



April 10, 2017

Senator Jeff Stone
Room 4062
State Capitol
Sacramento, California 95814

SUBJECT: **OPPOSE - SB 697 (STONE) – DEVELOPMENT IMPACT FEE REPORTING AND RESTRICTIONS – IN SENATE GOVERNANCE AND FINANCE COMMITTEE – APRIL 19TH**

Dear Senator Stone:

The American Planning Association, California Chapter (APA California) must respectfully oppose your bill, SB 697. SB 697 would provide that if a local agency doesn't comply with annual reporting requirements for the Mitigation Fee Act (Act) for more than 2 consecutive years, that agency would be prohibited from collecting established fees, and from imposing new fees, until compliance with the reporting requirement has been met. The bill would also require the local agency to continue to approve development projects without the collection or imposition of any fees.

This bill would impose a major penalty on cities and counties for what is a minor violation. Requiring development projects to be approved without the ability to collect *any* fees associated with that project due to the failure to complete a report is an extreme overreach. Fees imposed on development projects pay for infrastructure and services with a direct and relatable connection between the need for new infrastructure and service facilities, and the proposed growth of the new development projects. They are necessary to provide the needed services and infrastructure to make the project viable.

For reporting violations, a better remedy would be to prohibit use of any collected funds until the reporting requirements are met. APA would also suggest that the bill clarify which agency would enforce this requirement and what notice requirements would be necessary to show compliance.

While APA California understands the concern, this remedy goes far beyond the infraction and for that reason, we must respectfully oppose the bill.

If you have any questions, please contact APA California's lobbyists,

C/O STEFAN/GEORGE ASSOCIATES
1333 36TH STREET
SACRAMENTO CA 95816-5401

P: 916.736.2434
F: 916.456.1283
www.calapa.org

Sande George or Lauren De Valencia with Stefan/George Associates,
916-443-5301 or sgeorge@stefangeorge.com and
lauren@stefangeorge.com.

Sincerely,

John Terell

John Terell, AICP
Vice President Policy and Legislation
APA California
jcterell@aol.com

cc: Senate Governance and Finance Committee staff and members
Republican Consultant
Governor's Office
OPR

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