



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Jimenez

**SUBJECT:** Development Fee Framework Update    **DATE:** November 1, 2019

Approved

Date

11/1/2019

## RECOMMENDATION

Accept the report and, as work on the Development Fee Framework continues, direct staff to incorporate the following principles:

- A. The development related fees within the Framework must continue to mitigate the impacts of new development on the demand for parks, affordable housing, transportation infrastructure, and other amenities and services, as intended at the adoption of each fee.
- B. The outcome of this work, including adoption of any Development Fee Framework, must be revenue neutral for each fee and tax within the Framework.
- C. Any fee and tax reductions (or increases) should be evaluated and considered separately from this work.

## ANALYSIS

I appreciate the work staff has done to make development fees and taxes more uniform, transparent, and predictable. The Development Fee Framework can become one more helpful tool in our broader efforts to increase the production of housing in our city and meaningfully address the housing crisis.

As this work proceeds, we should be clear that the purpose of the Development Fee Framework is not to reduce (or increase) fees and taxes on development. We have had and will continue to have discussions about specific fees and taxes, including whether reductions and incentives are appropriate. Instead, the Framework is intended to simplify city fees and taxes and make the calculations and payment schedules more consistent and predictable for the development community.

To that end, and to make our own process clear and transparent to the public, I recommend that we incorporate the guiding principles above into the continuing work on the Development Fee Framework. Specifically, any fees and taxes incorporated into the Framework should not be diminished in value or effectiveness in mitigating the negative impacts of development as a consequence of the adoption of the Framework. The

Framework should be “revenue neutral,” and any increases or reductions in taxes and fees should be discussed as separate agenda items.