



April 1, 2024

The Honorable Christopher M. Ward  
Chair, Assembly Committee on Housing and Community Development  
1020 N Street, Room 124  
Sacramento, CA 95814

**RE: AB 1820 (Schiavo) Housing development projects: applications: fees and exactions. – SUPPORT**

Dear Chair Ward,

The California Home Building Alliance (HBA) writes to express our support for Assembly Bill 1820, a “good government” measure that seeks to provide developers financial certainty and predictability when estimating the cost of local development impact fees on proposed housing projects.

The HBA brings people together from across the political spectrum to advance legislation and administrative actions that will increase housing production in our state. This coalition includes trade associations representing small and large businesses, for-profit and not-for-profit home builders, realtors, developers, employers, affordable housing infill builders, and non-profit research, education, and advocacy organizations focused on increasing the supply of new housing and improving the quality and affordability of housing in California.

State law gives local jurisdictions broad authority to levy impact fees on builders. Unfortunately, those fees are often not easily identified prior to issuance of a permit and construction. Many

jurisdictions practice a “pay-as-you-go” methodology as the project goes through the many phases of permitting and construction.

A 2018 study conducted by the Turner Center for Housing Innovation at the University of California, Berkeley, found that fees and exactions can amount to up to 18 percent of the median home price, that these fees and exactions are extremely difficult to estimate, and that fees and exactions continue to rise in California while decreasing nationally. Further, escalating fee and exaction costs make it more difficult for builders to deliver new housing for sale or rent at affordable prices.

The study found significant implications for the cost and delivery of new housing in California. Specifically, without standardized tools to estimate development fees, builders cannot accurately predict total project costs during the critical pre-development phase.

Affordable housing projects can be subject to exorbitant fees that raise the cost of the building, reducing the already narrow margins that affordable housing developers work with and the unpredictability of these fees can delay or derail projects altogether.

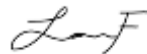
By requiring local jurisdictions to timely provide an itemized list and estimated total sum amount of all fees and exactions that will apply to a residential development that has submitted a preliminary application, this measure will create certainty and predictability for proposed housing developments.

For these reasons, the HBA supports AB 1820 (Schiavo).

Sincerely,



Adam Briones  
Chief Executive Officer  
California Community Builders



Laura Foote  
Executive Director  
YIMBY Action



Will Moore  
Policy Counsel  
Circulate San Diego



Roger Dickinson  
Policy Director  
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Azeen Khanmalek  
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