

# CITY OF ALBUQUERQUE SIXTEENTH COUNCIL

COUNCIL BILL NO. F/S R-04-159 ENACTMENT NO. \_\_\_\_\_

SPONSORED BY: MICHAEL CADIGAN

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## RESOLUTION

**ESTABLISHING INTERIM COUNCIL POLICY REGARDING LOWER IMPACT FEES DUE TO SERVICE EFFICIENCIES, REDUCTIONS/OFFSETS OF IMPACT FEES BASED ON CITY PLANNING POLICIES, AND IMPACT FEE WAIVERS FOR AFFORDABLE HOUSING.**

**WHEREAS, Section 14-13-1-4 ROA 1994 of the Planned Growth Strategy (PGS) Ordinance states, “Impact fees, Utility Expansion Charges, and other development related charges are key strategic tools for implementing the Planned Growth Strategy and the City/County Comprehensive Plan”; and**

**WHEREAS, the Impact Fee consultants have prepared schedules of development impact fees based on the full marginal cost of growth within tiers and services areas; and**

**WHEREAS, Section 14-13-4(C) ROA 1994 calls for the first step in the development of impact fees to be their calculation based upon the full marginal cost of growth; and**

**WHEREAS, Section 14-13-4(D) ROA 1994 states “Impact fees, including the incorporated Utility Expansion Charges shall be reduced based upon a schedule, to be created, of facility and infrastructure efficiencies that result from the nature and location of the types of development. Non-exclusive examples include projects that result in jobs closer to predominately residential areas, mixed use projects, neighborhood commercial centers, activity centers consistent with the City/County Comprehensive Plan, higher density housing, affordable housing with smaller lot sizes and fewer utility fixtures”; and**

**WHEREAS, Section 14-13-4(E) ROA 1994 further states “Impact fees, including the incorporated Utility Expansion Charges, shall be partially or completely waived based upon developments that are consistent with the policies**

1 contained in the Planned Growth Strategy as adopted, the City/County  
2 Comprehensive Plan, and other policies and recommendations in area plans,  
3 metropolitan redevelopment plans, neighborhood and sector development plans,  
4 center and corridor plans, and for affordable housing and for new zoning  
5 objectives as described in Resolution R-02-111 as adopted. These waivers shall  
6 be provided using a policy-based ranking system”; and

7 WHEREAS, the Council is authorized to adopt development impact fee  
8 ordinances pursuant to Sections 5-8-1 NMSA 1978 et seq., and is authorized to  
9 direct that impact fees be reduced based on adopted policies and is authorized to  
10 direct that impact fees be lowered based on efficiencies.

11 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
12 ALBUQUERQUE:

13 Section 1. The City shall develop schedules of lower impact fees based on  
14 efficiencies and reduced impact fees based on adopted policies. These  
15 schedules shall be based on the following policies:

16 A. Development must be within the Water Service Area and  
17 consistent with the City of Albuquerque’s approved land use assumptions for  
18 impact fees to receive lower impact fees or reduced impact fees.

19 B. Jobs-Housing Balance.

20 1. There shall be lower or reduced impact fees for certain  
21 service areas as depicted in F/S2 O-04-71 (Appendix A). The service areas where  
22 these reductions shall be in effect are: “SW MESA”, “W MESA” and “NW MESA”.  
23 These reductions are based on research that indicates that significant reductions  
24 in Vehicle Miles Traveled (VMT) can be achieved through a balance of  
25 approximately 1 job per 2.5 persons.

26 2. Adjustment. For every new building housing the following  
27 uses, the Roadway Facilities Impact Fee will be reduced as follows:

28 Industrial or Manufacturing	70% reduction
29 Institutional	60% reduction
30 Office	50% reduction
31 Lodging, Retail, or Quality Restaurant	30% reduction

32 3. The lower/reduced fees identified in Section 1.B.2. shall be  
33 reviewed for modification when the new land use zones identified in Section 3,

1 including lower and reduced impact fee schedules, have been approved by the  
2 City.

3 The terms in this section shall have the same meaning as the terms in F/S  
4 O-04-71 Appendix B. The Mayor shall promulgate regulations to implement the  
5 above schedule within 60 days of the enactment of this Resolution.

6 C. Area Plans, Metropolitan Redevelopment Plans, Neighborhood  
7 and Sector Development Plans, Center and Corridor Plans.

8 1. Schedules of lower impact fees based on efficiencies and  
9 reduced impact fees shall be developed to foster the implementation of area  
10 plans, redevelopment plans, neighborhood and sector development plans, and  
11 center and corridor plans. These schedules shall be reviewed through one or  
12 more public hearings with affected stakeholders prior to consideration by the City  
13 Council.

14 2. Metropolitan Redevelopment Areas. No impact fees shall  
15 be charged for non-residential development within Metropolitan Redevelopment  
16 Areas that conforms to the MRA Plan and any applicable Sector Development and  
17 Area Plan subject to the review of the Planning Director. Impact fees for all  
18 owner-occupied housing affordable to households earning 80% or less of Area  
19 Median Income spending 30% of income on PITI (principal and interest as well as  
20 taxes and insurance) within Metropolitan Redevelopment Areas shall be waived.

21 D. Impact Fee Waivers for Economic Based Development Projects.

22 1. Impact Fees may be waived for projects that meet the  
23 following criteria:

24 Development that has received City Council approval for or subject to Industrial  
25 Revenue Bonds, Metropolitan Redevelopment Bonds or the Local Economic  
26 Development Act (Section 5-10-1 et seq. NMSA 1978) and an economic impact  
27 analysis has been conducted for the development that indicates a positive  
28 economic impact on the City.

29 Section 2. Waiver of Impact Fee for Affordable Housing.

30 1. Impact fees shall be completely or partially waived based on  
31 policies that support both affordable housing and stable neighborhoods. As  
32 used in this Resolution, "affordable housing" means housing owned and  
33 occupied, or rented by households earning a defined percentage of Area Median

1 **Income (AMI) spending no more than 30% of household income on housing costs**  
2 **defined as PITI (principal and interest as well as taxes and insurance). The**  
3 **defined percentage of AMI is identified in each subsection that follows.**

4 **2. Impact fees for owner-occupied housing affordable to**  
5 **households earning 80% or less of AMI within Metropolitan Redevelopment Areas**  
6 **shall be completely waived.**

7 **3. Impact fees for owner-occupied housing affordable to**  
8 **households earning 80% or less of Area Median Income within Planned Village**  
9 **Development Zones and Infill Development Zones shall be completely waived.**

10 **4. Impact fees for mixed-income projects. Impact fees for the**  
11 **affordable units in projects located within adopted Centers and Corridors**  
12 **(excluding proposed centers and corridors) as identified in Figure 20 of the**  
13 **Albuquerque/Bernalillo County Comprehensive Plan shall be waived completely.**  
14 **Impact fees for affordable units within mixed income projects located elsewhere**  
15 **shall be waived 60%. The term "mixed-income projects" is defined as below:**

16 **a. For owner occupied housing: not less than 20% or**  
17 **more than 50% of the total owner occupied units in the development affordable to**  
18 **households earning 80% or less of AMI and at least 40% remaining units**  
19 **affordable at 120% or more of AMI, and**

20 **b. For rental housing: not less than 20% or more than**  
21 **40% of the total rental units in the development affordable to households earning**  
22 **60% or less of AMI and at least 30% of the total units serving families at 80% or**  
23 **more of AMI.**

24 **5. Impact fees for housing affordable to households earning 30% or**  
25 **less of AMI shall be completely waived.**

26 **6. Regulations shall be established in order for the affordability**  
27 **requirements to remain in effect for the homes and projects which receive the**  
28 **affordable housing waivers. Such regulations shall consider deed restrictions or**  
29 **other mechanisms to insure long term affordability and shall be adopted prior to**  
30 **the initiation of development impact fee charges.**

31 **c. Any properties under the jurisdiction of FAA Grant**  
32 **Assurances shall have impact fees reduced 100%.**

1           **Section 3. Pursuant to PGS Bill No. F/S R-02-111 (Enactment No. 112-**  
2 **2002), there will be impact fee reductions for the Commercial Center Zone, the**  
3 **Campus Zone, the Conservation Subdivision Zone, the Transit-Oriented**  
4 **Development / Corridor Zone, Planned Village Development Zone, and Infill**  
5 **Development Zone which shall be adopted when such zones are approved by the**  
6 **Council. The schedules for impact fees shall be calculated first based upon on**  
7 **efficiencies and second, upon adopted policies.**

8           **Section 4. Policy Basis. The policy basis for these reductions is contained**  
9 **in the City/County Comprehensive Plan, Bill No. R-70, “Interim Growth Policy”;**  
10 **Bill No. R-55, “Centers and Corridors”; Bill No. R-17, “Infill Development Task**  
11 **Force”, Bill No. O-34-2002, “Adopting Elements of a Planned Growth Strategy”,**  
12 **Bill No. O-47-2003, “Adopting an Infrastructure and Growth Plan”, the West Side**  
13 **Strategic Plan, and other area plans, redevelopment plans, neighborhood and**  
14 **sector development plans.**

15           **Section 5. One mill of the City’s property tax that was allocated temporarily**  
16 **to the General Fund to alleviate the budget short-fall in FY/05 shall be returned**  
17 **from the General Fund (Fund 110) to the Capital Improvement Fund (Fund 305)**  
18 **beginning as soon as practicable to July 1, 2005 for the FY/06 budget. The**  
19 **revenues represented by this one mill in the Capital Improvement Program shall**  
20 **be used exclusively for street rehabilitation, street deficiency correction, and for**  
21 **pedestrian improvements including, but not limited to, missing sidewalks,**  
22 **pedestrian streetscape enhancements, shortened street crossing distances**  
23 **across arterials and collectors, bulb outs, textured pavements on cross walks,**  
24 **widened sidewalks, landscaping, façade improvements, and so on as allowed by**  
25 **Statute. These new funds shall not offset current spending levels for the street**  
26 **rehabilitation and deficiency correction program funded through property tax and**  
27 **other revenue sources.**

28           **Section 6. Review and re-evaluate R-159 six months after enactment.**

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