

## CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 21**

**Date: June 13, 2012**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Barbara J. Redlitz, Director of Community Development

**SUBJECT:** Amendment to the Municipal and Zoning Codes Regarding Deferral of Development Fees (AZ 12-0003)

**STAFF RECOMMENDATION:**

It is requested that Council:

- a) Introduce Ordinance No. 2012-12 approving amendments to Chapter 6, Articles 17, 18A-D, and 21 of the Municipal Code, and to Chapter 33, Article 37 of the Zoning Code to allow the deferral of certain development fees;
- b) Adopt Resolution 2012-102 to allow deferral of the Region of Influence and Subarea Facilities Plan Repayment fees; and
- c) Adopt Resolution 2012-103 revising the Fee Deferral Policy.

**PROJECT DESCRIPTION:**

Request Council amend certain sections of the Municipal and Zoning Codes regarding deferral of certain development fees and revise the existing fee deferral policy for implementation. Under current policy, fee deferrals are only available to businesses that foster beneficial economic development; the proposed code amendments and implementing resolutions would broaden existing fee deferral policies by allowing residential developers for projects with five or more units to have the option of deferring development impact fees for parks, public facilities, traffic (local only), public art, Region of Influence, and Subarea Facilities Plan Repayment normally paid prior to building permit issuance. Other minor code amendments are proposed to clean up or delete outdated provisions. Drainage, water and wastewater (sanitary sewer) fees would continue to be collected at the time of the building permit or application for connection to the utility system in most circumstances, unless deferred by an agreement with the City and financial security pursuant to current policy.

**FISCAL ANALYSIS:**

Development fees are currently calculated and collected at the time of building permit issuance or utility connection, unless deferred by a development agreement or similar agreement with the City. All deferred revenues will ultimately be received. The deferral of the collection of the fees may result in a short term loss of interest revenue to the City, but that is expected to be offset by additional revenue received from development fees and property taxes paid for new residences that are constructed in

an earlier timeframe as a result of the fee deferral. As proposed, the deferred fees would be subject to the rate schedule in effect at the time of payment. For FY 2012-13, the proposed fee deferral is not anticipated to delay any City capital improvement projects that rely upon developer fees. Projects could be delayed in future years if fee deferrals were extended beyond the recommended one-year period. The program would also create an increased demand on staff resources to prepare agreements and to monitor and enforce payment compliance.

#### PREVIOUS ACTION:

A fee deferral policy was established by the City Council in 1995 pursuant to Resolution 95-369, and modified in 2005 allowing fee deferrals for businesses that foster beneficial economic development. On September 14, 2011, the City Council approved the 2011-2012 Action Plan. Under the Action Plan, the Economic Development Incentive #2 directed staff to expand this policy to include residential developments, specifically "...to allow payment of Development Fees (not staff hard costs) prior to requesting Final Inspection rather than at permit issuance."

#### DISCUSSION:

A fee deferral policy for certain development fees has been available to commercial developers since 1995. The current policy established eligibility requirements for deferral consideration, set fees calculated on the rate schedule in effect at time of building permit issuance, and established procedures for case-by-case determinations following action by the Economic Development Subcommittee. In recent years, fee deferrals for residential and commercial projects have typically been negotiated through a development agreement.

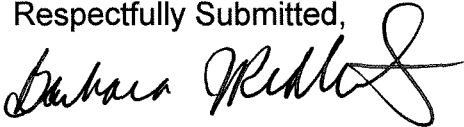
The proposed code amendment would provide another mechanism for residential developers (for projects with five or more units) to defer certain fees through a simplified agreement process. The intent is to give them flexibility regarding the timing of fee payment, to enable them to control their cash flow without holding up construction. To implement this option, staff proposes to amend and simplify the fee deferral policy for all applicants to eliminate most eligibility requirements as well as the case-by-case review via the Council subcommittee, and substitute a requirement for a recorded agreement approved administratively. Staff further recommends that fees be deferred for a period not to exceed one year from building permit issuance to insure payment is not unduly delayed by a prolonged construction schedule. While no financial security is proposed, fees would be calculated based on the schedule in effect at time of payment, rather than building permit issuance. The deferral would be subject to an agreement to be recorded prior to issuance of a building permit. Developers seeking to negotiate frozen fees would still have the opportunity to negotiate such requests through the development agreement process. The revised implementation policy is attached as an exhibit to Resolution #2012-103.

The current code allows drainage and sanitary sewer fees for all projects to be deferred through an agreement and bond or other form of financial security. The proposed code amendment retains this option. Since construction projects require water connection and availability immediately for fire protection, no deferral is recommended for water fees. Two other development fees established by resolution are also proposed to be included in the fee deferral policy; these include the Region of Influence fee and the Subarea Facilities Plan Repayment Fee, which are currently required to be paid

prior to building permit issuance. Proposed Resolution #2012-102 would provide a fee deferral option for these fees.

In summary, the proposed code amendments include the option of deferring development impact fees for parks, public facilities, traffic (local only), public art, Region of Influence, and Subarea Facilities Plan Repayment. Code references to collection of school impact fees are deleted, since these fees are collected directly by the school district. Consideration of potential adjustments to the public art fee is scheduled to be brought forward to Council at a later date pursuant to the Action Plan.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Barbara J. Redlitz", with a stylized flourish at the end.

Barbara J. Redlitz  
Director of Community Development

**ESCONDIDO MUNICIPAL CODE****Chapter 6 BUILDINGS AND BUILDING REGULATIONS****ARTICLE 17 DEVELOPMENT FEE PROCEDURES****Sec. 6-438. Imposition, calculation and collection of development fees.**

(a) Development fees shall be imposed as a condition of approval of a development project. No tentative or final subdivision map, parcel map, grading permit, building permit, final inspection or certificate of occupancy shall be approved unless the provisions of this section have been fulfilled.

(b) Development fees shall be imposed by affixing the following language to the development approval:

Approval of this development project is conditioned upon payment of all applicable development fees and connection fees in the manner provided in Chapter 6 of the Escondido Municipal Code.

(c) ~~Development fees shall be calculated and collected at the time of issuance of a building permit for all development projects; except that Wwater and sanitary sewer connection fees shall be calculated and collected at the time of application for connection to the utility system; except that payment of sanitary sewer fees may be deferred pursuant to section 6-465.5 of Article 18D of this chapter. The calculation of development fees due shall be based on the development fee schedule in effect at the time of issuance of a building permit.~~

(d) All other development fees shall be calculated and collected at the time of issuance of a building permit; except that payment may be deferred to final inspection request subject to the subdivider, developer or builder entering into an agreement with the city, approved by the city attorney and recorded, which will provide for the deferment of the payment of said fees to a date established by the city, not to exceed one year from building permit issuance. The calculation of deferred development fees due shall be based on the development fee schedule in effect at the time of payment. Development fees required as mitigation measures may be deferred only in accordance with the mitigation monitoring and reporting program.

(e) No building permit shall be issued until all development fees due for the development project have been paid or secured through a recorded agreement with the city. No temporary or final certificate of occupancy or permanent connection to utilities may be granted until all development fees have been paid in full. Procedures to implement fee deferral may be amended from time to time by city council resolution.

(e)(f) Procedures to implement fee deferrals, development fee amounts and fee benefit areas shall be established, and may be amended from time to time by city council resolution. (Ord. No. 89-12, § 2, 4-12-89; Ord. No. 89-25, § 2, 6-7-89; Ord. No. 89-50, § 1, 10-11-89; Ord. No. 91-30, § 1, 8-7-91; Ord. No. 2003-16, § 1, 6-4-03)

## **ARTICLE 18A. TRAFFIC AND TRANSPORTATION FACILITIES DEVELOPMENT FEE**

### **Sec. 6-450.8. Collection of traffic fee.**

The building ~~director~~official shall be responsible for the collection of the traffic fee ~~prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter~~ unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building ~~director~~official, and approved by the city attorney, has been posted with the city. (Ord. No. 89-13, §§ 1, 2, 4-12-89)

## **ARTICLE 18B. PUBLIC FACILITY DEVELOPMENT FEE**

### **Sec. 6-456.8. Collection of public facility fee.**

The building ~~director~~official shall be responsible for the collection of the public facility fee ~~prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter~~ unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant is exempt pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building ~~director~~official, and approved by the city attorney has been posted with the city. (Ord. No. 89-14, § 1, 4-12-89)

## **ARTICLE 18C. PARK AND RECREATION FACILITIES DEVELOPMENT FEE**

### **Sec. 6-460.8. Collection of park fee.**

The building ~~director~~ official shall be responsible for the collection of the park fee prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter unless:

(1) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(2) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(3) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building ~~director~~ official, and approved by the city attorney, has been posted with the city. (Ord. No. 89-15, § 1, 4-12-89)

#### **ARTICLE 18D. LOCAL DRAINAGE AND SANITARY SEWER FEES**

##### **Sec. 6-465.5. Payment of fees.**

No final map, ~~or final~~ parcel map or building permit shall be approved by the city until the drainage fees or sanitary sewer fees required by this article have been paid in full. Final maps, final parcel maps and building permits may be approved prior to the full payment of the drainage and sanitary sewer fees, subject to the subdivider, developer or builder entering into an agreement with the city, secured by money, a bond by one (1) or more duly authorized corporate sureties, or instrument of credit, approved by the city attorney, which will provide for the deferment of the payment of said fees to a date established by the city, not to exceed one year date of connection or building permit issuance. The calculation of deferred fees due shall be based on the development fee schedule in effect at the time of payment. The city may accept other considerations in lieu of payment of fees. (Ord. No. 97-14, § 12, 7-2-97)

#### **ARTICLE 21. SCHOOL DISTRICT RESIDENTIAL IMPACT FEE**

##### **~~Sec. 6-528. Collection and remittance of fees.~~**

~~— (a) — The building department shall collect the aforesaid fees upon the issuance of building permits for all or any of the approved new residential dwelling units within the attendance areas specified in accordance with section 6-523.~~

~~— (b) — Fees paid into the school fund as herein specified shall be segregated from all other fees paid to the city and shall be maintained and accounted for under the direction of the director of finance. The funds shall be remitted periodically by the city to the impacted school district for use by the district for purposes as herein provided. (Ord. No. 97-14, § 14, 7-2-97)~~

## Chapter 33 ZONING CODE

### ARTICLE 37 PUBLIC ART

#### Sec. 33-734. Fees.

(a) By resolution, the city council shall establish a schedule of construction requiring building permits from the city which shall pay a fee for art in public places or provide art in public places pursuant to subsection (b) of this section. There shall be no fee for the following:

(1) Individual tenant improvements in a commercial or industrial building and all residential improvements to existing residential structures (such as room additions) except for work which results in an additional dwelling unit.

(2) The first two thousand (2,000) square feet of any structure. This exception shall not apply on an individual basis to commercial structures which are part of a larger integrated commercial center, but shall apply only to the first two thousand (2,000) square feet of the entire center.

(b) Prior to issuance of a building permit, the applicant or developer for projects identified in subsection (a) of this section shall be required to either:

(1) Pay the art fee which shall be established from time to time by city council resolution; or

(2) Enter into to an agreement with the city to defer payment to a date established by the city, not to exceed one year from building permit issuance, with the calculation of such fee due based on the fee schedule in effect at the time of payment; or

(3) In lieu of the fee, donate art which shall have been approved by the public art partnership panel and have a minimum value determined by the panel based upon the fee schedule which shall be established by city council resolution; or

~~(3)(4) A combination of the above, subject to the approval of the public art partnership panel.~~

(c) If art has been provided in lieu of a fee for construction requiring building permits, the art shall be installed, maintained and operated at all times in substantial conformance with the manner in which the art was originally approved by the panel.

(d) Following approval of the project, the applicant shall record a document with the county recorder setting forth a description of the art and stating the obligation of the property owner to repair and maintain the art project. This document and the underlying land shall be in form to run with the land and provide notice to future property owners of the obligation to repair and maintain the art project.

(e) At any time the panel has determined that project has not been maintained in substantial conformance to the manner in which it was originally approved, the panel shall require the current property owner to either:

(1) Repair or maintain the art; or

(2) Pay the art fee required by subsection (b) of this section, based upon the current fee schedule and the square footage of the building, structure or improvement for which the art was required. (Zoning Code, Ch. 107, § 1074.40; Ord. No. 90-26, § 1, 6-13-90; Ord. No. 97-10, § 1, 6-4-97)



ORDINANCE NO. 2012-12

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING AMENDMENTS TO THE  
ESCONDIDO MUNICIPAL CODE CHAPTER 6  
ARTICLES 17, 18A-D, AND 21, AND  
CHAPTER 33 ARTICLE 37 REGARDING  
DEFERRAL OF DEVELOPMENT FEES

Case No. AZ 12-0003

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN  
as follows:

SECTION 1. That proper notices of a public hearing have been given and  
public hearings have been held before the City Council on this issue.

SECTION 2. That the Escondido Municipal Code Chapter 6, Article 17,  
Sections 6-438 is amended as follows:

**Sec. 6-438. Imposition, calculation and collection of development fees.**

(a) Development fees shall be imposed as a condition of approval of a  
development project. No tentative or final subdivision map, parcel map, grading permit,  
building permit, final inspection or certificate of occupancy shall be approved unless the  
provisions of this section have been fulfilled.

(b) Development fees shall be imposed by affixing the following language to  
the development approval:

Approval of this development project is conditioned upon payment of all  
applicable development fees and connection fees in the manner provided in Chapter 6  
of the Escondido Municipal Code.

(c) Water and sanitary sewer connection fees shall be calculated and  
collected at the time of application for connection to the utility system; except that  
payment of sanitary sewer fees may be deferred pursuant to section 6-465.5 of Article  
18D of this chapter.

(d) All other development fees shall be calculated and collected at the time of issuance of a building permit; except that payment may be deferred to final inspection request subject to the subdivider, developer or builder entering into an agreement with the City, approved by the City Attorney and recorded, which will provide for the deferment of the payment of said fees to a date established by the City, not to exceed one year from building permit issuance. The calculation of deferred development fees due shall be based on the development fee schedule in effect at the time of payment. Development fees required as mitigation measures may be deferred only in accordance with the mitigation monitoring and reporting program.

(e) No building permit shall be issued until all development fees due for the development project have been paid or secured through a recorded agreement with the City. No temporary or final certificate of occupancy or permanent connection to utilities may be granted until all development fees have been paid in full. Procedures to implement fee deferral may be amended from time to time by City Council Resolution.

(f) Procedures to implement fee deferrals, development fee amounts and fee benefit areas shall be established, and may be amended from time to time by City Council Resolution. (Ord. No. 89-12, § 2, 4-12-89; Ord. No. 89-25, § 2, 6-7-89; Ord. No. 89-50, § 1, 10-11-89; Ord. No. 91-30, § 1, 8-7-91; Ord. No. 2003-16, § 1, 6-4-03)

SECTION 3. That the Escondido Municipal Code Chapter 6, Article 18A, Section 6-450.8 is amended as follows:

**Sec. 6-450.8. Collection of traffic fee.**

The building official shall be responsible for the collection of the traffic fee pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney, has been posted with the City. (Ord. No. 89-13, §§ 1, 2, 4-12-89)

SECTION 4. That the Escondido Municipal Code Chapter 6, Article 18B, Section 456.8 is amended as follows:

**Sec. 6-456.8. Collection of public facility fee.**

The building official shall be responsible for the collection of the public facility fee pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant is exempt pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney has been posted with the City. (Ord. No. 89-14, § 1, 4-12-89)

SECTION 5. That the Escondido Municipal Code Chapter 6, Article 18C, Section 460.8 is amended as follows:

**Sec. 6-460.8. Collection of park fee.**

The building official shall be responsible for the collection of the park fee pursuant to section 6-438 of Article 17 of this chapter unless:

(1) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(2) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(3) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney, has been posted with the City. (Ord. No. 89-15, § 1, 4-12-89)

SECTION 6. That the Escondido Municipal Code Chapter 6, Article 18D, Section 465.5 is amended as follows:

**Sec. 6-465.5. Payment of fees.**

No final map, final parcel map or building permit shall be approved by the City until the drainage fees or sanitary sewer fees required by this article have been paid in full. Final maps, final parcel maps and building permits may be approved prior to the full payment of the drainage and sanitary sewer fees, subject to the subdivider, developer or builder entering into an agreement with the City, secured by money, a bond by one (1) or more duly authorized corporate sureties, or instrument of credit, approved by the

City Attorney, which will provide for the deferment of the payment of said fees to a date established by the City, not to exceed one year from the date of connection or building permit issuance. The calculation of deferred fees due shall be based on the development fee schedule in effect at the time of payment. The City may accept other considerations in lieu of payment of fees. (Ord. No. 97-14, § 12, 7-2-97)

SECTION 7. That the Escondido Municipal Code Chapter 6, Article 21 is deleted.

SECTION 8. That the Escondido Zoning Code Chapter 33, Article 37, Section 33-734 is amended as follows:

**Sec. 33-734. Fees.**

(a) By resolution, the City Council shall establish a schedule of construction requiring building permits from the City which shall pay a fee for art in public places or provide art in public places pursuant to subsection (b) of this section. There shall be no fee for the following:

(1) Individual tenant improvements in a commercial or industrial building and all residential improvements to existing residential structures (such as room additions) except for work which results in an additional dwelling unit.

(2) The first two thousand (2,000) square feet of any structure. This exception shall not apply on an individual basis to commercial structures which are part of a larger integrated commercial center, but shall apply only to the first two thousand (2,000) square feet of the entire center.

(b) Prior to issuance of a building permit, the applicant or developer for projects identified in subsection (a) of this section shall be required to either:

(1) Pay the art fee which shall be established from time to time by City Council Resolution; or

(2) Enter into to an agreement with the City to defer payment to a date established by the City, not to exceed one year from building permit issuance, with the calculation of such fee due based on the fee schedule in effect at the time of payment; or

(3) In lieu of the fee, donate art which shall have been approved by the public art partnership panel and have a minimum value determined by the panel based upon the fee schedule which shall be established by City Council Resolution; or

(4) A combination of the above.

(c) If art has been provided in lieu of a fee for construction requiring building permits, the art shall be installed, maintained and operated at all times in substantial conformance with the manner in which the art was originally approved by the panel.

(d) Following approval of the project, the applicant shall record a document with the county recorder setting forth a description of the art and stating the obligation of the property owner to repair and maintain the art project. This document and the underlying land shall be in form to run with the land and provide notice to future property owners of the obligation to repair and maintain the art project.

(e) At any time the panel has determined that project has not been maintained in substantial conformance to the manner in which it was originally approved, the panel shall require the current property owner to either:

(1) Repair or maintain the art; or

(2) Pay the art fee required by subsection (b) of this section, based upon the current fee schedule and the square footage of the building, structure or improvement for which the art was required. (Zoning Code, Ch. 107, § 1074.40; Ord. No. 90-26, § 1, 6-13-90; Ord. No. 97-10, § 1, 6-4-97)

SECTION 9. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 10. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 11. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

RESOLUTION NO. 2012-102

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING A DEFERRAL OF  
DEVELOPMENT FEES ESTABLISHED BY  
RESOLUTION NOS. 94-173 AND 95-211

Case No. AZ 12-0003

WHEREAS, in order to reimburse individual developers and the City, who advanced funds for the preparation of individual Subarea Facility Plans for North Broadway, Felicita, Daley Ranch and Eastgrove (the "Subarea Facility Plans"), the City Council approved Resolution No. 94-173; and

WHEREAS, pursuant to Resolution No. 94-173, the City Council authorized the collection of the Subarea Facilities Plan Repayment Fee ("Repayment Fee") in the amount of fifty-eight dollars (\$58.00) per dwelling unit, payable at the time of issuance of a building permit, to be paid by all new residential developments within the City (except for those developers who previously advanced funds for preparation of the Subarea Facility Plans); and

WHEREAS, in order to fund new infrastructure and drainage improvements in the Region of Influence and to offset impacts on public facilities until such time that the Region of Influence is rescinded, the City Council approved Resolution No. 95-211; and

WHEREAS, pursuant to Resolution No. 95-211, the City Council authorized the collection of a fifteen hundred dollar (\$1,500.00) deposit in conjunction with the issuance of building permits for new single family dwelling units, on existing lots of

record (as of June 6, 1990) in the Region of Influence ("Region of Influence Deposit");  
and

WHEREAS, in accordance with the City Council's 2011-2012 Action Plan pertaining to Economic Development, and in an effort to promote development within the City, the City Council deems it to be in the best public interest to allow a deferral of the fees authorized by Resolution Nos. 94-173 and 95-211 for a period not to exceed one (1) year from when said fees are originally due.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That this City Council hereby approves a deferral of the development fees authorized by Resolution Nos. 94-173 (Repayment Fee) and 95-211 (Region of Influence Deposit) for a period not to exceed one (1) year from when said fees are originally due.

**RESOLUTION NO. 2012-103**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF ESCONDIDO, CALIFORNIA, TO AMEND  
A FEE DEFERRAL POLICY FOR COMMERCIAL,  
INDUSTRIAL AND RESIDENTIAL DEVELOPMENT  
ESTABLISHED BY RESOLUTION NO. 95-369 AND  
TO AUTHORIZE STAFF TO ADMINISTRATIVELY  
APPROVE FEE DEFERRAL AGREEMENTS**

**Case No. AZ 12-0003**

WHEREAS, pursuant to Resolution No. 95-369, the City Council approved a fee deferral policy for commercial and industrial development and updated the policy in September 2005; and

WHEREAS, in accordance with the City Council's 2011-2012 Action Plan pertaining to Economic Development, and in an effort to promote development within the City, the City Council deems it to be in the best public interest to allow residential developers of five or more units, as well as commercial and industrial developers, to defer the fees authorized by Resolution No. 95-369 as updated for a period not to exceed one (1) year from when said fees are originally due.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That this City Council hereby approves a revised development fee policy to allow deferral of the development fees authorized by Resolution No. 95-369 for a



period not to exceed one (1) year from when said fees are originally due. A copy of the policy and criteria is attached as Exhibit "A" and is incorporated by reference.

3. That the City Council authorizes the Director of Community Development to determine the eligibility of applicants for fee deferrals and to execute a fee deferral agreement as deemed appropriate.



## **CITY OF ESCONDIDO FEE DEFERRAL POLICY**

Established November 1995

### **Purpose**

The purpose of the City's fee deferral policy is to provide an incentive to reduce the up-front cost of development for new residential projects involving five or more units and for businesses that foster beneficial economic development in Escondido.

### **Who is Eligible**

To be eligible, you must be constructing five or more residential units under a single phase or have a business that is either expanding its floor area or is constructing a new building within the Escondido city limits.

### **How to Apply**

1. Complete the fee deferral application and return it to the Building Division.
2. Attach a current preliminary title report (no more than 6 months old) for the property on which the construction will take place; this is to verify property ownership. If the property is leased, a copy of the lease will be required before a fee deferral is granted.
3. At a minimum, provide floor plans for the project. These plans are needed to calculate a fee estimate. Final fees cannot be calculated until construction plans are submitted to the Building Division for permits.

### **Fees Eligible for Deferral**

1. Connection fees: Sanitary sewer and drainage fees may be deferred pursuant to EMC Chapter 6, Article 18D. Water fees shall be paid at time of utility connection and may not be deferred.
2. Development fees: Public Facility, Park, Local Traffic, Public Art, Citywide Facilities Plan Repayment and Region of Influence fees may be deferred.

### **Note:**

1. Project processing, permit and inspection fees and pass-through fees are not eligible for deferral.
2. Final project fees are those fees in effect at the time of fee payment
3. If the building permits expire, fees will be recalculated at the current rates.

### **Fee Deferral Period**

Fees may be deferred until construction is complete, not to exceed one year from building permit issuance; all fees must be paid before a certificate of occupancy is issued.

### **Processing**

When an application for fee deferral is received, the request will be reviewed to determine eligibility. The City reserves the right to determine which connection and development fees may be deferred, based

on the project's impacts to city services and infrastructure. After receipt of a complete application, a meeting with the applicant may be required to obtain more detail about the project before a decision can be made.

The applicant will be advised within ten (10) working days, if sufficient information has been provided, as to whether their project appears to be eligible. The actual fee deferral will not take place until the project has received the necessary approvals, reviews, and plan checks.

- The applicant will be required to enter into an agreement to the satisfaction of the City Attorney, to be executed and recorded prior to issuance of a building permit.
- The project must obtain building permits within one (1) year of the determination of eligibility for fee deferral.
- A fee estimate will be provided prior to building permit issuance; the actual fees to be paid are calculated based on the rates in effect at the time of fee payment.
- The amount of the fees may change from any fee estimates prepared earlier for discussion purposes.
- If permits have not been obtained at the end of one (1) year, the applicant may request an extension of time in writing. The Director of Community Development will determine if an extension of time is to be granted.

**For Further Information Contact:**

Building Division  
Community Development Department  
201 North Broadway  
Escondido, CA 92025

Phone: 760-839-4647  
Fax: 760-432-6819