

FACILITIES FINANCING

What are Facilities Benefit Assessments and Development Impact Fees?

Since 1980, the City Council has adopted legislation establishing fees on new development as a way to assure that needed public facilities will be provided both in urbanized and planned urbanizing communities in the City of San Diego.

Building permits involving new or additional development can be issued for most residential and non-residential projects only after applicants pay a Facilities Benefit Assessment (FBA) or a Development Impact Fee (DIF). The amounts collected vary by community since they are based on the facility needs of each community. In some cases payment of fees may be deferred until final inspection.

Facilities Benefit Assessments are collected in the **planned urbanizing communities**. Assessments are typically levied to finance libraries, fire stations, parks, police stations, and transportation facilities within each community. Commercial, industrial, and institutional fees in the planned urbanizing areas are based on total acreage of a development. An exception is North University City, where FBAs are based on the average daily trips generated by a project.

Development Impact Fees are also

collected in the **urbanized communities** and typically include components for transportation, fire, police, park and library facilities.

Commercial and industrial DIF fees are collected for fire and transportation facilities. Calculations for the fire portion of the DIF fees are based on the square footage of a project. Calculations for the transportation portion of the DIF fees are based on the expected traffic generation of the project, with "per trip" rates.

The fees are applicable only on additional development; that is, a net increase in residential units, increased building area, or a change in use resulting in higher trip generation.

Fees can be paid at the Development Services Center, 1222 First Avenue, when the building permit is issued. Requests for fee deferral until occupancy may be granted in certain cases. Please contact the office listed below for further information:

**Planning Department,
Facilities Financing Section**

(619) 533-3670

**COMMUNITY PLANNING AREAS
BY CATEGORY**

URBANIZED

Barrio Logan
Centre City
Clairemont Mesa
College Area
Golden Hill
Kearny Mesa
La Jolla
Linda Vista
Mid City
Midway/Pacific Highway Corridor
Mission Beach
Mission Valley
Navajo
Greater North Park
Ocean Beach
Old San Diego
Otay Mesa-Nestor
Pacific Beach
Peninsula
San Ysidro
Serra Mesa
Skyline/Paradise Hills
Southeast San Diego
Torrey Pines
University South
Uptown

PARK PLANS

Balboa Park
Los Penasquitos Canyon Preserve
Mission Bay Park
Mission Trails Regional Park
Tecolote Canyon

PLANNED URBANIZING

Carmel Mountain Ranch
Carmel Valley*
East Elliott
Fairbanks Ranch Country Club
Miramar Ranch North
Mira Mesa*
North University City*
Otay Mesa
Rancho Bernardo
Rancho Penasquitos*
Sabre Springs*
Scripps-Miramar Ranch*
Sorrento Hills
Tierrasanta*
Via de la Valle

FUTURE URBANIZING

Del Mar Mesa (Subarea 5)*
Subarea 2
San Dieguito River Basin
San Pasqual

PHASE SHIFTED COMMUNITIES

Black Mountain Ranch (Subarea 1)*
Pacific Highlands Ranch (Subarea 3)*
Torrey Highlands (Subarea 4)

*FBA Communities

California Government Code 66000 Guidelines

Development Impact Fees (As opposed to Facilities Benefit Assessments) are governed by the California Government Code 66000. These fees are assessed primarily in the urbanized areas of the City. The major points of this code as they apply to the City's impact fees are provided below.

The City must:

1. Identify the purpose of the fee;
2. Identify the public facility to be funded;
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed;
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed;
5. Deposit the fees in a separate earning fund;
6. Provide an annual report showing the amount of the fee; beginning and ending balance of each fund; total fees collected including interest earned; and list each public improvement on which fees were expended.

If money remains in the fund after 5 years from the collection date and certain findings aren't made then the money shall be refunded.

City of San Diego Ordinance O-15318 Guidelines

Facilities Benefit Assessments are governed by the City of San Diego Ordinance O-15318. This is the procedural ordinance for financing public facilities in planned urbanizing areas of the City. This ordinance was adopted August 25, 1980. The major points of this ordinance are provided below.

The City must:

- 1) Designate areas of benefit and provide a diagram of the designated area
- 2) Provide an implementation program or a financing plan with respect to the proposed capital projects
- 3) Describe and provide estimated total costs for each project
- 4) Provide a capital improvement program establishing a schedule for the timing of the project construction
- 5) Provide the method by which costs are apportioned and the estimated cost by parcel in each area of benefit
- 6) Provide the basis and methodology for automatic annual increases
- 7) Place liens on the property for the proposed assessment due at building permit issuance

Fees are deposited in a separate interest earning fund for each area of benefit.