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115 agencies statewide defer impact fees

Posted By <u>Jeff Quackenbush</u>, <u>Business Journal Staff Reporter</u> On May 17, 2010 @ 2:15 am In <u>Construction</u>, <u>Industry News</u> \mid <u>No Comments</u>

CALIFORNIA – One-hundred-fifteen local governments and special districts in California have adopted deferrals of development impact fees allowed under a 2008 state law intended to help struggling builders, according to the Home Builders Association of Northern California.

So far, four in the North Bay have adopted extended fee deferral for homebuilders, according to a review by the trade group in March.

Assembly Bill 2604 allows local governments to defer until close of escrow the collection of fees used to fund construction of public improvements or facilities. Previously, the fees had to be deferred until issuance of the certificate of occupancy or building permits, unless the funds were needed immediately or within 12 months.

In Mendocino County, Willits Unified School District suspended developer fees of \$2.45 a square foot from January 2010 through January 2012.

Napa defers affordable housing in-lieu fee payment until certificate of occupancy. Such a fee allows a developer to contribute to a common fund used to back construction of dwellings deemed affordable for households earning below median income in lieu of building such housing.

Petaluma approved deferral of impact fees to final inspection or certificate of occupancy, except for water-connection fees to be paid at the time the meter is set. Affordable housing in-lieu fees are paid when escrow closes. Bonding or letter of credit is not required.

For this calendar year, Windsor has cut the affordable housing in-lieu fee in half. That would make the fee \$4,600 for a 2,000-square-foot house, rather than \$9,200.

Additionally, Santa Rosa is considering fee deferral as part of a slate of economy-boosting measures proposed May 11.

Also, the county of Sonoma last week approved impact-fee deferral along with a number of planning, engineering and building fee increases, with adoption set for July. A report on the county's affordable housing impact fee on nonresidential construction is scheduled to be completed in August.

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