



**EQUITABLE.
PREDICTABLE.
TRANSPARENT.**



Street Impact Fees



Impact Fee Advisory Committee: 3-4-2020
Austin Transportation Department

Overview

- Item 3a – Action on Report
- Item 3b – Discussion of Policy Options
 - Brief Recap of 1-28 Meeting
 - Draft Ordinance Updates
 - Activities
 - Effective Date
 - Effective Rate
 - Discounts
 - IFAC Recommended Policy (or policy options)
- Item 3c – Schedule

Item 3a – Action on Report

- Published February 26, 2020
- Updated Foreword
- Updated LUVMET Table for Housing Types (Pages 116-119)
 - Different descriptions to reflect LDC, no changes to rates or ITE code

Item 3b – Discussion of Policy Options

1-28 IFAC Recap

Draft Ordinance Updates

Activities (Policy Options)

IFAC Recommended Policy

Impact Fee Results

Service Area	Post-Finance/Credit Max \$ / vehicle-mile Final Draft
A ²	\$1,472
B ²	\$4,479
C ²	\$3,642
D ²	\$2,218
E ²	\$2,043
F ¹	\$1,604
G ²	\$3,071
H ²	\$1,543

- 1 – Inside “the Loop” – Residential Trip Length = 2.9 mi
- 2 – Outside “the Loop” – Residential Trip Length = 4.3 mi

Service Area	Post-Finance/Credit Max \$ / vehicle-mile Final Draft
I ¹	\$1,712
J ¹	\$3,724
K ²	\$5,752
L ¹	\$2,520
M ²	\$2,415
N ²	\$1,507
O ²	\$3,921
P ²	\$3,011
DT ¹	\$1,361

Calculating the Max Fee

Determine the maximum assessable fee per land use for Service Area G and I:

$$\text{Number of Units} * \text{Impact Fee Per Service Unit} * \text{Transportation Demand Factor (TDF)}^+ = \text{Max Impact Fee Per Land Use}$$

LAND USE	DEVELOPMENT UNITS	NUMBER OF UNITS	MAX IMPACT FEE PER SERVICE UNIT G	MAX IMPACT FEE PER SERVICE UNIT I	TDF G	TDF I	MAX FEE PER LAND USE G	MAX FEE PER LAND USE I
Single-Family Detached Housing (ITE #210)	Dwelling Units	1	\$3,071	\$1,712	4.26	2.87	\$13,082	\$4,913
Multi-Family (Mid-Rise) Housing (ITE #221)	Dwelling Units	1	\$3,071	\$1,712	2.41	1.62	\$7,401	\$2,773
High-Turnover (Sit-Down) Restaurant (ITE #932)	1,000 Square Feet	3	\$3,071	\$1,712	15.09	15.04	\$139,024	\$77,245
General Office Building (ITE #710)	1,000 Square Feet	10	\$3,071	\$1,712	3.89	4.27	\$119,462	\$73,102
Shopping Center (ITE #820)	1,000 Square Feet	50	\$3,071	\$1,712	7.98	7.30	\$1,225,329	\$624,880



Service Area G is outside the loop.
Service Area I is inside the loop.

*+ TDF = # of trips * trip length*

Collected Fee Options

Options previously discussed

Example Collection Options	Description
Maximum	Estimated maximum fee per service area for each land use
Current Process	Mirror Rough Proportionality Calculation
Smoothing Option	Adopt 50% of the Citywide Average Rate (\$1,035 per vehicle-mile)
Percent Option	Adopt a percentage across the City (50% of the maximum in each Service Area)

Collection Rate Comparisons – SA G

Austin Development	Austin Mitigation / TIA	Maximum	Current RP	Smoothing Option	50% Option	Round Rock ⁺	Frisco ⁺	Fort Worth ⁺	Prosper ⁺
298 Apartments*	\$86,288	\$2,205,531	\$630,652	\$743,212	\$1,102,765	\$424,104	\$365,3488 - \$803,408	\$631,164	\$1,059,688 - \$1,397,620
55,000 ft ² Office	\$317,388	\$657,040	\$279,736	\$221,430	\$328,520	\$107,402	\$216,315 - \$475,915	\$177,870	\$214,005 - \$282,260
397,000 ft ² Office 46,700 ft ² Restaurant 250 Apartment 100 Room Hotel	\$561,325	\$8,791,530 (\$8,351,953)	\$3,674,240 (\$3,490,528)	\$3,119,882 (\$2,963,888)	\$4,395,765 (\$4,176,926)	\$1,566,632	\$2,395,819 - \$5,270,671	\$2,274,362	\$2,785,632 - \$3,674,050
Single Family: 153 D.U Office: 7,700 ft ² Retail: 7,700 ft ²	\$260,000	\$2,282,234	\$625,806	\$769,171	\$1,141,113	\$1,051,057	\$375,130 - \$785,925	\$624,023	\$761,045 - \$1,003,832

+ Note: Comparison cities are collection rate, whereas Service Area Drafts are maximum fee allowable from pre-credit report.

* Assumes ITE Code 220 (Most Intense Trip Generation) for Apartments

() 5% Internal Capture Reduction



Collection Rate Comparisons – SA I

Austin Development	Austin Mitigation / TIA	Maximum	Current RP	Smoothing Option	50% Option	Round Rock ⁺	Frisco ⁺	Fort Worth ⁺	Prosper ⁺
298 Apartments*	\$86,288	\$826,485	\$630,652	\$497,660	\$413,242	\$424,104	\$365,3488 - \$803,408	\$631,164	\$1,059,688 - \$1,397,620
55,000 ft ² Office	\$317,388	\$402,063	\$279,736	\$243,045	\$201,031	\$107,402	\$216,315 - \$475,915	\$177,870	\$214,005 - \$282,260
397,000 ft ² Office 46,700 ft ² Restaurant 250 Apartment 100 Room Hotel	\$561,325	\$4,816,284 (\$4,575,470)	\$3,674,240 (\$3,490,528)	\$3,068,225 (2,914,813)	\$2,197,882 (\$2,087,988)	\$1,566,632	\$2,395,819 - \$5,270,671	\$2,274,362	\$2,785,632 - \$3,674,050
Single Family: 153 D.U Office: 7,700 ft ² Retail: 7,700 ft ²	\$260,000	\$904,210	\$625,806	\$769,171	\$452,182	\$1,051,057	\$375,130 - \$785,925	\$624,023	\$761,045 - \$1,003,832

+ Note: Comparison cities are collection rate, whereas Service Area Drafts are maximum fee allowable from pre-credit report.

* Assumes ITE Code 220 (Most Intense Trip Generation) for Apartments

() 5% Internal Capture Reduction



Draft Ordinance Elements - Discounts

- Internal Capture / Mixed Use Discount. The amount of street impacts fees shall be reduced under **Schedule 23-8H-2020(A)** up to **20%** for any new development where an accepted transportation impact analysis demonstrates that the internal capture of a development will reduce vehicle trips from those contained in the adopted land use equivalency table (LUVMET).
- Transportation Demand Management Discount. The amount of street impacts fees shall be reduced under **Schedule 23-8H-2020(A)** up to **40%** for any new development where an accepted traffic impact analysis utilizes approved transportation demand management techniques. The percent reduction for the transportation demand management techniques are include in the City's Transportation Criteria Manual.

Draft Ordinance Elements - Discounts

- Affordable Housing. An applicant who sets aside 10% of the total units in a development as income-restricted affordable units, as verified by the Housing Director, may request an impact fee discount:
 - (a) If at least 10 percent, but less than 20 percent, of the dwelling units are affordable, the impact fee collected rate is reduced by the percentage of affordable units;
 - (b) If at least 20 percent, but less than 50 percent, of the dwelling units are affordable, the impact fee collected rate is reduced by 50 percent; and
 - (c) If at least 50 percent of the dwelling units are affordable, the impact fee collected rate is reduced by 100 percent.

Above reductions are based on latest Draft LDC (Division 23-4E-1040)

Draft Ordinance Elements - Discounts

- Preservation Incentive. An applicant who qualifies for the preservation incentive as defined in the Land Development code may request an impact fee discount to reduce the impact fee collected rate for the additional units or square footage of non-residential space as allowed under this incentive by **50 percent**.
- Downtown Density Bonus Program. An applicant who qualifies for the downtown density bonus incentive as defined in the Land Development code may request an impact fee discount to reduce the impact fee collected rate for the additional units or square footage of non-residential space as allowed under this incentive by **50 percent**.

Above reductions are anticipated for additional units from incentive, not whole site

Draft Ordinance Elements - Discounts

- Discounts cumulative. Discounts identified are cumulative so that a development that qualifies for the maximum discount under each provision may reduce impact fees otherwise due **up to 60%**, with the exception of developments where Sec. 23-8H-2030(B)(1)(c) applies, where the maximum discount may reduce impact fees otherwise due up to 100%.
- Burden of proof. The applicant for a discount provided for in this Section has the burden of proof to show that the development qualifies for the discount.

Sec 23-8H-2030(B)(1)(c) is when more than 50% affordable housing, matches LDC

Effective Date (Activity on Board)

- 1-year grace period required by state law – from effective date
- Set one rate
- Phased-In approach

Effective Rate (Activity on Board)

- Different rates inside and outside “the loop”?
- Should there be a flat rate?*
- Should there be a flat percentage?
 - If yes, should there be a cap on effective rate (\$ amount)?
- Different rates for residential and non-residential?
 - If yes, what how should they compare (as %)?
- Residential Unit – Low and High Fee Amounts
 - Single Family
 - Multi-Family

Discounts (Activity on Board)

- Technical discounts (applies to whole site)
 - Cap on internal capture (% of effective rate)
 - Cap on Transportation Demand Management (% of effective rate)
- Policy discounts (applies to specific land uses / units)
 - Affordable housing (no activity, matching LDC)
 - Preservation Incentive cap (% of effective rate)
 - Downtown Density Bonus Incentive cap (% of effective rate)
- Maximum discount (% of effective rate)*

**Affordable housing with more than 50% affordable units gets 100% discount on effective rate*

Collected Fees Options

Collection Option	Description

Effective Date Notes:

Discounts Notes:

Item 3c - Schedule

Schedule

- Next IFAC Meeting(s)

- April

- Review of Draft Ordinance
 - Discuss results of policy recommendation(s)

- May

- Approval of policy recommendations

- Next Steps for Public Engagement & Approval

- Public meetings and information on draft ordinance and policy considerations
 - Council briefings
 - Public hearing
 - Ordinance approval

Questions