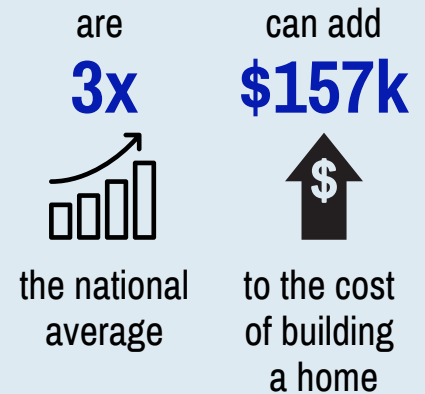


High fees on housing harm low-income communities and keep California unaffordable

Excessive and unpredictable fees prevent the development of critically needed housing and increase the cost of construction

- Current law allows local governments to charge fees of any amount. Many cities assess fees on a per-unit basis, which means a large stately manor and a small studio apartment would be assessed the same fee, penalizing smaller, more naturally affordable, lower-impact housing projects.
- Local governments are not required to report to the public whether a fee is meant to improve or maintain a service for a certain asset, which can greatly impact the amount of the fee.

CA's development fees:



High development fees are passed on to low-income households and communities of color who are already disproportionately impacted by the housing crisis

- More than 60% of low-income renters, and 45% of Black and Latino Californians, are rent-burdened.
- Homeownership among Black Californians has declined by 20% since 1980, and homeownership for young Californians has fallen by almost 50%.

AB 602 establishes basic transparency standards and aligns certain fees with community impact to lower housing costs

AB 602 sets up basic transparency and accountability standards while preserving local control and community services

- Establishes basic transparency and accountability standards for nexus studies, and tasks the Department of Housing and Community Development with developing a template for nexus studies that local governments can use as a tool.
- Requires local governments to incorporate capital improvement plans into their nexus studies.
- Allows local governments to continue levying existing fees, but increases transparency by requiring local governments to provide a public justification for the fee and current level of service, and providing the public with opportunities to participate in hearings.

AB 602 will reform certain fees to be based on actual community impact

- Aligns fees with impact by requiring that certain fees imposed are proportionate to square footage rather than on a per-unit basis. Local governments can opt-out of this by demonstrating another metric is more appropriate.
- Makes it less expensive to build smaller, lower-impact homes that would otherwise face the same fees as larger projects and will help keep costs down to make these more naturally affordable options for low-income and middle-income Californians.

VOTE YES ON AB 602