

must make geotechnical reports, which could lead to mitigation measures such as structural strengthening, special site preparation or site plan modification. Restriction of on-site density will also be justified in some cases.

#### **5.3.4 Impact Fees**

Overlay zones are based on best available information, and thus their boundaries will be adjusted with time. This raises questions about adjoining land. Should there be design or density restrictions on other nearby parcels? An equitable way to answer this and minimize the cost of geological investigation to get answers is for the County to sponsor such studies through collection of an impact fee.

The fee could be levied as a service charge on all properties within a given distance from an overlay zone. In this scenario, a geologic hazards assessment district would be formed around each overlay zone. Or, a fee could be exacted on proposed development within the defined, adjoining area. Separate developer fees may act as a disincentive to any development, leaving the exact nature of any geologic threat unresolved.

The principal constraint on use of impact fees is the statutory requirement that any fee collected have its basis in identifiable and justifiable local governmental costs. The County is prohibited from establishing a fee to serve only as a disincentive to development. It may create such fees only when a public service related to a legitimate public goal - in this case, safety - can be measurably identified and financially described.

#### **5.3.5 Proposition 218**

This measure was adopted in November 1996 and dramatically revised local

government finance. Previously, local elected officials had the power to establish new revenue sources, in addition to use fees. Proposition 218 requires voter or property owner approval. It has replaced representative democracy in local government finance with direct democracy.

Proposition 218 affects most local government revenues, including garbage collection fees, fire assessments, and utility user taxes. The only local revenues not affected directly by Proposition 218 are: fees for local services not related to property, gas and electric charges, fees collected as a condition of property development, and intergovernmental transfers (Colantuono, 1997).