

**Tacoma Permit Advisory Task Force**  
Virtual special meeting  
Meeting #22 – April 1, 2021, 10:30 am

**Task Force Members in attendance:** Layne Alfonso; Clinton Brink; Jim Collins; Jim Dugan; Michael R. Fast; Ben Ferguson; Jessica Gamble; Jason Gauthier; Justin Goroch; Joshua Jorgensen; Evan Mann; Mandy McGill; Kim Nakamura; Chuck Sundsmo; John Wolters  
**Excused:** Lacey Hatch, Claude Remy

**10:36 AM: Welcome**

**10:37 AM: Icebreaker**

Jim Dugan encouraged Task Force members to keep an eye on the legislature, which is currently considering bills that will have a huge impact on development.

**10:38 AM: Meeting minutes**

Approving minutes has been tabled until the next meeting.

**10:39 AM: Impact Fees Framework**

Jennifer Kammerzell presented on the impact fee framework (PowerPoint 1).

**10:59 AM: Questions and discussion**

Questions for clarification on the presentation:

- Ben Ferguson: How does this reduce permit timeframes? How does this make it easier for a developer? Jennifer: this may be related to offsite improvements, traffic, and SEPA review. There may still be a work order, but certain parts of it could be taken out of the work order. Jennifer can follow up with a more detailed response. Ben: it would be helpful if at the next meeting to understand the difference between projects.
- Ben Ferguson: How does this help with fairness and predictability? What complication are we removing that exists today that the impact fee makes go away? Jennifer will follow up with more details.
- Justin Goroch: Impact fees fund capital system improvements. How many capital improvements are there to be funded? Is there an idea of the backlog of needed infrastructure? Jennifer: that's what the City is working to identify in this phase.
- Jason Gauthier: What are the other funding tools for capital improvements that the City has considered? Jennifer: we will include a list in the report and will bring them back. Jennifer also shared a few items, including streets initiative, parks and schools using levies. Part of the process will look at what is being employed and what is still a gap.
- Jason Gauthier: Is the list a finite list and the impact fees would be time limited to fund the list of projects? Jennifer: the idea is to help address the growth that we're seeing with development. We're not in a time constrained situation with the project list. There are definitely certain projects we'd like to see built out. With impact fees there is a time limit by state law with how long there is to spend the money else you give it back. The project list is not necessarily set, it's based on our current capital facilities and six year program. We'd have more opportunities to look at that list and see what's appropriate.

- Mandy McGill: Can you provide us a background on the consulting firms who gave you the studies, and if you can let us know what their processes were to come to the conclusions they did. Jennifer: confirmed she can provide this information.
- Mandy McGill: The presentation said that growth is a direct cause of the gaps. Could you dig into what “gaps” means? Jennifer: infrastructure and funding.
- Layne Alfonso: Noticed this was based on transportation and fire, however there are other utilities impacted by growth. Is there a reason the City is just looking at transportation and fire? Jennifer: clarified state law only allows infrastructure, fire, schools and parks.
- Evan Mann: I saw in the slides a few slides that established how the City is coming up with the cost. Typically impact fees are tied to a specific project list, such as TIP. Is the City using this project list to determine fees or is it using information from surrounding municipalities to determine fees? Jennifer: Tacoma will look at project list, what are costs, so on, but we also want to compare to other cities to see how it would impact development.

#### Discussion:

- Ben Ferguson: private market and killing projects is a concern. This feels like a way for Tacoma to have more budget to do more things. Tacoma owes us an explanation about why these things are so important that it's worth the negative things that come from this. I would feel a lot better if the mission statement/reason they're doing it was incredibly powerful and important. Primarily concerned about housing costs. Not just affordable cost. Housing affordability is about attainability for all people.
- Evan Mann: In the midst of a housing crises, this effort is particularly tone deaf. Cost of single family home is bench mark by which housing in the state is set. National association of home builders say when you raise the house cost by \$1,000, 1,500 people are priced out. This is a backwards step when you're trying to accommodate and solve a massive housing supply that can't be solved by adding more cost/ more issues as it relates to attainability. We as developers are building the infrastructure. Where you guys have gaps, it seems like there are other funding mechanism that can do that.
- Mike Fast: The question I have with impact fees in Tacoma, is that the legislature allows them to only be used for new infrastructure. My question with fire and public works, what specifically new infrastructure will they be building that they want this infrastructure for? Question with parks, parks is a taxing district with their own method of funding, what new parks are they planning on building that would be funded by this program? Impact fees have a regressive nature that adversely impacts lower cost development. Goes against equity.
- Justin Goroch: Council has said we're in a housing crises, increasing housing costs in a housing crises is competing interests. How will Council address competing needs and sort that out? We need to look at this through an equity lens. Is this serving underserved better? Does killing projects in underserved areas help the underserved area? We need to look at this through the equity lens to make sure we're not off purpose or incidentally furthering equity issues.
- Jessie Gamble: Impact fees were described as a way to not punish the last project in. It would still be a problem, just shifts it to the upcoming development vs existing development. Ben brought up a good point about whether or not this will be in lieu of offsites, if not, it's a compounding effect. If you don't remove the unpredictable offsites you still have the problem and adds on a new fee. What new infrastructure does Tacoma need to have built? Is there enough projects to make it worthwhile? Would there be any consideration for infill development? Some jurisdictions do not charge impact fees for ADUs, maybe half the cost for ADUs. Infill would be new development and impact fees would hinder some of the goals being

pushed forward for next few years. Impact fees in some areas like federal way have been used as a new way to redline the community. It incentivizes the area to not create multifamily. What are the benefits that the City is gaining from not having impact fees? A lot of folks specifically invest in Tacoma because there are no impact fees here.

- Jim Dugan summarized what he's heard so far:
  - What are impacts to affordable housing?
  - Why do this during a housing crisis?
  - Project list – request for City to show project list
  - Through an equity lens – how is what's being proposed equitable?
  - Offsite improvements – big question mark (or not)
  - Are there any considerations for infill development?
  - What are the benefits to not having impact fees? Has that been discussed/raised at Council level?
- Chuck Sundsmo: I think we've heard a lot of compelling arguments on not having impact fees, what we haven't heard is a reason to have impact fees. Would it make sense for this body to make a decision soon to "stop the bleeding"?
- Mike Fast: Impact fees are a large expense to developer, but don't generate enough to be used. There are some that have had to give back. There's a B&O tax, is part of the conversation to get rid of the B&O tax?
- John Wolters: Do impact fees help Tacoma attract jobs and housing? In some cases, impact fees are calculated on vehicle trips. Will this be the case? If yes to, can developers lower their parking spaces in order to lessen their impact fee? Can developers pay their impact fee over time? Improvements to infrastructure impact everyone in that neighborhood, how much will a new development's impact fees be required to pay for these improvements? APA says that there is little to demonstrate that Impact Fees stifle development. How it impacts housing affordability is less studied. Can we look at this impact?
- Jason Gauthier: I can accept that the City needs more capital improvements, maybe there are other ways to fund this (referenced HB 1157). If the City does go down the road of impact fees, my job is to make sure affordable housing is exempted. Habitat wants to be a partner with the task force and recommendations in addition to seeking exemptions for affordable housing.
- Mandy McGill (chat, voiced by Jim Dugan): Lynda and Jennifer, in the presentation you mentioned impact fees are being presented to other communities, such as BIPOC. Is it possible to have a schedule of when those meetings will take place? Jennifer will follow up.
- Layne Alfonso: I think it's important that the City continue to look at funding sources, I anticipate it will happen at even faster rate as things proceed. We also need to look at everything as a whole. As we upzone there will be impacts, like sewer connections, that will need to be addressed. Some folks are keen on not having impact fees, but the City does need to figure out a way to fund ongoing projects and things. Are you also coordinating with what we saw with Elliott, how are we funding the upzone? I didn't see that as part of your presentation.
- Jim Dugan summarized more themes:
  - What are benefits to not having impact fees? Reverse look at same subject.
  - I heard phasing, this will be in John's actual questions, relative to phasing how does that relate to payments and cost of?
  - Can we just slow this down a little, it's making us nervous about moving too fast with questions unanswered (we hope to have answered)
  - What is the growth in Tacoma that Tacoma is planning for, and where is that?
  - Does that mean we get rid of B&O tax?

- Do impact fees help Tacoma attract jobs?
- Jim Dugan will write up an overview of everything he heard and have Lynda send it out. Everyone should review and let Lynda know of suggested additions and corrections.
- Ben Ferguson: How does this negatively impact us not just positively, what John Wolters said about jobs, I'd further that, how does impact fees make Tacoma a more livable and affordable place to live?

Jennifer:

- I heard a couple of things that are harder for us to gauge. I heard the need to review benefits of having an impact fee and not having an impact. Might do future research to this group on what the benefit of not having impact fees.
  - Jim Dugan, to the Task Force, please send thoughts on what the benefit to not having impact fees just to Lynda.

### **11:50 AM: Final comments**

Jim Dugan: My plan is to write down everything I heard and email Lynda, who can circulate that to the committee.

Mike Fast: Chuck had asked who thinks impact fees are a good idea, no one said they were a good idea. I haven't heard a positive yet on why impact fees are good for Tacoma.

Jim Dugan: My closing comment are going to reverse engineer a question. Are there any members of the committee that, based on what you know so far and subject to a revisit, are in support?

- Layne Alfonso: I'm not in support of impact fees, but I am in support of the process to find out how we support infrastructure. I think it's important that we don't say no way with an impact fee without going through this process.
- Jim Dugan: are there better ways to fund infrastructure? What are all the other ways, what are some pros and cons?

Lynda Foster: reminder about upcoming schedule.

Kurtis Kingsolver: The one thing I want to leave this group with, part of what we have to do is tell Council the whole picture about impact fees. Understand that part of what this effort as staff move forward is to educate Council on all the impacts of impact fees so they understand what impact fees mean for the entire City.

### **11:59 AM: Adjourned**