

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 9,
ARTICLE 8, DIVISION 6 OF THE SAN DIEGO
MUNICIPAL CODE BY AMENDING
SECTIONS 98.0601, 98.0603, 98.0608, 98.0610, 98.0611,
98.0619 AND BY AMENDING APPENDIX A TO
SECTION 98.0619 ALL RELATING TO HOUSING
IMPACT FEES ON COMMERCIAL DEVELOPMENT.

WHEREAS, it has been the policy of the City of San Diego that new non-residential development pay a fair share of the costs to subsidize housing for the low and very low income employees who will occupy the jobs new to the region related to such development; and

WHEREAS, the City of San Diego's Housing Impact Fee was initially established through a nexus study performed in 1989 and at that time fee levels were set at an amount equal to approximately 10 percent of the impact on low income residents earning below 80 percent Area Median Income; and

WHEREAS, in 1996, the Housing Impact fee levels were reduced by 50 percent and since that time there has not been an adjustment to the Housing Impact Fee and the current levels remain substantially below the original nexus amounts; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1: That Chapter 9, Article 8, Division 6 of the San Diego Municipal Code is amended by amending sections 98.0601, 98.0603, 98.0608, 98.0610, 98.0611, 98.0619 and by amending Appendix A to section 98.0619 as follows:

§98.0601 Purpose

It is the policy of the City of San Diego that new office, retail, research and development, manufacturing, warehouse, hotel, education, and medical

development pay a fair share of the costs to subsidize housing for the low and very low income employees who will occupy the jobs new to the region related to such development.

§98.0603 Limitation

Unless otherwise expressed in the San Diego Municipal Code, the provisions of this Division are the exclusive procedures and rules relating to housing impact fees for non-residential development. In the event of conflict, these provisions shall prevail over any other provisions of the San Diego Municipal Code.

§98.0608 Application of the Housing Fee Requirement

(a) This Division shall apply to non-residential development projects that are proposing the construction, addition or interior remodeling of any non-residential development project. This Division shall apply to mixed or combined use projects if such projects propose the construction, addition or interior remodeling of non-residential uses. Notwithstanding the foregoing, this Division shall not apply when the Mayor or his or her designee determines the project falls within one or more of the following categories:

(1) through (7) [No change in text.]

(8) Non-residential development projects by nonprofit institutions or organizations whose primary purpose is the promotion of public health and welfare and who have qualified for federal tax benefits.

§98.0610 Housing Fee Requirement: Payment of Fee As A Condition of Issuance of A Building Permit

Except as provided elsewhere in this section, no building permit shall be issued for construction of, or interior remodel of, any non-residential development project, subject to this Division unless and until the fee provided for in this Division is paid to the City.

§98.0611 Determination of Fee

The Mayor or his or her designee shall calculate the amount of the fee to be applied to each project based on the anticipated use of the non-residential development, the definitions contained in the San Diego Municipal Code, and the type of use and fee per square foot set out in Appendix A. For purposes of this Division, the fees for an interior remodel shall be the fees for the new use, less any fees that either were paid or would have been paid based on the original use of the building. The fee shall be collected by the City Treasurer and deposited in accordance with Section 98.0605.

§98.0619 Revisions to Appendix A

The Housing Impact Fees shall be applied as set forth in Appendix A. On July 1, 2018, and each year thereafter, the Commission shall adjust the Housing Impact Fees to reflect the percentage increase or decrease in the Building Cost Index of the Cost Indices for Twenty Cities published by M.C. McGraw-Hill, Inc., or its successor for that calendar year. The Commission shall present each anticipated adjustment, along with supporting documentation, to the City Council by June 1st of each year, including the year 2018.

**Appendix A of Division VI of the San Diego Housing
Trust Fund Ordinance and of Chapter 9 Article 8, Division 6
of the San Diego Municipal Code**

Type of Use	Fee/Square Ft. 07/1/2011- 07/1/2012	07/1/2013	07/1/2014	07/1/2015	07/1/2016	07/1/2017
Education	\$0.80	\$0.96	\$1.12	\$1.28	\$1.44	\$1.60
Hotel	\$0.64	\$0.76	\$0.89	\$1.02	\$1.15	\$1.28
Manufacturing	\$0.64	\$0.76	\$0.89	\$1.02	\$1.15	\$1.28
Medical	\$1.06	\$1.27	\$1.49	\$1.70	\$1.91	\$2.12
Office	\$1.06	\$1.27	\$1.49	\$1.70	\$1.91	\$2.12
Research & Development	\$0.80	\$0.96	\$1.12	\$1.28	\$1.44	\$1.60
Retail	\$0.64	\$0.76	\$0.89	\$1.02	\$1.15	\$1.28
Warehouse	\$0.27	\$0.32	\$0.38	\$0.43	\$0.49	\$0.54

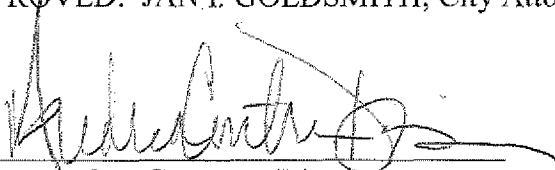
Section 2. Upon establishment of the Housing Impact Fees for July 1, 2018, Appendix A shall be repealed.

Section 3. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 4. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Andrea Contreras Dixon
Deputy City Attorney

ACD:hm:cw

06/02/11

Or.Dept:San Diego Housing Commission

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor