



May 19, 2026

Mayor Paula Perotte
Mayor Pro Tempore Jennifer Smith
Councilmember Stuart Kasdin
Councilmember James Kyriaco
Councilmember Luz Reyes-Martín
130 Cremona Drive
Goleta, CA 93117

RE: 2026 Development Impact Fee Program Update

Dear Mayor Perotte and Councilmembers,

The Santa Barbara Association of REALTORS® (SBAOR) represents about 1,200 REALTORS® throughout the South Coast and our mission includes engaging in real estate related community issues affecting our members and/or their clients who are homeowners, housing providers, tenants, and commercial owners. Thank you for the opportunity to provide input on the proposed 2026 Development Impact Fee (DIF) Program Update

We understand the City's need to periodically update its nexus study and ensure compliance with evolving state requirements, including AB 602. We also recognize the importance of funding infrastructure and public facilities needed to support future growth. However, we urge the City Council to carefully consider the cumulative impact these proposed fee increases may have on housing production, project feasibility, and the diversity of housing types developed in Goleta.

According to the staff report, the proposed updates would increase the total residential fee burden from approximately \$45,471 to \$89,431 for an average single-family unit and from approximately \$31,774 to \$56,132 for other residential units. These increases come in addition to other costs already affecting housing development, including construction costs, financing costs, affordable housing requirements, labor, insurance, utility infrastructure, and other local and state regulatory obligations.

While the nexus study may justify a maximum fee level, the City is not required to adopt the maximum allowable fees. We encourage the Council to consider a more balanced approach that recognizes the current economic realities facing housing production throughout the region.

Importantly, Goleta needs all types of housing. The community benefits from a diverse housing inventory that includes smaller homes, workforce housing, entry-level ownership opportunities, condominiums, townhomes, apartments, mixed-use projects, and family-oriented housing. As development impact fees continue to rise, the ability to produce this range of housing types becomes increasingly constrained. Higher fees often push development toward only the highest-priced product types capable of absorbing the additional costs, reducing housing diversity and limiting opportunities for moderate-income households, young families, seniors, and local workers.



We respectfully encourage the City Council to consider:

- Phasing in any fee increases over time;
- Evaluating reduced fee structures for smaller or workforce-oriented housing types;
- Considering exemptions or reductions for deed-restricted affordable housing and missing-middle housing;
- Conducting additional feasibility analysis regarding the cumulative effect of local development costs; and
- Continuing to prioritize policies that encourage housing production across all income levels and housing types.

Goleta has worked hard to position itself as a community that supports thoughtful housing production while maintaining quality of life. We encourage the City to ensure that future fee policies do not unintentionally undermine those efforts.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Berger". The signature is written in a cursive, flowing style.

Jennifer Berger
SBAOR President

