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Growth

Fees up, morale down

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Development fees shot up over the lunch hour in Bakersfield Tuesday, as expected.

The city council's unanimous approval of a big hike in traffic impact fees left just one question: When will the court dates begin?

"I'm going go back to the office and call Walt -- our attorney," said Bob Decker, head of the Homebuilder's Association of Kern County, after the special noon session.

The increase will add thousands in up-front costs to each new home, effectively raising prices as builders scramble to compete in a market dominated by foreclosed properties.

City councilmembers, especially vice-mayor Zack Scrivner, focused on more than 30,000 lots that could be built under the former fee.

But local developers said after the meeting such on-paper inventory doesn't help them. They must build in existing tracts -- where fees will go up in 60 days -- because they're bound by agreements with lenders.

Many California cities have reduced fees in recent months to help builders weather the deep recession.

But Bakersfield is going in the other direction largely due to the city's need for local matching funds for \$630 million of federal transportation money secured by retired Rep. Bill Thomas, the Bakersfield Republican, before he left office.

"They're going to break the backs of local industry because of earmarks and pork-barrel spending we abhor," said Bakersfield homebuilder Matt Towery after the council's vote.

The new traffic impact fee is nearly \$13,000 per home, up from roughly \$7,000 to \$9,500. The county passed a matching version in May.

ROOTS OF TROUBLE

Most of Tuesday's meeting involved council discussion of ways developers could finance fee payments.

Builders, though, have a bigger beef: They say the fee is too high, perhaps by as much as 50 percent.

The board of the homebuilder's association will decide whether to take that belief to court. Decker said a vote could come by early next week.

Any serious discussion of the dispute leads quickly to piles of documents and terms such as "defensible nexus study."

What it boils down to is whether road improvements slated for payment from the fee fund are allowable under state law.

The city and county say their list is legal.

Builders say a good chunk of it includes existing shortcomings created during the recent boom.

State law requires the fee money be spent lessening impacts of new construction, not fixing existing deficiencies.

Developers add they don't want to pony up more than \$1.9 billion over the next couple of decades when the city hasn't properly accounted for what it has already collected.

Councilmember Jacquie Sullivan said the revised program, drawn up after more than two years of work, was "really the best we can do."

Councilmember David Couch, saying he wanted to "do something to incentivize development," asked for a report looking into a system that would postpone builder payments by about six months.

But Towery, the homebuilder, said after the meeting the increase would stifle new construction, greatly reducing fee income.

"It's too bad for Bakersfield," he said. "It's going to cost this town."

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