EDITORIAL: Fresno County Supervisors should keep development fees program

The Fresno County Board of Supervisors is scheduled to vote today to repeal a fee program for new development. If a board majority approves, the negative impacts for residents will be felt for years.

Frankly, we don't understand why the supervisors would want to box themselves in this way. The fees, which help pay for government offices, parks, library space and sheriff's substations, have been suspended since 2010. The supervisors' thinking behind the suspension was to generate development during the recession.

We have no quibble with that decision. With unemployment soaring, county leaders thought they needed to offer incentives that would put people back to work.

Repealing the fees, however, would force the county to start the process of establishing a fee program all over again. That would be expensive and time consuming. And you can bet that builders would put their considerable financial resources and political muscle into an attempt to block the fees.

How much money are we talking about? The full fee ranges from $2,860 to $4,399, depending on the location of the home. An analysis done in September of last year by Bee reporter Marc Benjamin estimated that if all of the fees had been collected just for new single-family homes in Fresno, Clovis and unincorporated areas, the county would have accumulated $21.7 million since 2010. And that was in a down market.

Now that economy is recovering, it would be a mistake to scrap the program all together. A Jan. 30 economic forecast from the University of the Pacific in Stockton stated that the recovery of the Fresno area housing market would drive employment growth in the construction industry through 2016. Economist Jeff Michael, who heads UOP's Business Forecasting Center, predicted that construction jobs would grow by 8.3% this year and 8.2% on top of that in 2016.

The argument against the public facilities fees from construction industry lobbyists is that they raise housing costs and keep would-be home buyers out of the market. But what fee opponents never tell you is that home prices are affected much more by supply and demand than fees— as home buyers and home owners learned during the Great Recession.

Absent the collection of development fees, county leaders will be forced to use general fund dollars to pay for sheriff's substations, jail improvements, new space for the district attorney's office and other much-needed facilities. That, in turn, will reduce the amount of funding available for county services.

Michael Prandini, president and chief executive officer of Building Industry Association of Fresno-Madera Counties, said in December that the impact fees would only fund about one-third of Fresno County's facilities needs over the next 20 years. To us, that sounds more like a defense of the program than a reason to scrap it. With those costs projected to be $475 million, having one-third of the total in the bank would be of immense help to the cash-strapped county.

The Board of Supervisors showed smarts and courage in 2008 when it adopted the public facilities fee in 2008. Seven years later, it remains to be seen if a majority of this board has the intelligence and gumption keep the program in place. Or whether our local builders get a $144 million subsidy over the next 20 years while county buildings crumble and the Sheriff's Office struggles to maintain law and order as our population grows.