

State Mandated Impact Fee Deferral Program

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BELLEVUE CITY COUNCIL

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Tonight's Discussion:

- Requirements of new law
- Address Council inquires from recent traffic impact fee update (December 2015)
- Position of Issaquah and Renton School Districts
- Consistency amendments to impact fee provisions

Tonight's Council Direction

Staff seeks final Council direction on three topics:

1. When should impact fees be due?
2. Scope of deferral system application (include multi-family or commercial development?)
3. Whether to amend City impact fee codes consistent with state law?

Background: Mandated Impact Fee Deferral Legislation

May 2015 – ESB 5923 adopted

- Requires jurisdictions imposing impact fees to adopt system for deferred collection of the fees
 - Must apply to Single-family detached and attached residential construction
 - September 1, 2016 deadline for local legislation

Program Elements under ESB 5923

- Opt – in deferral program
- Applies to all impact fees (School, Transportation, Parks, Fire)
- Three options for when a city may require payment
- May charge a reasonable administration fee
- Applicant must record a lien equal to the impact fees due
- City or School Districts may foreclose on lien if necessary
- Limited to 20 homes per year

When Should Fees be Due?

Timing – 3 Options (Maximum of 18 month deferral):

- Final Inspection
- Certificate of Occupancy (N/A for Single-family)
- Time of closing on property sale

Considerations:

- Consistency in application process for both school and traffic impact fees
- Regulatory certainty

Staff Recommendation:



Final Inspection

Scope of Deferral Program

- Should the City expand the optional payment deferral program to include multi-family or commercial developments?
 - Not required under state law
 - School districts oppose
 - Delayed collection results in cash flow impact to CIP

Staff Recommendations:

- ***Allow deferral for Single Family use only***
- ***Same process for School and Trans. impact fees***

Other Proposed Amendments

Consistency with State Law (Ch. 82.02 RCW):

- Requiring impact fees be spent within 10 years (Current Code limits to 6 years)
- Requiring consideration of independent traffic studies

Staff Recommendation:

Make City Code consistent with State Law

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Next Steps

- Staff will return with an ordinance on July 5 for Council consideration and action