



PRESS RELEASE

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For Immediate Release

Long Beach City Audit Finds City Has Not Adjusted Development Impact Fees Resulting in the Loss of at Least \$22 Million for Public Infrastructure and Services

Long Beach, CA – Long Beach City Auditor Laura Doud today released the [Development Impact Fees Performance Audit](#). The audit focused on four of the City of Long Beach's (City's) seven impact fees - Fire, Police, Transportation, and Parks Impact Fees. The City collects development impact fees (impact fees) from developers when new commercial and residential buildings are built. The impact fees are charges imposed on new developments to help fund the added demand placed on public infrastructure and services in that area. For example, Fire and Police Impact Fees can support building new stations or purchasing vehicles and equipment. Transportation Impact Fees can be used for new bike lanes, pedestrian crossings, traffic signals, and street lighting. Parks Impact Fees can be used to acquire new parkland, expand existing parks, and build sport fields and playgrounds.

The audit found the City's impact fee rates have not been adjusted for inflation or kept pace with the rising costs for public infrastructure and services resulting in the loss of at least \$22 million in revenue. In addition to inflation, State law authorizes cities to conduct nexus studies to adjust impact fees to cover the costs of infrastructure needed for new development. The City has not conducted nexus studies for Fire, Police, and Transportation impact fees since inception, and the outdated 2018 and 2022 Parks nexus studies were never presented publicly to City Council as required per Municipal Code.

Other findings from the audit include:

- Lack of policy, procedures, and collaboration amongst City departments limits comprehensive Citywide resources and knowledge available for impact fee decisions; and
- The City does not have a dedicated centralized webpage for stakeholders and the public to access impact fee information.

"This audit emphasizes the importance to regularly evaluate and adjust development impact fees to ensure the fees remain fair and align with the demands placed on critical City infrastructure and services due to new development," said Long Beach City Auditor Laura Doud. "I am pleased that City Management has agreed with all the audit recommendations and has started to implement them. However, City Management brought up new information in their response that was not previously communicated throughout the audit process. Therefore, comments regarding City Management's response have been provided."

The Development Impact Fees Performance Audit, City Management's response, and City Auditor Laura Doud's comments can be viewed [here](#) and the Fact Sheet can be viewed [here](#).

About the Long Beach City Auditor's Office

The Long Beach City Auditor's Office's mission is to make Long Beach better through independent audits and fraud investigations. The Office works to provide assurance City funds are spent as intended, promote transparency and accountability of City operations, and prevent fraud, waste and abuse of City resources. For more information visit CityAuditorLauraDoud.com and connect with the Office @LBCityAuditor on [Facebook](#), [Instagram](#) and [X](#). Sign up to receive email [updates](#) and download the MyAuditor App at the [App Store](#) or [Google Play](#).

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