



CITY OF HUNTINGTON BEACH
CITY COUNCIL MEETING – COUNCIL MEMBER ITEMS REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CASEY MCKEON, CITY COUNCIL MEMBER

DATE: FEBRUARY 7, 2023

SUBJECT: REQUEST TO COMMENCE A DEVELOPMENT IMPACT FUND STUDY

The City continues to experience private development of remaining vacant parcels and on-going redevelopment of existing homes and businesses, some of which is mandated by the State. This continuous development and re-development results in increased demand and impacts to the City's Levels of Service (LOS) that must be absorbed (and accommodated) by the City's infrastructure and staff.

Currently developers are required to pay certain City Development Impact Fees (DIFs) when proceeding with a development project in the City. DIFs, (also known as mitigation fees or impact fees) can be charged by cities to developers to defray all or a portion of the cost of impact to LOS on public facilities related to development of a project. Impact fees generally support a wide range of community benefits like public safety infrastructure, transportation infrastructure, environmental mitigation, libraries, and parks. Essentially, DIFs act as returns to the City for impacts/costs sustained by the City because of a proposed development.

The City's last comprehensive Development Impact Fee and Nexus Report was done in 2011. As such, the City should contract with a firm to review the 2011 Report, in order to determine if the City's DIFs sufficiently cover its LOS and recommend any appropriate changes or modifications. Much like my initiative brought in January 2023, wherein Council was asked to direct the City Manager to have the City's building standards reviewed because of the high demands from the State recently to increase housing, this review will shed light on costs to the City's LOS of development since 2011.

RECOMMENDED ACTION

Direct the City Manager to work with the Finance and Community Development Departments to conduct a Request for Proposals/Qualifications process to hire a firm that will commence a DIF study and Nexus Report or other appropriate calculations.