



Bill number: 250043

Introduced by: Gauthier

Cosponsor(s): Landau, Brooks, O'Rourke

Assigned committee: Housing, Neighborhood Development and The Homeless

Date introduced: 01/30/2025

Fiscal Note

Overview

This bill would address affordable housing projects and create accelerated pathways for such projects. The anticipated cost to the City is \$4,015,000 to \$7,240,000 over five years.

Legislative Summary

This legislation would create a definition of an affordable housing project. It would also create new rules for issuing zoning permits, use registration permits, and all construction permits to any applicant whose project satisfies the criteria to be considered an affordable housing project. The application would include a statement describing the scope of work. The scope of work must show that the project meets the definition of an affordable housing project.

Defining Affordable Housing Projects

An affordable housing project is a proposal for the development of one or more residential units that is subject to permit approval and any of the following:

1. The Mixed Income Housing density bonus requirements as set forth in subsection 14-702(7).
2. The /MIN. Mixed Income Neighborhoods Overlay District requirements as set forth in subsection 14-533 or the Affordable Housing Preservation Overlay as set forth in 14-534(3).
3. The terms of a City, state, or federal financing program that requires affordable housing be constructed or preserved pursuant to a restrictive covenant or regulatory agreement, including but not limited to those found in Section 7-202(1).

4. The requirements for redevelopment of surplus City property disposed by the Philadelphia Land Bank or Philadelphia Redevelopment Authority as affordable housing pursuant to subsection 16-404(2)(d)(.1)(.e).

Time Limits and Accelerated Reviews

If enacted, this legislation would set time limits for permit application consideration from the Department of Licenses and Inspections (L&I). The code official reviewing the application would have 10 business days after the filing date to review the building and trade permit applications for affordable housing projects. Additionally, they would have 5 business days for accelerated review of zoning permit applications for affordable housing projects. All zoning permit applications for affordable housing projects would not be charged an additional cost for an accelerated plan review.

Zoning Fees

This legislation would add affordable housing projects as a category to the Zoning Board of Adjustment (ZBA) fee schedule and waive the accelerated hearing fees for affordable housing projects.

Proposed Effective Date

This legislation will be effective immediately after enactment.

Fiscal Impact Analysis

The estimated cost of implementing this legislation is summarized in the below table. The total cost is estimated to be \$4,015,000 to \$7,240,000 over five years.

Fiscal Impact Summary	FY26	FY27	FY28	FY29	FY30	Total
Expenditure Increase/(Decrease)						
Class 100: Personal Services	\$210,000-\$855,000	\$210,000-\$855,000	\$210,000-\$855,000	\$210,000-\$855,000	\$210,000-\$855,000	\$1,050,000-\$4,275,000
Revenues Increase/(Decrease)						
General Fund	(\$593,000)	(\$593,000)	(\$593,000)	(\$593,000)	(\$593,000)	(\$2,965,000)
Net Cost/(Savings)	\$803,000-\$1,448,000	\$803,000-\$1,448,000	\$803,000-\$1,448,000	\$803,000-\$1,448,000	\$803,000-\$1,448,000	\$4,015,000-\$7,240,000

* The above table is rounded to the nearest thousand.

Expenditures

As mentioned in the Legislative Summary, this legislation would create review time mandates for zoning permit applications and accelerated plan reviews for affordable

housing projects. Below, details the fiscal impact these mandates would have on expenditures:

The Department of Licenses and Inspections (L&I): Without additional staffing, this legislation would require an increase in overtime allocation for the accelerated review program. The overtime allocation for the accelerated review program would affect the following position titles:

- Civil Engineer 2,
- Building Plans Examination Engineer 1,
- Building Plans Examination Engineer 2,
- L&I Codes Compliance Specialist,
- Construction Codes Compliance Specialist,
- L&I Construction Plan Review Specialist, and
- L&I Codes Compliance Supervisor.

The Department estimates that overtime allocation would increase expenditures between \$210,000 and \$855,000, depending on the Department's ability to meet the review time mandates during regular hours.

Revenues

The following section details how this legislation would result in a loss of revenue:

Zoning Board of Adjustment: This legislation would change the ZBA's fee schedule, where the accelerated hearing fee would be waived for affordable housing projects. This change could be easily adopted by the ZBA with no significant operational costs. However, the ZBA expects that this change would decrease revenue for two reasons:

1. Affordable housing projects would no longer have to pay the accelerated hearing fee (\$750). The ZBA estimates that affordable housing projects make up about 5% of all appeals, or about 50 appeals per year. Therefore, it is estimated that this change would cause a \$38,000 loss in revenue per year (rounded to the nearest thousand).
2. By waiving the accelerated hearing fee for affordable housing projects, these projects will likely elect to apply for the accelerated hearing process, resulting in more cases being added to the accelerated hearing schedule. By adding more appeals to the accelerated hearing schedule, the value of accelerated hearings will decrease. Specifically, applicants may decide that the accelerated hearing fee is not worth it, because the time difference between an accelerated hearing and a regular hearing is too similar. The ZBA estimates that it may see a decrease in the number of accelerated hearing cases, which would lead to a loss of revenue

Department of Licenses and Inspections: This legislation would waive the surcharge for accelerated plan reviews for affordable housing projects. The Department expects this legislation, if enacted, to decrease revenues collected from the surcharges of accelerated

plan reviews. Currently, the Department collects a \$1,650 surcharge for accelerated reviews of building applications and a \$700 surcharge for accelerated reviews of all other permit applications. The Department estimates this change will impact about 200 building applications and about 321 other permit applications per year. These amounts are based on current FY25 accelerated review applications and amount to an estimated \$555,000 loss in revenue per year (rounded to the nearest thousand).

Legislative History

Not Applicable.

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