

# Interoffice Memorandum

**DATE:** February 15, 2022

**TO:** Dustin Clausen, Director of Finance

**THROUGH:** Christina Morales, Housing Manager

**FROM:** Jennifer Ott, Assistant City Manager

**SUBJECT:** **FY 23 Master Fee Schedule Update**

The Housing Division under the City Manager’s Office is tasked with servicing residential and rental housing development loans and administering the resale restrictions related to the City’s Below Market Rate (BMR) housing portfolio. The Housing Division is requesting the addition of Loan Servicing Fees (see Table 1) to the City Manager Section of the Master Fee Schedule. These fees are intended to:

- Recover costs related to the administration and servicing of the City’s loan and BMR portfolios (Staff is only recommending partial recovery for limited equity BMR units and homebuyer loans due to the nature of the programs to help community members build assets)
- Standardize fees across programs
- Provide transparency to the public about fees already existing in the affordable housing agreements
- Enable the City to increase fees included in long-term affordable housing agreements and mitigate cost increases

**Table 1: Summary of New Fees Request**

**LOAN SERVICING**

**General**

1. Title Report	Actual Costs	Per Report
2. Property Appraisal Report	Actual Costs	Per Report
3. Recording Fee	Actual Costs or \$50.00 Min.	Per Document
4. Public Document Preparation Fee	\$100.00	Per Document

**Homeownership Loan Programs**

1. Subordination Fee (does not apply to CDBG and HOME)	\$600.00	Per Transaction
2. Late Payment Fee	The greater of 6% or \$5.00 Min.	Monthly Loan Payment after 15 days



**Below Market Rate Program Fees**

1. Subordination Fee	\$600.00	Per Transaction
2. Resale Fee	0.5%	Purchase Price
3. Exercise City Option to Purchase	3%	Maximum Restricted Resale Price

**Affordable Rental Housing**

1. Loan Modification Fee	Actual Costs	Time and Materials
2. Subordination Fee	Actual Costs	Time and Materials
3. Monitoring Fee	\$50.00	Per Unit
4. Resale Fee	Actual Costs	Time and Materials
5. Legal Fee	Actual Costs	Per Transaction

Included:

- Proposed Fees Analysis Excel Workbook

