

Voluntary Inclusionary Housing Incentives Policy.

- A. Purpose.** The purpose of this policy is to encourage inclusionary housing in developments that are not subject to mandatory inclusionary housing under Title 33.
- B. When These Incentives Apply.**
- a. Development proposals that submitted a complete land use review or building permit application between January 1, 2016 and January 31, 2017 may opt-in to voluntary inclusionary housing if:
 - i. The development proposal will include 20 or more units or alternations to add 20 or more units; and
 - ii. The Bureau of Development Services deemed the development proposal's land use review or building permit application complete.
 - b. In order to participate in the policy, an application for voluntary inclusionary housing must be filed with PHB on or before February 1, 2018.
- C. Financial Incentives for Voluntary Inclusionary Housing.**
- a. When the development proposal will include 20 percent of the units or total number of bedrooms configured into IH Units at or below 80 percent MFI, or for developments outside of the Central City Plan District, 15 percent of the units or total bedrooms configured into IH units at or below 80 percent MFI:
 - i. Ten-year property tax exemption in accordance with City Code Chapter 3.103 for all residential units; and
 - ii. Construction Excise Tax exemption for the IH Units in accordance with Subsection 6.08.060 A.2.
 - b. When the development proposal will include 10 percent of the units or total number of bedrooms configured into IH units at or below 60 percent MFI, or for developments outside the Central City Plan District, 8 percent of the units or total number of bedrooms configured into IH units at or below 60 percent MFI:
 - i. Ten-year property tax exemption according to City Code Chapter 3.103 for all residential units;
 - ii. Construction Excise Tax exemption for the IH Units in accordance with Subsection 6.08.060 A.2.; and
 - iii. SDC exemption for the IH Units in accordance with Section 30.01.095.
- D. Administration.**
- a. PHB will certify whether the applicant's development proposal meets the standards and any administrative requirements set forth in this Section.
 - b. PHB may adopt, amend and repeal Administrative Rules and prepare forms for the implementation, administration and compliance monitoring consistent with the provisions of this Section. The Director of PHB, or a designee, has authority to make changes to the Administrative Rules as is necessary to meet current policy requirements.

E. Standards. Developments providing IH Units must satisfy the following standards:

- a. The IH Units must meet clear and objective administrative criteria that ensure a reasonable equivalency between the IH Units and the market-rate units in the development;
- b. The IH Units shall remain affordable for a period of 99 years;
- c. Owners of property subject to the IH Program are required to sign a Regulatory Agreement to be recorded with the property where the IH Units are located;
- d. The owner or a representative shall submit annual documentation of tenant income and rents for the IH Units to PHB;
- e. The City may inspect the IH Units for fire, life and safety hazards and for compliance with IH Program requirements and may inspect files documenting tenant income and rents of the IH Units;
- f. Subsequent failure to meet the requirements of the IH Program previously determined at the time the permit is reviewed will result in a penalty equal to the amount of the current fee-in-lieu calculation plus accrued interest, and could result in legal action if unpaid; and
- g. When the IH Units are configured based on a percentage of the total number of bedrooms within the proposed development, the IH Units must be provided in 2 or more bedrooms per unit.

F. Policy Duration. On February 2, 2018, the policy is terminated and no longer available.

G. To the extent that a financial incentive as set forth in this Policy is not available to a development, the IH units are no longer subject to the affordability requirements.

