

Policy Statement

Development Impact Fee Position Paper

August 16, 2007

The Home Builders Association of the Central Coast encourages local governments that charge development impact fees to use following policies.

Impact fee programs should:

- Fund only capital improvements and land acquisitions needed to mitigate impacts created by new development. Impact fee revenue cannot be used to fund ongoing operations and maintenance.
- Demonstrate a clear nexus between the fee and the impact and the proportionality of the fee to the impact. That nexus is best demonstrated by including line items for each specific capital improvement that the fee will be used for and how much of the cost new construction is funding.
- Provide a calendar to show when fee revenue will be spent and when the improvement will be finished.
- Seek development community input as early as possible, at least six months before a fee update is scheduled to come before decision-makers for adoption.
- Let builders propose roads, parks and other public improvements for inclusion in the infrastructure funding program order to promote orderly development and timely provision of public services.
- Lock-in the fee charged at the time of tentative map approval instead of at the certificate of occupancy.
- Collect fees at certificate of occupancy as the law requires.
- Use the general fund or a similar public revenue source to pay impact fees for required affordable homes.
- Provide annual public reports to show how fees were spent in the preceding year and will be spent in the coming year.
- Levy impact fees on a square-footage instead of a per-house basis.
- Set fees at different levels for single-family, multi-family, low income and senior citizen residential units.
- Charge single-family attached units (condominiums, townhouses, etc.) as multi-family units.
- Include a park fee credit to account for recreation and community amenities and passive recreational opportunities the builder provides onsite.
- Charge residential additions on a per square footage basis since they add population capacity and impact infrastructure needs in the same way as new construction.