

# **STAFF REPORT AND RECOMMENDATION TO THE CLARK COUNTY PLANNING COMMISSION**

**TO:** Clark County Planning Commission

**FROM:** Marty Snell, Community Development Director

**PREPARED BY:** Marty Snell, extension 4101

**SUBJECT:** Impact fee payment deferral option for Single Family Residential (SFR) housing

## **PC HEARING**

**DATE:** September 15, 2016

## **REPORT PREPARATION**

**DATE:** September 1, 2016

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## **I. SUMMARY**

A change is proposed to Clark County Code (CCC) Title 40 as follows:

Amend the Development Impact Fee chapter (CCC 40.610) to include additional provisions for the deferral of payment of impact fees for single family residential housing.

## **II. BACKGROUND**

The 2015 legislative session yielded the passage of ESB 5923 requiring local governments to adopt by September 1, 2016, an option to defer the collection of school, park and traffic impact fees for new single-family attached and detached construction. The statute provides the following:

- Collection may be deferred until either final inspection, certificate of occupancy, or closing of first sale of new housing units, but fees must be collected no more than 18 months after issuance of the building permit.
- Local governments can limit the number of deferrals to 20 per applicant, annually.
- Applicants must grant and record a lien against the property.
- An application fee for administrative expenses can be assessed.
- Municipalities and school districts are authorized to foreclose properties if the fees are unpaid after the deferral period.

### III. PROCESS

County staff has with representatives of various programs and with DEAB to discuss this issue. Two key issues have been raised during these discussions: 1) the county's timing of implementing this option and 2) the 'trigger' of when the payment for the deferred impact fees would be due.

Regarding the first issue, timing has been linked with the implementation of the county's new electronic permitting system. Until mid-July, phased implementation of the permitting system caused a conflict with implementing a payment deferral option. With more clarity and some staff time to devote to implementing the payment deferral option, now is the time to act.

Regarding the second issue, the statute provides the options of when the deferred impact fee payment is due. Considering which time would be most appropriate and practical for implementation, staff recommends that the payment would be due at the final inspection stage.

### IV. COMMUNITY OUTREACH

County staff has discussed this item with DEAB and has been reviewing various communications between the school districts and the City of Vancouver. Staff has been in e-mail communications with Marnie Allen of ESD 112 to keep informed of the school districts' position on this issue.

### IV. RECOMMENDATION

Staff requests the Planning Commission consider this proposal and forward a recommendation to the Board of County Councilors.

***Note: proposed new text is double underlined; text proposed to be removed is ~~struck through~~***

#### **Section 40.610.045 Additional provisions for Deferral of Impact Fees for Single-Family Housing**

**A. Prior to issuance of single-family detached or attached residential building permits, an application may be submitted for deferral of payment of full impact fees until scheduling of final building inspection by the County. For these purposes "attached single-family" shall be limited to common wall housing with no more than one unit per legal lot.**

**B. The amount of impact fees deferred shall be determined by the fees in effect at the time the applicant applies for a deferral. Applicant as defined in this section shall include**

an entity that controls the applicant that is controlled by the applicant, or is under common control with the applicant.

C. The applicant must submit an impact fee deferral application for each parcel to be developed. This application shall include:

1. A covenant to Clark County to pay the deferred impact fees which has been locally recorded against the property involved. The covenant shall be signed by all owners of the property, with signatures acknowledged, as required for a deed, and will encumber the property until the obligation is satisfied. The covenant will bind all successors in interest to the property owners, and will be subordinate to one mortgage for construction of the property granted by the impact fee deferral applicant.

2. The deferral period shall not exceed a period of 18 months from issuance of the building permit, at which time any deferred impact fees shall be due.

3. Upon receipt of all deferred impact fees, Clark County shall execute release of the lien for the property. The property owner at that time shall be responsible for recording the release, at their expense.

4. Clark County may institute foreclosure proceedings for unpaid impact fees due. For unpaid School Impact Fees, School Districts may also institute foreclosure proceedings if Clark County has not done so within 45 days after receiving notice from the District requesting initiation of such proceedings.