

TERNER
CENTER
FOR HOUSING
INNOVATION

UC BERKELEY



What are Development Fees?

Subdivision Map Act In-Lieu Fees

Quimby Act In-Lieu Fees

Inclusionary Housing Ordinance In-Lieu Fees

Utility Connection Fees

School Facilities Impact Fees

Permit Processing Fees

Development Agreements (DA)

**Community Benefit Agreements (When
independent of a DA)**

CEQA In-Lieu Mitigation Fees

Impact Fees

Development Fees Fund Important Services

Transportation

Environmental Programs

Fire and Public Safety

Libraries

Schools

Parks

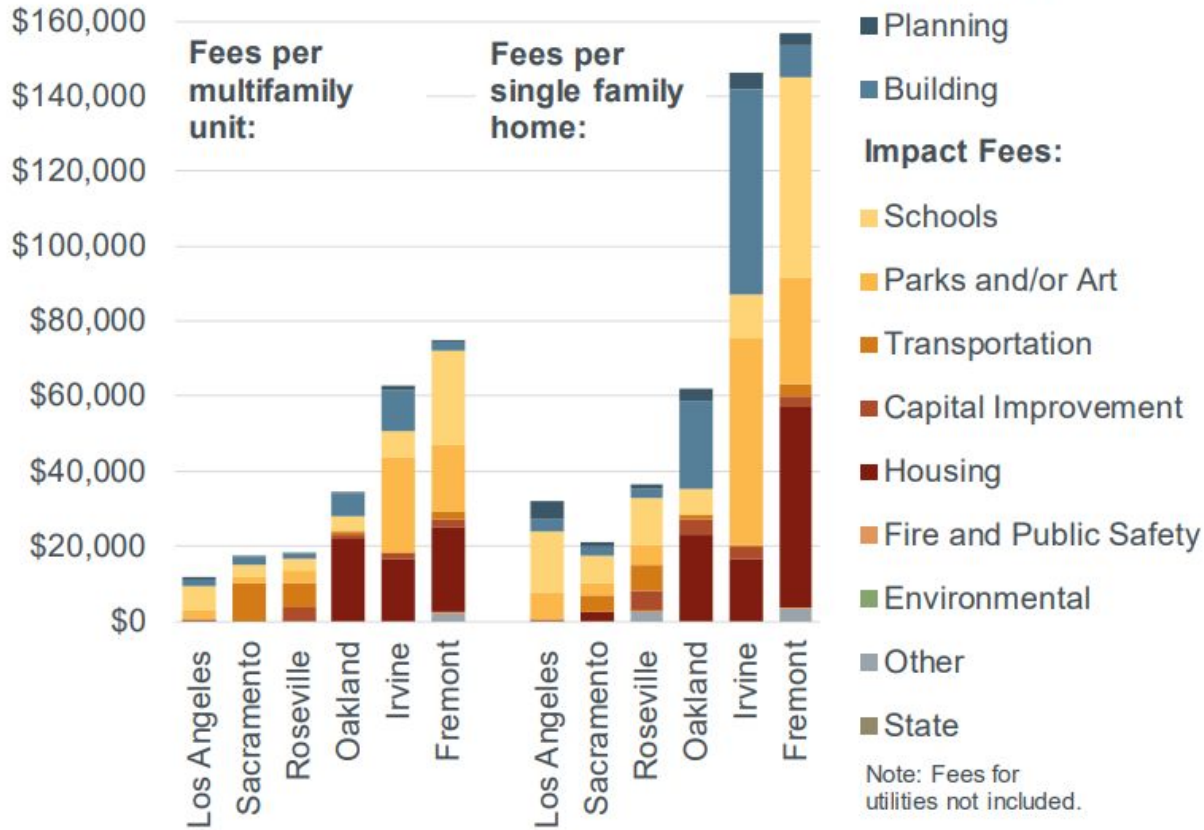
Affordable Housing

Capital Improvement

Utilities

Development Fees Can Exceed \$150,000 per Unit, Not Including Utility Fees

Estimated Development Fees:



Residential Impact Fees in California

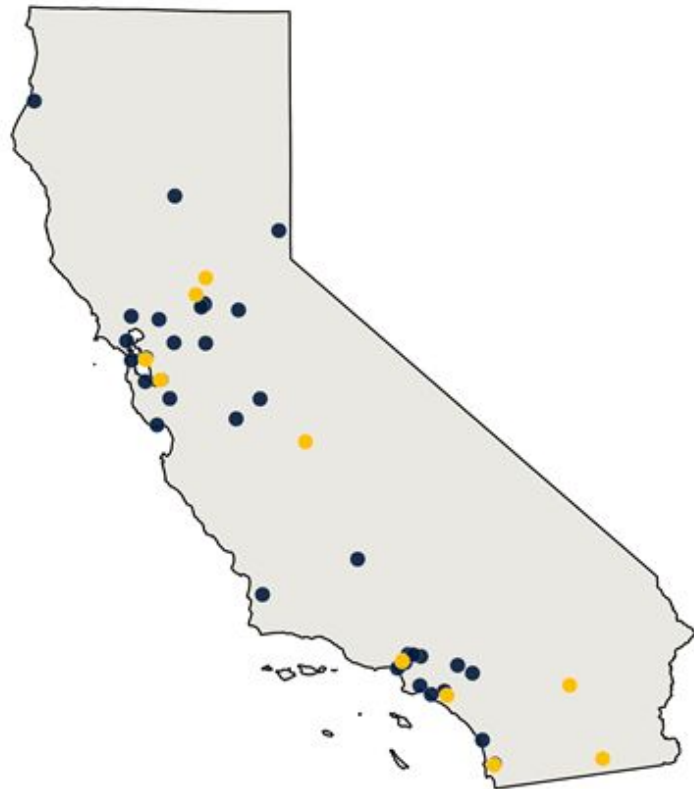
**Current Practices and Policy
Considerations to Improve
Implementation of Fees Governed by
the Mitigation Fee Act**

Statutory Requirement for Impact Fee Study

Assembly Bill 879 (Grayson, 2017)

Study to “evaluate the **reasonableness of local fees charged to new developments** as defined by subdivision (b) of **Section 66000** of the Government Code. The study shall include findings and recommendations regarding potential amendments to the Mitigation Fee Act to **substantially reduce fees for residential development.**”

Study Design



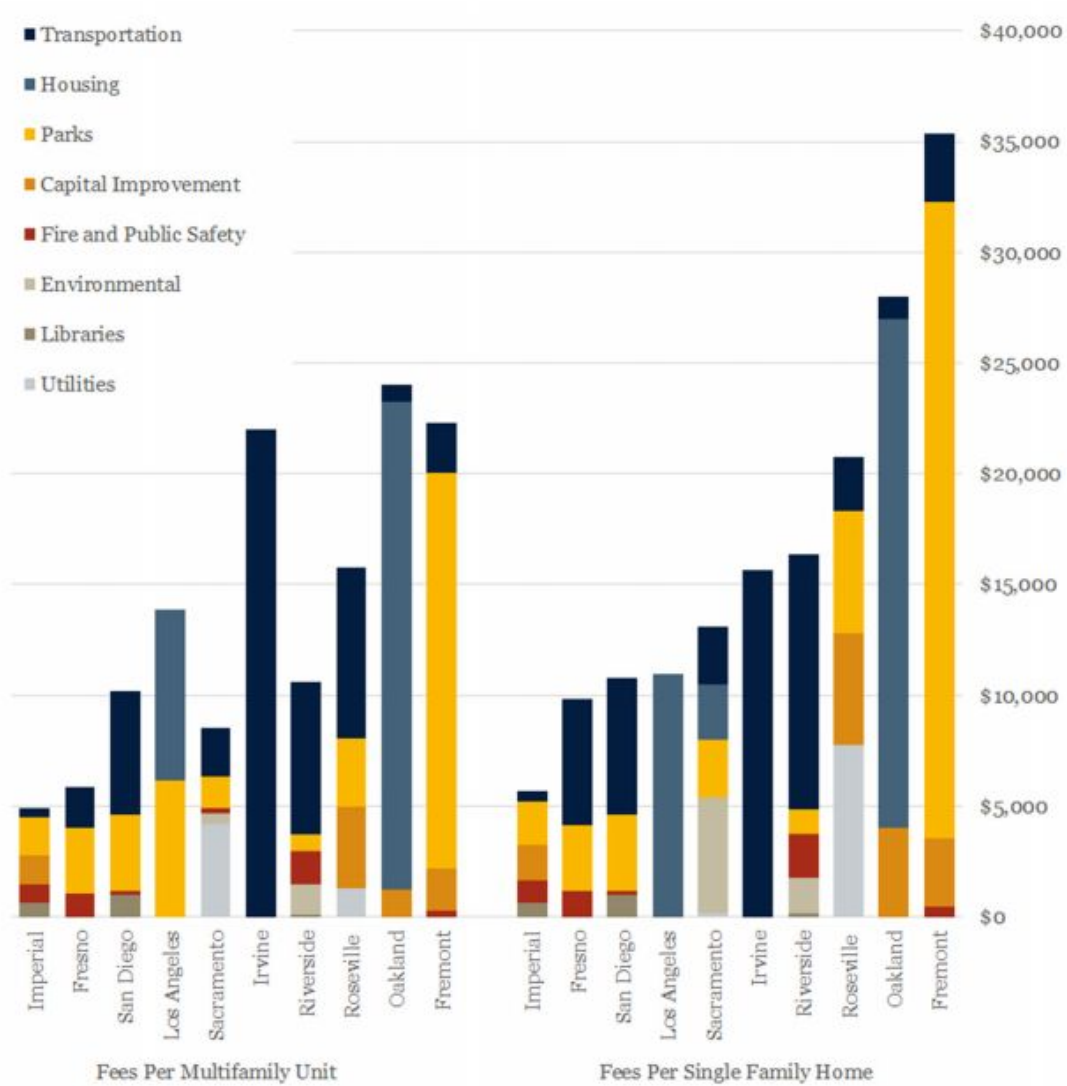
- In-Depth Case Study Cities and Counties
- Sample Cities and Counties

~ **30 interviews** with stakeholders and experts.

Detailed Fee Calculation in **10 case study localities**.

Data collection from **40 sample localities**.

Impact Fees Can Exceed \$35,000 per Unit



Transparency Helps Developers Identify the Cost of Building Housing and Lowers Risk

Problems

Our Recommendations

01	Nexus studies and feasibility studies are rarely available online.	<ul style="list-style-type: none">• Post all nexus studies and feasibility studies online
02	Development fee schedules (including impact fee schedules) are often unclear and difficult to find.	<ul style="list-style-type: none">• Post complete and updated fee schedules• Make annual fee reports easily available• Confirm both of the above in their APR
03	Estimating the full stack of development fees can be challenging	<ul style="list-style-type: none">• Provide fee estimates and public guidance on fee calculation

We weigh the tradeoffs of a number of different policy approaches

- Tighten requirements to link the direct impacts and the fees charged
- Create stronger standards to determine whether fees affect project feasibility
- Improve local funding options for infrastructure

Policy Interventions Beyond the Mitigation Fee Act

A Broader Perspective

The legislature should consider expanding interventions to all fees exacted on residential projects

Revisit Prop 13

Without significant property tax reform, cities and counties will continue to rely on alternative funding mechanisms for infrastructure

2019 Impact Fee Legislation Focused on Transparency

AB 1483

Requires cities and counties to post the following on website:

- A clear and comprehensive fee schedule
- Current and five previous annual fee reports
- Archive of impact fee nexus studies

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Thank you!