



September 15, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

RE: Assembly Bill 602 (Grayson) – REQUEST FOR VETO

Dear Governor Newsom:

The Rural County Representatives of California (RCRC) respectfully urges your veto of Assembly Bill 602. AB 602, authored by Assembly Member Tim Grayson, would make significant changes to laws governing local development impact fee programs and create new state and local costs. RCRC is an association of thirty-seven rural California counties, and our Board of Directors is comprised of one elected county supervisor from each member county.

Specifically, RCRC is opposed to development of a nexus fee template by the Housing and Community Development Department (HCD). While the HCD has extensive experience in funding housing and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the HCD does not have expertise related to planning, building, and funding infrastructure at a community scale. Moreover, the bill does not explicitly require the HCD to consult with entities that have such experience. It should also be noted that the Mitigation Fee Act extends beyond residential projects, to include commercial and industrial developments, which have very different infrastructure impacts and needs.

RCRC is also opposed to the requirement of 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 Assembly Bill 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

The Honorable Gavin Newsom
Assembly Bill 602
September 15, 2021
Page 2

costs for local agencies, which would most likely be passed on to development proponents in the form of higher fees.

For these reasons, we respectfully request your veto of AB 602.

Sincerely,



TRACY RHINE
Senior Legislative Advocate

cc: The Honorable Tim Grayson, Member of the State Assembly