

Memorandum

REPORT TO: City Commission

FROM: David Fine, Economic Development Manager

SUBJECT: Resolution Establishing the Cash-in-Lieu Amount Under the City's Affordable Housing Ordinance.

MEETING DATE: March 3, 2026

AGENDA ITEM TYPE: Resolution

RECOMMENDATION: **Consider the Motion:** *I move to adopt the Resolution.*

STRATEGIC PLAN: 4.5 Housing and Transportation Choices: Vigorously encourage, through a wide variety of actions, the development of sustainable and lasting housing options for underserved individuals and families and improve mobility options that accommodate all travel modes.

BACKGROUND: The City Commission finally adopted Ordinance 2025-001 on February 11, 2025. The ordinance, known as the Affordable Housing Ordinance (AHO), provides density bonuses in exchange for the provision of a percentage of long-term affordable homes in a project. The AHO adopted new policy guidelines allowing for applicants to provide cash-in-lieu (CIL) payments instead of providing the affordable units within the project. The AHO was reviewed by the Economic Vitality Board on December 4, 2026 and the Community Development Board on August 12, 2024 and January 13, 2025 prior to its adoption by the City Commission. This Resolution implements the adopted policy for determining CIL. Root Policy Research, a housing policy and economics consulting firm reviewed the CIL methodology in the AHO and calculated proposed CIL rates for inclusion in this Ordinance.

A memorandum from Root Policy Research explaining the calculation and methodology for the cash-in-lieu payments is linked. Mollie Fitzpatrick, a principal at Root Policy Research will present the proposed rates and take questions regarding the calculation and methodology.

Cash-in-lieu has many advantages for the city in obtaining and stewarding long-term affordable housing. CIL provides a source of funds that can leverage other public and private sources to create more units of affordable housing than could be provided in a particular project. In addition, these funds do not come with the significant long-term stewardship costs and may allow the CIL funds to be invested in projects with more efficient long-term stewardship structures.

UNRESOLVED ISSUES: The current Affordable Housing Ordinance incentivizes long-term affordable rental housing. Long-term affordable home ownership requires dramatically different stewardship paradigms. In addition, the approach and methods for calculating CIL for for-sale affordable homes are different than those used for rental housing. Staff plans to return to the Commission with policy options related to affordable for-sale housing within the calendar year.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: There are no direct fiscal effects created by adopting this Resolution. The city may receive CIL funds as a result of adopting this Resolution. "The city must use all cash-in-lieu funds to support the creation or preservation of affordable dwellings." 38.040.060.B.

Attachments:

[AHO CIL Resolution FINAL 20260226.docx](#)

[AHO Rental CIL Memo 20260223.pdf](#)

Report compiled on: February 24, 2026