

Impact Fees

NEWSBRIEF

(excerpt from October 8, 1992)

IMPACT FEES

Clarification is required of information contained in a letter to Mr. Richard H. Creps dated August 26, 1992, attached to the September 2, 1992 NEWSBRIEF, regarding the use of CDBG funds for the payment of impact fees levied against homes built by non-profit developers. The determination that impact fees would be an eligible CDBG expense if the housing construction is carried out by a 24 CFR 570.204 special subrecipient is appropriate. However, the letter states "A new construction project could be considered a neighborhood revitalization project if it is of sufficient size or scope to have an impact on the decline of the area when undertaken in conjunction with other physical improvements...." The letter should read as follows: "A new construction project could be considered a neighborhood revitalization project if it is of sufficient size or scope to have an impact on the decline of the area either alone or when undertaken in conjunction with other activities."