



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Robert Wunderlich, Mayor

September 10, 2021

The Honorable Tim Grayson
California State Assembly, 14th District
State Capitol, Room 6031
Sacramento, CA 95814

Re: AB 602 (Grayson) Development fees: impact fee nexus study
City of Beverly Hills – OPPOSE

Dear Assemblymember Grayson,

On behalf of the City of Beverly Hills, I write to inform you of our respectful OPPOSITION to AB 602, your legislation to require the state Department of Housing and Community Development (HCD) to create an impact fee nexus study template for use by local jurisdictions by January 1, 2024. The bill would also impose new requirements on local agencies regarding the preparation of impact fee nexus studies.

Given the significant limitations on local taxation imposed by the state constitution, development impact fees are a vital tool, which local jurisdictions rely on to ensure new developments are supported by necessary infrastructure. Without community specific development fees, developed by cities who know the impacts of new development to their infrastructure best, there will be instances when cities will need to subsidize the costs of development impacts with no feasible way to recover the costs from the developer. This will only serve to increase the strain on the finances for local jurisdictions to continue to provide other important services such as police and fire.

We are opposed to provisions of the bill, which require HCD to develop a nexus fee template. While HCD has extensive experience in funding housing, it does not have expertise related

to planning, building and funding infrastructure at a community scale. Moreover, the bill does not require HCD to consult with entities who have such experience. We also note that the Mitigation Fee Act extends beyond residential projects to include commercial and industrial developments, which have very different infrastructure impacts and needs.

Finally, HCD may lean towards creating one, nexus template without considering how different the various environments, topography, and overall characteristics of a local jurisdictions composition can truly create a wide divide in what is an appropriate development impact fee to mitigate the impact of a development.

For these reasons, the City of Beverly Hills must respectfully OPPOSE your AB 602.

Sincerely,



Robert Wunderlich, Mayor

City of Beverly Hills

cc: The Honorable Ben Allen, 26th Senate District
The Honorable Richard Bloom, 50th Assembly District
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange