**Governmental Affairs Update**

***By Neil Malone, Governmental Affairs Director***

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**Rochester Eyes Impact Fee Increase**

The Village of Rochester is proposing an increase in their development impact fees that would result in a corresponding increase in the cost of new housing in the village.

Currently, the village charges developers what they refer to as a “Fair Share Assessment” as a condition of plat approval. The fee is designed to provide for, and cover the proportional costs of, utility improvements that are specifically and uniquely attributable to the development activity. The village currently charges a builder $231 per plumbing fixture on each lot built upon. Local builders have told

CAAR that the average home has 10 such fixtures, which would result in an average total impact of $2,310 per home. The village has proposed increasing the fee to $300 per fixture, which would yield a new impact to $3,000, a nearly $700 increase per home.

Development Impact Fees (or “exactions”) are controversial, but they are permitted under Illinois Law. In fact, when Rochester first instituted these fees in the early 1990’s, a group of local developers and property owners filed an unsuccessful lawsuit after which the fees were allowed to continue.

Thankfully, the Illinois Statutes also provide that the strictest standard must be applied when considering these fees. Illinois requires that these fees be “specifically and uniquely attributable” to the new development, rather than less restrictive “rational nexus” standard, or the open-ended “reasonable relationship”standard. In other words for the fee to be legal, the revenue generated must be targeted to the new development, and may not be spent on general obligations of the entire village.

CAAR will continue to work with local builders and developers to ensure fairness in any fee increase, and to make certain that the resulting revenue is only directed to costs specifically and uniquely attributable to the new development.