



BUILDING INDUSTRY ASSOCIATION

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June 13, 2019

Fremont Planning Commission
City of Fremont
3300 Capitol Avenue
Fremont, CA 94538

RE: Fremont Planning Commission 6.13.19 Agenda Item 4.2, Fee Deferral Program

Dear Commissioners,

BIA Bay Area, a regional association of homebuilders, multifamily residential developers, and all the associated industries that feed into residential development, respectfully submits the following recommendations regarding the City of Fremont's Fee Deferral Program Amendment item.

BIA strongly encourages the City to allow for the impact fee payment program to continue to provide that calculation of multifamily residential impact fees occurs at building permit issuance, with payment of fees due in full at Certificate of Occupancy (COA). When fee payment is required at building permit issuance the developer is required to finance the sum of the fees for up to two years, adding needless expense to the cost of the project.

The City should at the very least exempt projects that have achieved major entitlement milestones such as vested tentative map, planned unit development, conditional use permit, and so forth. These projects will have performed their cost profile and likely submitted for construction financing, especially those with a vested map. Changing the rules now on these projects would be unfair and incur financing costs that could delay or impact the feasibility of the project.

Cost of development is a significant challenge in today's Bay Area development environment. A substantial portion of project cost is development impact fees and Fremont fees are some of the highest fees in the Bay Area. Allowing the payment of fees at COA provides one way that the City can help mitigate the cost of development and still be assured that the assessment of fees is accurate and must be paid before any residents are allowed to move in to the units.

Multifamily projects especially should receive this consideration. Many multifamily projects, either rental or ownership, are large buildings and must be constructed and completed in a lengthy process. Apartment buildings, condos, stacked flats, and row houses are all typically constructed in a unified construction scheme. No occupancy, and therefore no impact, may occur until the City signs off on the COA.

Respectfully,

Dennis Martin
BIA Government Affairs