

CITY COUNCIL REGULAR SESSION

Ordinance of the City of Bellevue updating the school impact fee schedule for Issaquah School District No. 411 and Renton School District No. 403; amending Section 22.18.100 of the Bellevue City Code; providing for severability; and establishing an effective date.

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EXECUTIVE SUMMARY

This Ordinance amends Section 22.18.100 of the Bellevue City Code (BCC) to update the school impact fee schedule for Issaquah School District (ISD) and Renton School District (RSD). On November 14, after discussion in Study Session, Council directed staff to finalize this Ordinance for adoption.

RECOMMENDATION

Move to adopt Ordinance No. 6687

BACKGROUND/ANALYSIS

At the October 24 Study Session, Council considered amendments to BCC 22.18.100 updating the school impact fee schedule for ISD and RSD. Both ISD and RSD adopt Capital Facilities Plans (CFPs) each year, which include a determination of impact fees necessary to meet the needs of the district as a whole. The impact fee for single-family and multi-family development is consistent district-wide, irrespective of where the development is proposed. For instance, a development in Bellevue is assessed the same impact fee as a development in Issaquah for the ISD impact fee, and a development in Bellevue is assessed the same impact fee as a development in Renton for the RSD impact fee.

Changes to impact fees for ISD and RSD are as follows:

District	Housing Type	2022	2023	Change	Reason(s)
ISD	Single Family	\$20,291	\$11,377	(\$8,914)	Impact fees will be used towards construction cost of additional facilities necessitated by new development, including the construction of a new elementary and high school
	Multifamily	\$8,353	\$4,718	(\$3,635)	
RSD	Single Family	\$2,659	\$2,911	\$252	Impact fees will be used to address facility capacity deficits, related to enrollment growth and program needs
	Multifamily	\$4,737	\$3,697	(\$1,040)	

At the Study Session, Council raised questions about the significant decrease in ISD's single and multi-family impact fees and whether affordable housing projects are exempt from paying school impact fees.

ISD School Impact Fees Decrease

School impact fees may fluctuate yearly based on several factors, including changes to student enrollment, district growth plans, new residential growth, changes to bond interest rates, and changes in state reimbursement levels. In the case of ISD, the CFP included a new high school, middle school, two new elementary schools, a rebuild/expansion of an existing middle school and additions to six existing elementary schools. These projects are now complete and no longer appear on the CFP, except for the new elementary and high schools, which are expected to be complete between 2024 and 2026. The ISD student generation factor also decreased, resulting in a lower impact fee amount. After discussion, Council gave support for staff to prepare the Ordinance for final action.

Exemptions from School Impact Fees

BCC 22.18.060 establishes development types that are exempt from the application of impact fees, including affordable housing projects with income and rent restrictions at or below 80 percent of the area median income (AMI), certain senior housing, and remodels and rehabilitations of residential units.

POLICY & FISCAL IMPACTS

Policy Impact

BCC 22.18.110 requires the school impact fee schedule to be updated by Council on an annual basis after Council's receipt of each school district's CFP. Adoption of this Ordinance satisfies this BCC requirement.

Fiscal Impact

The fiscal impact of the proposed amendment is not expected to change as a result of updating the impact fee schedule or collecting impact fees on behalf of the ISD or RSD. The City collects school impact fees on behalf of these school districts for capital and system improvements, but the City does not retain the fees or charge the school districts for this pass-through transaction. Accordingly, the City incurs minor costs to administer the impact fee program, and these costs will not change as a result of the annual fee adjustment proposed by the school districts.

OPTIONS

1. Adopt the Ordinance of the City of Bellevue updating the school impact fee schedule for Issaquah School District No. 411 and Renton School District No. 403; amending Section 22.18.100 of the Bellevue City Code; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

- A. ISD Capital Facilities Plan
 - B. RSD Capital Facilities Plan
- Proposed Ordinance No. 6687

AVAILABLE IN COUNCIL LIBRARY

N/A