [3.01](#) SMC).
3. The Director may waive City imposed development fees for the construction of new or the remodel of existing affordable housing that complies with SMC [20.40.230](#) or [20.40.235](#) based on the percentage of units affordable to residents whose annual income will not exceed 60 percent of the King County Area Median Income. For example, if 20 percent of the units are affordable to residents with incomes 60 percent or less of the King County Area Median Income, then the applicable fees could also be reduced by 20 percent.

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