

NEW SENATE BILLS ALTER CALIFORNIA LANDSCAPE – HOW WILL YOUR REVENUES BE IMPACTED?

Senate Bill 9, and somewhat Senate Bill 10, will virtually change the landscape in California, essentially ending single-family zoning in the State. These bills, directed at the housing needs of the Golden State, allow parcels to be split and units added. For local governments, this means it is imperative to review current fees, taxes and assessments that are based on such zoning.

For example, Development Impact Fees and Community Facilities District taxes often base their charges on a standard Single Family Residence (SFR) unit. Along with the new ADU (Accessory Dwelling Unit) legislation and surge of new ADUs, it is incumbent on local agencies to tune up and fine tune their schedules, pass ordinances clarifying methods, and otherwise ensure that their fees, rates and taxes meet the new landscape.

NBS is available to provide assistance, as needed.



AB 602 Imposes New Requirements for Development Impact Fee Programs

By Joe Colgan, Impact Fee Specialist, and Nicole Kissam, Director

In September of 2021, the California Legislature passed Assembly Bill (AB) 602 and the Governor signed it into law. AB 602 creates some new requirements for impact fees that will go into effect in 2022. Specifically, the new law amends Government Code Section 65940.1 and adds Section 66016.5 to impose the following requirements:

- 1.** A city, county or special district that has an internet website shall post on its website:
 - a)** A current written schedule of fees, exactions, and affordability requirements applicable to a proposed housing development project, and shall present that information in a manner that identifies the fees, exactions, and affordability requirements that apply to each parcel and the fees that apply to each new water and sewer utility connection.
 - b)** All zoning ordinances and development standards and specifying the zoning, design and development standards that apply to each parcel.
 - c)** A list of the information that will be required from any applicant for a development project, as specified in Government Code Section 69540.
 - d)** The current and five previous annual fee reports required by Government Code Section 66006 and Subsection 66013 (d).

See **AB 602** | *inside*

READING THE SIGNS OF PUBLIC ENGAGEMENT

By Danielle Wood, Director, CivicMic

For thriving public agencies, engagement is no longer an idea or option, it's a requirement – an active expression of your commitment to encouraging participation from the community. Implementing and maintaining engagement is an adaptive art that looks different for every agency and even every engagement attempt. By prioritizing activities and deliberately creating space for authentic engagement, you will build trust with your communities. Each consistent and timely engagement activity will build upon the last to create a genuinely vested community where residents are eager to devote their time to making their community a better place.



How do you know if your engagement is effective or if the community believes it's authentic? While one-time engagement efforts are valuable, sustaining those relationships and using them for future collaboration is the best measure of success. Here are ways to assess your community's current engagement levels.

ATTENDANCE TO ONGOING MEETINGS.

Agencies typically see the same one or two residents attend every session. However, involvement by these individuals is not an accurate measurement of engagement. Low meeting attendance can be attributable to many factors: are the meetings too long, difficult to attend, boring? Do participants leave without any answers to their questions or concerns? To create excitement about your meetings, include an important issue at every meeting, keep conversations about routine business succinct, encourage open communication, and be prepared to address concerns.

ACTIVITY ON SOCIAL MEDIA SITES.

It's great to see agencies with many followers and even more encouraging to see interaction from the community. Pay close

attention to the type of interaction on social media, as this is a telling sign about how your posts are viewed. The effectiveness of social media posts can be ranked in relevance based on reacting, commenting, and sharing. Reacting shows engagement at a very superficial level, but at least the post is being read. Commenting on a post typically reflects either support or lack of trust, depending on the comment. To increase participation, respond to every comment, even if the response is to thank the participant for their insight. Individuals who share your posts are the most engaged as they are willing to promote the subject with a larger group. Consider including a call to action that asks the reader to like the post if they find it helpful or share it if it's valuable.

SATISFACTION SURVEY RESULTS.

While the results of one engagement activity alone do not determine your engagement program's effectiveness, it does give perspective and affords you the opportunity to shift gears (if necessary) to make the next engagement event more impactful. Follow up each extensive engagement activity with a satisfaction survey. Use the results to create a game plan for a better-received event in the future.

CONTACT INFORMATION ON FILE FOR COMMUNITY MEMBERS.

The size of your Rolodex matters. When it comes to building trust with residents, there is a direct correlation between the participants' willingness to share their contact information and their confidence level that the contact information will be used effectively. Build a contact database using every available interaction – meeting attendance, website visits, social media, etc. Focus on inclusion; reach out and listen to those who oppose as well as those who support the endeavor. Open communication will build on previous engagement events to continue realizing collaboration efforts.

Through small but intentional steps, your agency can easily encourage participation. If your assessment of the above items revealed a lack of community engagement, use the suggested enhancements and continue striving to foster effective, authentic engagement. Over time your endeavors will build trust and provide great insight into your residents' priorities.

AB 602 | *Continued from cover*

- e) An archive of impact fee nexus studies, cost of service studies or the equivalent, conducted on or after January 1, 2018.
2. The above information shall be updated within 30 days of any changes.
3. A city or county shall request from a development proponent, upon issuance of a certificate of occupancy or final inspection, the total amount of fees and exactions associated with the project for which the certificate is issued. That information must be posted on the website and updated at least twice a year.
4. Before the adoption of an impact fee, an impact fee nexus study shall be performed and adopted.
5. When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate.
6. If a nexus study supports the increase of an existing fee, the local agency



shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of the fees collected under the original fee.

7. A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of the proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the

burden posed by the development. The law outlines some possible exceptions to this requirement.

8. Large jurisdictions, as defined in Section 53559.1 (d) of the Health and Safety Code (counties of 250,000 or more and cities within those counties), shall adopt a capital improvement plan as part of a nexus study.
9. All studies shall be adopted at a public hearing with at least 30 days' notice, and the local agency shall notify any member of the public who requests notice of intent to begin an impact fee nexus study of the date of the hearing.
10. Studies shall be updated at least every eight years, beginning on January 1, 2022.

ALPHABET SOUP WITH GOOD TASTE

CAFR = ACFR

The widely used report in local government finance, formerly known as the CAFR, is now the ACFR. In October 2021, the Governmental Accounting Standards Board (GASB) renamed the "Comprehensive Annual Financial Report" (CAFR) to "Annual Comprehensive Financial Report" (ACFR).

This was due to the acknowledgement that the acronym, when spoken, sounds like "a profoundly offensive term directed at Black South Africans." The GASB added the proposal to its technical agenda late last year after stakeholders presented concerns regarding the acronym.

Take note and take action! These new requirements will significantly affect how California's cities, counties, and special districts structure, implement, and monitor their development impact fee programs in the years to come.

For information or assistance regarding these changes and their impacts, reach out to NBS at 800.676.7516. Visit us online at nbsgov.com.



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Stormwater Infrastructure Going Down the Drain

The *Report Card for America's Infrastructure* gives the stormwater infrastructure in California a "D" grade, lower than the State's C- grade for all infrastructure. This needs to be addressed! Every four years, the American Society of Civil Engineers releases this report card, assigning grades based on the physical condition and needed investments. For more info, visit online: <https://infrastructurereportcard.org/>

BIG MONEY FOR CALIFORNIA

As a result of the Bipartisan Infrastructure Investment and Jobs Act, California expects to receive:

- **\$25.3 billion** for federal-aid highway apportioned programs and **\$4.2 billion** for bridge replacement and repairs over five years;
- **\$9.45 billion** over five years to improve public transportation options across the state;
- **\$384 million** over five years to support the expansion of an electric vehicle charging network in the state and the opportunity to apply for **\$2.5 billion** in grant funding dedicated to EV charging;
- A minimum of **\$100 million** to help provide broadband coverage across the state;
- **\$84 million** over five years to protect against wildfires and **\$40 million** to protect against cyberattacks;
- **\$3.5 billion** over five years to improve water infrastructure across the state and ensure clean, safe drinking water for California communities;
- **\$1.5 billion** for infrastructure development for airports over five years.