

**STRIKEOUT ORDINANCE**

**OLD LANGUAGE: ~~Strike-Out~~**

**NEW LANGUAGE: Underlined**

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.

**Article 8: Housing**

**Division 6: Housing Impact Fees on Commercial Development**

**§98.0601 Purpose**

It is the policy of ~~the~~ City of San Diego that new office, retail, research and development, manufacturing, warehouse, ~~and hotel, education, and medical~~ development pay a fair share of the costs to subsidize ~~of subsidy necessary to~~ 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 ~~T~~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 to when the Mayor or his or her designee determines the projects which 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 ~~B~~building ~~P~~permit shall be issued for construction of, or interior remodel of, any ~~N~~non-residential ~~D~~development ~~P~~project, subject to this Division unless and until the fee provided for in this Division is paid to the City. ~~The amount of the fee shall be computed as follows: Gross Square Feet Non-Residential Space X (Applicable Fee by type of use as determined by the Mayor or his or her designee by application of APPENDIX A to this Division) = Housing Payment. 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.~~

**§98.0611 Determination of Fee**

The Mayor or his or her designee shall ~~determine~~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,~~ which shall be collected by the City Treasurer and deposited in accordance with Section 98.0605. ~~The Mayor or his or her designee shall utilize the definitions as contained in the San Diego Municipal Code to relate the anticipated use of the non-residential development project to a category of use in APPENDIX A and a resulting fee per square foot, or to identify the use as exempt.~~

**§98.0619 Revisions ~~To~~ Appendix A**

~~The Housing Impact Fees shall be applied as set forth in APPENDIX~~appendix A. ~~shall be revised effective March 1 of each year by 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 the twelve month period ending January 1 of each year. The Commission, in consultation with the Mayor or his or her designee shall prepare a recommendation to the Council for such revision on an annual basis. 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**

APPENDIX A (Sec. 98.0619)

<b>TYPE OF USE</b>	<b>FEE/BUILDING SQUARE FEET</b>
Office	\$1.06
Hotel	\$0.64
Research and Development	\$0.80
Retail	\$0.64
Manufacturing	\$0.64
Warehouse	\$0.27

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

ACD:hm:cw

06/02/11

Or.Dept:San Diego Housing Commission