

# IMPACT FEE UPDATE

Nikole Coleman, Planning Manager

Planning and Economic Development Department

May 13, 2026

City Council Workshop



# AGENDA

- April 15 Recap – Impact Fee Framework
- What's Changing with Impact Fees
- Overview of Updated/New Rate Studies
- How Impact Fees Apply
- Council Direction
- Next Steps

# WHAT ARE IMPACT FEES

## *April 15 Workshop Recap*

- Legally structured funding tool under RCW 82.02
- One-time fees on new development
- Funds infrastructure needed to serve growth
- “Growth pays for growth”
- Required to be:
  - Proportionate
  - Based on adopted plans (Capital Facilities Plan + Level of Service)
  - Supported by a technical rate study

# WHAT IMPACT FEES CAN (AND CAN'T) DO

*April 15 Workshop Recap*

## **Can Fund:**

- Transportation systems
- Parks and recreation
- Fire protection facilities

## **Cannot Fund:**

- Existing deficiencies
- Operations or maintenance
- Projects not in the Capital Facilities Plan

## **Key Requirement:**

- Must fund system improvements tied to growth



# WHAT'S CHANGING WITH IMPACT FEES

- Updated rate studies reflect:
  - Growth through 2044
  - Updated project costs
  - New state requirements (proportionality)
- Introduction of Fire Impact Fees (new program)
- Updated Parks + Transportation rates
- Potential policy updates:
  - Phasing
  - Exemptions
  - Deferrals

# REQUIREMENTS

<u>System</u>	<u>Adopted LOS</u>	<u>Adopted Project List</u>	<u>Rate Study</u>	<u>Ordinance</u>
Transportation	Exhibit CFP-12	Exhibit CFP-15	Updated	Amend PMC 3.86
Parks	Exhibit CFP-18	Exhibit CFP-21	Updated	Amend PMC 3.84
Fire	Exhibit CFP-23	Exhibit CFP-24	New	New PMC 3.XX

# PARK IMPACT FEES

**Nikole Coleman, Planning Manager  
and Jeff Ozimek,  
Parks and Recreation Director**



# PARK IMPACT FEES IN POULSBO

- Adopted in 2011 – ORD 2011-15
- Codified in PMC 3.84
- Based on Comprehensive Plan and CFP
- Current – \$1,316.33 per Residential Unit
  - Fee has not been updated in depth since the 2011 adoption.

## Chapter 3.84 PARK IMPACT FEES

Sections:

- 3.84.010 Short title.
- 3.84.020 Findings and authority.
- 3.84.030 Purpose.
- 3.84.040 Definitions.
- 3.84.050 Applicability.
- 3.84.060 Geographic scope.
- 3.84.070 Service area and level of service.
- 3.84.080 Imposition of park impact fees.
- 3.84.090 Calculation of park impact fee amount.
- 3.84.100 Exemptions.
- 3.84.110 Credits.
- 3.84.120 Adjustments.
- 3.84.130 Calculation of impact fees based upon independent study.
- 3.84.135 Deferral of single-family residential impact fees.
- 3.84.140 Payments under protest.
- 3.84.150 Appeals.
- 3.84.160 Impact fee accounts and expenditures.
- 3.84.170 Impact fee refunds.
- 3.84.180 Annual impact fee report.

# PARK IMPACT FEES

- Park impact fees must be used for “publicly owned parks, open space, and recreation facilities” that are addressed by a capital facilities plan element of a comprehensive plan adopted under the GMA. See [RCW 82.02.050\(4\)](#) and RCW 82.02.090(7).
- Parks impact fees are based on a cost per capita approach, tying fees to the demand new residents place on the park system.
- The City identifies park land and facility needs using adopted Level of Service:

The Park and Recreation Commission considered modifications to Level of Service standards but decided to keep the planned LOS standards the same because the Commission found that Poulsbo’s LOS was reasonable. The planned LOS (PLOS) standards are as follows:

Neighborhood Park	2 acres per 1,000 population
Community Park	3.5 acres per 1,000 population
Regional Park	1.5 acres per 1,000 population
Open Space Park	6 acres per 1,000 population
Trails	1 mile or .73 acre per 1,000 population
<b>Overall Citywide LOS</b>	<b>13.73 acres per 1,000 population</b>

- PROS Plan updated in 2021. Next update due 2028. (every 6–year cycle)
- Level of Service adopted in 2025 Comprehensive Plan Update.

# PARK IMPACT FEE METHODOLOGY – OVERVIEW

## TOTAL PARK NEEDS COSTS

2044 Park Need  
X  
Cost of Parkland  
Acquisition/  
Development Cost  
=  
Total Park Need  
Costs

## COSTS PAID BY NEW DEVELOPMENT

2044 Total Park  
Need Costs  
-  
Anticipated City  
and Other Revenue  
Sources  
=  
2044 Park Need  
Costs Attributable  
to New  
Development

## BASE PARK IMPACT FEE

2044 Park Need  
Costs Attributable  
to New  
Development  
÷  
Number of  
Expected New  
Dwelling Units  
=  
Base Park Impact  
Fee

## FINAL PARK IMPACT FEE

Base Park Impact  
Fee Adjusted by  
Unit Size  
=  
Final Park Impact  
Fee

# WHAT'S DRIVING THE COST

- 2044 growth = based on 1,977 new housing units
- Net new park need = 25.96 acres
  - Acreage reduction for NKSD and SR305 Mitigation property
  - 15% adjustment for private neighborhood parks and open space
- Avg cost per acre = \$1,046,196 (up from \$149,705 in 2017)
  - \$139,107 per acre for parkland acquisition (up from \$57,546 in 2017)
  - \$900,512 per acre for parkland development (up from \$93,159 in 2017)
- Total Park Need Cost to Meet 2044 Park Demand = \$26,987,367
- Total Estimated Public Funding (2025–2044): \$8.5 million
- 2044 Park Need Cost – Total Estimated Public Funding = \$18,487,367
- **\$18,487,367 / 1,977 Housing Units = \$9,578 per unit**

# UNIT TYPE AND SIZE ADJUSTMENTS

**Table 1: Single-Family Detached Residential**

Unit Size	Park Impact Fee
999 square feet or less	\$ 3,130
1,000-1,499 square feet or less	\$ 4,360
1,500–1,999 square feet	\$ 6,090
2,000–2,499 square feet	\$ 7,840
2,500 – 2,999 square feet	\$ 9,578
3,000 square feet or more	\$ 11,320

*Note: Accessory dwelling units (ADUs) associated with single-family detached units are assessed at 50 percent of the impact fee applicable to the principal dwelling unit.*

**Multi-Family Residential**

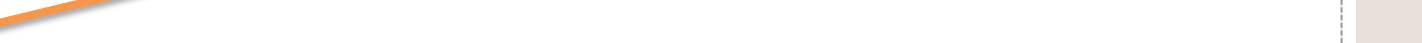
Unit Size	Park Impact Fee
499 square feet or less	\$ 1,400
500–999 square feet	\$ 2,620
1,000–1,499 square feet	\$ 4,360
1,500–1,999 square feet	\$ 6,100
2,000-2,499 square feet	\$ 7,850
2,500 square feet or more	\$ 9,590

*Note: Accessory dwelling units (ADUs) associated with multi-family residential development are assessed at 50 percent of the impact fee applicable to the principal dwelling unit.*

**Average Square Footage**

Single-Family Units: 2,490 SF

Multi-Family Units: 970 SF



# NEW RATE – PHASING

## Option 1:

<b>Table 2: Phased Implementation Schedule for Base Park Impact Fees (January 2027–2031)</b>					
	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>
<i>Single-Family Base Park Impact Fee</i>	\$ 2,596	\$ 4,611	\$ 6,267	\$ 7,922	\$ 9,578 + CPI
<i>Multi-Family Base Park Impact Fee</i>	\$ 1,912	\$ 2,524	\$ 3,136	\$ 3,748	\$ 4,360 + CPI

## Option 2:

<b>Table 2: Phased Implementation Schedule for Base Park Impact Fees (January 2027–2029)</b>			
	<i>2027</i>	<i>2028</i>	<i>2029</i>
<i>Single-Family Base Park Impact Fee</i>	\$ 4,059	\$ 6,819	\$ 9,578 + CPI
<i>Multi-Family Base Park Impact Fee</i>	\$ 2,320	\$ 3,340	\$ 4,360 + CPI

**Annual Fee Adjustment:** "...impact fee amount shall be adjusted by the same amount as the percentage change in the June Seattle-Tacoma-Bellevue CPI-U for the most recent twelve-month period prior to the date of the adjustment."

Jurisdiction	PARK Impact Fee	1,400 sq. foot – single-family	750 sq. foot – multi-family
<i>Poulsbo (proposed)</i>	<i>\$4,360 – \$9,578 per unit (base fee)</i>	<i>\$4,360</i>	<i>\$2,620</i>
Bremerton	None	---	---
Port Orchard	\$1,655.53 per no. of bedrooms (2026 update)	\$4,965.99 (3bdr)	\$3,310.66 (2 bdr)
Bainbridge Island (also have MPD)	None	---	---
Kitsap County	\$.44 per square foot (2026 update)	\$616	\$348.30 (minimum)
Gig Harbor (also have MPD)	\$1,500 per unit (2004 updated)	\$1,500	---
Edmonds	\$2,340.16 – \$2,734.05 (2013 updated)	\$2,734.05	\$2,340.16
Bonney Lake	\$5,227.06 per residential unit (2026 adjustment)	\$5,227.06	\$5,227.06
Shoreline	\$2,549–\$7,056 – based on square footage (2025 updated)	\$4,534	\$4,534
Federal Way	\$1.68 per square foot (2025 updated)	\$2,352	\$1,260

# TRANSPORTATION IMPACT FEES

Michael Bateman,  
Transportation Engineer



# TRANSPORTATION IMPACT FEES IN POULSBO

- Adopted in 2011 – ORD 2011-16
- Updates 2016, 2017, 2019, 2025
- Codified in PMC 3.86
- Based on Comprehensive Plan and CFP
- Approximately \$564 per average daily trip
- Current:
  - \$5,126.75 per Single-Family Unit
  - \$3,801.36 per Multi-Family Unit
  - \$2,563.3 per ADU

## Chapter 3.86 TRANSPORTATION IMPACT FEES

### Sections:

- 3.86.010 Short title.
- 3.86.020 Findings and authority.
- 3.86.030 Purpose.
- 3.86.040 Definitions.
- 3.86.050 Applicability.
- 3.86.060 Geographic scope.
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# TRANSPORTATION IMPACT FEES

- Transportation impact fees must be used for “public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use” that are addressed by a capital facilities plan element of a comprehensive plan adopted under the GMA.
- Examples include: Intersection improvements, Road widening, Signalization.
- Bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use would include any bike trail/lane/path, sidewalk, or any other multimodal trail/lane/path, whether on-street or off-street, as long as it is publicly owned or within the public right-of-way and connects two or more destinations.
- Since impact fees are restricted to capital facilities, they cannot be used to fund transportation studies or operating and maintenance costs.

# LEVEL OF SERVICE

- Level of Service (LOS) measures how well the transportation system operates, typically in terms of traffic flow, delay, and congestion
- Graded on a scale from A to F:
  - A–C: Free-flowing to stable conditions
  - D: Approaching congestion
  - E: At capacity (acceptable minimum standard)
  - F: Failing / over capacity
- The City of Poulsbo has adopted LOS in Policy TR-2.1.
- If a project causes LOS to fall below the standard, the City must:
  - Require improvements, or
  - Deny the development if impacts cannot be mitigated.

## **Policy TR-2.1**

*A concurrency level of service (LOS) standard of LOS E is hereby established for all transportation facilities (except as otherwise designated) in the City of Poulsbo in order to serve as a gauge to judge performance of the City's transportation system. A concurrency standard of LOS F is established for all local roadway sections designated Residential Collector and Residential Access.*



# TRANSPORTATION IMPACT FEE METHODOLOGY

- Begins with transportation system improvements identified in the Capital Facilities Plan (Chapter 13) and Transportation Comprehensive Plan (Appendix B.4.a).
- Focuses on maintaining the City's adopted Level of Service (LOS E) as growth occurs through 2044.
- Uses a "growth pays for growth" framework.
- Designed to meet state requirements for nexus, proportionality, and benefit (RCW 82.02).
- Works alongside (does not replace):
  - Frontage improvements
  - SEPA mitigation
  - Concurrency requirements

# TRANSPORTATION IMPACT FEE METHODOLOGY

- Total transportation improvement program: ~\$90.4M
- Removes costs that cannot be funded by impact fees:
  - Existing deficiencies
  - Maintenance/preservation
  - Developer-constructed road segments
- Results in TIF-eligible project costs (~\$50.5M)
- Applies public funding share (~\$20.8M) from grants and local sources
- Remaining cost allocated to development:
  - ~\$29.8M funded through impact fees (59%)

# TRANSPORTATION IMPACT FEE METHODOLOGY

- Forecasts new transportation demand from growth:
  - ~52,925 net new daily trips (after pass-by and internal capture adjustments).
- ***Calculates a cost per trip:***
  - Growth-related costs ÷ total new trips = **\$562 per trip** (\$2 decrease).
- Applies fee to development based on:
  - Trip generation (ITE standards)
  - Land use type and scale
- Includes adjustments, credits, and deferrals to ensure fairness and flexibility.
- Result: a proportional, impact-based fee tied to each project.

# FIRE IMPACT FEES

Jim Gillard, Fire Chief

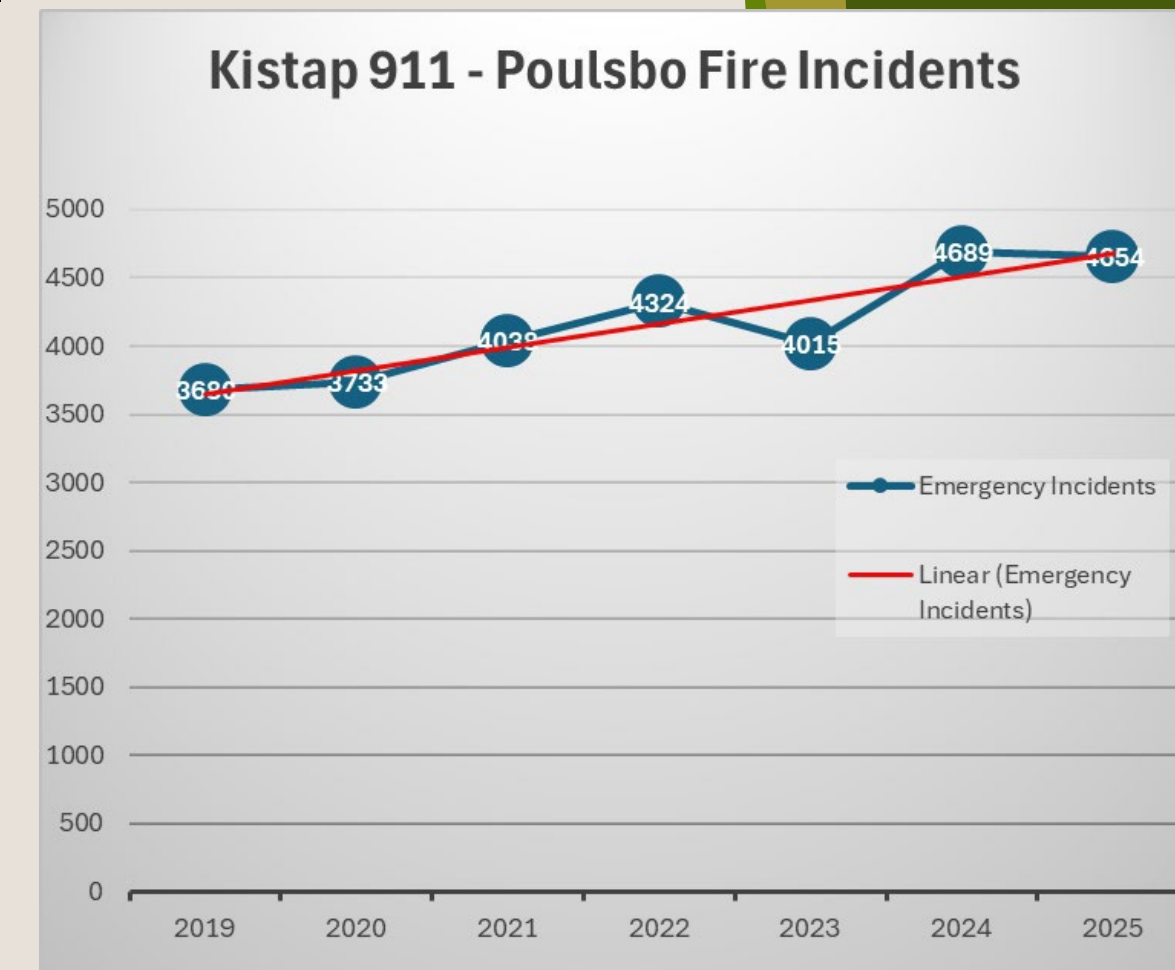


# FIRE IMPACT FEES

- Fire impact fees must be used for “fire protection facilities” that are addressed by a capital facilities plan element of a comprehensive plan adopted under the GMA, per RCW 82.02.050(4) and RCW 82.02.090(7).
- Fire impact fees are based on a proportionate share, cost per service demand approach, tying fees to the demand new development places on emergency services.
- The methodology calculates the cost of fire protection facilities needed to maintain adopted response time and service level standards.
- Growth-related capital costs are identified from the Fire District’s Capital Facilities Plan and allocated to new development.
- Costs are distributed across development types (residential and commercial) based on historical emergency response demand.

# WHY THIS MATTERS

- Emergency Response Service Levels are based on Life Safety time constraints.
- Emergency Response Service Levels are directly impacted by travel time and the availability of personnel and equipment to respond.
- New development directly increases the number of emergency calls, increasing concurrent incidents reducing system reliability.
- Maintaining emergency response service levels requires concurrent increases in emergency response capacity.
- Concurrent increases in emergency response system capacity requires:
  - Personnel (Operational Costs)
  - Facilities and Equipment (Capital Investments)



# LEVEL OF SERVICE

## Total Response Time Level of Service Goals – City of Poulsbo

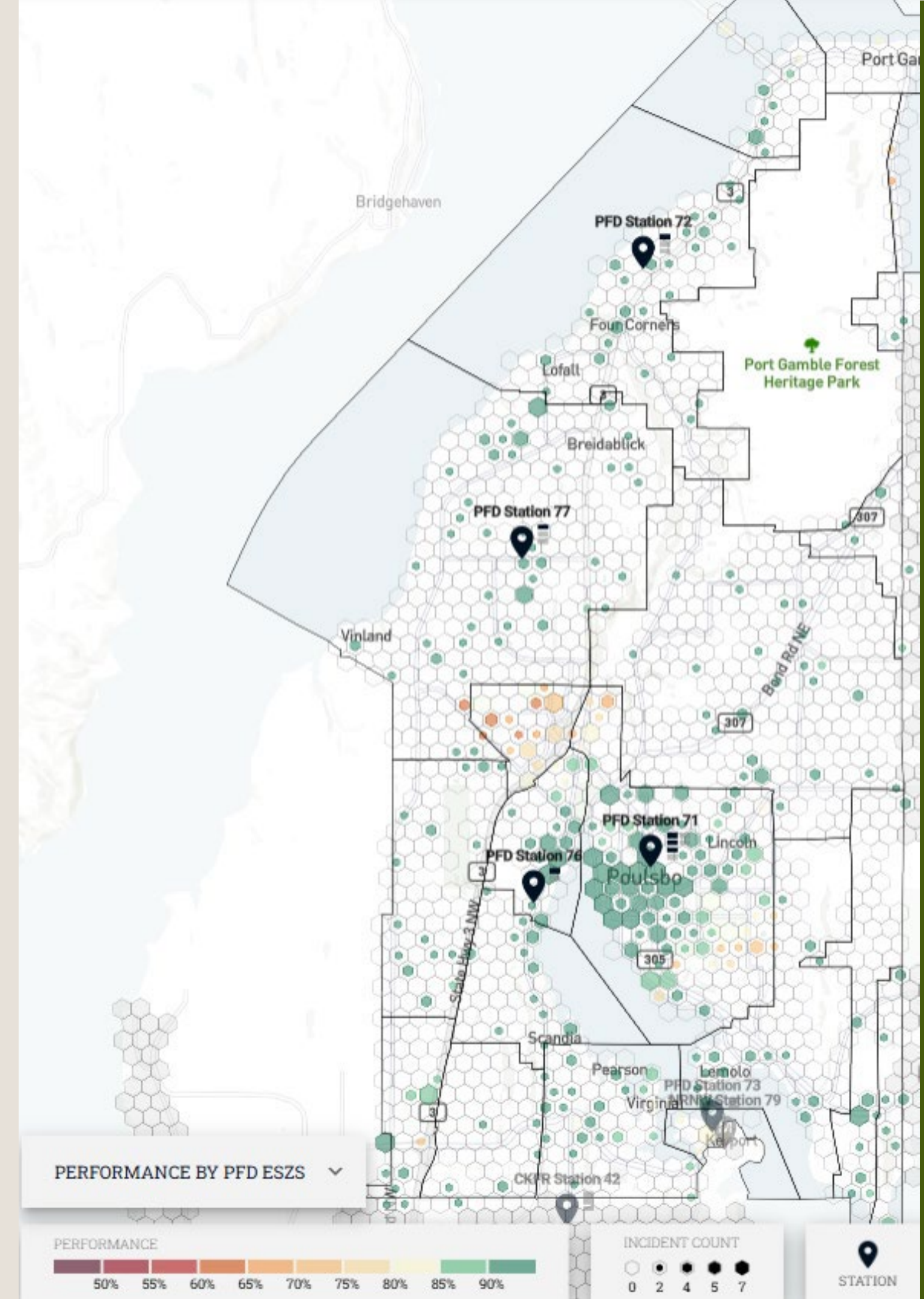
Response Type	Average	90 <sup>th</sup> Percentile
First Arriving Unit	6:00	8:00
ERF – 2 <sup>nd</sup> Arriving Unit	6:00	8:00
Advanced Life Support	6:00	8:00
Full-Alarm Structure Fire	12:00	16:00

Area	1 <sup>st</sup> Unit Average	1 <sup>st</sup> Unit 90 <sup>th</sup> %	Priority 1&2 Responses
City of Poulsbo	5:16	8:11	1642
Unincorporated	8:03	12:47	744
<b>Fire District</b>	<b>6:14</b>	<b>10:11</b>	<b>2510</b>
	2 <sup>nd</sup> Unit Average	2 <sup>nd</sup> Unit 90 <sup>th</sup> %	Priority 1&2 Responses
City of Poulsbo	06:59	10:45	1460
Unincorporated	10:36	15:40	785
<b>Fire District</b>	<b>08:15</b>	<b>13:31</b>	<b>2245</b>

Because fire protection infrastructure serves the entire system, capital facilities benefit development across the fire district rather than specific jurisdictions. Accordingly, a service area-wide approach is used for determining growth-related capital costs.

Unit	Location	Responses City ESZs	Responses County ESZs	Percentage City ESZs	Percentage County ESZs
Battalion 71	City	140	74	65.4%	34.6%
Engine 71	City	1219	277	81.5%	18.5%
Medic 71	City	1149	284	80.2%	19.8%
M77	County	421	528	46.1%	53.9%
E77	County	310	462	40.2%	59.8%
M72/A72/E72	County	162	324	33.3%	66.7%
M76/E76	City	44	23	65.7%	34.3%

ESZ = Emergency service zones



# RATE STUDY METHODOLOGY

- Based on:
  - The cost of growth-related capital projects
  - The amount of growth projected for the fire district
  - The service demand for each type of new development (based on response metrics)
  - The projected amount of growth for each type of new development
    - Single-Family Residential
    - Multi-Family Residential
    - Commercial

# GROWTH RELATED CAPITAL FACILITIES

For purposes of calculating fire impact fees, this study includes only growth-related projects scheduled within the six-year planning period. Limiting the analysis to projects that are reasonably certain to occur within the near-term planning horizon helps ensure compliance with Washington law governing impact fee programs. The Growth-Related Building Projects and Emergency Response Apparatus included in this rate study are:

## Appendix B: City of Poulsbo Functional Plans

- Appendix B.1: 2024 Water System Plan
- Appendix B.2: 2024 General Sewer Plan
- Appendix B.3: 2025 Stormwater Management Plan
- Appendix B.4a: 2024 Transportation Comprehensive Plan
- Appendix B.4b: 2024 Poulsbo Complete Streets Plan
- Appendix B.5: 2021 Parks, Recreation, and Open Space Plan
- Appendix B.6: 2018 Urban Paths of Poulsbo
- Appendix B.7: Solid Waste Utility Plan
- Appendix B.8: Poulsbo Fire Department 2024-2044 Capital Facility Plan**

<b>Growth-Related Capital Projects – Six-Year Planning Period.</b>				
Project	Cost	Year	Location	Growth Nexus
Station 76 Construction	\$7,875,000	2025	Viking Ave	SFR and MFR on Finn Hill / Viking
Fleet Support Building	\$2,625,000	2027	10 <sup>th</sup> Ave NE / St.71	Increase in Fleet and Apparatus Size
Station 77 Bay Extension	\$630,000	2028	Pioneer Hill Rd/St.77	Increase in Fleet and Apparatus Size
Quint (Engine/Aerial)	\$1,680,000	2026	St.71	Building Height Increase to 55'
<b>Total</b>	<b>\$12,720,000</b>			

# FIRE DISTRICT GROWTH PROJECTIONS

Based on Transportation Analysis Zone (TAZ) allocations used by Kitsap County, the Fire District estimates that total population growth within the service area will represent approximately 27.4 percent of the total growth considered in this study.

This projected growth provides the basis for determining the proportionate share of capital facility costs attributable to new development.

<b>Growth-Related Capital Costs</b>	
Projected Growth-Related Capital Costs	\$ 12,720,000.00
Population Growth Percentage	<b>x</b> 27.4%
Growth-Related Capital Costs	\$ 3,485,280.00

# EMERGENCY RESPONSE DEMAND BY OCCUPANCY TYPE

To determine the percentage of growth-related capital costs for each occupancy type, the number of Incidents directly related to each type of occupancy is divided by the total number of emergency incidents that directly related to an occupancy.

	Single Family Residences	Multi-Family Residences	Commercial
Incidents Relate to Occupancy Type	1646	240	731
Incidents Related to All Occupancies	÷ 2617	÷ 2617	÷ 2617
<b>Occupancy Type % of Incidents</b>	<b>63%</b>	<b>9%</b>	<b>28%</b>
Growth-Related Capital Costs	✘ \$3,485,280.00	✘ \$3,485,280.00	✘ \$3,485,280.00
<b>Proportion of Growth-Related Capital Costs</b>	<b>\$2,192,117.26</b>	<b>\$319,628.28</b>	<b>\$973,534.46</b>

# ALLOCATION OF GROWTH COSTS TO NEW DEVELOPMENT

Based on the single-family residential growth projections provided by the City of Poulsbo for Commercial and Multi-Family development and the projections provided by Kitsap County for single-family residential growth across the entire Fire District, the Fire Impact Fees rates will utilize the following growth projections to determine the base rate for each type of development:

- 3,134 new single-family residential units
- 1,417 new multi-family residential units
- 4,000 new jobs

	Single Family Residences	Multi-Family Residences	Commercial
Proportionate Growth Related Costs	\$ 2,192,117.26	\$ 319,628.28	\$ 973,534.46
Units of New Development	÷ 3134	÷ 1417	÷ 4000
<b>Per Unit Base Cost</b>	<b>\$ 699.46</b>	<b>\$ 225.57</b>	<b>\$ 243.38</b>

To meet the requirement for proportionality and determine a per square foot cost; the base rate for single-family and multi-family residences is converted to a per square foot cost based on the average size of each occupancy type (2,490 sq ft and 970 sq ft respectively). Commercial space is based on the average square foot requirement per employee (323 sq ft)

# PROPORTIONALITY – RESIDENTIAL

<b>Rate Calculation - Single Family Residence</b>	
Growth Related Capital Costs	\$ 3,485,280.00
Single Family Residence - % of Emergency Incidents	<b>×</b> 63%
Single Family Residence - Share of Growth Related Capital Costs	\$ 2,192,117.26
Expected Number of New Single Family Residence	<b>÷</b> 3134
Growth Related Capital Costs per Single Family Residence (Base)	\$ 699.46
Proportionality - Average Square Footage - Single Family Residence	<b>÷</b> 2490
<b>Single Family Residence-Fire Impact Fee(Cost Per Square Foot)</b>	<b>\$ 0.28</b>
<b>Rate Calculation - Multi-Family Residence</b>	
Growth-Related Capital Costs	\$ 3,485,280
Multi-Family Residence - % of Emergency Incidents	<b>×</b> 9%
Multi-Family Residence - Share of Growth Related Capital Costs	\$ 319,628
Expected Number of new Multi-Family Dwelling Units	<b>÷</b> 1417
Growth Related Capital Costs per Multi-Family Residence (Base)	\$ 225.57
Proportionality - Average Square Footage - Multi-Family Residence	<b>÷</b> 970
<b>Multi-Family Residence-Fire Impact Fee(Cost Per Square Foot)</b>	<b>\$ 0.23</b>

# COMMERCIAL

Rate Calculation - Commercial	
Growth-Related Capital Costs	\$ 3,485,280
Commercial Occupancies - % of Emergency Incidents	× 28%
Commercial - Share of Growth Related Capital Costs	\$ 973,534
Expected Number of New Employees	÷ 4000
Growth Related Capital Costs per new Employee (Base)	\$ 243.38
Proportionality - Average Square Footage per Employee	÷ 323
<b>Commercial - Fire Impact Fee (Cost Per Square Foot)</b>	<b>\$ 0.75</b>

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# Summary and Policy Considerations

# IN SUMMARY

System	Current Impact Fee	Proposed Impact Fee
Transportation	\$564/average daily trip	\$562/average daily trip
Parks	\$1,316.33/Residential Unit	\$1,400–\$11,320/Residential Unit, depending on type and size of unit
Fire	None	Residential: .23–.28 per SF Commercial: .75 per SF

# IN SUMMARY – Example

System	2,600 SF Detached House	1,000 SF Detached House	1,500 SF Multi-Family Unit	750 SF Multi-Family Unit
Transportation	\$ 5,108.58	\$ 5,108.58	\$ 3,490.02	\$ 3,490.02
Parks	\$ 9,578	\$ 4,360	\$ 6,100	\$ 2,620
Fire	\$ 598	\$ 280	\$ 345	\$ 172.50
Total NEW	\$ 15,284.58	\$ 9,748.58	\$ 9,935.02	\$ 6,282.52
<i>Total Existing</i>	\$ 6,443.09	\$ 6,443.09	\$ 4,818.77	\$ 4,818.77
<i>Difference</i>	+ \$ 8,714.23	+ \$ 3,178.23	+ \$ 5,029.31	+ \$ 1,376.81

# WHEN IMPACT FEES ARE DUE

System	Fees Due – Current	Fees Due – Proposed
Transportation	Building Permit Issuance	Building Permit Issuance
Parks	Building Permit Issuance	Certificate of Occupancy
Fire	N/A	Certificate of Occupancy

# POLICY CONSIDERATIONS – COUNCIL DIRECTION NEEDED

## Phasing

- Option 1: Immediate full implementation
- Option 2: Phased approach (2027–?)

	2027	2028	2029	2030	2031
<i>Single-Family Base Park Impact Fee</i>	\$ 2,596	\$ 4,611	\$ 6,267	\$ 7,922	\$ 9,578 + CPI
<i>Multi-Family Base Park Impact Fee</i>	\$ 1,912	\$ 2,524	\$ 3,136	\$ 3,748	\$ 4,360 + CPI

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# POLICY CONSIDERATIONS – CONT.

## Required by RCW:

- Proportionality in fee calculation (ESSB 5258, 2023, to be implemented this update cycle)
- Deferral program for single-family homes (adopted in PMC)

## Exemptions – discretionary

- Cities/counties may provide exemptions for low-income housing.
- However, if exempted, the jurisdiction must:
  - Pay the exempted fees from another public source, or
  - Not collect them at all (with policy implications for system funding).
- Exemptions typically for:
  - ≤50%–60% AMI (most common)
  - Sometimes tiered (e.g., deeper exemption at 30% AMI)
- Often limited to:
  - Nonprofit developers
  - Projects with recorded affordability covenants (30–50 years)

# POLICY CONSIDERATIONS – CONT.

Local governments may also exempt:

- Affordable housing beyond “low-income” (e.g., workforce housing)
- Early learning (25% of the children/families using the early facility qualify for state subsidized childcare)
  - Grant a partial exemption of not more than 80% of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or
  - Provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts.
- Government/Public Facilities
- Nonprofit/Institutional Uses
- Accessory Dwelling Units (currently at 50% of rate)
- Senior Housing / Age-Restricted Housing– Transportation and Park Impact Fee specific
- BUT, the RCW requires that if you grant exemptions, you must ensure:
  - System improvements are still funded
  - The exemption does not shift the burden in a way that violates proportionality

# NEXT STEPS

- June 3 – Ordinance Adoption or 2nd Workshop.
- June 17 – Ordinance Adoption

