

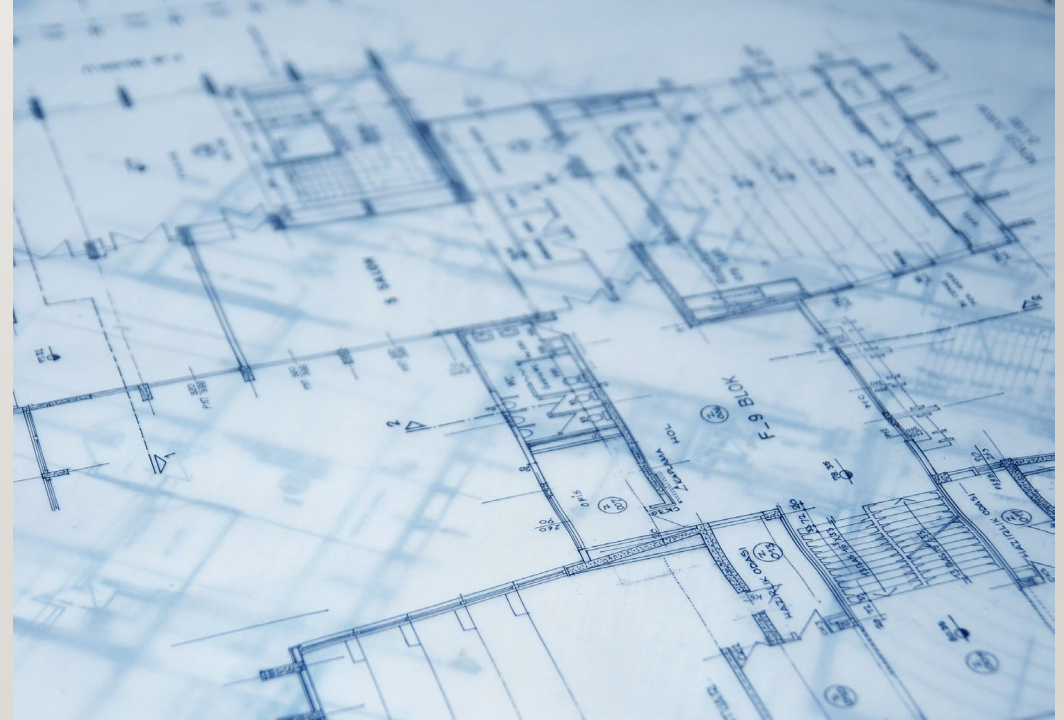
AFFORDABLE HOUSING ORDINANCE UPDATE



Affordable Housing Taskforce
June 10, 2026

STAFF UPDATES

- Report back on consultations with experts on affordable housing fee
- Discuss and plan next steps



EXPERT CONSULTATION TAKEAWAYS AND REPORTING BACK

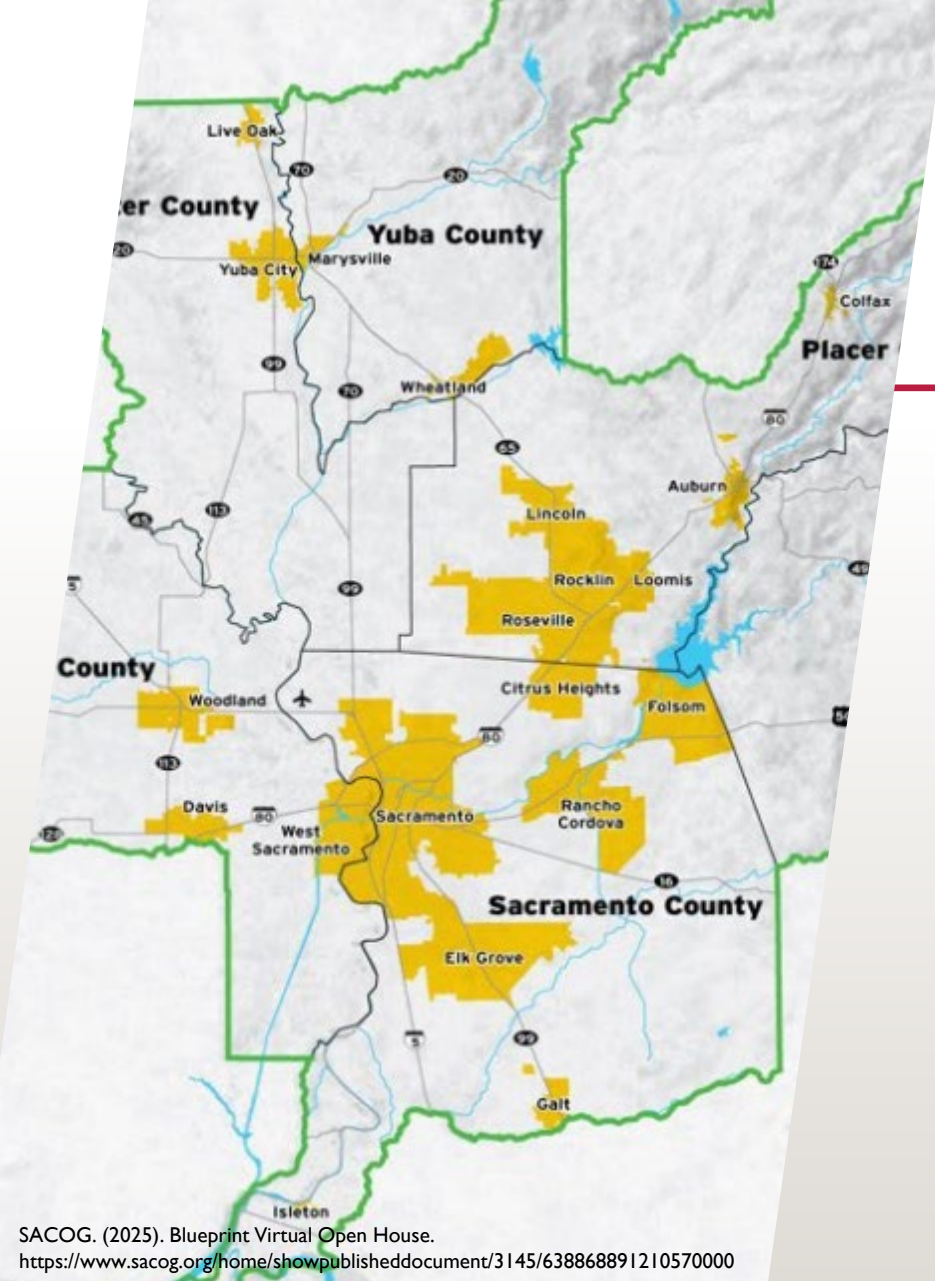
- ▶ Affordable fee nexus study methodology shared is industry standard
- ▶ Maximum justifiable fee is maximum cost market-rate developer is responsible for.
 - ▶ Represents 100% cost for market-rate developer to produce units
 - ▶ Necessary for legal defensibility
- ▶ Policy considerations for determining reasonable and financially supportable fees

EXPERT CONSULTATION TAKEAWAYS: LEGAL DEFENSIBILITY

- ▶ Inclusionary housing in-lieu fee is more legally defensible than impact fees
- ▶ Nonresidential fees still subject to Mitigation Fee Act requirements
- ▶ Recommended: Reconsider and establish inclusionary housing program with in-lieu fee instead of establishing residential impact fees

CONSIDERATIONS FOR NEXT STEPS

- ▶ Housing Element Measure HO-37: “Development an Affordable Housing Ordinance...by considering a variety of housing policy tools, including inclusionary housing.”
- ▶ 2022 BAE Affordable Housing Report
- ▶ BOS Approved Resolution of Intent I 63-2025
- ▶ Consider other jurisdictions with inclusionary in-lieu or affordable housing impact fees





QUESTIONS?