

January 2016

REVISIONS TO CITY OF SAN DIEGO IMPACT FEES (FBA, DIF, & HIF)

POSITION: The Chamber's Board of Directors voted to SUPPORT the update on January 18, 2016.

STATUS: No City Council Committees have heard the proposed revisions at this time. It is anticipated that the City Council will take action on the recommendations in February.

AT-A-GLANCE

The proposed Municipal Code revisions would allow the Housing Impact Fee to be deferred until final inspection. In addition, the Code would be simplified by incorporating the Facilities Benefit Assessment (FBA) Ordinance into the Impact Fee Section of the Municipal Code and by removing duplicative language.

SUMMARY

The proposed revisions to the City of San Diego Municipal Code (Code) would allow the Housing Impact Fee to be deferred until final inspection and would simplify the Code through cleanup language and consolidating impact fees into a single section of the Municipal Code. The specific proposed revisions are:

Allow the Housing Impact Fee to be Deferred: In addition to minor cleanup changes to the Fee Deferral Agreement part of the Municipal Code, the Code would be changed to allow the Housing Impact Fee to be deferred until final inspection.

Incorporating the Facilities Benefit Assessment (FBA) Ordinance into the Impact Fee Section of the Municipal Code: Repealing the FBA procedural ordinance and incorporating it into the impact fee section of the code would streamline the process in FBA communities by eliminating a number of requirements. It would eliminate the need to be heard at Council, the need to file paperwork including a map designating an area of benefit, the need to file a notice of assessments and property liens in addition to other noticing requirements. The Impact Fee section of the code would be altered to allow the Mayor to enter into associated reimbursement agreements and to allow exempt developer reimbursement agreements from the City's consultant services procurement process.

Remove Duplicative Language with Respect to the Housing Impact Fee and Park & Recreation Facilities Fees: The Housing Fee exemption provision can be removed as the Code identifies projects that are not subject to the requirement. In addition, the Code references to Park & Recreation Facilities Fees can be eliminated as the City now collects Development Impact Fees for Park facilities attributable to new development.

ANALYSIS

The deferral of Housing Impact Fees until final inspection was one idea that surfaced during the linkage-fee negotiations and was ultimately jointly proposed by the Housing Commission and Jobs Coalition as a reasonable way to encourage development.

With no legal distinction between FBAs and DIFs, consolidating the two within the municipal code is a common-sense way to eliminate additional procedural requirements that are not necessary. This consolidation would include authorizing the Mayor to approve reimbursement agreements not-to-exceed \$30,000,000, which is the same as was authorized for the Capital Improvement Program during recent streamlining.