Department of Community and Economic Development  
Planning Division  
ADMINISTRATIVE POLICY/CODE INTERPRETATION

ADMINISTRATIVE POLICY/CODE INTERPRETATION #: CI-153

MUNICIPAL CODE SECTIONS: 4-1-190 Impact Fees and 4-1-210 Waived Fees

REFERENCE: 2019-2020 City of Renton Fee Schedule

SUBJECT: Administrative fee for the collection of school impact fees

BACKGROUND: The most recently adopted City of Renton Fee Schedule shows a five percent administrative fee for the collection of school impact fees. However, Renton Municipal Code was not updated to reflect this fee. It is clear that the City Council’s legislative intent was to collect a five percent administrative fee.

DECISION: The City of Renton will collect an administrative fee equal to five percent of the total school impact fee collected in order to defray the administrative cost of collecting, processing, and handling the impact fees.

JUSTIFICATION: The City incurs a cost for the collection, processing, and handling of school impact fees, and it is necessary for Renton Municipal Code and the Fee Schedule to be aligned.

ADMINISTRATOR APPROVAL: 
_______________________________________
C. E. “Chip” Vincent

EFFECTIVE DATE: September 16, 2019

APPEAL PROCESS: To appeal this determination, a written appeal--accompanied by the required filing fee--must be filed with the City's Hearing Examiner (1055 South Grady Way, Renton, WA 98057, 425-430-6515) no more than 14 days from the date of this decision. Section 4-8-110 of the Renton Municipal Code provides further information on the appeal process.
DISCLAIMER: Excerpts from the Renton Municipal Code shown below may not contain the most recently codified text. In such instances, code amendments implemented through this Administrative Code Interpretation shall be construed to affect the current code and past/future Administrative Code Interpretations not yet codified in the same manner as shown below. Should any conflicts result the Administrator shall determine the effective code.

CODE AMENDMENTS NEEDED TO IMPLEMENT DETERMINATION(S):

4-1-190 IMPACT FEES:

R. ADMINISTRATIVE FEES:

1. Administrative Fee: The City shall collect an administrative fee equal to five percent (5%) of the total school impact fee collected in order to defray the administrative cost of collecting, processing, and handling the impact fees described in this Section.

2. Deferred Fees: Each application for a deferral of payment of residential impact fees, either under subsection G7 or 8 of this Section, shall pay a nonrefundable administrative deferral fee of eighty five dollars ($85.00) for each lot, single detached dwelling unit, or condominium unit and eighty five dollars ($85.00) for each multi-family residential building. The fee shall be paid at the time the application for deferral is submitted to the City.

32. Independent Fee Calculations: Any feepayer submitting an independent fee calculation shall pay a fee to cover the cost of reviewing the independent fee calculation. The fee shall be five hundred dollars ($500.00), unless otherwise established by the Administrator, school district, or the RRFA, and shall be paid by the feepayer at submittal of the independent fee calculation.

43. Appeals: Any feepayer filing an appeal of impact fees shall pay the fee set by the City for appeals of administrative interpretations and decision. The appeal fee shall be paid at the time of filing of the appeal.

54. Account Established: Administrative fees shall be deposited into a separate administrative fee account within the impact fee account(s). Administrative fees shall be used to defray the actual costs associated with the assessment, collection, administration and update of the impact fees.
65. Refunds, Waivers, and Credits: Administrative fees shall not be refundable, shall not be waived, and shall not be credited against the impact fees.

4-1-210 WAIVED FEES:

A. GENERAL:

The Renton City Council may in its discretion waive any and all fees authorized under this Chapter of Title 4. (Ord. 5153, 9-26-2005)

B. AFFORDABLE OWNER-OCCUPIED HOUSING INCENTIVE:

1. Purpose: To encourage the development of new affordable owner-occupied housing in the City by waiving certain development and mitigation fees for eligible affordable “For Sale” housing projects, subject to City Council approval.

2. Definitions: In construing the provisions of this subsection B, the following definitions shall be applied:

   a. “Administrator” means the Department of Community and Economic Development Administrator, or any other City office, department or agency that shall succeed to its functions with respect to this subsection B.

   b. “Affordable housing” means, for the purposes of housing intended for owner-occupancy, residential housing that is within the means of, set aside for, and purchased by moderate-income households.

   c. “Household” means a single person, family, or unrelated persons living together.

   d. “Median income” means the median household income adjusted for household size for King County, as reported by the United States Department of Housing and Urban Development (HUD). In the event that HUD no longer publishes median income figures for King County, the City may use or determine such other method as it may choose to
determine the King County median income, adjusted for household size.

e. “Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below either eighty percent (80%) or one hundred and twenty percent (120%) of the median income, as implied by context.

3. Eligibility Criteria: To qualify for waived fees, projects shall consist entirely of new construction with all of the housing units platted or condominium “For Sale” housing, and meet the following criteria:

   a. The project shall include a minimum of ten (10) units; and

   b. The project shall designate and sell at least fifty percent (50%) of total housing units as affordable housing for households at or below eighty percent (80%) of median income, and designate and sell any remaining housing units as affordable housing for households at or below one hundred twenty percent (120%) of median income; and

   c. Affordable housing units for households with income at or below eighty percent (80%) of median income shall remain as affordable housing in perpetuity through a community land trust or other similar model acceptable to the City; and

   d. The applicant/owner shall demonstrate their experience and/or ability to provide affordable housing and identify a third-party entity who will document compliance with the affordable housing requirements for the annual reports described in subsection B9 of this Section.

4. Applicable Fees:

   a. Fees which may be waived are:

      i. Building permit fees;

      ii. Building permit plan review fees;
iii. Water, surface water, and wastewater system development charges;

iv. Public Works plan review and inspection fees;

v. Transportation and parks impact mitigation fees;

vi. Fire impact mitigation fees, to the extent such waiver is authorized by interlocal agreement with the Renton Regional Fire Authority;

vii. Civil plan review and inspection fees; and

viii. Technology surcharge fees; and

x. Administrative fee for collecting, processing, and handling school impact fees.

b. Fees which may not be waived are all fees not listed in subsection B4a of this Section, including:

i. Fire plan review and permit fees.

5. Application Process: To apply for waived fees under this subsection B, the applicant/owner shall apply by sending a written letter describing the project and requesting the fee waiver to the Administrator at the time of the land use application, unless otherwise approved by City Council.

6. Restrictive Covenant: If the City Council waives fees under this subsection B, all real property subject to the waiver shall be encumbered by a restrictive covenant requiring that the real property be platted or restricted to condominium housing, that the housing units designated as affordable housing for households at or below eighty percent (80%) of median income shall be maintained and sold as affordable housing to households at or below eighty percent (80%) of median income in perpetuity, and that the housing units designated as affordable housing for households at or below one hundred twenty percent (120%) of median income shall be initially sold as affordable housing to households at or below one hundred twenty percent (120%) of median income. After review and approval of the fee waiver by the City Council and review and approval of the restrictive covenant by the Administrator, the
restrictive covenant shall be executed and recorded at the applicant/owner’s expense prior to the issuance of any building permit for the project, unless otherwise approved by City Council. If the applicant/owner fails to timely execute and record the covenant, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees plus interest accrued at the statutory rate from the date of the City Council’s fee waiver.

7. Contract: If the City Council waives fees for a project, the applicant/owner shall enter into a contract with the City, approved by the City Council, regarding the terms and conditions of the project under this subsection B. The contract shall be executed and recorded against the subject real property at the applicant/owner’s expense before the project is entitled to issuance of a Certificate of Occupancy. If the applicant/owner fails to timely execute and record the contract, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees plus interest accrued at the statutory rate from the date of the City Council’s fee waiver.

8. Cancellation: If the applicant/owner or project fails to meet any requirement of this subsection B after the City Council waives fees, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees plus interest accrued at the statutory rate from the date of the City Council’s fee waiver.

9. Annual Certification and Report: Within thirty (30) days after the first anniversary of issuance of the project’s Certificate of Occupancy and each year thereafter for thirty (30) years, the applicant/owner shall file an annual report with the Administrator. The report shall contain such information as the Administrator may deem necessary or useful, and shall at a minimum include the following information:

   a. A certification that the project has been in compliance with the affordable housing requirements as described in subsections B3b and c of this Section since the date the City issued the project’s Certificate of Occupancy and that the project continues to be in compliance with the contract with the City and the requirements of this subsection B;
b. A breakdown of the number and specific housing units sold during the twelve (12) months ending with the anniversary date, as applicable, to meet the affordable housing requirements in subsections B3b and c of this Section;

c. The total sale amount of each affordable housing unit for households at or below eighty percent (80%) and/or one hundred twenty percent (120%) of median income sold during the twelve (12) months ending with the anniversary date, as applicable;

d. The income of each purchaser (at the time of purchase) of an affordable housing unit for households at or below eighty percent (80%) and/or one hundred twenty percent (120%) of median income during the twelve (12) months ending with the anniversary date, as applicable; and

e. Documentation that a third-party entity has monitored the project’s compliance with the affordable housing requirements in subsections B3b and c of this Section, as applicable.

10. Sunset: The City will accept applications for waived fees under this subsection B until close of business on December 31, 2021, unless extended by City Council action. (Ord. 4913, 8-27-2001; Amd. Ord. 5095, 9-13-2004; Ord. 5153, 9-26-2005; Ord. 5309, 10-8-2007; Ord. 5524, 2-1-2010; Ord. 5668, 8-20-2012; Ord. 5676, 12-3-2012; Ord. 5760, 6-22-2015; Ord. 5782, 12-7-2015)

C. AFFORDABLE RENTAL HOUSING INCENTIVE:

1. Purpose: To encourage development of new affordable rental housing in the City by waiving certain development and mitigation fees for eligible affordable rental housing projects, subject to City Council approval.

2. Definitions: In construing the provisions of this subsection C, the following definitions shall be applied:

   a. “Administrator” means the Department of Community and Economic Development Administrator, or any other City
office, department or agency that shall succeed to its functions with respect to this subsection C.

b. “Affordable housing” means residential housing that is rented by a low-income household whose monthly housing costs, including rent and utilities other than telephone, do not exceed thirty percent (30%) of the household’s monthly income. However, if the housing project is funded with federal low-income housing tax credits (LIHTC) as provided for in Section 42 of the Internal Revenue Code, a unit will be considered affordable housing if it is rented at or below the rental rate for a household at sixty percent (60%) of the King County median income under the LIHTC program rules with a deduction for utility costs, if applicable. The King County LIHTC rents are published annually by the Washington State Housing Finance Commission and are based on unit size assuming occupancy of one person for a studio unit and one and one-half (1.5) persons per bedroom.

c. “Household” means a single person, family, or unrelated persons living together.

d. “Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below sixty percent (60%) of the median income.

e. “Median income” means the median household income adjusted for household size for King County, as reported by the United States Department of Housing and Urban Development (HUD). In the event that HUD no longer publishes median income figures for King County, the City may use or determine such other method as it may choose to determine the King County median income, adjusted for household size.

f. “Rental housing” means housing that provides rental accommodation on a nontransient basis. This definition includes rental accommodation that is leased for a period of at least one month but excludes, for example, hotels and
motels that predominantly offer rental accommodation on a daily or weekly basis.

3. **Eligibility Criteria:** To qualify for waived fees, projects shall consist entirely of new construction and meet the following criteria:

   a. The project shall include a minimum of eight (8) units if in the Residential-1 (R-1), Residential-4 (R-4), Residential-6 (R-6), Residential-8 (R-8), Residential-10 (R-10), Residential-14 (R-14), or Residential Multi-Family (RMF) Zones; or the project shall include a minimum of thirty (30) units if in the Center Neighborhood (CN), Commercial Arterial (CA), Center Village (CV), Center Downtown (CD), or Commercial Office (CO) Zone;

   b. The project shall designate and rent one hundred percent (100%) of the housing units as affordable housing for households at or below sixty percent (60%) of median income;

   c. For projects funded by the federal low-income housing tax credit program (LIHTC), income averaging is permitted provided all units are affordable housing for households with income at or below eighty percent (80%) of median income, and the average rent for all housing units does not exceed the rate affordable for households with income at or below sixty percent (60%) of median income;

   d. Affordable housing units for households with income at or below sixty percent (60%) of median income shall remain as affordable housing for a minimum of thirty (30) years; and

   e. The applicant/owner shall demonstrate experience and/or ability to provide affordable housing and identify a third-party entity who will document compliance with the affordable housing requirements for the annual reports described in subsection C9 of this Section.

4. **Fees:**

   a. Fees which may be waived are:
i. Building permit fees;

ii. Building permit plan review fees;

iii. Water, surface water, and wastewater system development charges;

iv. Public Works plan review and inspection fees;

v. Transportation and parks impact mitigation fees;

vi. Fire impact mitigation fees, to the extent such waiver is authorized by interlocal agreement with the Renton Regional Fire Authority;

vii. Civil plan review and inspection fees; and

viii. Technology surcharge fees; and

viii. Administrative fee for collecting, processing, and handling school impact fees.

b. Fees which may not be waived are all fees not listed in subsection C4a of this Section, including:

i. Fire plan review and permit fees.

5. Application Process: To apply for the waived fees under this subsection C, the applicant/owner shall apply by sending a written letter describing the project and requesting the fee waiver to the Administrator at the time of the land use application, unless otherwise approved by City Council.

6. Restrictive Covenant: If the City Council waives fees under this subsection C, all real property subject to the waiver shall be encumbered by a restrictive covenant requiring that the real property shall be maintained and rented as affordable housing as described in subsections C3b, c and d of this Section. After review and approval of the fee waiver by the City Council and the review and approval of the restrictive covenant by the Administrator, the restrictive covenant shall be executed and recorded at the applicant/owner’s expense prior to the issuance of any building permit for the project, unless otherwise approved by City Council. If
the applicant/owner fails to timely execute and record the covenant, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees plus interest accrued at the statutory rate from the date of the City Council’s fee waiver.

7. Contract: If the City Council waives fees for a project, the applicant/owner shall enter into a contract with the City, approved by the City Council, regarding the terms and conditions of the project under this subsection C. The contract shall be executed and recorded against the subject real property at the applicant/owner’s expense before the issuance of the Certificate of Occupancy. If the applicant/owner fails to timely execute and record the contract, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees plus interest accrued at the statutory rate from the date of the City Council’s fee waiver.

8. Cancellation or Modification: If the applicant/owner or project fails to meet any requirements of this subsection C after the City Council waives fees, the fee waiver shall be revoked and the applicant/owner shall pay all applicable fees with interest accrued at the statutory rate from the date of the City Council’s fee waiver. After the City Council waives fees, the project may not be modified to owner-occupied “For Sale” housing without the advance approval of the City Council.

9. Annual Certification and Report: Within thirty (30) days after the first anniversary of issuance of the project’s Certificate of Occupancy and each year thereafter for thirty (30) years, the applicant/owner shall file an annual report with the Administrator. The report shall contain such information as the Administrator may deem necessary or useful, and shall at a minimum include the following information:

a. A certification that the property has been in compliance with the affordable housing requirements in subsections C3b, c, and d of this Section, as applicable, since the date the City issued the Certificate of Occupancy and that the project continues to be in compliance with the contract with the City and the requirements of this subsection C;
b. A statement of occupancy and vacancy of the dwelling units during the twelve (12) months ending with the anniversary date;

c. A breakdown of the number and specific housing units rented during the twelve (12) months ending with the anniversary date;

d. The total monthly rent of each housing unit rented during the twelve (12) months ending with the anniversary date;

e. The income of each renter household at the time of initial occupancy during the twelve (12) months ending with the anniversary date; and

f. Documentation that a third-party entity has monitored the project’s compliance with the affordable housing requirements in subsections C3b, c, and d of this Section, as applicable.

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