



CBIA

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March 15, 2018

The Honorable Anna Caballero
Assembly District 30
State Capitol, Room 5158
Sacramento, CA 95814

RE: Assembly Bill 3147 – Fee Mitigation Act - SPONSOR/HOUSING CREATOR

Dear Assemblymember Caballero,

On behalf of the California Building Industry Association, we thank you for introducing AB 3147 regarding the Fee Mitigation Act and we are pleased to sponsor the bill. Additionally, we have recently identified it as a "Housing Creator." As you know, CBIA has recently instituted its "Housing Killer" and "Housing Creator" lists to be used as tools to highlight bills that will either exacerbate or ameliorate the current housing crisis. We have found that AB 3147, which would prohibit cities and counties from imposing or adding new requirements, fees, charges, or other exactions to applicants for housing projects once an application is deemed complete by the jurisdiction, will have a beneficial impact on the cost of housing and it has therefore been deemed a "Housing Creator."

In order to place bills on either list, we enumerated several criteria with which to judge a bill's merits as it relates to housing. With regard to AB 3147, we found the following:

- **Will the bill stimulate housing production and supply? YES.** By reducing costs and/or adding transparency to the fee process, this will spur housing production. Home builders often speak to the need for certainty in the process. This would provide certainty at least with regard to the fees assessed on a project.
- **Will it decrease the cost to build houses? YES.** It will either reduce costs, or at the bare minimum, make fees transparent and provide certainty to a home builder. It could reduce costs by prohibiting local governments from tacking on additional fees, charges, etc. late in the process as a condition of approval.
- **Will it make housing less expensive for Californians? YES.** This bill reduces the cost to build a home, encourages increased housing production, and helps bring down the cost of a home.
- **Will it make any of the processes associated with homebuilding such as the entitlement, approval, or permitting processes less complicated, easier, and expeditious? YES.** AB 3147 will simplify the local approval process by providing a homebuilder with the entirety of fees, charges, exactions, etc. at the time that the application is complete.
- **Will it discourage unnecessary lawsuits aimed at new home construction? YES,** it could reduce lawsuits since all fees will be known upfront.

Assembly Bill 3147 would provide certainty for applicants for housing projects by prohibiting them from being subjected to new or increased requirements, fees, charges, dedications, reservations or other exactions that were not in effect when the project development application is deemed complete. A recent study from UC Berkeley Turner Center for Housing Innovation identifies the lack of transparency and the imposition of fees late in the approval process as having serious consequences for housing development.

Assemblymember, we appreciate your efforts to address California's grave housing affordability crisis and look forward to working with you on this bill.

Sincerely,

Alyssa Stinson

Alyssa Stinson
Legislative Advocate