CITY OF TAMARAC INTEROFFICE MEMORANDUM (20-04-001M) COMMUNITY DEVELOPMENT

TO: Michael Cernech, City Manager DATE: April 9, 2020

FROM: Maxine Calloway, Director of Community Development RE: TO # 2430: Ordinance Amending Section 10-5.7 of the City's Land Development Code "Impact Entitled Fees" Amending the Imposition Date of New Development Impact Fees and Certain Exemption Criteria to Effectuate Change to Imposition Date for New **Development Impact Fees**

Recommendation: The Director of Community Development recommends that the Mayor and City Commission adopt the proposed Ordinance to amend Section 10-5.7 entitled "Impact Fees" of the City of Tamarac Code of Ordinances, on First Reading at its April 22, 2020 meeting and on Second Reading at its May 13, 2020 meeting.

Issue: The COVID-19 (Coronavirus) has created a National State of Emergency which has threatened the City of Tamarac with extreme conditions which pose an immediate danger to the lives and property of the residents of the City. Based on the existing state of emergency, staff believes that it is in the best interest of public health, safety, and welfare of the residents and businesses of the City of Tamarac to delay the imposition of New Development Impact Fees established by the City.

Background: On January 8, 2020, the City Commission adopted new development impact fees by Ordinance Number 2020-01. Pursuant to §163.31801, Fla. Stat., the earliest date for the imposition of the impact fees established by the Ordinance was April 7, 2020. However, due to the COVID-19 (Coronavirus) Pandemic Governor Ron Desantis declared a State of Emergency for the State of Florida by issuing Executive Order 20-52. Subsequently, Broward County Administrator Bertha Henry declared a countywide State of Emergency on March 10, 2020. Understanding the threat posed to the health, safety, and welfare of the City's residents, visitors, and places of business and the potential underlying economic impacts of the pandemic, City Manager Michael Cernech pursuant to section 7.12 of the City Charter, determined a local state of emergency exists in the City of Tamarac on March 13, 2020.

With States all over the country implementing state-wide stay-at-home orders, the economy is feeling the effects, and has reacted swiftly, with most indicators pointing to a likely recession. The near-term impact to real estate activity (next 3 to 6 months) comes as open houses on new and existing homes are being halted, shifted to virtual channels, or drastically reduced and set on an appointment basis only. The mid-term impact (next 6 to 18 months), based on current real estate research, shows sustained disruptions to new and existing supply and sales funnel, and further declines in affordability from job and income affecting consumers.

Since we know that Development Impact Fees are typically a pass-through cost from the developer to the consumer, and given the expected condition of the real estate market relative to

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Covid 19, and its impact on the income of consumers, staff is recommending a delay on the imposition of Development Impact Fees until January 7, 2021.

Analysis: The following summarizes the proposed Legislative Draft Ordinance (attached):

Staff is proposing to amend Section 10-5.7 entitled "Impact Fees" of the City of Tamarac Code of Ordinances which will effectively amend the Imposition Date of New Development Impact Fees. The Impact Fees set forth in Ordinance Number 2020-01 shall not be imposed on any Development until January 7, 2021. This imposition date shall expressly serve to relate back and extend the initial imposition date of April 7, 2020 as provided for in Ordinance Number 2020-01.

The Ordinance not only proposes to amend the Imposition Date of New Development Impact Fees, it also provides for the amendment to clarify certain Exemption Criteria outlined in Section 10-5.7(c) of the City's Code as follows:

The following types of development shall be exempt from the payment of impact fees pursuant to this Section:

Any development for which a building permit for vertical construction of residential units or nonresidential structure or building is filed prior to the date set for the imposition of Impact Fees by the City;

Alterations or expansion of an existing dwelling unit where no additional units are created, and the use is not changed;

For multimodal fees, the construction of accessory buildings or structures which will not increase the traffic counts associated with the principal building or structure or the land;

For parks and recreation, and governmental facilities impact fees, the construction of accessory buildings or structures which will not increase the number of individuals living or working in the principal building or structure or the land;

The replacement of a destroyed or partially destroyed building or structure, with a new building or structure of the same size and use;

- (a) The construction of agricultural structures;
- (b) Temporary uses; and
- (c) Essential public services.

Summary of Recommendation: The Director of Community Development recommends that the Mayor and City Commission adopt the proposed Ordinance to amend Section 10-5.7 entitled "Impact Fees" of the City of Tamarac Code of Ordinances, on First Reading at its April 22, 2020 meeting and on Second Reading at its May 13, 2020 meeting. This item supports the City's Strategic Plan, Goal #5 providing for "A Vibrant Community" by ensuring the continued vitality, growth and success of the City's socio-economic climate while protecting the health, safety and welfare of residents, visitors, and places of business with responsive land development regulations.

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Fiscal Impact: Impact Fees play an integral role in funding capital impacts and expenditures resulting from new development and redeveloped properties. In light of the COVID-19 (Coronavirus) Pandemic, delaying the imposition of New Development Impact Fees will help to protect the economic stability of Tamarac residents, visitors, and businesses. Future Impact Fee revenues collected by the City will be used to defray the cost of capital facility impacts created by newly developed and redeveloped properties.

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Maxine Calloway, Community Development Director

Attachments:

Temporary Ordinance No. 2430