

## CITY COUNCIL AGENDA TOPIC

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 Bellevue City Code; providing for severability; and establishing an effective date.

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## EXECUTIVE SUMMARY

**ACTION** 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).

## RECOMMENDATION

Move to adopt Ordinance No.6761.

## BACKGROUND/ANALYSIS

At the October 23 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. 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, or a development in Renton for the RSD impact fee.

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

District	Housing Type	2023	2024	Change	Reason(s)
ISD	Single Family	\$11,377	\$15,510	\$4,113	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	\$4,718	\$3,514	(\$1,204)	
RSD	Single Family	\$2,911	\$2,161	(\$750)	Impact fees will be used to offset costs related to a recently opened elementary school constructed to address growth in the district.
	Multifamily	\$3,697	\$4,257	\$560	

At the Study Session, Council raised questions about the annual changes in ISD's single and multi-family impact fees and requested staff to review the established impact fee formula set forth in BCC 22.18.110 and return for discussion with Council at a later date. Once the necessary review, analysis and outreach has been completed staff anticipates returning to Council in 2024 to present the results for further discussion.

### **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.

### **Bellevue Development Impacted by School Impact Fees**

The areas within the City that are subject to impact fee collection are limited to portions of the Newcastle subarea in the southeast and a small section of the Newport Hills subarea in the southwest. In 2022, Development Services collected impact fees on behalf of the ISD for three single-family properties in the Newcastle subarea, and no impact fees were collected in the past year for the RSD. In 2023, year-to-date, Development Services has collected impacts fees on behalf of the ISD for one single-family property, and no school impacts fees have been collected for RSD.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Bellevue City Code (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. 6761

## **AVAILABLE IN COUNCIL LIBRARY**

N/A