



Legislation Text

File #: 16-318, **Version:** 1

TITLE:

Report on Maximum Supportable School Impact Fee Study

PURPOSE: The purpose of this agenda item is for the Board of Aldermen to receive a report on the recently completed study of the maximum supportable impact fee that could be applied to new residential construction in support of Chapel Hill Carrboro City School facilities.

DEPARTMENT: Planning

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INFORMATION: Orange County received approval from the NC General Assembly in 1987 to charge impact fees to new development in relation to the provision of public school facilities. Studies to determine the appropriate fee have been conducted several times, with the most recent undertaken in 2015. Orange County contracted with a consultant, TischlerBise, to conduct a study for both the Orange County School (OCS) and Chapel Hill Carrboro City School (CHCCS) districts to determine the “Maximum Supportable Impact Fee” (MSIF) that could be charged to new residential construction. TischlerBise has completed the work and the draft impact fee report for CHCCS is attached (*Attachment A*). Orange County Planning staff member, Perdita Holtz, will be attending the meeting to provide a brief presentation on the study.

Historically, the Board of County Commissioners has not adopted the MSIF but, instead, has adopted fee levels at a lesser amount. For the past two updates (2001 and 2008), fee levels were adopted at 60 percent of the MSIF or a phased transition to 60 percent. Current fees may be viewed at

<http://www.orangecountync.gov/document_center/PlanningInspections/School_Impact_Fees.pdf>

The recently completed studies disaggregate unit types by the number of bedrooms a unit contains and also break out smaller sized (less than 800 square feet) detached units. The studies includes information on Age Restricted Units as well. Previous studies did not disaggregate housing types to this extent. *Attachment B* summarizes the MSIF for each housing type, shows potential fee levels at various percentages of the MSIF, and the percentage change from the current fee levels if the updated fees were adopted at 60 percent of the MSIF. Most local governments in Orange County participate in both of the school-related impact and development review/approval mechanisms that have been established to integrate the timing of development with planning and funding school facilities. Though they have some overlap and similarities, the two mechanisms are different. For example, you may notice that the Student Generation Rates (SGR) in impact fee studies are different from the rates adopted for SAPFO (Schools Adequate Public Facilities Ordinance, which is separate from the Impact Fee Ordinance) purposes. This is because the rates adopted for SAPFO purposes are based only on ten years of recently constructed housing while the rates for the impact fee studies must be based on information about all the area’s housing stock. No change to the SAPFO-adopted SGRs is proposed at this time - rates were updated only last year in response to the most recent study.

- **September 6, 2016-** Tischler-Bise presented draft reports to the BOCC for formal receipt of reports and authorization of next steps.
- **September 26, 2016-** Public Information Meeting held at the Whitted Meeting Facility.
- **September 26, 2016-** School Impact Fee Studies discussed at the Joint BOCC/CHCC and OC School Boards meeting.
- **October 4, 2016-** Public Hearing on proposed Ordinance amendments.

The Commissioners continued their discussion of the item to October 18th, received public comment that evening, and deferred action until November 15th to give staff time to meet with the 3 people who attended and provided input. Agenda materials may be found at this link, <http://server3.co.orange.nc.us:8088/weblink8/0/doc/43262/Page1.aspx>). The Commissioners also voted to pick the option to “charge fees by bedroom counts” as the preferred option.

FISCAL & STAFF IMPACT: There is no fiscal or staff impact associated with receiving this information. .

RECOMMENDATION: Town staff recommends that the Board of Aldermen receive the status report and provide questions and comments for the BOCC as it concludes its consideration of the report.