

From: Adrian Luna <Adrian@biasandiego.org>
Sent: Monday, April 22, 2024 1:04 PM
To: City Clerk; Keith Blackburn
Subject: BIA San Diego Comment Letter: 4/23 City Council Mtg. Agenda Item #3
Attachments: BIA San Diego Comment Letter_Carlsbad Park Land In Lieu Fees.pdf

Good Afternoon Mayor Blackburn,

Please see the comment letter attached from the Building Industry Association of San Diego County in regards to tomorrow's Carlsbad City Council meeting, agenda item #3: Park Land Dedication requirements & Park Land In-Lieu Fees.

Thank you,



Adrian Luna

Legislative Aide, Government Affairs

Building Industry Association of San Diego

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April 22, 2024

The Honorable Keith Blackburn
Mayor, City of Carlsbad
1200 Carlsbad Village Drive
Carlsbad, CA 92008

AFFILIATES

*California Building
Industry Association*

*National Association
of Home Builders*

Re: Proposed Park Land In-Lieu Fees

Dear Mayor Blackburn,

On behalf of the Building Association of San Diego County (BIA) I'd like to thank staff for their efforts in being proactive in reaching out to the BIA to present on the City of Carlsbad's (City) Park In-Lieu Fee proposal scheduled to be heard at the April 23rd City Council meeting. We appreciate the time staff spent to review the proposal with our members and answer questions. We understand the importance of maintaining and enhancing parks and recreational facilities for the benefit of residents and visitors alike. While the BIA does not oppose the proposed fee increases, we would like to provide the following comments based on our review of the proposal:

1. We understand and appreciate the fact the City has not increased the Park Fee in nearly two decades. Because of this, the proposed fee schedule includes a substantial increase as well as a change in methodology in how the fee will be applied to residential development. Based on the City's 2023 General Plan and Housing Element Annual Progress Report, the City has only issued 1,008 permits toward its Regional Housing Needs Assessment allocation of 3,873 units. Any additional regulations and/or costs adopted by the City may prevent the City from achieving its goals, and addressing the City's housing shortage. We recommend that the City monitor the impact of the fee increase on an annual basis as additional fees simply increase the cost to produce housing and hinder development. These increased costs would inevitably be passed on to homebuyers, renters, and consumers, exacerbating the already challenging affordability crisis in our region.
2. If the City Council does move forward in adopting the proposed fees, we support the three-year phase in of the increase as recommended by staff. Given current market conditions and the difficulties in acquiring financing, a quick and sudden increase in fees will have a harmful effect on housing production. As mentioned previously, annual monitoring of housing permits will allow the Council to be informed about the impacts of additional fees. This will also be important as the City is proposing a three-year cycle of review of these fees. Following review of the first three years of activity, we would caution that should the amount of revenue generated not meet expectations, the City does not arbitrarily take that as a need to raise fees.

Again, we thank staff for working with our organization in a proactive manner. We hope that we are able to continue partnering with the City to address the lack of housing in our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lori Holt Pfeiler', is written over a light blue horizontal line.

Lori Holt Pfeiler
President & CEO