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FREQUENTLY ASKED QUESTIONS

Get answers to the most frequently asked questions regarding street impact fees and the City of Austin's Street Impact Fee Study.

Q: What are Street Impact Fees?

A Street Impact Fee is a charge assessed on new development to pay for the construction or expansion of roadway system facilities that are necessitated by and benefit that new development. These fees would help fund transportation improvements that will be needed as development occurs in Austin.

Chapter 395 of the Texas Local Government Code defines an impact fee as a "charge or assessment imposed...against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development."

Q: Why is Austin looking into Street Impact Fees?

Austin is evaluating the Street Impact Fee as an additional tool to help cover the cost of expanding its street infrastructure in response to new growth. A Street Impact Fee Program would provide a means for the City to require new development to pay toward street infrastructure improvements in a manner that is proportional to the development's impact.

Q: What are Street Impact Fee funds used for?

Street Impact Fees would be used to recover the costs associated with the expansion of the transportation network necessary to serve demands generated by new development. The funds can be used for planning, surveying, engineering, land acquisition and construction. Impact fees may not be used to remedy existing transportation deficiencies.

Q: What are Street Impact Fees NOT used for?

Street Impact Fees may not be used to repair or maintain existing facilities, upgrade or replace existing capital improvements to serve existing development, or pay for administrative or operating costs to impose the fees.

Q: Who would pay Street Impact Fees?

Any "applicant" who is seeking a building permit for a new development (residential or commercial) that will generate additional use of roadway will be responsible for paying a Street Impact Fee. Applicant means any person, company, agency, or entity that is undertaking a development project. Public schools are exempt from Street Impact Fees.

Q: Would redevelopment pay a fee?

Since Street Impact Fees are traffic-dependent, a redevelopment project that generates more traffic than the existing development would be subject to a Street Impact Fee. However, that fee would be based only on the traffic generated in excess of what was being generated by the previous development. If the new development generates an equal or lesser amount of traffic when compared to the previous development, it would not be subject to a fee.

The following questions were received from participants who attended Street Impact Fee Study presentations during the months of April and May of 2017.

REAL ESTATE COUNCIL OF AUSTIN (RECA) POLICY COMMITTEE MEETING - MAY 3, 2017

Q: What if you don't have a/to plat? Explain how impact fees are assessed and paid.

State law requires a one-year grace period for previously platted properties. A property that does not have to plat would likely receive a one-year grace period as well. After that period of time, the development would be subject to a fee. This will be considered further in the policy development phase of the Street Impact Fee study.

Impact fees are assessed at plat, so the plat date determines what maximum fee schedule you're assessed at. The fee is paid at building permit at the rate Council has set up to the assessed amount.

Q: How does a fee assessed at plat change to reflect zoning changes (intensity of land use)?

Impact fees aren't assessed based on zoning changes. The fee is based on the building permit alone.

Q: How is this different from rough proportionality?

Impact fees are fees. Rough proportionality is a justification for a set of improvements required by code. Impact fees assessed would not violate the rough proportionality test for a development.

Q: Could a Service Area have a zero impact fee based on not having any capital projects (related to certain areas with development constraints, such as over the aquifer)?

Yes. The cost for the projects contained in the Roadway Capacity Plan for each Service Area is the denominator in the equation to calculate the impact fee. If the denominator is zero, meaning there are no capacity projects in the service area, the fee could be \$0.

Q: Can standalone sidewalk/bicycle projects be included in the fee?

No. Projects that add only bicycle or pedestrian capacity would violate Chapter 395 of the Texas Local Government Code.

Q: Is the Street Impact Fee calculated through at Traffic Impact Analysis?

No. The fee, once set and adopted by City Council, will be based on the type and intensity of the development as recorded in the building permit. If a Traffic Impact Analysis identifies system-related improvements required of the development, which also appear in the Roadway Capacity Plan, the development would receive a credit for the impact fee otherwise due.

Q: Do we have to use the Institute of Transportation Engineers (ITE) trip generation rates?

The study will be based on using ITE trip generation rates to determine service units, which for Street Impact Fees are vehicle-miles. There will likely be an option to substitute service units through other means. This will be considered in the policy development phase of the Street Impact Fee study.

Q: How is the Street Impact Fee study being coordinated with the Austin Strategic Mobility Plan and CodeNEXT?

The Roadway Capacity Plan, developed as part of the Street Impact Fee study, will be reflected in the Austin Strategic Mobility Plan and associated roadway table. The rewrite of the land development code, CodeNEXT, will reference the roadway table for code requirements related to right-of-way.

Q: Is the assessment of a Street Impact Fee administrative?

Yes. Once adopted by Council, administration of the Street Impact Fee program will likely require a full-time staff member. The staff member cannot be funded through impact fee revenue.

Q: Is the SIF appealable? What is the appeal process?

The appeal process will be in the ordinance. It may be similar to the following:

The appellant must file a written notice of appeal with the City Manager within thirty (30) days following the decision appealed from. The City Manager or his designee ("Manager") may resolve the appeal, if the appellant agrees with the Manager's decision, or refer the matter to the City Council for decision with the Manager's recommendation, if the

appellant requests City Council review after receiving the Manager's decision. If City Council review is requested after the appellant has received the Manager's decision, the City Secretary shall schedule a public hearing at which the appellant may present testimony and evidence before the City Council. The City Council shall act on the appeal within 60 days of receipt of the notice of appeal by the City.

Q: What is the difference between Street Impact Fees and the Traffic Mitigation Ordinance? How are sidewalks addressed by each policy?

Street Impact Fees are one-time fees based on the demand a development places on the roadway system. The recent code amendment related to traffic mitigation establishes requirements in the land development code for a development to mitigate its impact on the system, whether or not a development is required to conduct a Traffic Impact Analysis (TIA). Any improvements required by the code as mitigation that are also included in the Roadway Capacity Plan for SIF would be credited to the development's impact fees otherwise due. Sidewalks are one type of improvement that can be required as mitigation as defined in the recent code amendment. Sidewalks will be included in the Roadway Capacity Plan where they are part of the standard cross-section for a street.

Q: Will the Transportation Criteria Manual (TCM) be updated to reflect new capacity tables? Will cross-sections be updated?

The TCM is under review and will be updated to coincide with CodeNEXT. The TCM will include updated cross-sections and typical average daily and peak hour traffic volume ranges for each. The updated TCM will outline how capacity will be calculated for types of roadways.

Urban Land Institute - Austin (ULI) EVENT - APRIL 26, 2017

Q: Will fees be waived should a project qualify for a density bonus or other mechanisms to bring affordable Median Family Income (MFI)-based housing to market?

This will be considered in the policy development phase of the Street Impact Fee study.

Q: Will the Street Impact Fee replace the rough proportionality determination procedures and costs currently being used?

The Street Impact Fee will modify the rough proportionality determination procedure, but will not replace it. How the procedure will change will be considered in the policy development phase of the Street Impact Fee study and ultimately decided by City Council.

Q: How will the \$720 million from the 2016 Mobility Bond and Street Impact Fees be coordinated to address impacts from growth?

In Service Areas where there are bond projects adding capacity, Street Impact Fees can be used to pay down the bond debt from those projects more quickly. Impact Fee revenue could also be used to fund projects that leverage the 2016 Mobility Bond by enhancing or extending projects beyond the scope achievable with bond funds.

Q: Will the Service Areas and impact fees be informed by the CodeNEXT maps that are adopted by the Council in 2018?

The size of the Service Areas are governed by Chapter 395 of the Local Government Code. Through the study, the draft Service Areas are being developed considering different land use contexts and trip characteristics, as well as highway and topographical boundaries. CodeNEXT will be considered during the policy development phase of the Street Impact Fee study, as impact fees can be a city-shaping tool for cities to direct growth.

Q: How will these tools be used for projects in the City's extraterritorial jurisdiction (ETJ) that are subject to Title 30 and county review?

A: Street Impact Fees can't be collected in the City's ETJ per Chapter 395 of the Local Government Code.

