

AB 602

AB 602 focuses on reforming the way cities collect impact fees for new housing such that smaller, more affordable units are not unfairly penalized with higher costs. Currently, in many California cities, impact fees can add over \$100,000 to the cost of a single apartment — making many new homes out of reach for middle-income workers. In many cases, exorbitant impact fees kill new housing altogether by making the [costs exceed what renters and homebuyers can pay](#).

AB 602 would require impact fees to be proportional to the size of a new home so that smaller individual homes pay smaller fees; currently, impact fees often incentivize larger, more expensive projects, because the fees are assessed by unit rather than size — even though larger single-family homes have higher impacts than small apartments.

The bill would also require local governments to improve the transparency of their housing impact fees, by identifying all of the fees and explain their intended use.

By increasing transparency around impact fees and requiring them to be proportional to the size of the home, AB 602 will incentivize more naturally-affordable housing across the state.

Updates:

- 9/28/2021: AB 602 was signed by Governor Newsom and chaptered by the Secretary of State. This bill will go into effect on January 1, 2022. [Read our statement here.](#)

Resources:

- [Bill text](#)
- [One-page explainer](#)
- [Fact sheet](#)

Authors: Grayson (D, AD 14)

Sponsors: California YIMBY

Take Action

Store

News

Stories

Meet Our Staff

Donate

Careers

Contact

AB602



