

Housing Development & Affordability Support

Introduction

There is a critical need for housing in Vancouver, and the City offers a range of assistance in support of development, including special zoning allowances, investments, and incentives. Most assistance is provided in support of affordability. Affordability requirements vary based on city, state, and federal policy. Requirements are generally enforced through a recorded covenant and annual reporting.

Area median income (AMI) limits are updated annually by the U.S. Department of Housing and Urban Development and specific to the Vancouver metropolitan area. Current limits can be accessed at www.huduser.gov/portal/datasets/il.html.

Zoning Allowances

Provision	Description	Affordability Period	Affordability Level
Affordable housing in commercial zones (except CN) may omit first floor retail VMC 20.430.030-1, footnote 8	Projects must provide at least 40% of units affordable to 60% AMI (or otherwise be eligible for LIHTC) and be located within 1,000 feet of high-capacity transit. (All multifamily development in commercial zones may omit first floor retail unless located on an arterial or collector street. Only affordable housing may omit first floor retail on arterial or collector streets.)	30 years	Rental up to 60% AMI; ownership up to 80% AMI
Parking Exemption VMC 20.945.070(D)	Residential development with at least 50% of units affordable to households earning less than 100% AMI are exempt from parking requirements.	10 years	Up to 100% AMI
Density Bonus VMC 20.410.040-2 VMC 20.420.040-C4	Projects devoted entirely to affordable housing may increase density up to 50% in single-family zones and 100% in multi-family zones, if consistent with all other standards.	50 years	Up to 80% AMI
Rezone Sponsorship (Internal policy)	Community Development may co-sponsor rezone applications which meet criteria and provide at least 40% of new units affordable to 60% AMI.	Per public funding sources	Up to 60% AMI

City-managed Investments

Program	Uses	Affordability Period	Affordability Level
Affordable Housing Fund	Acquisition, construction or preservation of affordable housing. Up to \$100,000 per new unit.	Up to 40 years	Rental up to 50% AMI; ownership up to 80% AMI
HOME Investment Partnerships Program	Tenant-based rental assistance, housing development or preservation, and homebuyer assistance.	Up to 20 years	Rental up to 60% AMI; ownership up to 80% AMI
Community Development Block Grant (CDBG)	Homebuyer assistance and rental rehabilitation	Up to 20 years	Up to 80% AMI
Affordable Housing Fee In Lieu – from market rate MFTE	Development of affordable housing or property acquisition for future housing development.	20 years or more	Rental up to 60% AMI; ownership up to 80% AMI
Connecting Housing to Infrastructure Program (CHIP)	Water, sewer and stormwater improvements for developments with at least 25% affordable units.	25 years	Up to 80% AMI

Incentives

Program	Uses	Affordability Period	Affordability Level
Multifamily Tax Exemption (MFTE)	Property tax relief for new market rate housing in target areas; 8-year exemption requires either: density minimums, <u>or</u> ownership units, <u>or</u> paying a fee in lieu.	n/a	n/a
VMC 3.22	Property tax relief for new housing in target areas; 12-year exemption requires 20% affordable units.	12 years (may extend)	80% AMI
Impact Fee Waivers VMC 20.915.080 B	Up to 80% waiver of park and traffic impact fees for new affordable housing development.	Ongoing	Up to 80% AMI
Impact Fee Deferral	Payment of impact fees for multifamily development may be deferred until temporary certificate of occupancy.	n/a	n/a
System Development Charge (SDC) waivers – State CHIP funds	Waiver of water and sewer (sanitary and storm) SDCs with award from State Dept of Commerce.	25 years	Up to 80% AMI
System Development Charge (SDC) Deferral	Payment of SDCs for multifamily development can be deferred until TCO	n/a	n/a
Construction Sales and Use Tax Deferral (CSTD) VMC 5.98.070	Sales and use tax to redevelop parking lots into affordable multifamily housing may be deferred, then forgiven at the end of the affordability period. At least 50% of new units must be income restricted.	10 years	Rental up to 80% AMI; ownership up to 115% AMI