



American Planning Association
California Chapter

Creating Great Communities



May 25, 2021

ASSEMBLY FLOOR ALERT

AB 602 (Grayson): Development Fees - Impact Fee Nexus Study As amended May 4, 2021 – OPPOSE UNLESS AMENDED ASSEMBLY THIRD READING FILE

The California State Association of Counties (CSAC), the League of California Cities (Cal Cities), the Urban Counties of California (UCC), the California Chapter of the American Planning Association (APA California), and the Rural County Representatives of California (RCRC) hold an “oppose unless amended” position on AB 602, which would make significant changes to laws governing local development impact fee programs. Given the complexities of taxation and public finance in California, and the significant limitations on local taxation imposed by the state constitution, development impact fees are a vital tool that local agencies rely upon to ensure that new developments are supported by necessary infrastructure.

While there has been significant progress on amendments to address our concerns, there are unfortunately a few remaining issues for our organizations. We are opposed to:

- **Requiring the California Department of Housing and Community Development (HCD) to develop of a nexus fee template.** HCD does not have expertise related to planning, building and funding infrastructure at a community scale. Instead, we have proposed creating a clearinghouse through the Office of Planning and Research for nexus studies.
- **Requiring capital improvement planning for any infrastructure funded by impact fees in excess of \$2 million dollars.** Much of the same additional informational value offered by the capital improvement planning process would be encompassed in a well-designed nexus study, especially if many of the other changes to nexus studies envisioned by AB 602 are enacted.

For these reasons, we hold an “oppose unless amended” position on AB 602. If you need additional information, please contact Chris Lee (CSAC) at clee@counties.org, Jean Hurst (UCC) at jkh@hbeadvocacy.com, Lauren de Valencia y Sanchez (APA California) at lauren@stefangeorge.com, Jason Rhine (Cal Cities) at jrhine@cacities.org, or Tracy Rhine (RCRC) at trhine@rcrcnet.org.

cc: The Honorable Tim Grayson, California State Assembly