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City Council

Approval of an Ordinance Amending Park Impact Fees to Remove Exemption for Senior Housing Developments

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Title

Approval of an Ordinance Amending Park Impact Fees to Remove Exemption for Senior Housing Developments

Recommended Action

Parks and Recreation Advisory Committee (PRAC) Recommendation:

Remove the park impact fee exemption for senior housing developments from the park impact fee ordinance. Retain the exemption for developments limited to residents who routinely receive assistance with activities of daily living.

City Manager Recommendation:

Move to approve on second reading the park impact fee ordinance to remove the exemption for senior housing developments.

Note: A full exemption will remain for developments limited to residents who routinely receive assistance with activities of daily living.

Report

Issue:

The current park impact fee ordinance exempts all developments for residents 62 and older from paying park impact fees. At issue is whether this full exemption should remain as is, be reduced, or be eliminated altogether.

Staff Contact:

Jonathon Turlove, Associate Planner, Parks, Arts and Recreation, 360.753.8068

Presenter(s):

Jonathon Turlove, Associate Planner, Parks, Arts and Recreation

Background and Analysis:

The background and analysis have not changed from first to second reading.

Since 1994, Olympia's Impact Fee Ordinance has exempted all residential developments for

residents 62 and older from paying park and school impact fees (transportation impact fees are not included in this exemption). With today's seniors living longer and staying active later in life, it is likely that seniors are utilizing Olympia's park system more than they were when this exemption was put in place 20 years ago. With this in mind, the City recently hired a consultant, FCS Group, to analyze the usage of parks by seniors to determine if this exemption was still appropriate.

Consultant Recommendation

The lead consultant for FCS Group stated that Olympia is the only jurisdiction out of the dozens that he has worked for that has a park impact fee exemption for seniors. While the data on park usage by seniors is somewhat limited, what he found indicated that seniors do indeed utilize park facilities. The consultant recommendation is that Olympia should charge impact fees for senior housing developments. The consultant also recommends that a full exemption would still be appropriate for 55+ developments whose residents routinely receive assistance with activities of daily living.

Parks and Recreation Advisory Committee Recommendation

Staff presented the consultant's draft study to PRAC on April 17, 2014. They noted that as the general population is staying active later in life, one would expect park usage by seniors to be increasing. PRAC voted unanimously to recommend removal of the exemption for senior housing developments entirely, except in the case of developments limited to residents who routinely receive assistance with activities of daily living as these residents presumably do not impact the park system.

Neighborhood/Community Interests (if known):

On April 7, 2014 staff presented the draft study to the Carnegie Group. The group had the following feedback:

- Need to make ordinance explicitly state that if an exempt development transitions into a development that allows all ages, the full fee would need to be paid at that time.
- With the increase of community gardens in parks, seniors likely are using parks more than in the past.
- Concern that consultant's data was too limited. Perhaps need to do a future study specific to Olympia.
- Would like to see impact fees be a "buy in" fee in which new residents pay a proportionate share of Olympia's existing park system.

On April 9, 2014 staff presented the draft study to the Olympia Master Builders who provided the following feedback:

- Would prefer that impact fees be paid via certificate of occupancy rather than by the developer.
- Suggests that the City should reach out to developers who build senior housing to get their feedback.
- Overall doesn't think this will be a very big issue for his membership.

Options:

Option 1 (PRAC Recommendation): Move to amend the park impact fee ordinance by removing the exemption for senior housing developments. A full exemption would remain for developments limited to residents who routinely receive assistance with activities of daily living. All other senior housing developments would pay the full fee.

Option 3 (No Change): Do not move to amend the park impact fee ordinance. A full exemption would remain in place for all developments for residents 62 and over.

Financial Impact:

The current full park impact fee rate for a multifamily unit is \$3,050. A 62+ multifamily development pays no park impact fees under the current ordinance. Under Option 1 (complete removal of the exemption), the project would be subject to the full \$3,050 per unit.

Recently, two multifamily developments for seniors ages 55 and over have utilized the City's exemption for 62 and over developments to prepare independent fee calculations for their projects. This resulted in the impact fees for these developments being nearly 90% less than had they been assessed the full park impact fee. The Affinity project, (170 units) paid \$52,700 in park impact fees, but would have been charged \$518,500 had they paid the full rate, a difference of \$465,800. The first phase of the Silver Leaf project (53 units) was assessed \$16,430 in park impact fees, but would have been charged \$161,650 had they paid the full rate, a difference of \$145,220.

Community Planning and Development is aware of approximately four development proposals for senior housing that are currently in various stages of development.