

## Fresno County supervisors suspend — but don't eliminate — building fees charged to developers

By Marc Benjamin



Fresno County supervisors suspended their building fee program Tuesday for two more years, but kept from repealing it altogether — which would have led to the county paying back homeowners \$770,000 revenue generated during the two years that a portion of the fees was in place. The fee had been charged in every city and unincorporated area for new construction from 2008-10. It ranged from \$2,860 to \$4,399 for single-family homes, depending on the location. The amounts were less for apartment units and commercial/industrial development. An analysis by The Bee last year found that if the fee had been charged since 2010 only on single-family homes, the county would have had \$21.7 million to pay for government facilities.

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The supervisors initially voted to suspend the fees last year, but later eliminated the charges on a separate 3-2 vote. On Tuesday, new supervisors Buddy Mendes and Brian Pacheco — both elected last November — cast their first votes. The issue was supposed to be a second reading to eliminate the fees, but the board voted 3-2 for suspension,

taking elimination off the table.

Mendes joined Supervisors Henry R. Perea and Andreas Borgeas in supporting the suspension. Pacheco joined Supervisor Debbie Poochigian in seeking elimination of the fees.

If the second reading to repeal the fees had been approved, supervisors would have eliminated them and paid back homeowners \$770,000 revenue generated during the the two years that a portion of the fees was in place.

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The fee pays for growth-induced needs for service, said Alan Weaver, the county public works and planning director. Weaver said property tax revenues, which support county services, can't pay for new government facilities alone.

"Property taxes do not generate enough revenue to cover the demand for services, so without a capital fund someplace, you're going to rob from services to pay for the capital (projects)," he said.

Surrounding counties charge building fees, and the highest fee, in Stanislaus County, exceeds \$7,500 per new home, Weaver said.

But Pacheco said developers won't pay the bill. He said new facilities should be paid for by everyone, not just one segment of the population, in this case, new homeowners.

"It's the (new) homeowner that's going to pay, and it just adds more cost for the average person in the Valley," Pacheco said. "As a business owner, there is only so much money to go around ... all these fees keep adding up and it just keeps squeezing and squeezing."

Poochigian said that \$20 million that went unpaid into the building fees since 2010 "stayed in the pockets of the taxpayers."

She added: "This is about the homeowners and this fee takes a lot of people out of the market — a \$4,000 fee takes a lot of people out of the market."

But, without the fees, Perea said, there is no way to pay for growth, especially in the Friant area, where significant housing construction is expected.

"We're talking about the potential for thousands of homes, if we don't have something like this," Perea said. "Then what mechanism are we possibly going to use to finance the services and infrastructure we are going to need to support what's going to happen up there?"

Borgeas said that if the fees are charged again, a new study should be done based on today's needs rather than the fees previously agreed to 10 years ago. "The framework is probably way too outdated," he said.

Jaime Moncayo, a policy advocate for the Leadership Counsel for Government Accountability, said supervisors should consider re-instituting fees because the need for housing is going to rise in the Valley. When more people move in, needs and services will rise, too, he said.

"I don't think you should let your pro-business stance get in the way of sound planning, which is what an impact fee would be," Moncayo said.

The fees can only pay for facilities for new growth, said Mike Prandini, president of the Building Industry Association of Fresno and Madera counties.

Regardless, he said, a substantial amount of new facilities' costs will be the responsibility of all county taxpayers and impact fees will only pay a small portion.

He said the county started charging the fees decades after cities did, and will never accumulate funding needed to build new facilities even if it was instituted today or two years from now.

"You have no conceivable way of raising the money you need to build the new facilities to enhance your existing operations, much less provide for the growth," he said.

Darius Assemi of Granville Homes, called the fee "a new homebuyer tax." He said the fee will most affect those in low-income and middle-income brackets.

But, Perea said the fees are not as draconian as they seem.

"At some point those fees are passed on to the consumer, but if a consumer is going to buy a \$300,000 home minimum and they can't afford another \$4,000, they can't afford the home," Perea said.

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