

January 20, 2021

Commissioner Tim Keane
Development Impact Fee Advisory Committee
City of Atlanta
55 Trinity Ave SW #3350
Atlanta, GA 30303

Re: Updating Atlanta's Impact Fee Structure

Dear Commissioner Keane & Committee Members:

The Council for Quality Growth is a not-for-profit trade association representing over 300 companies comprised of architects, attorneys, contractors, developers, engineers, financial executives with a vested interest in quality growth and development in the City of Atlanta.

The Council for Quality Growth appreciates the opportunity to engage with the City of Atlanta since the inception of the Development Impact Fee Advisory Committee (DIFAC). We submitted our preliminary feedback from our membership on the updated impact fee structure on March 11, 2020 and the impact it would have on quality growth within the City of Atlanta. Alongside this letter, the March 2020 letter has been attached as well for your reference. Since then, we have spoken informally with city administrators about our concerns with the proposed impact fee study recommendations and continued to obtain feedback from our membership. As DIFAC is aiming to take a vote on the final recommendations we appreciate the changes the committee is considering, and our organization is grateful for the opportunity to formally submit our final comments for consideration.

Implementation

- Consider a phased-in approach incrementally over three years with a 25% increase per year.
- The Council for Quality Growth recommends phasing in the impact fee increase incrementally over three years to match the rate of inflation from 1993 to 2021, which is currently at 80.26%. That would reflect a 25% increase in impact fees per year over the next three years, and one additional 25% increase in the fourth year. We appreciate the staff's recommendation but consider this phased-in approach more amendable after a 30-year period with no increases.

Grace Period & Grandfather Clause

- Provide a full six-month grace period upon adoption of the impact fee ordinance for residential and commercial developers that have already invested in the city but did not account for the financial burden on increased impact fee expenses.
- Consider a grandfather clause for any projects that have been zoned or have filed for a permit with the Office of Planning and Zoning (i.e., building permit, SAP, LDP, etc.) within the prior 12 months or have filed for rezoning before the adoption date of the impact fees be vested under the City's current impact fee structure.

Housing Affordability

- Provide a 100% exemption for affordable housing rental units to match the for-sale units and economic development exemptions.
- The Council for Quality Growth supports Atlanta's efforts to mitigate the affordable housing crisis and the increased demand for housing. Local regulations such as impact fees, tree protection ordinances, stormwater fees, residential design standards all contribute to the increased cost of construction, making it financially infeasible to build affordable housing developments and consequently decrease the supply of housing.



We continue to have concerns from our office and commercial development members regarding the changes to remove the tiered sliding scaled based structure. The City's current impact fee structure for office and commercial has a sliding scaled based upon square feet. This structure has worked well in the past and the sliding scale is commensurate with the economics of individual projects.

The Council for Quality Growth applauds all the efforts from the City of Atlanta and the Development Impact Fee Advisory Committee to update the City of Atlanta Impact fees. The Council for Quality Growth continues to stand ready to serve as a resource to the City to incorporate a revised impact fee structure that does not infringe on quality development within the City of Atlanta.

Sincerely,

Michael E. Paris

Handwritten signature of Michael Paris in black ink.

President & CEO
Council for Quality Growth

Joseph Santoro

Handwritten signature of Joseph Santoro in black ink.

Senior Policy Analyst
Council for Quality Growth