

Impact Fee Deferral Option

Mayor and Council Policy and Chart of Contributions to Tucson Housing Trust Fund

- ▶ Only impact fees for roads, parks, and public facilities can be deferred under this procedure; police and fire fees cannot.
- ▶ The interest rate used to determine the contribution amounts in the charts below is the Fed Prime Rate (currently at 3.25%) plus a fixed percentage (which is set at 5.00%), for a total of 8.25%.
- ▶ The interest rate will be set annually by the Impact Fee Administrator based on the current Prime rate plus an amount approximating the prevailing rate charged for commercial building loans.
- ▶ The charts below are based on the maximum time period approved by Mayor and Council for a deferral (10 months for residential and 18 months for commercial), recognizing that not all deferrals will take that long. However, once the amount listed in the chart below is included in the development agreement, the charge will not be changed even if the developer reaches the final inspection before the 10 month (residential) or 18 month (commercial) time period ends.
- ▶ The contribution amounts below have been rounded up to the nearest \$100.
- ▶ The contribution to the Housing Trust Fund will be due at building permit and cannot also be deferred.
- ▶ Prior to building permit time, if the developer wishes to defer fees, a development agreement will be signed by the developer and placed on an upcoming Mayor and Council agenda for approval. Once approved by Mayor and Council, the developer shall go to Planning and Development Services and pay the impact fees for police and fire, along with the contribution to the Housing Trust Fund and the impact fee administrative fee (\$50) at the time of Building Permit.
- ▶ For residential subdivisions, one development agreement will be used to cover all homes in the subdivision. The contribution amount will be fixed at the same amount for all homes and will be set by the Impact Fee Administrator based on an approximation of the average impact fee obligation (roads, parks, public facilities) for the homes.
- ▶ For developments where the developer has an impact fee credit, only the net amount due in impact fees will be used in the chart above (e.g., \$300,000 impact fee obligation and a \$250,000 credit, so the city will determine the contribution based on the net amount due, \$50,000).
- ▶ The charts below will be used in conjunction with a sample development agreement ([click here](#)). Any developer is free to propose a customized development agreement that includes a different contribution amount and/or other items.
- ▶ No additional contributions to the Tucson Housing Trust Fund will be requested as a result of participating in this option.

Single Family/Multi-Family/Mobile Home on Single Lot

Impact Fee Obligation (for roads, parks, public facilities only)	Savings (maximum range amount of impact fee obligation x interest rate for 10 months)	Contribution (50% of savings rounded up to the nearest \$100)
Under \$5,000	\$344	\$200
\$5,001 – 7,500	\$516	\$300
More than \$7,500	will vary	\$400

Commercial

Impact Fee Obligation (for roads and public facilities only)	Savings (maximum range amount of impact fee obligation x interest rate for 18 months)	Contribution (50% of savings rounded up to the nearest \$100)
Under \$100,000	\$12,375	\$6,200
\$100,001 – 200,000	\$24,750	\$12,400
\$200,001 – 300,000	\$37,125	\$18,600
\$300,001 – 400,000	\$49,500	\$24,800
\$400,001 – 500,000	\$61,875	\$31,000
\$500,001 – 600,000	\$74,250	\$37,200
\$600,001 – 700,000	\$86,625	\$43,400
\$700,001 – 800,000	\$99,000	\$49,600
\$800,001 – 900,000	\$111,375	\$55,700
\$900,001 – 1,000,000	\$123,750	\$61,900
More than \$1,000,000	will vary	\$68,100