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February 19, 2020

Commissioner Tim Keane
Department of City Planning
55 Trinity Avenue SW
Atlanta, GA 30303

RE: City of Atlanta Development Impact Fee Update

Dear Commissioner Keane:

We understand the City of Atlanta is contemplating several changes to its Development Impact Fee Program after remaining effectively untouched since 1993. We applaud the Department for undertaking this important update, ensuring that the fees accurately reflect the reality of rising land and construction costs, while also not unduly hindering Atlanta's attractiveness for future development. With a mission of ensuring Downtown Atlanta's continued economic vitality, CAP understands the important, and at times competing, policy levers at play to ensure the city's continued growth and requisite capital investment in our community's greatest assets. It is with this lens that we wish to affirm certain recommendations within the 2017 Impact Fee Study ("Study"), and offer the following additional recommendations for your consideration:

Transportation Fees and Expanded Eligible Uses

- We are supportive of the Study's recommendation to amend the *Development Impact Fee Act* ("Act") to authorize the use of impact fees to fund public transit improvements. We wish to add that impact fees also be eligible to be used for transportation demand management strategies, which have a proven track-record of reducing single occupancy vehicle trips and relieving pressure on city roads.
- Currently, developments within 1,000 walking feet of a MARTA station are automatically granted a 50% fee reduction based on the assumption of greater use of transit. Should this provision remain, we strongly recommend that this fee reduction be linked to actual trip-reducing elements within the development rather than relying on proximity to reduce single occupancy vehicle trips. As suggested in the Study, one way to do this is to only reduce the fees when a developer provides less than half of the allowable maximum parking per zoning requirements.
- We are supportive of the Study's recommendation to include the cost of collector roads in the impact fee calculations.



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Affordable Housing as a Public Good

- Right-sizing regulatory costs are a necessary step to unlocking more affordable housing stock in the City. Given this delicate balance, we implore the City to consider how the proposed fee increase might impact our affordable housing stock. We fully support efforts at the State Legislature (Senate Bill 322) that would permit jurisdictions to waive impact fees on development projects that include affordable housing, without needed to “fund” such exemption from General Fund or other source; however, we urge the City to consider funding these necessary fee waivers in the interim, until the aforementioned legislation is adopted at the Legislature.
- We wish to recommend that the City further explore the legality and feasibility of expanding the Act’s definition of “public facilities” to include publicly owned affordable housing. Given that the definition of “public facilities” is within the Georgia Department of Community Affairs’ administrative rules, we believe there may be a path to provide for this expanded definition that would not require state authorization. Other states have allowed a similar impact fee given that new development often drives up surrounding property values and places increased strain on prices in the immediate vicinity. An expanded definition of “public facilities” in this context may provide for an additional revenue stream to fund improvements to or new construction of publicly owned housing in the area.

Necessary Investment in Parks and Greenspace

- We are very supportive of the Study’s recommendation to expand the eligible use of park fees to include improvement costs, alongside of existing eligible uses of acquisition and certain development costs.

We look forward to staying engaged in the process as the recommendations are finalized. If we can be a resource at any stage, please do not hesitate to reach out.

Sincerely,

A.J. Robinson
President