

# 18.514 Affordable Housing

## Part 5 Use Standards

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### Chapter 18.514 Affordable Housing

**i** This chapter was adapted from 18.21 Affordable Housing. Revisions made were to create consistency with other ARCH jurisdictions

#### 18.514.010 Purpose and Intent

- A. The purpose of this Chapter is to provide incentives and regulations for development that provides housing for populations facing barriers to accessing housing within the City. The provisions of the chapter are intended to:
1. materially assist in providing adequate and affordable housing for all economic segments of the community; and,
  2. to provide a balance of affordable housing opportunities throughout the city.

**i** Affordable housing definitions (18.21.020) were removed from this section and will be included in 18.102 Definitions because these definitions are used throughout the code.

**i** Removed 18.21.030 Affordable housing programs because it did not serve a purpose.

#### 18.514.020 General affordable housing provisions

- A. The following provisions must apply to applicable affordable housing units required by or benefitting from any incentive established in the Issaquah Municipal Code unless otherwise specifically exempted or addressed by the applicable code section for specific affordable housing programs or by the provisions of an approved development agreement.
1. Pursuant to the authority of RCW 36.70A.540, the City finds that the higher income levels specified in the definition of affordable housing in this chapter, rather than those stated in the definition of “low income households” in RCW 36.70A.540, are needed to address local housing market conditions in the City. Affordable Housing definitions and affordability levels can be found in IMC 18.102 Definitions.
  2. Duration:

**i** Removed 30-year affordability requirement for renter-occupied units. Thirty-years met the requirements of the bank but not the needs of the community.

- a. Affordable units in owner-occupied housing projects must remain affordable for a minimum of fifty (50) years from the date of initial owner occupancy.
  - b. Affordable units in renter-occupied housing projects must remain affordable as long as the project is used for residential purposes.
3. Approval of Affordable Housing Units. The Designated Official must review and approve the location and unit mix of the affordable housing units in projects containing both market rate and affordable units, consistent with the following standards, prior to the issuance of any building permit.
- a. Location: The location of the affordable housing units must be approved by the City, with the intent that they are intermingled with all other dwelling units in the development.
  - b. Tenure: The tenure of the affordable housing units (ownership or rental) must be the same as the tenure for the rest of the housing units in the development.
  - c. Number of bedrooms: The affordable housing units must consist of a range of the number of bedrooms that are comparable to the units in the overall development.
  - d. Size of affordable housing units:

**i** Made into two paragraphs to differentiate between developments with market rate and affordable housing and developments with solely affordable housing.

- (1) Affordable housing units within a mixed development containing both affordable and market rate units must be no smaller than ninety percent (90%) of the average size of the market rate housing units with the same number of bedrooms unless approved by the Designated Official. The Designated Official may approve smaller units when: (a) in the Designated Official's sole discretion, the rooms within the units provide adequate space for their intended use; and (b) the affordable units are generally not less than five hundred (500) square feet for a studio unit, six hundred (600) square feet for a one (1) bedroom unit, eight hundred (800) square feet for a two (2) bedroom unit and one thousand (1,000) square feet for a three (3) bedroom unit, whichever is less.
- (2) Square footage of affordable housing units within a development with all affordable units where no market rate units are present may be reduced below five hundred (500) square feet in size as long as, in the Designated Official's sole discretion, (a) the rooms within the units provide adequate space for their intended use, and (b) the affordability level (based on the Area Median Income) is decreased, as well.

**i** Added requirements for the interior and exterior finishes. This is monitored by A Regional Coalition for Housing (ARCH) but is not codified.

- a. The interior finish and quality of construction of the [affordable housing units](#) must at a minimum be comparable to entry level rental or ownership housing in the City of Issaquah.
- b. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.
- c. Timing/Phasing: The affordable housing units must be available for occupancy in a time frame

comparable to the availability of the rest of the dwelling units in the development unless the requirements of this section are met through IMC 18.21.060, Alternative compliance. The affordable housing agreement provided for in IMC 18.21.050 must include provisions describing the phasing of

the construction of the affordable units relative to construction of the overall development. If the development is phased, the construction of the affordable units must be interspersed with the construction of the overall development.

4. Flexible Development Standards. Development standards for affordable housing units must be consistent with this chapter unless modified by the Designated Official with the following exception.

**i** Removed the allowed reduction of recreation space.

**i** Added carports as a flexible standard.

- B. Parking: Carports may be used for affordable housing unit parking spaces in lieu of structured parking provided that all parking types are available to all residents.

### 18.514.030 Affordable housing covenant

- A. An affordable housing covenant must be recorded with the King County Department of Records and Elections prior to the issuance of a building permit for any development providing affordable housing pursuant to the requirements or incentives of the Issaquah Municipal Code.
- B. The recorded covenant must be a covenant running with the land and must be binding on the assigns, heirs and successors of the applicant.
- C. The covenant must be in a form approved by the Designated Official and the City Attorney and must address price restrictions, homebuyer or tenant qualifications, affordability duration, phasing of construction, monitoring of affordability and any other topics related to the provision of the affordable housing units.
- D. The agreement may, at the sole discretion of the City, establish a monitoring fee for the affordable units. The fee must cover the costs to the City to review and process documents and to maintain compliance with income and affordability restrictions of the agreement.
- E. The City may, at its sole discretion, agree to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for development of the property. (Ord. 2664 § 3 (Exh. A2), 2012).

### 18.514.040 Affordable housing inclusionary requirements

**i** Shifted from text to tables to make the options clearer.

**i** Removed 18.21.060.D regarding alternative affordability levels because two options are currently offered and the city provides an alternative compliance section in 18.514.050.

	Percentage of Units for Affordable Housing <sup>1</sup>	Renter-occupied housing projects	Owner-occupied housing projects
Option 1	12.5%	60% AMI	70% AMI
Option 2	10%	50% AMI	60% AMI

<sup>1</sup> Refer to [18.01.070 Fractions Computations](#) when addressing density and other similar requirements in this code.

1. All multifamily and mixed-use development in the Urban Core participating in the Development Bonus Program (IMC 18.703) must meet the provisions of that chapter, including the affordable housing requirements.

Urban Core zone within the Vertical Mixed-Use Overlay. All multifamily and mixed-use development that includes residential uses, including assisted living, must provide affordable housing in an amount not less than one of the options shown in the following table for that portion of development permitted by the base density FAR.

	Percentage of Units for Affordable Housing	Percentage of Median Income	
		Renter-occupied housing projects	Owner-occupied housing projects
Option 1	10%	70% AMI	80% AMI
	and 5%	50% AMI	60% AMI
Option 2	10%	50% AMI	60% AMI

B. Mixed-Use - Central Issaquah (MU-CI) zone. All multifamily and mixed-use development that includes residential uses, including assisted living, must provide affordable housing in an amount not less than one of the options shown in the following table for that portion of development permitted by the base density FAR.

	Percentage of Units for Affordable Housing	Renter-occupied housing projects	Owner-occupied housing projects
Option 1	7.5%	70% AMI	80% AMI
Option 2	10%	60% AMI	70% AMI

C. All developments within the Urban Core and Mixed-Use-Central Issaquah zones and the Urban Core Vertical Mixed-Use Overlay participating in the Development Bonus Program (IMC 18.703) must meet the provisions of that chapter, including the affordable housing requirements.

### 18.514.050 Alternative Compliance

- A. Approval Process for Alternative Compliance – As an alternative to providing some or all of the required affordable housing units on the subject property, the Designated Official may approve a request for alternative compliance. Alternative compliance may include providing affordable housing units at another location within the City of Issaquah, payment to the City in lieu of constructing partial affordable housing units to be used to create affordable housing units, or such other means proposed by the applicant and approved at the discretion of the Designated Official, consistent with the following criteria for alternative compliance.
1. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if both of the following requirements are met.
    - a. The applicant demonstrates that the proposed alternative compliance method achieves an affordable housing benefit to the City equal to or better than providing the affordable housing units on site.
    - b. The affordable housing units provided through the alternative compliance will be based on providing the same type of affordable units as would have been provided on site.

**i** Added requirements for off-site compliance. Code currently states off-site units must be located within the same subarea, but this may not be possible. Requires permits for off-site properties to be issued prior to subject site permit issuance.

- B. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to the following requirements:
1. The off-site location chosen for the affordable housing units must not lead to an undue concentration of affordable housing either at the off-site location or in any particular area of the City.

2. Any building permits required for off-site affordable housing units must be submitted prior to submittal of building permits for the subject property. Certificates of occupancy for off-site affordable housing units must be issued prior to issuance of the final certificate of occupancy for the subject property.

**i** Added a payment in lieu option for Alternative Compliance. Payment in lieu provides funding for affordable housing in lieu of construction which may not be possible or may prohibit development of parent project.

- C. Requirements for Payment in Lieu Alternative Compliance – Payments in lieu of constructing affordable housing units are subject to the following requirements:
  1. Payments in lieu are allowed for one (1) whole required affordable housing unit and portions of required affordable housing units that are less than 0.66 units during the five (5) years immediately following the effective date of the ordinance codified in this chapter (until SET DATE). After that time period, payments in lieu are allowed only for portions of required affordable housing units that are less than 0.66 units. Rounding up to the next whole number of units and actual construction of the affordable units is required when the calculated number of required affordable units results in a fraction of 0.66 or more.
  2. Payments in lieu must be based on the difference between the cost of construction for a prototype affordable housing unit on the subject property, including land costs and development fees, and the revenue generated by an affordable housing unit. The formula for payments must be established by the Designated Official.
  3. The payment obligation must be established prior to issuance of any building permits for the project and must be due prior to issuance of any certificate of occupancy for the project. Collected payments must be deposited in the City's affordable housing account.
  4. Payments must be submitted prior to issuance of any certificate of occupancy for the subject property.