



American Planning Association  
**California Chapter**

*Making Great Communities Happen*

April 1, 2019

Assembly Member Tim Grayson  
Room 4164  
State Capitol  
Sacramento, California 95814

SUBJECT: **AB 1484 (Grayson) – Notice of Support if Amended**  
Mitigation Fee Process Changes  
In Assembly Housing and Community Development Committee  
Wednesday, April 3rd

Dear Assembly Member Grayson:

The American Planning Association, California Chapter has taken a support if amended position on AB 1484 as recently amended, your measure that would make a number of changes to the process of determining mitigation fees on the units in housing development projects. APA worked with Senator Caballero on a similar bill last year, AB 3147. Because the bill was dropped, several final amendments requested by APA were not made. Because AB 1484 picked up the language from the last version of AB 3147, APA is requesting APA's amendments be inserted into AB 1484. If they are accepted, APA would be in full support of the bill pending review of any new amendments to the bill as it moves.

AB 1484 would now require, at the time that an application for a housing development project is deemed complete, a city or county to provide a good faith statement disclosing the amount of impact and development fees applicable to the housing. It would then prohibit those disclosed impact and development fees from being increased for two years following the issuance of the good faith statement.

APA believes that the processes now in the bill, with the addition of several key qualifying amendments, are feasible, consistent with best local practices regarding the imposition of fees on housing units at the time the development application is determined to be complete and apply to specific fees that are known to the city or county at that early stage in the development process. Several offramps in the bill are also important additions. Those offramps will exempt fees from this hold process if, after the application is determined to be complete: additional units or square footage are added to the project; changes in fees are necessary to mitigate a housing development project's impact under CEQA; the fees are increased pursuant to an automatic annual adjustment based on a cost index referenced in the fee ordinance.

APA is requesting the following additional amendments to make the bill consistent with these concepts before APA can move to full support.

- Make the definition of “fee” in S. 65944.5 (b)(2) and (f) consistent. Subsection (f) still includes utility connection fees and capacity charges set by a city or county in the fee hold requirement, but the bill now exempts utility charges imposed by public and private water and utility entities in (b) (2). It is unclear how these provisions would be harmonized for jurisdictions where the city or county is the utility service provider. Moreover, APA would have been willing to include connection fees and capacity charges for housing units in the hold requirement if the hold on fees had been able to be required at time of entitlement. However, local agencies cannot provide that information at the application stage, because connection fees/capacity charges usually require counting fixture units or knowing water meter size, which most likely won’t be known until the building permit stage. Therefore, APA respectfully requests that (f) be amended to remove utility connection fees and capacity charges.
- Clarify in S. 65944.5 (a) and (d) that the hold on specified fees only applies to the housing units in a development project and that the application in (a) must include a detailed square footage breakdown by use to allow the local agency to make the fee determination. This clarifies that the fee hold would be limited to fees imposed on housing units, not commercial/retail or other non-residential portions of a mixed-use project. The breakdown by use would cover an application for specific types of applications, such as rezoning as contemplated in (d). These rezonings and other applications would not necessarily need to have detailed plans or even include the number of units in the project but will now need to provide that information for the city or county to meet the requirements of the bill.
- Clarify in (d) that other project changes proposed by the applicant after an application is determined to be complete, that would impact the amount of the fees, would also be excluded from the hold on fees. Those fees would still, however, have to have been in effect at the time that the housing development application is deemed complete.

**To address the above recommendations, amend S. 65944.5 (a) (d) and (f) as follows:**

(a) At the time that an application for approval of a housing development project is deemed complete, the city, county, or city and county shall provide the applicant a good faith statement disclosing the amount of impact and development fees applicable to the housing units included in the development project, provided that the application includes a detailed square footage breakdown by use.

(d) Nothing in this section shall be construed to prevent additional units or square footage or other project changes proposed by the applicant that result from project revisions occurring after the application is determined by the local agency to be complete from being subject to a fee, charge, or other exaction that was in effect at the time that the housing development application is deemed complete.

(f) For purposes of this section, “impact and development fees that are applicable to housing units included in the development project” means any of the following:

- (1) Any fees imposed under the Mitigation Fee Act, as defined in Section 66000.
- (2) Any fee based on the impact of a project.
- (3) Parkland dedication fees imposed under the Quimby Act pursuant to Section 66477.
- (4) Affordable housing fees.

~~(5) Utility connection fees and capacity charges that are established by the city, county, or city and county.~~

**In addition, to be consistent with the wording in the sections above, S. 65940 (a) and S. 66004.1 should be amended as follows.**

S. 65940 (a) Each state agency and each local agency shall compile one or more lists that shall specify in detail the information that will be required from any applicant for a development project. For housing development projects, as defined by paragraph (2) of subdivision (h) of Section 65589.5, the list shall provide the location on the local agency's internet website of all impact and development fees as determined pursuant to S. 65944.5 that are applicable to ~~imposed upon a~~ the housing units in the development project..."

S. 66004.1. ~~Notwithstanding any other law, a~~ A local agency shall not impose, extend, or increase any impact or development fee upon a the housing units in a development project, as defined in paragraph 2 of subdivision (h) of Section 65589.5, unless the local agency specifically identifies the type and amount of the fee, including any fee scale if applicable, on the local agency's internet website pursuant to S. 65940 (a) at the time that the application for the approval of a housing development project is submitted to the local agency deemed complete by the local agency.

With these changes and clarifications, APA will move to full support of the bill.

If you have any questions, please contact our lobbyist, Sande George, with Stefan/George Associates, [sgeorge@stefangeorge.com](mailto:sgeorge@stefangeorge.com), 916-443-5301.

Sincerely,



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Vice President, Policy and Legislation - APA California

cc: Governor's Office  
Assembly Housing Committee  
OPR  
Republican Caucus