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Planning District Commission

Sustainable solutions to regional issues

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To: TJPD Commissioners

From: David Blount, Legislative Liaison

Date: July 2, 2009

Re: Impact fees/proffers

Purpose: To brief the Commission on state-level discussion of impact fee/proffer legislation and legislation revising the existing urban development area provisions.

Background: The joint subcommittee studying development and land use tools met recently and discussed drafts of two bills prepared by legislative staff. One would replace cash proffers with impact fees for roads, schools and public safety facilities, while the other would revise the existing urban development area (UDA) provisions. Recall that this subcommittee was established in 2008 following the defeat of SB 768 (the Homebuilders Association of Virginia bill on impact fees and cash proffers), which was opposed by our localities.

Issues: The impact fee bill draft did not place a statutory cap on impact fees, as advocated by the development community, but instead required the Commission on Local Government to develop a model impact fee ordinance using a formula approach. The subcommittee chairman's goal is to have compact development in order to reduce infrastructure costs for the state and localities, and he has said he will resist fee caps and will push for a methodology for determining such fees. After discussion in a workgroup and the full subcommittee, it was felt that the impact fee bill draft should be rejected and that new legislation be drafted from scratch. At the suggestion of local planners at the meeting, it was agreed that consultants who have worked in other areas with local governments and developers to draft impact fee legislation will meet with the study committee at its August meeting.

The draft UDA bill would establish three tiers (by population, for localities under 50,000; between 50,000 and 100,000; and over 100,000) of UDA density requirements. The proposal maintained the UDA as a comprehensive plan requirement and also required planning district commissions to provide planning assistance and data (already required) to localities as necessary in designating UDAs. The prescriptive nature of the bill's density provisions drew much reaction at the meeting, as the

densities specified are greater than many localities have or want to have. Changes to the draft will be made and brought back to the group at a future meeting.

TJPDC staff has solicited input from the planning staff of member governments on these two legislative proposals. Comments received will be compiled to list suggested changes to the initial drafts and/or provide suggested language/topics that should be included in the bills. These will be forwarded to General Assembly staff who are reworking the bills' language. TJPDC staff will seek additional input from local staff and alert localities to any other action needed as discussion on these bills continues. Please note that Delegate David Toscano, who represents Charlottesville and parts of Albemarle, is a member of the joint subcommittee.