

M E M O

November 21, 2024

To: City Council

From: Peter Brixius & Marlin Eckhoff

Subject: First reading of an Ordinance amendment to Title 13, 15, and 16 of the Craig Municipal Code.

BACKGROUND / DISCUSSION

The Craig City Council, also acting as the Craig Housing Authority has been considering a fee waiver policy for both building permit fees and capital investment (Tap) fees. Language in our current Municipal Code prohibits the council from approving fee waivers for projects they have deemed to be in the best interest of the public.

While we had previously adopted language that itemized fee reductions for affordable housing, it was only if approved as a Planned Development. This proposed Ordinance amendment moves specific language to chapter 13 and 15 under capital investment fees and building permit fees. This language allows council the ability to waive all or a portion of fees at their discretion and refers to the *Affordable Housing Fee Waiver Policy* for eligibility requirements. We have included a draft of this policy that is very similar to the *Affordable Housing Partnership Policy* that the CHA adopted on September 24, 2024.

We also removed the definitions of “Affordable housing unit for rent”, and “Affordable Housing unit for sale” from the definitions and in the PD district standards in Title 16. In the proposed language added within the capital investment fee and building fee waiver sections, we included that “Only projects targeted at households at or below 100 percent of the Area Median Income will be considered for an exemption.” We also refer to the *Affordable Housing Fee Waiver Policy* which has 100 percent AMI or below as an eligibility requirement. For unit count, we have proposed that this will apply to each individual unit that is deed restricted at 100 percent AMI or less, not by a portion of the overall square footage.

For example: If a 100-unit project has 50 units that are at 100 percent AMI or below, then up to 50% of the capital investment and building permit fees could be waived per city council’s discretion.

Note: For the building permit fee portion, we intend to have building permit fees only for waiver consideration, plumbing, mechanical, plan review fees, and any other necessary building fees will be charged at full rate. For an example, see the following:

A \$10 million dollar project would have the following permit fees (This does not include capital investment fees).

1. Building permit based on \$10 million = \$33,958 (This amount would be eligible)
2. Plan review fee (65%) = \$22,073 (Not eligible)
3. Plumbing permits = Approx. \$2,000 (Not eligible)
4. Mechanical permits = Approx. \$1,500 (Not eligible)

Potentially, around 75% of permit fees could be waived for a project that had all 100% AMI or below units.

We have included the following for your review:

1. A draft of the ordinance amendment to Title 13, 15, and 16 of the Municipal Code.
2. A draft of the *Affordable Housing Fee Waiver Policy*.

