

DATE: July 17, 2019

TO: Contra Costa County Supervisors Federal Glover, Karen Mitchoff,  
Candace Andersen, Diane Burgis and John Gioia

FROM: BIA|Bay Area East Bay Executive Director  
for Governmental Affairs Lisa Vorderbrueggen

RE: Proposed Contra Costa Fire Protection District Impact Fee Increase

Good afternoon,

I understand that CCFPD Chief Broschard will be bringing the district's proposed fire services development impact fee increases to the Board of Supervisors on July 23, 2019. As I may be unavailable to attend the supervisors' meeting, I would like to take the opportunity to provide comments from the Building Industry Association of the Bay Area or BIA|Bay Area.

First, I want to thank the chief and his staff for completing the district's state-mandated AB1600 development impact fee reports for 2013 through 2018 and establishing a process under which the report will be compiled each year going forward. When talking about raising fees, it is critical to understand how much money is currently being collected and how it is being spent.

With respect to the proposed fee hike, I realize that the rate has not been adjusted since 2006. And I also understand that the district opted not to update the projected \$66.6 million in costs for the planned new facilities and equipment shown in the 2017 Willdan Financial Services, knowing that the price tag would have almost certainly gone up and driven the proposed fee even higher.

Nonetheless, I fail to see in the Willdan report a determination of what percentage each of the planned improvements is directly attributable to population growth. The consultant estimates that the projected service population growth of 162,100 from 2014-2040 will generate \$53.3 million in impact fee revenues, which represents 80 percent of the total project costs. But three of the four new fire stations listed in the Willdan report are relocations of existing fire stations. This suggests that the current population will also benefit from the new relocated fire stations. As we all know, the Mitigation Fee Act requires that the fee bear a reasonable relationship between the new development and the new facilities and equipment required to serve them. Does the growth generate 80 percent of the need for each of the three relocated fire stations? Or is it some other amount? Unfortunately, the Willdan report doesn't tell us. I am also concerned about the \$25 million allocated to an emergency responder complex, a figure which appears to be a

"placeholder" dollar amount for a largely undefined project that may well bring untold benefits to the district as a whole – and perhaps first responders throughout the region – but lacks at this juncture a clearly defined nexus to the projected growth.

If the supervisors proceed with a fee increase, I would respectfully ask that the county grandfather under the current rates all developments currently in the planning pipeline. The project sponsors have already obtained financing and a large fee increase this late in what is already a lengthy entitlement process could kill much-needed new housing.

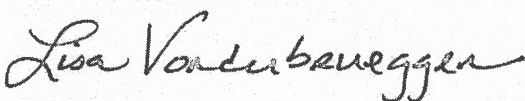
I would also ask that the supervisors consider phasing in the fee increases. For example, half of the proposed fee change could go into effect on Jan. 1, 2020, while the remainder could kick in on July 1, 2020. This would allow project proponents adequate time to incorporate the new charges into their financial pro formas.

In addition, I encourage the county to incorporate a regular inflationary adjustment process into the fire impact fee such as the Engineering-News Report's Construction Cost Index for the San Francisco Bay Area. This would preclude an unpredictable and high percentage increase such as the current proposal.

Lastly, I urge the supervisors to keep the housing supply and affordability crisis in mind. Yes, fire service is critical. But every extra dollar it costs to produce a home pushes more people out of the market. We cannot continue to disproportionately pile fee after fee onto new homebuyers and renters or we will force our children and grandchildren out of their hometowns.

Thank you for your consideration and don't hesitate to contact me if you have any questions.

Sincerely yours,



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