

## Impact fees approved by city council

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With frustrated developers looking on, members of the Bakersfield City Council Tuesday voted unanimously to increase traffic impact fees for metropolitan Bakersfield.

City officials say higher fees are needed to finance a new network of transportation projects, but developers say the timing couldn't be worse, as our housing market struggles to recover.

After two years of debate, Bakersfield's City Council endorsed a recommendation from its planning and development committee to increase traffic impact fees on new development.

"It's our responsibility to support the work that's been done. Raising fees in a down market doesn't sound good and it's certainly not ideal. But we're up against a deadline," said Jacquie Sullivan, Ward 6 Councilmember.

The traffic impact fee would jump from just over \$7,000 per home to nearly \$13,000.

Revenue generated by the fees would be used as local matching funds required to secure some \$630-million for the Thomas Road Improvement Program, a network of transportation projects designed to improve traffic flow in Bakersfield and fight gridlock.

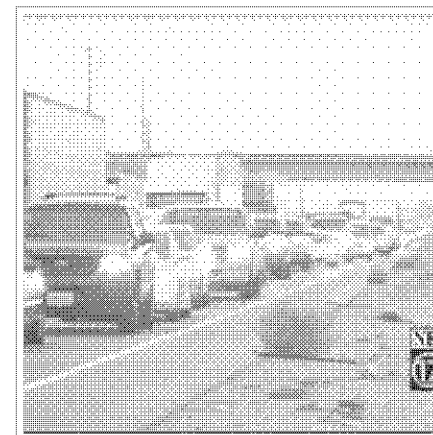
Developers have been working aggressively to get the fee increase reduced. They say a doubling of the fee would devastate Bakersfield's ailing housing market.

"Please remember that "bad policy is better than no policy" is an idea that never makes sense. And voting to raise taxes in a bad economy doesn't make sense either," said President of Towery Homes, Matt Towery.

In order to avoid the burden of paying impact fees up front, developers could apply for state bond money to pay the fees. Homeowners would pay off the bonds through a special tax assessment.

"That cost could be spread over 30 years. It's a lien placed on the property and the property owner could pay back the money over a thirty year period," said City Finance Director Nelson Smith.

Developers were less than impressed with that idea, along with a proposal by Councilmember David Couch to spread out the



fees over two payments, when building permits are taken out and then when the home becomes occupied.

"At the level the fee was just adopted, it's largely irrelevant. I've always said that you can go bankrupt at permit or bankrupt three months later. When the fee is that high, it doesn't matter," said Bob Decker with the Home Builders Association.

City Manager Alan Tandy said making the city responsible for collecting half the impact fee when homeowners move in would only raise administration costs for the city.

Bob Decker, executive officer for the Homebuilders Association said the first call he would be making after today's meeting would be to HBA's attorney, hinting that legal action against the city remains a possibility.