

Date

Senator Mike McGuire (Chair)
Senate Governance & Finance Committee
State Capital – Room 5061
Sacramento, CA 95814

Dear Senator McGuire:

On behalf of **(insert your company name here)** we are writing to express our **SUPPORT** for the proposed legislative bill SB 1202 (Stone). Our organization represents **(fill in with type of company/members served)** within the Coachella Valley. **(Or add your own description of your firm/organization).**

The Mitigation Fee Act, originating as AB 1600 (1987) was introduced to provide surety and equitability to cities, counties and other local agencies in providing the means to build the necessary infrastructure to support growth from business and residential construction. Amendments, together with the Nollan (1987) and Dolan (1994) cases have secured the Mitigation Fee Act's standards as the means for new construction to pay its fair share for new, and the expansion of existing infrastructure. The required development impact fee studies identify needs and shared, equitable costs attributable to new construction. It is transparent and based on the appropriate "nexus" studies, and fees are posted for potential construction's consideration.

Additionally, the Mitigation Fee Act requires an annual report identifying the agencies' collection of fees, where and how those funds were expended, or encumbered for future infrastructure projects. This process also allows the agencies and the public to view the "nexus" of needed infrastructure to the burden of supporting new development. It also assures us that the agencies are spending those funds appropriately, either to those needs identified in the original "nexus" study or to an annually adopted "Capital Improvement Plan".

However, not every agency is fulfilling their annual reporting obligation. And, there are many agencies that flat out refuse to comply with this reporting requirement. This becomes a serious transparency issue when our home-buyers throughout the State have paid for infrastructure as part of their purchase price, but the infrastructure facilities have yet to materialize.

SB 1202 adds some incentive to appropriately publish and file the reportable fees reports annually. This bill would require agencies that have failed to publish and file an annual report for three (3) consecutive years, to refrain from the collection of 50% of any development impact fees. Until such a time that the agency complies with their reporting obligations under the Mitigation Fee Act, those agencies are required to accept building permit applications without the ability to collect the development impact fee. Additionally, the agency may not threaten nor implement a moratorium on new construction projects.

Our organization supports SB 1202. We believe it provides a necessary tool for transparency in the collection and spending of impact fees as originally intended in the Mitigation Fee Act.

Please **SUPPORT SB 1202!**

Thank you,

Name

Organization

Additional Copies may also be sent to Members of Governance & Finance Committee stating your organization support of SB 1202 (Stone).

Senator Mike McGuire – Fax – 916-651-4902

Senator Janet Nguyen (Vice Chair) – State Capital – Room – 3048 Fax – 916-651-4934

Senator Jim Beall – State Capital – Room 2082 – Fax – 916-651-4915

Senator Ed Hernandez – State Capital – Room 2080 – Fax – 916-651-4922

Senator Robert M. Hertzberg – State Capital – Room 4038 Fax – 916-651-4018

Senator Ricardo Lara – State Capital – Room 5050 Fax – 916-651-4933

Senator John M.W. Moorlach – State Capital – Room 2048 – Fax – 916-651-4937