



American Planning Association  
**California Chapter**

*Creating Great Communities*



April 22, 2021

The Honorable David Chiu  
Chair, Assembly Housing and Community Development Committee  
State Capitol, Room 4112  
Sacramento, CA 95814

**RE: Assembly Bill 602 (Grayson): Development Fees - Impact Fee Nexus Study  
As amended April 19, 2021 – OPPOSE UNLESS AMENDED  
Set for hearing in Assembly Housing and Community Development – April 29, 2021**

Dear Assemblymember Chiu:

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) have taken an oppose unless amended position on AB 602 by Assemblymember Grayson, 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.

We appreciate the author convening stakeholders in the interim between this legislative session and the last to find areas of common agreement for improvements to California's laws related to development impact fees. In particular, our organizations have appreciated the opportunity to work with Assemblymember Grayson to advance concepts for legislative changes that improve the transparency, predictability, and governance of impact fee programs, while preserving the ability to fund public facilities and other infrastructure in a manner flexible enough to meet the needs of California's varied and diverse communities—small or large, rural or urban.

While there has been significant progress on amendments to address our concerns, there are unfortunately a few remaining issues for our organizations. We are also opposed to development of a nexus fee template by the Housing Community Development Department (HCD). While HCD has extensive experience in funding housing, and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the Department does not have expertise related to planning, building and funding infrastructure at a community scale. Moreover, we note that

the bill does not explicitly require the Department to consult with entities that have such experience. We also note that the Mitigation Fee Act extends beyond residential projects, to include commercial and industrial developments, which have very different infrastructure impacts and needs. We have instead proposed creating a clearinghouse through the Office of Planning and Research for nexus studies. This would allow local agencies to learn from peers with similar infrastructure needs (e.g. greenfield versus infill, rural versus urban, etc.) and provide an opportunity for interested parties in the development community, public works officials, and academic researchers to analyze trends and recommend changes in public policy.

Finally, we oppose the requirement for capital improvement planning, although it is now limited to jurisdictions as defined by Health and Safety Code Section 53559.1. 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. We note that the study prepared pursuant to AB 879 (Grayson, 2018) identified more rigorous capital improvement planning as a best practice, but included the caveat that the state should consider additional financial support to local agencies to support this heightened workload.

Our organizations look forward to continuing our work with the author, the Local Government Committee, the Assembly Housing and Community Development Committee, and other stakeholders to improve California development impact fee programs while protecting public infrastructure needed by constituents who will live in new developments. For these reasons, we have taken an “oppose unless amended” position on AB 602. If you need additional information, please contact Chris Lee (CSAC) at [clee@counties.org](mailto:clee@counties.org), Jean Hurst (UCC) at [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com), Lauren de Valencia y Sanchez (APA California) at [lauren@stefangeorge.com](mailto:lauren@stefangeorge.com), Jason Rhine (Cal Cities) at [jrhine@cacities.org](mailto:jrhine@cacities.org), or Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org).

Sincerely,



Christopher Lee  
CSAC



Jean Kinney Hurst  
UCC



Jason Rhine  
Cal Cities



Eric Phillips  
APA California



Tracy Rhine  
RCRC

cc: The Honorable Tim Grayson, Member, California State Assembly  
Honorable Members, Assembly Housing and Community Development Committee  
Steve Wertheim, Consultant, Assembly Local Government Committee  
William Weber, Assembly Republican Caucus



American Planning Association  
**California Chapter**

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May 7, 2021

The Honorable Lorena Gonzalez  
Chair, Assembly Appropriations Committee  
State Capitol, Room 2114  
Sacramento, CA 95814

**RE: Assembly Bill 602 (Grayson): Development Fees - Impact Fee Nexus Study  
As amended May 4, 2021 – OPPOSE UNLESS AMENDED  
Set for hearing in Assembly Appropriations – May 12, 2021**

Dear Assemblymember Gonzalez:

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) have taken an oppose unless amended position on AB 602 by Assemblymember Grayson, which would make significant changes to laws governing local development impact fee programs and create new state and local costs.

While there has been significant progress on amendments to address our concerns, there are unfortunately a few remaining issues for our organizations, both of which will create additional costs for the state and local agencies. We are also opposed to development of a nexus fee template by the Housing Community Development Department (HCD). While HCD has extensive experience in funding housing, and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the Department does not have expertise related to planning, building and funding infrastructure at a community scale. Moreover, we note that the bill does not explicitly require the Department to consult with entities that have such experience. We also note that the Mitigation Fee Act extends beyond residential projects, to include commercial and industrial developments, which have very different infrastructure impacts and needs.

We have instead proposed creating a clearinghouse through the Office of Planning and Research for nexus studies. This would allow local agencies to learn from peers with similar infrastructure needs (e.g. greenfield versus infill, rural versus urban, etc.) and provide an opportunity for interested parties in the development community, public works officials, and academic researchers to analyze trends and recommend changes in public policy.

Finally, we oppose the requirement for capital improvement planning, although it is now limited to jurisdictions as defined by Health and Safety Code Section 53559.1. 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. We note that the study prepared pursuant to AB 879 (Grayson, 2018) identified more rigorous capital improvement planning as a best practice, but included the caveat that the state should consider additional financial support to local agencies to support this heightened workload. This requirement would create additional costs for local agencies, which would most likely be passed on to development proponents in the form of higher fees.

Our organizations look forward to continuing our work with the author, the Local Government Committee, the Assembly Housing and Community Development Committee, and other stakeholders to improve California development impact fee programs while protecting public infrastructure needed by constituents who will live in new developments. For these reasons, we have taken an “oppose unless amended” position on AB 602. If you need additional information, please contact Chris Lee (CSAC) at [clee@counties.org](mailto:clee@counties.org), Jean Hurst (UCC) at [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com), Lauren de Valencia y Sanchez (APA California) at [lauren@stefangeorge.com](mailto:lauren@stefangeorge.com), Jason Rhine (Cal Cities) at [jrhine@cacities.org](mailto:jrhine@cacities.org), or Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org).

Sincerely,



Christopher Lee  
CSAC



Jean Kinney Hurst  
UCC



Jason Rhine  
Cal Cities



Eric Phillips  
APA California



Tracy Rhine  
RCRC

cc: The Honorable Tim Grayson, Member, California State Assembly  
Honorable Members, Assembly Appropriations Committee  
Jennifer Swenson, Consultant, Assembly Appropriations Committee  
William Weber, Assembly Republican Caucus



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**

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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](mailto:clee@counties.org), Jean Hurst (UCC) at [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com), Lauren de Valencia y Sanchez (APA California) at [lauren@stefangeorge.com](mailto:lauren@stefangeorge.com), Jason Rhine (Cal Cities) at [jrhine@cacities.org](mailto:jrhine@cacities.org), or Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org).

cc: The Honorable Tim Grayson, California State Assembly



American Planning Association  
**California Chapter**

*Creating Great Communities*



June 24, 2021

The Honorable Mike McGuire  
Chair, Senate Governance and Finance Committee  
State Capitol, Room 408  
Sacramento, CA 95814

**RE: Assembly Bill 602 (Grayson): Development Fees - Impact Fee Nexus Study  
As amended May 4, 2021 – OPPOSE UNLESS AMENDED  
Set for hearing in Senate Governance and Finance – July 1, 2021**

Dear Senator McGuire:

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) have taken an oppose unless amended position on Assembly Bill 602 by Assemblymember Grayson, which would make significant changes to laws governing local development impact fee programs and creates new state and local costs.

While there has been progress with amendments to address our prior concerns, there are unfortunately two remaining issues for our organizations, both of which will create additional costs for the state and local agencies. Specifically, we are opposed to development of a nexus fee template by the Housing Community Development Department (HCD). While HCD has extensive experience in funding housing and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the Department does not have expertise related to planning, building and funding infrastructure at a community scale. Moreover, we note that the bill does not explicitly require the Department to consult with entities that have such experience. We also note that the Mitigation Fee Act extends beyond residential projects, to include commercial and industrial developments, which have very different infrastructure impacts and needs.

As an alternative to the HCD template we have proposed creating a clearinghouse through the Office of Planning and Research for nexus studies. This would allow local agencies to learn from peers with similar infrastructure needs (e.g. greenfield versus infill, rural versus urban, etc.) and provide an opportunity for interested parties in the development community, public works officials, and academic researchers to analyze trends and recommend changes in public policy.



Finally, we oppose the requirement for capital improvement planning, although it is now limited to “large jurisdictions” as defined by Health and Safety Code Section 53559.1—that is, any county with a population of at least 250,000 or any city located therein, regardless of population. 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 the other changes to nexus studies envisioned by AB 602 are enacted. We note that the study prepared pursuant to AB 879 (Grayson, 2018) identified more rigorous capital improvement planning as a best practice but included the caveat that the state should consider additional financial support to local agencies to support this heightened workload. This requirement would create additional costs for local agencies, which would most likely be passed on to development proponents in the form of higher fees.

Our organizations appreciate the work undertaken to-date with the author, committee staff, and other stakeholders to improve the bill, but have taken an “oppose unless amended” position based on the outstanding issues described above. If you need additional information about our position on AB 602, please contact Chris Lee (CSAC) at [clee@counties.org](mailto:clee@counties.org), Jean Hurst (UCC) at [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com), Lauren de Valencia y Sanchez (APA California) at [lauren@stefangeorge.com](mailto:lauren@stefangeorge.com), Jason Rhine (Cal Cities) at [jrhine@cacities.org](mailto:jrhine@cacities.org), or Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org).

Sincerely,



Christopher Lee  
CSAC



Jean Kinney Hurst  
UCC



Jason Rhine  
Cal Cities



Eric Phillips  
APA California



Tracy Rhine  
RCRC

cc: The Honorable Tim Grayson, Member, California State Assembly  
Honorable Members, Senate Governance and Finance Committee  
Jonathan Peterson, Consultant, Senate Governance and Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus



American Planning Association  
**California Chapter**

*Creating Great Communities*



July 11, 2021

The Honorable Anthony Portantino  
Chair, Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

**RE: Assembly Bill 602 (Grayson): Development Fees - Impact Fee Nexus Study  
As amended July 5, 2021 – OPPOSE UNLESS AMENDED  
Referred to the Senate Appropriations Committee**

Dear Senator Portantino:

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) have taken an oppose unless amended position on Assembly Bill 602 by Assemblymember Grayson, which would make significant changes to laws governing local development impact fee programs and create new state and local costs.

While there has been progress with amendments to address our prior concerns, there are unfortunately two remaining issues for our organizations, both of which will create additional costs for the state and local agencies. Specifically, we are opposed to development of a nexus fee template by the Housing and Community Development Department (HCD). While HCD has extensive experience in funding housing and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the Department does not have expertise related to planning, building and funding infrastructure at a community scale. Moreover, we note that the bill does not explicitly require the Department to consult with entities that have such experience. We also note that the Mitigation Fee Act extends beyond residential projects, to include commercial and industrial developments, which have very different infrastructure impacts and needs.

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Our organizations appreciate the work undertaken to-date with the author, committee staff, and other stakeholders to improve the bill, but have taken an “oppose unless amended” position based on the outstanding issues described above. If you need additional information about our position on AB 602, please contact Chris Lee (CSAC) at [clee@counties.org](mailto:clee@counties.org), Jean Hurst (UCC) at [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com), Lauren de Valencia y Sanchez (APA California) at [lauren@stefangeorge.com](mailto:lauren@stefangeorge.com), Jason Rhine (Cal Cities) at [jrhine@cacities.org](mailto:jrhine@cacities.org), or Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org).

Sincerely,



Christopher Lee  
CSAC



Jean Kinney Hurst  
UCC



Jason Rhine  
Cal Cities



Eric Phillips  
APA California



Tracy Rhine  
RCRC

cc: The Honorable Tim Grayson, Member, California State Assembly  
Honorable Members, Senate Appropriations Committee  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Ted Morley, Consultant, Senate Republican Caucus