



CITY COUNCIL STAFF REPORT

ITEM NO. 6.4

DATE: June 8, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution approving a standard agreement template to secure deferred payment of development impact fees pursuant to Government Code Section 66007 (SB 937)

RECOMMENDED ACTION

Adopt a resolution approving a standard agreement template for the deferral of development impact fees for qualifying residential projects, consistent with Government Code Section 66007.

SUMMARY

Senate Bill 937 (SB 937), codified in Government Code Section 66007, requires cities to defer the collection of development impact fees for eligible residential development projects until the issuance of a certificate of occupancy. The law also authorizes cities to require a recorded lien or other security to ensure payment of the deferred fees. The law allows cities to require the developer to enter into an agreement to ensure payment of the deferred fees if a model form of the agreement is posted on the city's website.

The proposed action approves a standard agreement template, prepared by the City Attorney, that establishes a lien against the property to secure payment of deferred development impact fees. Adoption of this template will allow the City to comply with State law while protecting its financial interests.

DISCUSSION

Historically, the City of Livermore has required payment of development impact fees prior to the issuance of building permits. Senate Bill 937 (SB 937), however, requires cities to defer the collection of certain impact fees for qualifying residential development projects upon request. Government Code Section 66007(c) provides that, upon request, cities must defer the collection of development impact fees for "designated residential development projects" until the issuance of the first certificate of occupancy. Section 66007(d) authorizes cities to require applicants to enter into an agreement to secure payment of the deferred fees as long as a model form of the agreement is posted on the city's website. The law also allows a city to authorize an officer or employee of the local agency to approve and execute the contracts on behalf of the city.

The SB 937 fee deferral requirement applies to development impact fees, including, but not limited to: Traffic Impact, Wastewater Capacity, Drainage, Park Impact, and Affordable Housing (low-income housing) fees. Fees not subject to deferral include pass-through fees collected on behalf of other agencies, such as Tri-Valley Transportation fees and school district fees. In addition, fees for service are not subject to deferral and will continue to be collected at the time of permit issuance. These include building permit fees, plan check and inspection fees, fire prevention and sprinkler permit fees, water connection fees, and other administrative or service-related charges.

To implement these requirements in a consistent and legally compliant manner, the City Attorney has prepared a standard agreement template represented in Exhibit A that:

- Defers payment of eligible development impact fees until issuance of the first certificate of occupancy;
- Establishes a lien against the property to secure payment of the deferred fees; and
- Provides enforcement mechanisms in the event of nonpayment.

Adoption of the proposed agreement template will:

- Ensure compliance with State law (SB 937);
- Provide a uniform and transparent process for applicants requesting fee deferrals;
- Protect the City's ability to collect development impact fees through a recorded lien; and
- Streamline administration by eliminating the need to draft individual agreements for each project.

The agreement requires payment of all deferred fees upon issuance of the first certificate of occupancy (including a temporary certificate of occupancy), or earlier upon transfer or sale of the property. The City retains the ability to enforce payment through lien foreclosure or other available legal remedies, if necessary.

FISCAL AND ADMINISTRATIVE IMPACT

Deferral of development impact fees will delay the timing of revenue collection and inflation may reduce the value of the fees paid to the City since they will be paid later in time than would previously have occurred. The agreement structure protects the City's financial interests by securing payment through a recorded lien on the property. There is no administrative impact.

COMMUNITY PILLAR

5. A City That Works

GOAL

15. Uphold the integrity of Livermore's Municipal Code, Development Code, and regulations.

ATTACHMENTS

1. [Senate Bill 937](#)
2. [Resolution](#)

3. Exhibit A - Agreement

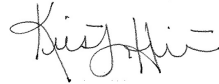
Prepared by: Franc Moufarrej
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Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Kristen Hilton
Acting Administrative Services Director