



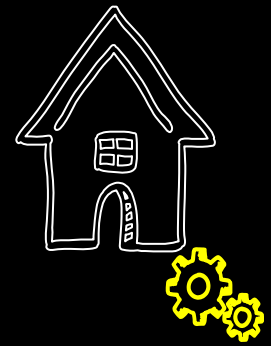
Developmental Impact Fees

Database | Process | Analysis | Implementation

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Fund for the city of New York | Community Planning Fellowship Program

Manhattan Community Board 01

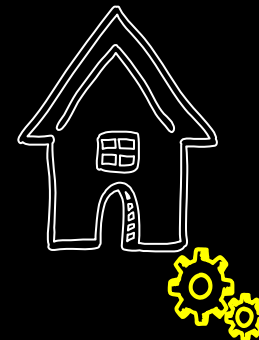


Background

From the year 2000, neighborhoods in Lower Manhattan have been witnessing concentrated residential growth. In result of this demographic change there is need to provide more facilities to the neighborhood. This can be achieved by implementing the Developmental Impact Fees to the residential units (New Construction & Conversions) to meet the necessary infrastructure demand of the area.

Methodology

- Identify the growth of residential units in Community Board 01 since 2000.
- Creating comprehensive new residential units Inventory for 2000-2016.
- Apply database created with Impact Fund research.



Sources

New Residential –

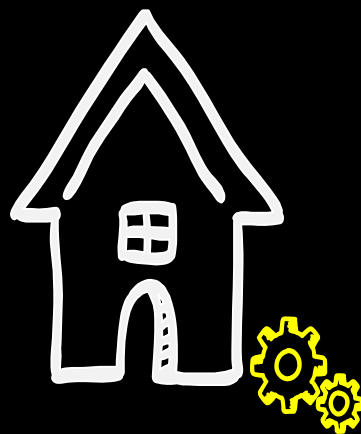
- Department of Buildings (Pluto 17v1)
- Emporis

Conversions –

- Department of Buildings
 - **Alteration Type 1** - Major alterations that will change use, Vertical Enlargements, adding outdoor seating, egress or occupancy.
- Alliance for the Downtown New York
 - Conversions



Source: LM3D -Alliance for the Downtown New York



NEW - RESIDENTIAL UNITS IN COMMUNITY DISTRICT 1

DATABASE (2000-2016)

New Residential Units

Manhattan Community District 01

2000 - 2016



New Construction

Year	Units	Year	Units
2000	189	2000	367
2001	348	2001	745
2002	586	2002	115
2003	1212	2003	624
2004	669	2004	364
2005	965	2005	1011
2006	1512	2006	273
2007	1710	2007	1267
2008	660	2008	1321
2009	92	2009	807
2010	143	2010	229
2011	3	2011	1391
2012	201	2012	2305
2013	185	2013	1190
2014	256	2014	256
2015	872	2015	872
2016	725	2016	725
	10328		13862

Source:
[Department of Buildings](#)

Source:
[Emporis database](#)

Alterations

Year	A1 Units	Year	Conv. Units
2000	667	2000	359
2001	101	2001	852
2002	551	2002	841
2003	919	2003	306
2004	1400	2004	927
2005	1488	2005	998
2006	547	2006	1339
2007	932	2007	1087
2008	89	2008	2023
2009	408	2009	268
2010	3	2010	
2011	422	2011	
2012	7	2012	422
2013	33	2013	
2014	26	2014	
2015	1926	2015	
2016	699	2016	1057
	10218		11263

Source:
[Department of Buildings](#)

Source:
[Alliance for the Downtown New York](#)

New Residential Units

Manhattan Community District 01- (2000 – 2016)

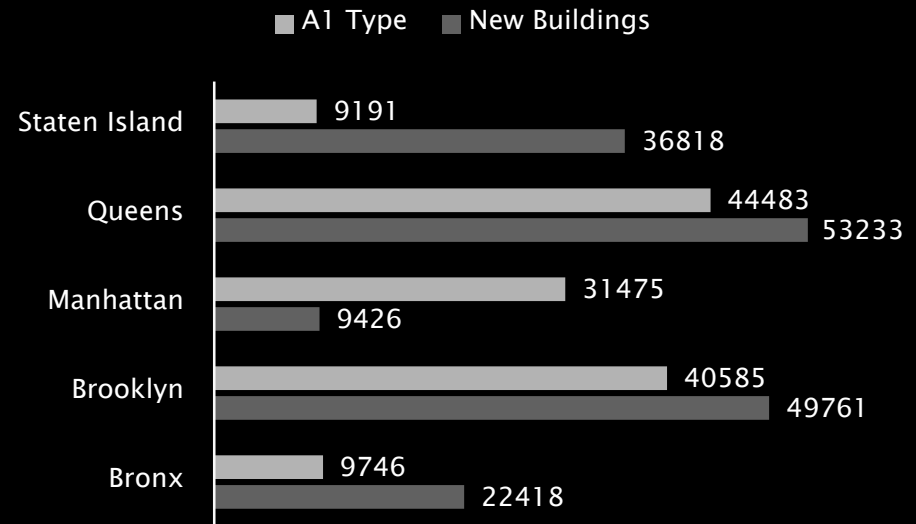
Alteration type 1- Conversions

A1 Job Types in Manhattan CB 1 (2000 - 2016)



Source: Department of Buildings

Job Type per Borough (2000 - 2016)



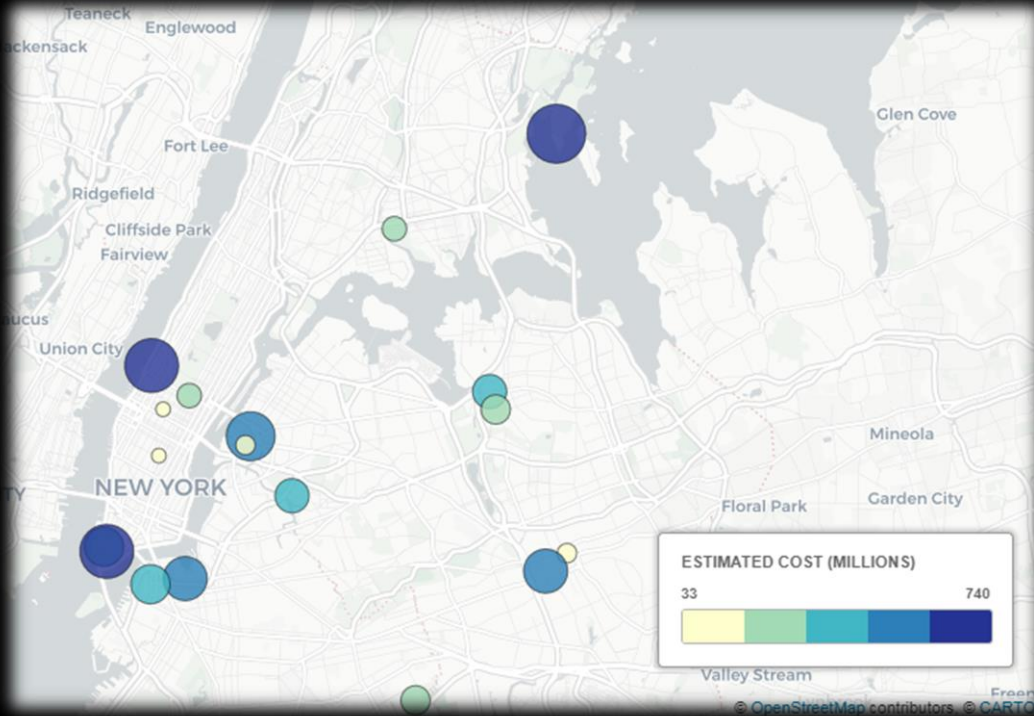
Source: NYC Construction Dashboard

- 7,988 units - A1 alteration year 2000 to 2016 in CB1.
- 31,475 units - A1 alteration year 2000 to 2016 in Manhattan.



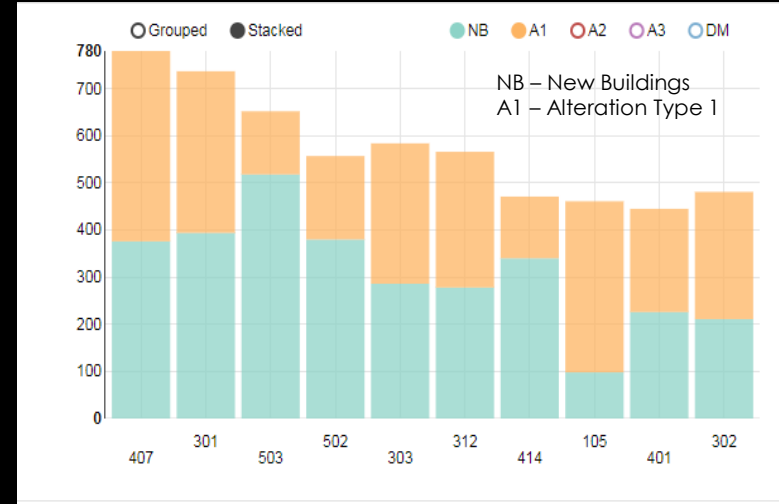
New Building and Alteration Job types - 2016

Top 20 Development projects (Q4 2016)



Source: NYC Construction Dashboard

Job Type: Top 10 Community Districts (2016)



Source: NYC Construction Dashboard

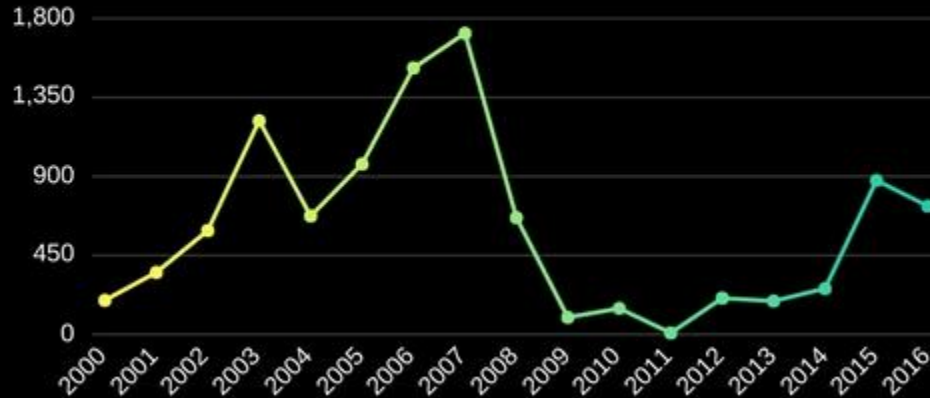
→ This map shows the top 20 approved New Buildings and A1 permits issued with the highest estimated cost in the 4th quarter of 2016. 1 Wall Street with A1 Job type (Conversion) in CB1 is estimated at cost of 444 million making it largest project in Manhattan.

→ By the end of 2016 CD1 had 394 permits issued under New Buildings & 301 permits of Alteration Job 1 type.



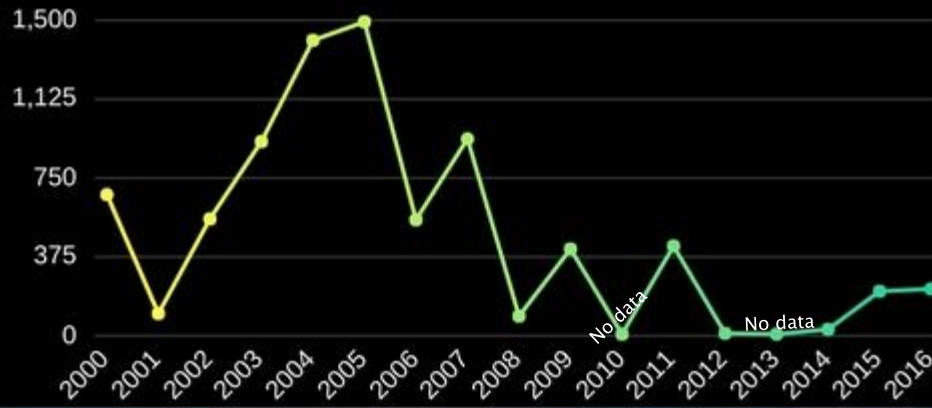
Manhattan Community District 1 New Construction & Conversions (2000-2016)

New Construction In Manhattan Community District 01 - 2000-2016



Source: Department of Buildings

Conversions In Manhattan Community District 01 - 2000-2016



Source: Alliance for the Downtown New York

- This conversion data is from Downtown Alliance.



New Construction In
Manhattan
Community District 01
2000-2016

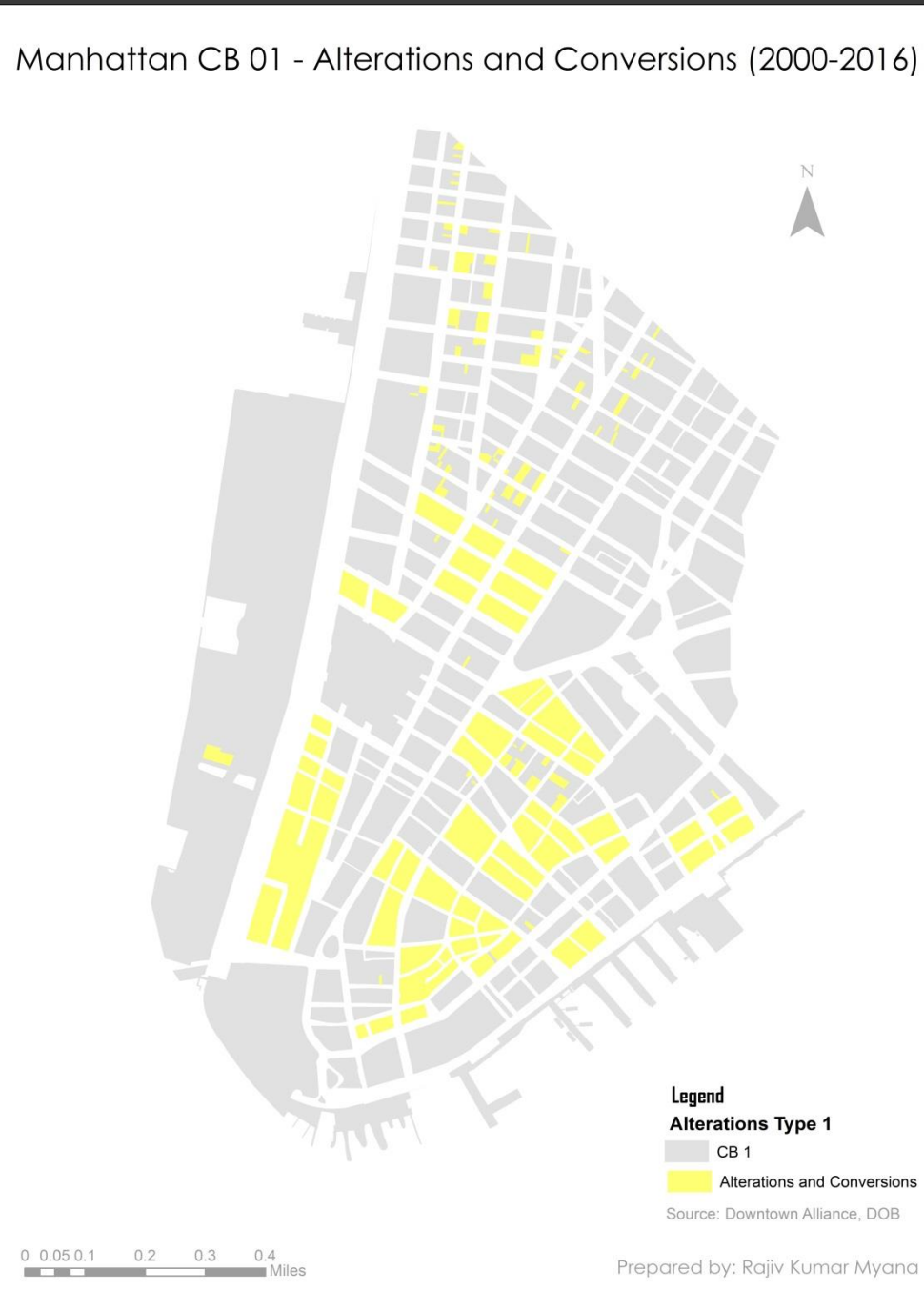
New Construction 2000-2016



Alterations & Conversions In Manhattan Community District 01 2000-2016

Manhattan CB 01 - Alterations and Conversions (2000-2016)

- All Conversions are cataloged under A1 type but all A1 are not conversions.
- The conversion data is from Downtown Alliance.



Manhattan CB 01 – Financial District Conversions



Manhattan CB 01 – Financial District New Construction



Developmental Impact Fees

- Fees required by local government to build, improve, or expand infrastructure and public facilities that will directly address the demands created by any new development.
- Facilities are determined on the basis of comprehensive plan, master plan or capital improvement plan consistent with the zoning requirements and future needs of the community.
- Payment of fees are typically required before completion of the development or issuance of certificate of occupancy.
- Fees are calculated on the basis of the cost of facility as well as nature and size of the infrastructure required.
- Rate of the fee is proportionately charged on the basis of per capita increase created by the new development.
- **Texas:** First state to adopt the general impact fee enabling act in 1987
California: Largest number of communities adopting impact fees law

Pros and Cons of Developmental Impact Fees

- Effective tool for ensuring adequate infrastructure for planned and anticipated growth.
- Equitable and efficient manner in which funds can be raised for public facilities.
- With Impact fees each new development contributes its fair share for the city's infrastructure.
- Additional funds reduce the amount that municipality will be required to generate for major capital projects.
- Direct benefit for beneficiary who pay for the service.

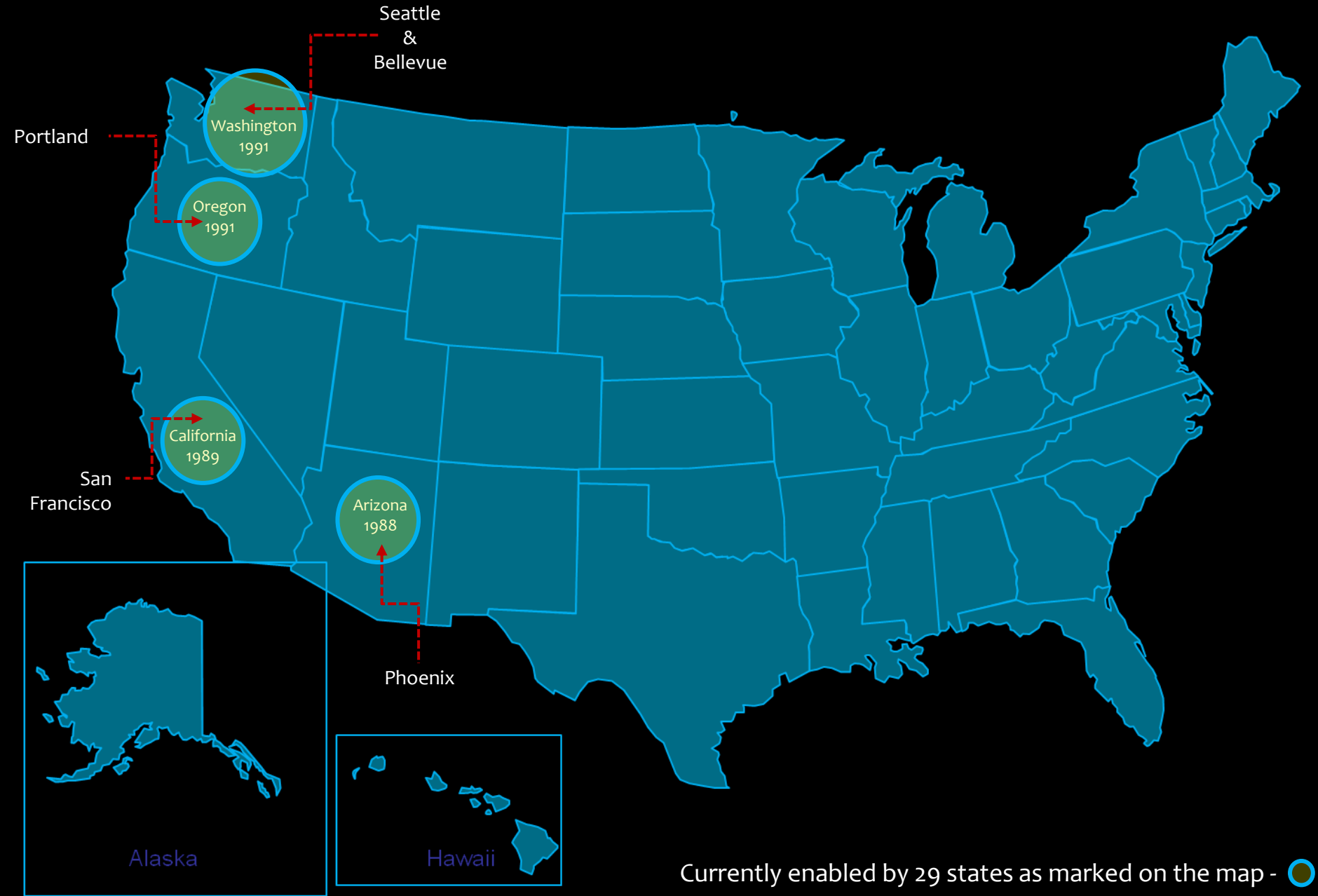
- Does not typically cover the total infrastructure cost.
- Large amount of planning, administration and research required.
- The process requires long term maintenance, tracking of contributions and record keeping, as the capital project requires a number of years to build and develop.
- Impact fees charged on new development may increase housing prices/rent.
- The fees may reduce the number of affordable housing units built.

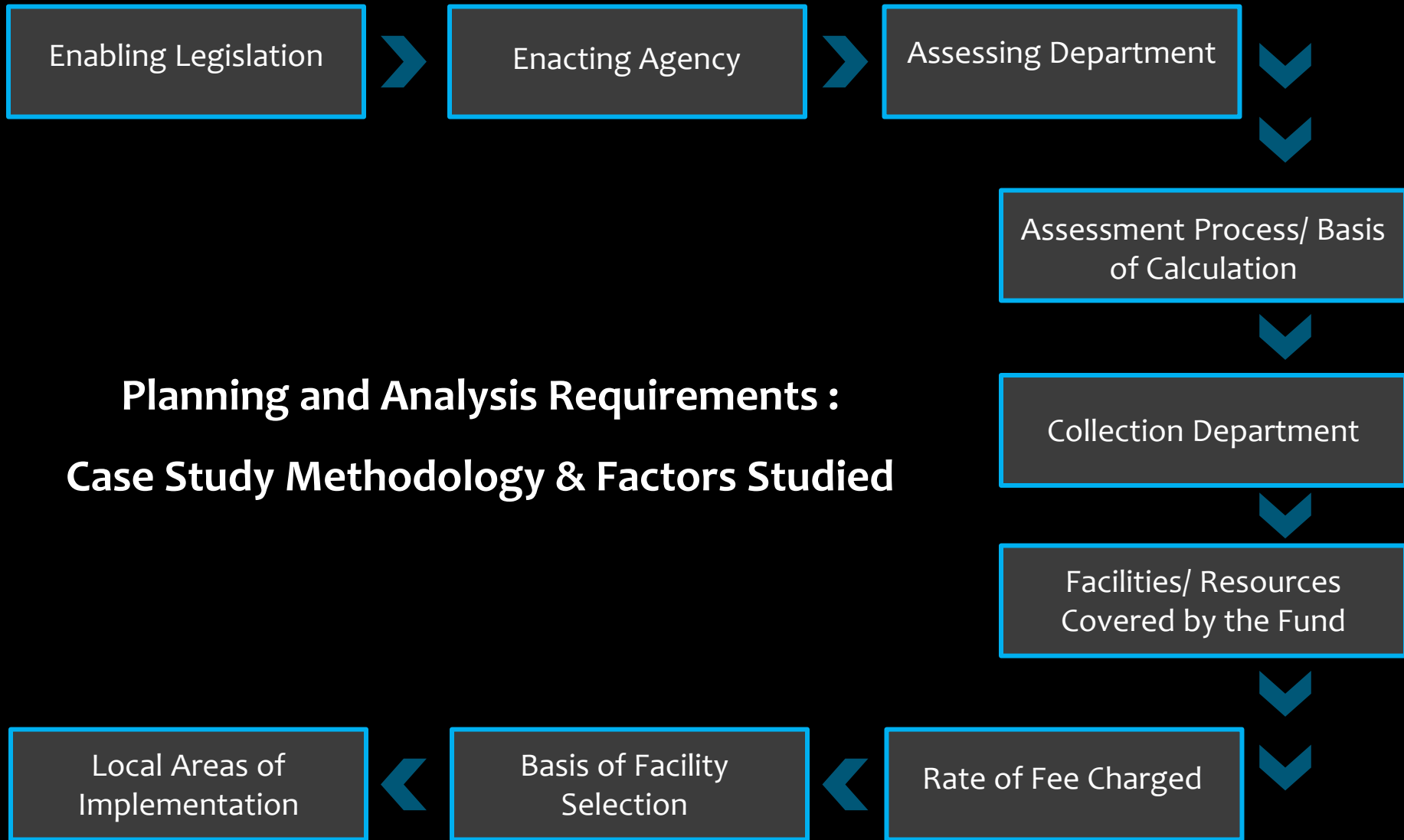
States & Year Enabled



Currently enabled by 29 states as marked on the map - ●

Cities Researched





Enabling Legislation

Enacting Agency

Assessing Dept.

San Francisco, CA

Based on the California Mitigation Fee Act

Programmed through the City's Interagency Plan Implementation Committee

Assessed by the SF Planning Department

Bellevue, WA

Established under the Growth Management Act, WA State Law

Transportation Impact Fee-enacted by the City under Growth Management Act

The City of Bellevue assess the transportation impact fee

Phoenix, AZ

Based on Arizona Municipal development impact fee statutes

Municipality of the City

Municipality of the city may assess development fee to offset cost for providing services

Portland, OR

Based on Oregon State Legislation for System Development Charges

The Local Government is authorized to establish System Development Charges, which is overseen by the Bureau of Development Services

Based on the nature of the project

Seattle, WA (to be implemented)

Established under the Growth Management Act, WA State Law

Enacted by City Council & Mayor's Office

Interdepartmental workgroup formed by Office of Planning and Community development to study the possibilities

Cost Assessment

San Francisco, CA

Based on Annual Infrastructure Construction Cost Estimates

Bellevue, WA

Uses a City Cost Model to determine proportionate share of Impact Fees

Phoenix, AZ

Based on the Infrastructure Financing Plan derived from Land Use Assumptions and Planned Improvement

Portland, OR

Based on the nature of improvement Project

Seattle, WA
(to be implemented)

Focused on generating Impact Fees as a supporting revenue for City policy goals

Collection Dept.

Developmental Fee Collection unit at the Department of Building Inspection

Department of Transportation

Municipality of the City

Based on the nature of Improvement Project, fees as assessed and collected by specific agencies

Interagency Workgroup: Department of Planning, Transportation (SDOT), Parks and Recreation, etc.

Facilities & Areas of Implementation

Streets, Open Spaces, Community Facilities in Areas of concentrated growth

Citywide implementation of fees for Transportation Projects

Fire Protection, Police, Parks, Libraries, Storm Drainage, Water, Waste Water Impact Fees charged in areas defined in the General Plan

Citywide Impact Fees Charged for Roads, Water, Wastewater, Open Spaces

Citywide implementation of fees for transportation projects

Recommendations for New York City

Enabling Legislation



- **A State Enabled Legislation that defines the purpose and a uniform framework for establishment and implementation of Impact Fees.**
- **Based on the projected population growth & concentrated development in the city.**

Enacting Agency



- **Enacted and overseen by Department of City Planning for authorization and administration of the system.**
- **Informed by the Community Board Annual District Needs Statement and Budget Requests.**

Assessing Department



- **Based on the nature of the project, DCP determines the Impact Fee to be assessed and calculated by appropriate department for the facility required.**

Recommendations for New York City

Cost Assessment



- Based on the infrastructure cost estimates, the City budget and additional revenue requirements for the infrastructure development.
- Proportionate share of Impact fees to be determined using the factors listed above.
- Can be paid when the building permit is issued & based on gross area or number of bedrooms in a residence.

Collection Department



- Option 1: Creation of Impact Fee Collection Unit overseen by Department of Finance that works in conjunction with Department of Transportation, Parks and Recreation Department, Sanitation Department, etc. based on the infrastructure required.
- Option 2: Collection of Impact Fee to be carried out by the department that oversees the development of the infrastructure required.

Facilities & Areas of Implementation



- Facilities to be determined on the basis of District Needs Statement and Budget Requests of each community.
- Prioritization determined by the deficit or urgency of the facility required.
- Areas of implementation to be derived through Growth Analysis that determines the increase in development and creation / conversion of new residential units in a neighborhood.

New Residential Units in Lower Manhattan

2 Gold Street, New York

- Built in 2003
- Number of New Residential Units = 650
- Total Area of Residential Units = 598,366 Sq. Ft.



Scenario 1 – Balboa Park, San Francisco, CA

Balboa Park Community Infrastructure Impact Fee

Impact Fee Rate = **\$10.70/SF** for Residential Development



If 2 Gold Street was Developed in Balboa Park, SF

- Total Area of Residential Units = 598,366 Sq. Ft.
- Total Impact Fee Generated = **\$6,402,516**
(598,366 x 10.7)

Scenario 2 – Estrella South, Southwest Phoenix, AZ

Southwest Phoenix Park Impact Fees

Impact Fee Rate = **\$3,346/ EDU**(Equivalent Demand Unit)

(Multi Family = 0.65 EDU per dwelling unit)



If 2 Gold Street was Developed in Estrella South, Southwest Phoenix

- Number of New Residential Units = 650
- Total Impact Fee Generated = **\$1,413,685**
[(0.65 x 650) x 3,346]

IMPACT FEE IMPLEMENTATION

IMPACT FEE - NEW CONSTRUCTION (2000 – 2016)

Units	ResArea	*SF Impact fee	*PHX Impact fee
8,647	10,424,353	\$ 111,540,577	\$ 18,806,360

*San Francisco Impact Fee Rate = \$10.70/Sft for Residential Development

*Phoenix Impact Fee Rate (Approximate) = \$3,346/ EDU
(Equivalent Demand Unit)
(Multi Family = 0.65 EDU per dwelling unit)

Source: DOB

IMPACT FEE – CONVERSIONS (2000 – 2016)

Units	ResArea	*SF Impact fee	*PHX Impact Fee
10,971	12,040,784	\$ 128,836,389	\$ 23,671,611

*San Francisco Impact Fee Rate = \$10.70/Sft for Residential Development

*Phoenix Impact Fee Rate (Approximate) = \$3,346/ EDU
(Equivalent Demand Unit)
(Multi Family = 0.65 EDU per dwelling unit)

Source: ADNY



Next Steps

- The advancement of this research should focus on targeted advocacy to devise ways for enabling of legislation and implementation of impact fees in areas of projected growth in the City.
- Infrastructure requirements based on District Needs Statement could be used to determine the facilities and formulate a cost assessment process.
- Neighborhoods in Lower Manhattan, like Financial District, Tribeca, etc. which have been witnessing concentrated growth over the last decade should be the focus area for the study.

Conclusions

Based on new developments and relevant public facilities, enabling and adhering to an impact fee legislation may benefit communities in New York City and help meet the growing demand for infrastructure through an additional mode of revenue generation.

THANKS!

