



Facility Planning and Real Estate Department

STATUS - STUDENT GENERATION RATE AND SCHOOL IMPACT FEE STUDY UPDATE

Presented by

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May 15, 2018

PURPOSE

Purpose of today's presentation is as follows:

Part One: Student Generation Rate and School Impact Fee Study Update

- Most recent stakeholders input regarding Study Update
- Use of school impact fees to pay debt service related to capacity additions
- Response to April 11, 2018 Oversight Committee question regarding incorporation of transportation and ancillary facilities costs into Study Update methodology
- Recommended student generation rates and school impact fees schedule

Part Two: Approaches to Enable Affordable Housing

- Planned approaches to address school impact fee increases on affordable housing and additional concepts to enable provision of affordable housing for Broward County Public School (BCPS) teachers

- Next Steps



PART ONE: STUDENT GENERATION RATE AND SCHOOL IMPACT FEE STUDY UPDATE

- ❖ Study Update incorporates most recent stakeholders input (See Appendix 1)
- ❖ Legal opinion from School Board Bond and Tax Counsel confirms School District can utilize school impact fees to pay debt service related to capacity additions (See Appendix 4 and 5)
- ❖ HB 697 stated as follows: “The collection or expenditure of the impact fee revenues may not be used, in whole or part, to pay existing debt or be used for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or commercial construction”
 - ❑ However, HB 697 failed and was never enacted
- ❖ The legal opinion was provided to School Board Members via memorandum dated April 10, 2018



PART ONE: STUDENT GENERATION RATE AND SCHOOL IMPACT FEE STUDY UPDATE

- ❖ Questions from April 11, 2018, Oversight Committee (OC) meeting were as follows:
 - ❑ Explain why transportation and ancillary costs were utilized in the Study Update methodology
 - ❑ Transportation capital and ancillary facilities represent capital assets the District had to build or provide to serve students
 - ❑ Therefore, impact fee revenues can be used to build additions to these facilities or purchase additional buses
 - ❑ As such, the calculations include the value of these assets, which is the standard practice industrywide
 - ❑ What other School Districts in Florida use school impact fees to pay for debt service
 - ❑ Districts that either use or at least at one point used impact fee revenues to pay debt service related to capacity projects are Brevard, Collier, Seminole, Lake, Osceola, Hernando, and Volusia

Note: Responses to OC questions were provided by Tindale Oliver in letter dated April 18, 2018



PART ONE: STUDENT GENERATION RATE AND SCHOOL IMPACT FEE STUDY UPDATE

❖ Current Conditions – Broward County

- ❑ \$1.8 billion loss of capital revenue due to reduction of millage from 2.0 to 1.5 mills
- ❑ HB 7069, approximately \$13 to \$24 million reduction in revenue due to millage sharing requirement with charter schools per year over next five years. Requirement to share millage with charter schools was eliminated for FY 18-19
- ❑ Base Student Allocation is not at the same level accounting for inflation as 2008, never recovered
- ❑ \$900 million in debt due to capacity additions



PART ONE: STAFF RECOMMENDED STUDENT GENERATION RATES TABLE AND SCHOOL IMPACT FEE SCHEDULE

Recommended Student Generation Rates

Dwelling Unit Type	Bedrooms	2017 Study
Single Family	3 or fewer	0.368
	4 or more	0.500
Townhouse, Duplex & Villa	2 or fewer	0.200
	3 or more	0.300
Garden Apartment	1 or fewer	0.140
	2 bedrooms	0.200
	3 or more	0.240
Mid-Rise	1 or fewer	0.030
	2 or more	0.080
High-Rise	Combined	0.030
Mobile Home	2 or fewer	0.150
	3 or more	0.326

Source: Appendix C, Table C-4 (Item 4)

Calculated School Impact Fee Comparison, Full vs. 75% Cap

Dwelling Unit Type	Bedrooms	Full Calculated Rate ⁽¹⁾	Calculated Rate Capped @75% Increase ⁽²⁾
Single Family	3 or fewer	\$9,049	\$9,049
	4 or more	\$12,295	\$12,295
Townhouse, Duplex & Villa	2 or fewer	\$4,918	\$4,918
	3 or more	\$7,377	\$7,377
Garden Apartment	1 or fewer	\$3,442	\$626
	2 bedrooms	\$4,918	\$4,918
	3 or more	\$5,901	\$5,901
Mid-Rise	1 or fewer	\$738	\$488
	2 or more	\$1,967	\$1,921
High-Rise	Combined	\$738	\$602
Mobile Home	2 or fewer	\$3,688	\$3,688
	3 or more	\$8,016	\$8,016

1) Source: Table 10

2) Updated impact fee rate with a capped increase of 75% (yellow oval) greater than the current adopted fee

NOTE: Student Generation Rates and School Impact Fees were determined by Tindale Oliver using the hybrid methodology as explained in the Study Update.



PART TWO: APPROACHES TO ENABLE AFFORDABLE HOUSING

❖ School Board Initiative to Address Affordable Housing Needs

- ❑ School impact fee increases are capped at no more than 75% (See Appendix 2 and 3)
- ❑ Maintain annual allocation at \$375,000
- ❑ Double per project maximum to \$50,000
- ❑ Expand to 100% waiver for certified very low and low income affordable housing projects
- ❑ Continue to implement at building permit stage/impact fee payment stage, and increase redemption of fee waiver period from 30 to 60 days

75% CAP WAS DETERMINED BASED ON DISCUSSIONS ON A PERCENTAGE FROM 0 TO 100%. THEREAFTER, THE 75% CAP WAS SELECTED AND TESTED, AND THE RESULTS MET THE DE-MINIMUS RANGE.



PART TWO: APPROACHES TO ENABLE AFFORDABLE HOUSING

❖ Concepts Under Analysis/Consideration to Enable Affordable Housing for Teachers

❑ **Concept:** Teacher Housing Through Sale of School Board of Broward County (SBBC), Florida Surplus Land

- ❑ Award sale of land in bid process (Request For Proposal – RFP) to winning bid at price bid above minimum asking price (less SBBC stipulated percentage towards affordable housing)
- ❑ In return, owner of winning bid commits to set aside a specified number of units for allocation to teachers

❑ **Example**

- ❑ Desired set aside units, no less than 10% of units planned for development
- ❑ Developer's offer exceeds the minimum asking price
- ❑ RFP stipulates land will be sold to the highest bidder
- ❑ The highest bidder will receive 50% affordable housing credit beyond bid amount above minimum asking price
- ❑ Sale of land awarded to winning bid committing to meeting or exceeding stipulations

❑ **Funding Source:** Reduction in sales price to winning bid developer



PART TWO: APPROACHES TO ENABLE AFFORDABLE HOUSING

❑ Implementation

- ❑ Engage legal review of pitfalls
- ❑ Develop program parameters with input from development community
- ❑ Develop incorporate language into RFP which articulates stipulations
- ❑ Establish a District Committee to develop eligibility criteria and award process
- ❑ Partner with outside agency (Broward County, affordable housing agency, etc.) to administer program

❑ Next Steps

- ❑ Explore/Engage outside agency (Broward County, affordable housing, etc.) to administer program
- ❑ As necessary, continue dialog on concept with School Board Members
- ❑ Amendment to School Board Policy to authorize concept/program

❖ Staff Conducting Due Diligence to Ascertain Viable Land on Existing School Sites that can be Surplused and Sold

- ❑ Thereafter, implement concept of teacher housing through sale of SBBC Surplus Land



NEXT STEPS

- ❑ August 7, 2018 (tentative) – SBBC formal action to adopt resolution regarding Student Generation Rates table and School Impact Fee schedule
 - Resolution recommends Broward County to amend Broward County Land Development Code (BCLDC) to include the recommended Student Generation Rates table and School Impact Fee schedule
- ❑ Date TBD – Broward County Local Planning Agency (LPA) meeting on recommended Student Generation Rates table and School Impact Fee schedule*
 - Broward County Planning Council serves as LPA
- ❑ Date TBD - Broward County Commission conducts formal action to amend BCLDC to include the Student Generation Rates table and School Impact Fee schedule*

TBD: To Be Determined

Notes

1. Allows for public comments*
2. It should be noted that per state law, adopted impact fees ordinances shall become effective 90 days after their adoption date by the governing body
3. See Appendix 6 which depicts meetings held on the Study Update



Questions



Facility Planning and Real Estate Department

STATUS - STUDENT GENERATION RATE (SGR) AND SCHOOL IMPACT FEE STUDY UPDATE

May 15, 2018

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APPENDIX



MOST RECENT STAKEHOLDERS INPUT

- ❑ October 5, 2017 - District staff presented and discussed the Study Update at the Staff Working Group meeting. No objection to the study results
- ❑ Broward County staff suggested changes to pertinent text in study
 - On October 30, 2017, District staff, Tindale-Oliver, and Broward County staff participated in telephone conference call to discuss County staff's suggested text changes
 - Consensus reached is reflected in the subject text depicted from pages 28-29 of the Student Generation Rate and School Impact Fee Study Update Draft Report dated October 31, 2017
- ❑ October 11, 2017 - The Oversight Committee (OC) meeting concluded with recommendation that the Study Update be forwarded to the School Board for its formal action
- ❑ November 28, 2017 School Board Workshop - Staff informed School Board Members about its efforts in seeking legal opinion from School Board Bond and Tax Counsel regarding whether the School District can use school impact fees to make payments on debt service incurred regarding new construction of schools and capacity additions to existing schools
 - The legal opinion was provided to School Board Members via memorandum dated April 10, 2018 (Attachment 1)
- ❑ April 11, 2018, OC Meeting - Two questions from the OC meeting were as follows:
 - Rationale as to why use of transportation and ancillary costs were utilized in the methodology of the Study Update
 - What other School Districts in Florida use school impact fees to pay for debt service
- ❑ Response to the questions provided by Tindale Oliver in letter dated April 18, 2018 (Slide No. 10 of the Presentation)



CALCULATED SCHOOL IMPACT FEE AND 75% CAP

DeMinimus Calculation for Broward County Schools

Dwelling Unit Type	Bedrooms	Total Impact Fee ⁽¹⁾	Current Adopted Fee ⁽²⁾	Percent Change ⁽³⁾	75% Rate Cap ⁽⁴⁾	Percent Change ⁽⁵⁾	Sample of Units ⁽⁶⁾	Revenue Full Rate ⁽⁷⁾	Revenue 75% Cap ⁽⁸⁾	Revenue Difference ⁽⁹⁾
Single Family	3 or fewer	\$9,049	\$6,558	38%	\$9,049	38%	850	\$7,691,650	\$7,691,650	\$0
	4 or more	\$12,295	\$8,241	49%	\$12,295	49%	2,265	\$27,848,175	\$27,848,175	\$0
Townhouse, Duplex & Villa	2 or fewer	\$4,918	\$3,783	30%	\$4,918	30%	229	\$1,126,222	\$1,126,222	\$0
	3 or more	\$7,377	\$6,418	15%	\$7,377	15%	1,897	\$13,994,169	\$13,994,169	\$0
Garden Apartment	1 or fewer	\$3,442	\$358	861%	\$626	75%	350	\$1,204,700	\$219,100	-\$985,600
	2 bedrooms	\$4,918	\$4,182	18%	\$4,918	18%	2,769	\$13,617,942	\$13,617,942	\$0
	3 or more	\$5,901	\$7,598	-22%	\$5,901	-22%	802	\$4,732,602	\$4,732,602	\$0
Mid-Rise	1 or fewer	\$738	\$279	165%	\$488	75%	117	\$86,346	\$57,096	-\$29,250
	2 or more	\$1,967	\$1,098	79%	\$1,921	75%	1,207	\$2,374,169	\$2,318,647	-\$55,522
High-Rise	Combined	\$738	\$344	115%	\$602	75%	1,647	\$1,215,486	\$991,494	-\$223,992
Mobile Home	2 or fewer	\$3,688	\$2,955	25%	\$3,688	25%	-	-	-	-
	3 or more	\$8,016	\$6,440	24%	\$8,016	24%	-	-	-	-
Total:								\$73,891,461	\$72,597,097	-\$1,294,364
Percent of Full Rate Revenue⁽¹⁰⁾:								-	-	1.75%

- 1) Source: Table 10
 - 2) Source: Broward County Planning and Development Management Division
 - 3) Percent change from the current adopted impact fee (Item 2) to the total impact fee (Item 1)
 - 4) Updated impact fee rate with a capped increase of 75 percent greater than the current adopted fee
 - 5) Percent change from the current adopted impact fee (Item 2) to 75% rate cap (Item 4)
 - 6) Source: Table C-4, new homes added from 2010 to 2016
 - 7) Total impact fee (Item 1) multiplied by the sample of units (Item 6)
 - 8) 75% rate cap (Item 4) multiplied by the sample of units (Item 6)
 - 9) 75% cap revenue (Item 8) less the full rate revenue (Item 7)
 - 10) Total of the "revenue difference" divided by the "revenue full rate" total
- Prepared by: Tindale Oliver

NOTE: 1) School Impact Fee (SIF) cap was considered due to concerns regarding high percentage increases in several fee categories of the proposed SIF schedule.

2) 75% cap was determined based on discussions of a percentage from 0 to 100%. Thereafter, the 75% cap was selected and tested, and results met the de-minimus range



CALCULATED SCHOOL IMPACT FEE AND 75% CAP

RATIONALE

Capping the SIF is legally permissible based on the following:

- ❑ The impact of capping is considered “de-minimus” in terms of total SIF revenue (i.e. revenue loss should be less than 5% of the total SIF revenue. Calculations by Tindale Oliver show revenue loss to be 1.75% based on building permit data of past 7 years)
- ❑ School Board should review the de-minimus amount annually to ensure it is less than 5% of the total SIF revenue collected
- ❑ The School Board can use another general tax revenue to supplement SIF revenues so that SIF program remains whole
- ❑ School District Chief Financial Officer (CFO) reviewed the “de-minimus” results and found that capping the pertinent fee categories at 75% is satisfactory



SUMMARY OF BOND COUNSEL'S OPINION ON OVERSIGHT COMMITTEE QUESTION OF USING SCHOOL IMPACT FEES TO PAY DEBT SERVICE

- ❑ Broward County Code which authorizes collection and spending of school impact fees meets both prongs of the Dunedin test
- ❑ Requirements contained in the Second Amended Interlocal Agreement for Public Facility Planning (SILA) evidences impact fee compliance with both common law and statutory law
- ❑ The amount of debt service to be paid from impact fees must have a rational nexus with the debt service due in that year on the previously approved capital expansion facility
- ❑ By law, Certificate of Participation (COP) may have a term as long as 30 years, so theoretically the School Board could finance the construction of an impact fee eligible growth school over 30 years
- ❑ The 1990 Master Lease provides that lease payments can be made from “current or other funds authorized by law and appropriated for such purpose by the School Board”. Although capital outlay millage is the primary source, any other funds that are legally available may be used. Impact fees are one of those sources

1. Dunedin is the source of the “dual rational nexus” test, that is, (i) the impact fee must be reasonably connected to, or have a rational nexus with, the expenditure of the funds and the benefits accruing to new residential (in the case of schools) construction, and (ii) the local government must sufficiently earmark the funds for use in constructing facilities to benefit new users.



DEBT SERVICE AND SCHOOL IMPACT FEE

Impact Fee Revenue Expenditures by Benefit Zone Summary

Cash Expenditures

Zone	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Total
N	\$5,356,206	\$6,734,734	\$6,316,635	\$604,588	\$334,050	\$40,935	\$4,838	\$157,003	\$284,618	\$0	\$7,566	\$0	\$38,551	\$19,879,724
NC	\$377,568	\$2,881,781	\$415,325	\$715,566	\$2,526,493	\$307,869	\$32,794	\$1,577,287	\$0	\$0	\$136,415	\$45,806	\$38,304	\$9,055,208
SC	\$1,565,517	\$3,318,138	\$6,026,868	\$913,993	\$2,262,061	\$132,517	\$890,545	\$0	\$4,629	\$0	\$0	\$5,444	\$45,072	\$15,164,784
S	<u>\$4,277,908</u>	<u>\$5,046,206</u>	<u>\$10,924,306</u>	<u>\$5,468,786</u>	<u>\$589,750</u>	<u>\$12,507</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$23,324</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26,342,787</u>
	\$11,577,199	\$17,980,859	\$23,683,134	\$7,702,933	\$5,712,354	\$493,828	\$928,177	\$1,734,290	\$289,247	\$0	\$167,305	\$51,250	\$121,927	\$70,442,503
% of Total	100%	100%	100%	100%	100%	100%	34%	49%	3%	0%	1%	100%	1%	55%

Debt Repayment

Zone	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Total
N	\$0	\$0	\$0	\$0	\$0	\$0	\$1,142,135	\$1,120,392	\$1,800,000	\$5,257,075	\$5,700,000	\$0	\$5,700,000	\$20,719,602
NC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,845,227	\$1,100,000	\$0	\$3,000,000	\$5,945,227
SC	\$0	\$0	\$0	\$0	\$0	\$0	\$445,962	\$444,600	\$1,800,000	\$2,962,203	\$4,100,000	\$0	\$2,700,000	\$12,452,765
S	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$211,903</u>	<u>\$213,408</u>	<u>\$4,800,000</u>	<u>\$5,405,955</u>	<u>\$2,100,000</u>	<u>\$0</u>	<u>\$6,000,000</u>	<u>\$18,731,266</u>
	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,000	\$1,778,400	\$8,400,000	\$15,470,460	\$13,000,000	\$0	\$17,400,000	\$57,848,860
% of Total	0%	0%	0%	0%	0%	0%	66%	51%	97%	100%	99%	0%	99%	45%

Total

Zone	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Total
N	\$5,356,206	\$6,734,734	\$6,316,635	\$604,588	\$334,050	\$40,935	\$1,146,973	\$1,277,395	\$2,084,618	\$5,257,075	\$5,707,566	\$0	\$5,738,551	\$40,599,326
NC	\$377,568	\$2,881,781	\$415,325	\$715,566	\$2,526,493	\$307,869	\$32,794	\$1,577,287	\$0	\$1,845,227	\$1,236,415	\$45,806	\$3,038,304	\$15,000,435
SC	\$1,565,517	\$3,318,138	\$6,026,868	\$913,993	\$2,262,061	\$132,517	\$1,336,507	\$444,600	\$1,804,629	\$2,962,203	\$4,100,000	\$5,444	\$2,745,072	\$27,617,549
S	<u>\$4,277,908</u>	<u>\$5,046,206</u>	<u>\$10,924,306</u>	<u>\$5,468,786</u>	<u>\$589,750</u>	<u>\$12,507</u>	<u>\$211,903</u>	<u>\$213,408</u>	<u>\$4,800,000</u>	<u>\$5,405,955</u>	<u>\$2,123,324</u>	<u>\$0</u>	<u>\$6,000,000</u>	<u>\$45,074,053</u>
	\$11,577,199	\$17,980,859	\$23,683,134	\$7,702,933	\$5,712,354	\$493,828	\$2,728,177	\$3,512,690	\$8,689,247	\$15,470,460	\$13,167,305	\$51,250	\$17,521,927	\$128,291,363

Note: "Cash Expenditures" means, impact fee revenue that was used to make payments directly to contractors, consultants and other construction project expenditures for capacity additions.

Note: "Debt Repayment" means, impact fee revenue that was used to make debt service payments for the construction financing that is directly related to impact fee eligible construction projects.

Data Source: Capital Budget Department, The School Board of Broward County, Florida



STUDY UPDATE TIMELINE

STUDENT GENERATION RATE/SCHOOL IMPACT FEE STUDY UPDATE
Tentative Meetings/Public Workshops/Hearings
 Years 2016 - 2017

<u>Meetings, Public Workshops/ Hearings</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
Study Standing Committee	1/31/17	2:00 pm	KCW
Oversight Committee*	4/12/17	12:00 Noon	KCW, School Board Meeting Room
Broward County Planning Council *	4/27/17	10:00 am	Broward County Governmental Center, Room 422
Staff Working Group	6/01/17	9:30 am	401 NW 70 th Terrace, 1 st Floor Plantation, FL 33317
Broward League of Cities	6/01/17	12:00 Noon	Colony West, 6800 NW 88 th Ave. Tamarac, FL
Oversight Committee*	6/14/17	12:00 Noon	KCW, School Board Meeting Room
General Public Workshop*	6/19/17	2:00 pm	Broward County Governmental Center, Room TBA
School Board Workshop*	6/20/17	10:00 am	KCW, School Board Meeting Room
Oversight Committee*	8/9/17	12:00 Noon	KCW, School Board Meeting Room
School Board Workshop*	8/25/17	1:00 pm	KCW, School Board Meeting Room
Staff Working Group (Status Report)	10/5/17	9:30 a.m.	401 NW 70 th Terrace, 1 st Floor Plantation, FL 33317
Oversight Committee (Status Report)*	10/11/17	12:00 Noon	KCW, School Board Meeting Room
School Board Workshop*	11/28/17	12:30 pm	KCW, School Board Meeting Room
Regular School Board Meeting*	TBD	10:15 am	KCW, School Board Meeting Room (Transmittal of the Study recommendations to the County Commission for adoption into Broward County Land Development Code)
Broward County Planning Council*	TBD	10:00 am	Broward County Governmental Center (LPA Hearing)
Broward County Commission*	TBD	2:00 pm	Broward County Governmental Center Room No. 422 (Adoption of Study recommendations into the Broward County Land Development Code)

* Allows for public comment

NOTE: Based on unforeseen circumstances, this timeline may undergo additional revisions.

It should be noted that per state law, adopted impact fees ordinances shall become effective 90 days after their adoption date by the governing body.

4/23/2018

