

Reduced or waived fees for qualifying projects overview

Some communities assess development impact fees and permit processing fees during the construction process. Revenue raised from these fees helps to cover the cost of expanding infrastructure and other public services to cover residents of new developments, as well as administrative expenses and other budgetary needs.

While impact fees and permitting fees can serve an important purpose, they can also add up. In areas with high fees and/or a large number of special assessment districts, the cumulative cost can erode the financial viability of affordable housing projects. Local jurisdictions can encourage the development of new affordable housing by reducing or waiving these fees for qualifying projects. (Although fees are waived, developers still receive the services supported by the fee and/or must secure the associated permits or approvals.) This incentive is likely to have the greatest impact in jurisdictions with a robust level of construction activity (or where new development is anticipated) and where impact and permitting fees are relatively high.

Communities can also reduce impact fees and exactions for ALL housing units in order to encourage new development and increase the overall supply of units in the market. Click [here](#) to access a description of this broader policy option.