



THE CITY OF SAN DIEGO

REQUIREMENTS FOR

Development Fee Deferrals

CITY OF SAN DIEGO DEVELOPMENT SERVICES
1222 FIRST AVENUE, MS 302 SAN DIEGO, CA 92101-4101
CALL (619) 446-5300 FOR APPOINTMENTS AND (619) 446-5000 FOR INFORMATION

INFORMATION
BULLETIN

108

NOVEMBER 2009

The San Diego City Council has approved an ordinance (O-19893) that allows for the deferral of Facilities Benefit Assessments (FBA) and Development Impact Fees (DIF). A Fee Deferral Agreement must be processed by the applicant, properly executed, duly recorded, and the applicable administrative fee paid to defer the collection of FBA or DIF. The FBA or DIF can be deferred for a maximum period of two years, or until request for Final Inspection, whichever is shorter. The Final Inspection shall not be scheduled until the applicable FBA or DIF are paid.

I. DEVELOPMENT IMPACT FEES AND FACILITIES BENEFIT ASSESSMENTS

A. SCOPE

Developers of eligible projects must sign an agreement with the City to pay the fees prior to final inspection. An administrative fee of \$300, to cover the costs of processing and recording the agreement with the Office of the San Diego County Recorder, will be charged. Any deferred fees must be paid before a final inspection can be scheduled by Development Services. The property cannot be occupied until it receives an approved final inspection and a Certificate of Occupancy.

B. AFFORDABLE HOUSING UNITS

Affordable Housing units can have DIF and FBA deferred indefinitely. Affordable housing units mean all units that meet the affordability requirements of the Inclusionary Ordinance codified in San Diego Municipal Code section 142.1309.

C. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM

The Regional Transportation Congestion Improvement Program (RTCIP) fees will not be eligible for fee deferral.

D. FBA PROGRAM

The fee deferral program for FBA will be in effect for two years from the date of ordinance approval (termination date 11/09/2011). FBA, including all annual inflationary rate increases, due shall be as set forth in the fee schedule in effect when the Fee Deferral Agreement is executed by the City, or the fees approved by the City Council for a subsequent update of the public facilities financing plan, whichever fee is lower.

Documents Referenced in this Information Bulletin

- [San Diego Municipal Code, \(SDMC\)](#)
- [FBA/DIF Fee Deferral Agreement](#)
- [Termination of FBA/DIF Fee Deferral Agreement](#)

E. DIF PROGRAM

The DIF fee deferral program will continue indefinitely. DIF due shall be the amount in effect when the Fee Deferral Agreement is executed by the City, plus an automatic increase effective July 1st of each year based on the one-year change (from March to March) in the Los Angeles Construction Cost Index as published monthly in the Engineering News Record.

F. PAYING THE DEFERRED DEVELOPMENT IMPACT FEES AND FACILITIES BENEFITS ASSESSMENTS

Before the project can receive a final inspection, the fees must be paid with a certified/cashiers check. They can be paid by mail, or at the City of San Diego Facilities Financing Program, 1010 Second Avenue, Suite 600, MS 606F.

G. HOW TO APPLY FOR DEFERRALS OF SOME DEVELOPMENT

To apply for deferral of DIF and FBA, contact the Facilities Financing Program at (619) 533-3670 to determine eligibility. You will also need to complete the forms on pages 2-6 of this Information Bulletin.

To be accepted by the Office of the San Diego County Recorder, these documents must be legibly printed and all signatures made in blue ink.

II. WATER AND SEWER CAPACITY CHARGES

Contact Public Utilities at (858) 614-5764.



THE CITY OF SAN DIEGO

RECORDING REQUESTED BY:
THE CITY OF SAN DIEGO
AND WHEN RECORDED MAIL TO:

City of San Diego
Attn.: City Planning & Community Investment Dept./Facilities Financing
1010 2nd Avenue, Suite 600, MS 606F
San Diego, CA 92101

No transfer tax is due as this is a conveyance to a public agency of less than a fee interest for which no cash consideration has been paid or received.

(THIS SPACE IS FOR RECORDER'S USE ONLY)

FBA/DIF FEE DEFERRAL AGREEMENT

THIS FEE DEFERRAL AGREEMENT ("Agreement") is made and entered into as of _____, 20____, by and between _____, a ("Owner/Applicant"), and the CITY OF SAN DIEGO, a California municipal corporation and charter city ("City") with reference to the following facts:

- A. Owner/Applicant is the owner of that certain real property in the City of San Diego, County of San Diego, State of California, more particularly described on Exhibit "A" attached.
- B. On _____, 20____, the _____ of the City approved _____ a proposed _____, known as _____ (the "Project").
- C. Owner/Applicant has applied for a building permit on Project No. _____ for [e.g., that portion of the Project described as] _____, Lot(s) _____, Unit(s) _____, and/or Square Feet _____ (the "Project") in the _____ community.
- D. Upon the issuance of the Building Permit, certain City Development Impact Fees, Facilities Benefit Assessments, and other fees and charges (collectively, the "Fees") are due and payable pursuant to the City's Municipal Code Sections 61.2200, et. seq. The Fees applicable to the Building Permit are more particularly described on Exhibit "A" attached.
- E. The City has determined the following: deferral of collection of fees encourages economic development vital to the City; payment of the Fees is adequately secured through this Agreement and the City's right to withhold final inspection until the Fees are paid; and deferral of the Fees for the Project would not jeopardize the public health, safety and welfare.
- F. City has the authority to defer the payment of fees and assessments.
- G. The law and the City's Charter allow the City when issuing a building permit to require the property owner to execute a contract to pay fees if such fee is not fully paid prior to the issuance of the building permit.
- H. City and Owner/Applicant desire to enter into an agreement deferring payment of the Fees until request for final inspection, on all of the terms and conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. City agrees to defer collection of the Fees until the call for final inspection for the Project.
2. Owner/Applicant agrees to pay a non-refundable fee totaling \$300.00 to process the fee deferral agreement and fee deferral release.
3. Owner/Applicant, on behalf of itself and its successors and assigns, agrees to pay the Fees with a cashiers/certified check concurrent with the call for final inspection for the Project (or the applicable proportional amount of the Fees upon requesting an appointment for final inspection for a portion of the Project).
4. All other rights of the parties shall remain unchanged, as if the Fees were paid at the time of issuance of the building permit. Without limiting the generality of the foregoing: the amount of the Fees payable shall be those in effect at the time final inspection is called for as set forth on Exhibit "A".
5. This Agreement shall be recorded in the Office of the San Diego County Recorder and shall constitute a lien for the payment of the Fees binding upon, and running with, the Property. If Owner/Applicant sells all or any portion of the Property, property shall not be released of any obligations under this Agreement relating to the Property or the portion of the Property which is being acquired.
6. The burden of this Agreement shall be released from title to the Property (or an individual lot, parcel or unit with the Property) upon the payment of the Fees (or the proportionate amount of the Fees applicable to any such portion of the Property). Within a reasonable time following payment of the Fees (or the applicable proportional amount of the Fees), the City shall execute a lien release (Exhibit "B") which shall be in standard form releasing the burden of this Agreement from the title to the Property (or to such portion of the Property).

IN WITNESS WHEREOF, this Agreement is executed by THE CITY OF SAN DIEGO, acting by and through its Mayor, pursuant to Ordinance No. O-19893, authorizing such execution, and by Owner/Applicant.

"Owner/Applicant"

By: _____

Its: _____

The CITY OF SAN DIEGO,
a California municipal corporation

By: _____
FACILITIES FINANCING MANAGER

Approved as to form and legality this
_____ day of _____, 20_____.

JAN I. GOLDSMITH, City Attorney

By: _____
DEPUTY CITY ATTORNEY

NOTE: ALL SIGNATURES MUST INCLUDE NOTARY ACKNOWLEDGMENTS PER CIVIL CODE SEC. 1180 ET.SEQ.

Exhibit "A"
Property Description and List of Fees

Property Description (Legal Description)

List of Fees and Assessments

PROJECT
NUMBER

(1) FBA/(2) DIF
PAYMENT DUE

1. FBA, including all annual inflationary rate increases due, shall be as set forth in the fee schedule in effect when the Fee Deferral Agreement is executed by the City, or the fees approved by the City Council for a subsequent update of the public facilities financing plan, whichever fee is lower.
2. DIF due shall be the amount in effect when the Fee Deferral Agreement is executed by the City, plus an automatic increase effective July 1st of each year based on the one-year change (from March to March) in the Los Angeles Construction Cost Index as published monthly in the Engineering News Record.



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EXHIBIT "B"
TERMINATION OF FBA/DIF FEE DEFERRAL AGREEMENT

NOTICE IS HEREBY GIVEN that the Facilities Benefit Assessments or Development Impact Fees due under Condition _____ of the Fee Deferral Agreement between _____ and the City of San Diego, Document/Resolution No. _____, for the payment of the Facilities Benefit Assessments or Development Impact Fees as recorded in the Office of the County Recorder of San Diego County on _____, Document No. _____, have been fully satisfied as pertaining to:

Project No. _____, Project Name _____, Project Description _____, Lot(s) _____, Unit(s) _____, And/Or Square Feet _____, _____ Community.

DATED: _____

CITY OF SAN DIEGO

BY: _____
FACILITIES FINANCING MANAGER

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

On _____, 20____, before me, _____, Notary Public personally appeared _____, who proved to me on the basis of satisfactory evidence to be persons(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public in and for said County and State

NOTE: ALL SIGNATURES MUST INCLUDE NOTARY ACKNOWLEDGMENTS PER CIVIL CODE SEC. 1180 ET.SEQ.