

# Development Impact Fees

## State of Georgia

- Development Impact Fees are governed by the requirements of the Georgia Development Impact Fee Act (O.C.G.A. 36-71) enacted into Law in 1990.
- Development Impact Fees may only be imposed by Ordinance passed by the local government.

# Development Impact Fees

Impact fees are one-time fees charged to land developers that help defray the costs of expanding public facilities and services that otherwise are passed on to local taxpayers.

Impact fees may not be used to defray regular maintenance and operations expenses for any public facility; 3% of all fees collected can be used to cover administration costs associated with the local impact fee ordinance.

# Development Impact Fees

**Basic requirements a local government must meet to pass an ordinance imposing impact fees.**

- Adopt a Comprehensive Plan with a Capital Improvement Element (CIE) approved by the Department of Community Affairs. If a community has an existing adopted Comprehensive Plan, the Comp Plan must be amended to include a Capital Improvement Element.

# Development Impact Fees

## **Basic requirements a local government must meet to pass an ordinance imposing impact fees.**

Include the following items developed individually for each category to be financed with impact fees:

- A. Inventory and map existing levels of service
- B. Establish Service Areas
- C. Project Future Levels of Service
- D. Project facility needs based on levels of service and growth projections in the Comp Plan
- E. Create a schedule of improvements for the first five years after CIE adoption of needed facility improvements with project funding sources
  - 1. List project by service area
  - 2. Identify start & completion dates for each project
  - 3. Estimate total project costs
  - 4. Identify funding sources for each project, including the percentage of project cost to be paid from impact fees
- F. Develop Policy Statements regarding any proposed exemptions from Impact Fees.

# Development Impact Fees

## **Basic requirements a local government must meet to pass an ordinance imposing impact fees.**

- Establish a Development Impact Fee Advisory Committee composed of at least 50% of the development, building, or real estate community. The committee shall be composed of not less than five(5) nor more than ten(10) members.
- Any agencies/authorities that provide critical public facilities and services to the jurisdiction should participate to provide information of any proposed development of public facilities in the community. (*\*School Board, Development Authorities, Water/Sewer authorities*)

# Development Impact Fees

## **Basic requirements a local government must meet to pass an ordinance imposing impact fees.**

- Local governments must hold two (2) public hearings prior to adoption of the impact fee ordinance. The second hearing shall be held at least 2 weeks after the first hearing.
- It is important for the CIE to be consistent with other planning documents such as park master plans, transportation improvement plans programs, and any other adopted studies. These documents should be used in preparing the CIE and updated to reflect the capital improvements if necessary.

# Development Impact Fees

## Impact Fees Can Be Used For Seven Types of Public Facilities/Services

1. Libraries
2. Recreation, parks, open space and related facilities
3. Water supply, production, treatment and distribution facilities
4. Roads, Bridges, including Rights-Of-Way, Traffic Signals, Landscaping and any components of state/federal highways
5. Public Safety (Police, Jails, Fire, and EMS facilities)
6. Wastewater Treatment, wastewater collection, & Disposal Facilities
7. Stormwater Management (collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements)

# Development Impact Fees

## Other Provisions of the Georgia Development Impact Fee Act

1. Impact fees must be expended in the same service areas where they are collected
2. Developers must be given impact fee credits for any system improvements they construct
3. Communities charging impact fees must demonstrate a direct benefit returning to the developer that is proportionate to the fee he pays
4. Developers are entitled to appeal impact fees they consider disproportionate or unfair
5. All development impact fee funds shall be maintained in one or more interest bearing accounts.
6. Municipalities/Counties jointly affected by development are authorized to enter into intergovernmental agreements with each other, with authorities or with the State for purposes of developing joint plans for capital improvements or for the purpose of agreeing to collect/expend development impact fees for system improvements.

# Development Impact Fees

## Other Provisions of the Georgia Development Impact Fee Act

- Once the Capital Improvement Element and the Impact Fee Ordinance are officially adopted, a community is free to start collecting impact fees.
- Annual updates of the CIE are required to be submitted to DCA to include the following:
  1. Brief report on fees collected and expended during past year
  2. A new schedule of improvements identifying capital projects five years into the future

# Development Impact Fees

## Establishing Impact Fee Programs

1. Local Governments have discretion to decide the amount of their impact fees and which improvements will be funded.
2. Require site specific exactions and dedications from developers on individual development projects.
3. Local governments are allowed to form private agreements with developers for construction of improvements or dedications of land or services made in lieu of paying impact fees. This provision provides flexibility for negotiation between the local government and developers.

# Development Impact Fees

## Benefits of Development Impact Fees to City of Forest Park

- Provides additional Revenue
- Ensure new development pays for public infrastructure/services it will require (roads, sidewalks, parks, and public safety needs)
- Create financial incentives to discourage inefficient land development patterns by:
  1. Promoting Infill Development if impact fees are kept low in existing urbanized areas, assuming public facilities needed to support new development are already in place.
  2. Assisting in achieving development patterns of the community. Ensure fees are low in areas the community would like to see developed or redeveloped at higher densities and higher in areas where development is less desirable. The difference in fees is accomplished by creating service and target areas.