



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/5/2024

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office, Sonoma Public Infrastructure, Regional Parks
Staff Name and Phone Number: Jennifer Larocque, 565-2431; Johannes Hoevertsz, 565-2550; Bert Whitaker, 565-2041

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

AB 602 Development Impact Fees

Recommended Action:

Direct the County Administrator's Office to initiate a Request for Proposals to conduct a Nexus Study for Parks and Transportation development impact fees.

Executive Summary:

State Assembly Bill 602 (AB 602) was enacted in 2021 and requires that development impact fees, also known as mitigation fees, be calculated proportionately to the square footage of the proposed unit for housing developments. The County's Parks and Transportation impact fees rely on a nexus study that predates AB 602 and are not based on square footage.

This item requests the Board to direct the County Administrator's Office staff to initiate a Request for Proposals to conduct a Nexus Study for Parks and Transportation Impact Fees and return to the Board for contract approval and to request General Fund Contingencies to fund this effort. □

Discussion:

State Assembly Bill 602 (AB 602) was enacted on September 28, 2021, and addresses impact fees imposed on new housing developments. Impact fees, are charges levied on new developments to fund the infrastructure and services needed to support, and address the impacts of, new development and growth.

AB 602 included two phases of requirements. The first requires that, beginning January 1, 2022, public agencies make the written fee schedule publicly available. The County's schedule can be found here: [≤[?]](https://permitsonoma.org/permitservices/permitguidelinesanddocuments/feeschedules)

<https://permitsonoma.org/permitservices/permitguidelinesanddocuments/feeschedules>[≥[?]](#)

and

[≤[?]](#)

<https://permitsonoma.org/Microsites/Permit%20Sonoma/Documents/Department%20Information/Fees/Estimated-Fees-20230101.pdf>[≥[?]](#)

The second requires that any nexus study conducted after July 1, 2022 calculate fees imposed on housing development projects proportionately to the square footage of the units of the development. Further, the legislation requires that nexus studies be updated at least every eight years, beginning January 1, 2022.

If a public agency does not use a square foot approach for studies conducted after July 1, 2022, they must do all of the following:

- 1) make findings to explain why square footage is not an appropriate metric;
- 2) provide an alternative basis for calculating the fees which clearly outlines the relationship between the fee amount and the impact of the development; and
- 3) ensure that smaller developments are not charged disproportionate fees.

The County of Sonoma levies two types of on housing development projects that are not calculated based on square footage- transportation and parks development impact fees. The most recent nexus study which evaluated these fees was done in 2020. This 2020 study did not include an analysis and calculation of fees related to square footage or development size thereby the resulting analysis does not meet the requirements of AB 602.

Currently, with the exception of Accessory Dwelling Units (ADUs), these fees are each a flat rate and charged on each unit of a project or development. ADUs currently have three tiers of fees based on the size of the ADU. These fees are not charged on fire rebuild projects or remodels that maintain the number of existing units. □

Although AB 602 would not require an updated nexus study until the end of 2029, general industry best practice is to review nexus studies every three to five years or when significant changes in operations or impact needs arise. Given that the last County nexus study was done in 2020, and given interests to incentivize smaller units that increase density and affordable options, it is recommended that the Board direct staff to update the nexus study, including complying with and implementing AB 602. Should this be directed, the County Administrator's Office staff will initiate a Request for Proposals to solicit a qualified consultant to conduct the required nexus study. The County Administrator's Office will coordinate the project and manage the consultant, while Regional Parks and Sonoma Public Infrastructure will provide needed data and subject matter expert technical support. Sonoma Public Infrastructure will develop the Capital Improvement Plan that accompanies the Nexus Study as required under AB 602. It is estimated that following selection of a consultant, the study will be completed within twelve to eighteen months.

To address the Board's interest in near-term reductions of impact fees for affordable housing staff will return to the Board before the end of the calendar year with options to reduce fees for affordable housing. □

Information regarding the amount of fees collected, how they have been used, and how they are budgeted for future projects, is reported annually to the Board of Supervisors. The most recent report was adopted by the Board on December 5, 2023 and can be found here: [<?>](#)

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6434344&GUID=1BA91ECA-ED47-4C33-8568-98EDBF7C1FD5>?>

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

Agenda Date: 11/5/2024

6/10/2024 - AB 602 Development Impact Fee Nexus Study

12/5/2023 - AB 1600 Development Fees Annual Report for FY 2022-23

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts as a result of this specific action. It is estimated that an updated nexus study could cost up to \$200,000. Should the Board direct, staff will initiate a Request for Proposals and return to the Board for contract approval and to request General Fund Contingencies to fund this effort.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

N/A

Related Items "On File" with the Clerk of the Board:

Sonoma County Regional Parks Fee and Transportation Mitigation Fee Update - 2020 Study