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
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

~ 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

<table>
<thead>
<tr>
<th>01</th>
<th>Nexus studies and feasibility studies are rarely available online.</th>
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<td>02</td>
<td>Development fee schedules (including impact fee schedules) are often unclear and difficult to find.</td>
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<td>03</td>
<td>Estimating the full stack of development fees can be challenging</td>
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## Our Recommendations

- Post all nexus studies and feasibility studies online
- Post complete and updated fee schedules
- Make annual fee reports easily available
- Confirm both of the above in their APR
- 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
Thank you!