(R-87-2719REV)

RESOLUTION NUMBER R- 268841 ADOPTED ON JUL 13 1987

WHEREAS, periodically the City Council adopts revisions to Council Policy 000-19 Legislative Policy Guidelines which provide general direction to the Intergovernmental Relations Department; and

WHEREAS, on June 3, 1987, the Rules Committee reviewed IRD Reports Nos. 87-10 and 87-13 and CMR No. 87-186 which recommended changes to Council Policy 000-19 regarding housing and school facility financing; and

WHEREAS, on June 3, 1987, the Rules Committee recommended adoption, with an amendment to II.A.1.b.(4) of Council Policy 000-19 to support legislation for reinstatement of state and federal solar energy tax credits and incentives, of the proposed revisions to Council Policy 000-19 as contained in IRD Reports Nos. 87-10 and 87-13 and CMR No. 87-186; and

WHEREAS, the Rules Committee now forwards the matter to the full Council for appropriate action; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the recommendations, as amended by the Rules Committee, contained in and set forth as Attachment A hereto, and attachments to IRD Reports Nos. 87-10 and 87-13 and CMR No. 87-186, on file in the office of the City Clerk as Document Nos. RR- $\frac{268841}{268841}$, be and the same are hereby approved and adopted.

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby directed to make the necessary changes to the Council Policy Manual, and publish and distribute the amended policy as may be necessary and required.

APPROVED: JOHN W. WITT, City Attorney

Jack

JK:smm:js 6/24/87

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Or.Dept:IRD

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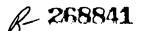
LEGISLATIVE POLICY GUIDELINES

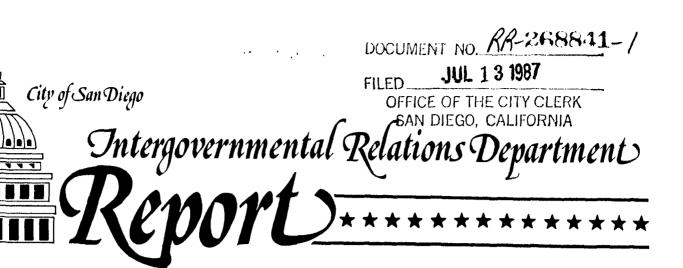
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II. ENERGY AND COMMUNICTION POLICY

A.1.b.(4) Extend-the-current-level-of-State-and-Federal tax-credits-and-tax-incentives-to Encourage homeowners, businesses and industry to develop energy-efficient facilities including seeking the reinstatement of state and federal solar energy tax credits and incentives.

ATTACHMENT A





IRD Report #87-10 April 29, 1987

To: Committee on Rules, Legislation & Intergovernmental Relations

Re: School Facility Financing - Impact Fees

Background:

On August 11, 1986, under Resolution R-266379, Council directed the Intergovernmental Relations Department to use the revised Policy Statement of the San Diego Regional Ad Hoc School Facility Legislation Group as policy direction for advocacy on school facility financing.

At the end of the last legislative session AB 2926 (Stirling) was passed. It is the product of a conference committee. This bill gives school districts broad authority to levy developer fees to finance construction of school facilities.

A large number of bills have been introduced this legislative session. They are viewed as clean up legislation and deal with unanswered issues in the Stirling bill. To deal with those proposed bills, the Regional Ad Hoc School Facility Legislation Group convened again to devise a Legislative Platform. The approved platform makes ten recommendations. We propose to use those recommendations as the basis to draft a new section for inclusion to Council Policy 000-19, the Legislative Policy Guidelines.

Recommendation:

Approve the proposed guidelines and direct the IRD to incorporate them into Council Policy 000-19, the Legislative Policy Guidelines.

Discussion:

The impact fees authorized by the 1986 legislation have raised many issues for school district, local government and the construction industry. The issues arose due to a lack of clarity

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Page Two

and instruction regarding the administration and collection of impact fees. Recommendations in the platform seek to minimize problems in these areas and yet allow for the maximum level of local control. The recommendations have four broad goals:

- 1. Commonality of definition of building permit categories between the City and County.
- 2. Uniformity in general application of the law while retaining control to evaluate individual projects.
- 3. Collection and administration of fee program.
- 4. Establishment of a credible method for estimating building permit activity within a jurisdiction.

A draft of the proposed legislative guidelines, as well as the entire Proposed 1987 Legislative Platform for School District, Cities and County Governments and the Construction Industry in San Diego County from the Ad Hoc Group is attached.

Kevin Munnelly

KM:JM:bhs
Attachments

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LEGISLATIVE POLICY GUIDELINES

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XVI. SCHOOL FACILITY FINANCING

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- A. It shall be the legislative policy of the Council to support:
 - 1. Legislation which would define "residential development" as: issuance of a building permit for any construction of residential dwelling units, including mobile homes.
 - 2. Legislation which would define "commercial or industrial development" as: issuance of a building permit for other than residential or agricultural uses.
 - 3. Legislation which would specify that the following types of building permits are exempt from the school fee certification requirement:
 - a. Structures other than buildings, including (but not limited to):
 - (1) swimming pool
 - (2) fences
 - (3) signs
 - (4) demolitions and removals of buildings
 - (5) electrical, plumbing and gas, mechanical permits
 - (6) solar array installations
 - (7) retaining walls
 - b. All temporary occupancy permits
 - c. All agricultural buildings (Occupancy Group "M")

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d. Garages, carports and parking structures

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- e. Interior remodels of existing habitable dwelling space or tenant improvements within existing commercial or industrial space.
- f. Replacement on the same parcel by the owner of dwellings destroyed by fire or other calamity if application for a building permit to replace the dwelling is made within one year and if new construction does not exceed previous square footage. Fees would be paid only on the increase in square footage.
- g. Any of the following if not enclosed: patio covers, decks, balconies, stairs, awnings and patios.
- h. Move-ons within the same district.
- 4. Legislation specifying appropriate procedure to be followed and findings to be made by school districts as a condition of levying the fee and which would not be applied retroactively.
- 5. Legislation which designates the local school district as the fee collecting authority and permits entering into agreements with other parties such as cities and/or counties to collect the fee for the school district.
- 6. Legislation that requires local matching fund needs be estimated based on experience from January 1, 1987 to the date the estimate is made.
- 7. Legislation which would permit the district to use up to 3% of the fees to pay actual costs associated with the administration of the school fee program and to allow these costs to be deducted from the local matching share requirement.
- 8. Legislation providing that the fee is collected at the time of building permit issuance.
- 9. Legislation specifying that for industrial/commercial and residential development, the fee is charged on the basis of floor area as defined in the Uniform Building Code, exclusive of the exemptions as specified in XVI.A.3 above.

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000-19 Page Three

10. Legislation that gives cities and counties appropriate authority to continue to issue building permits pending resolution of fee disputes between school districts. Support legislation that allows developers to pay school fees for commercial and industrial development under protest, in the same manner as for residential development pursuant to Government Code Section 65913.5.

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OFFICE OF EDUCATION



March 20, 1987

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ENG. & DEV. - ADMIN.

City Managers
San Diego County Administrative Officer
School Superintendents
Farm Bureau, San Diego County
Construction Industry Federation
California School Boards Association
International Council Of Building Officials
Association Of International Building Departments

Subject: Proposed Legislative Platform on School Facilities Fee Administration

A committee of both public and private sector representatives coordinated by the County Office Of Education has been meeting to develop a united legislative strategy aimed at solving problems encountered in implementing and administering school facilities fees authorized by the 1986 School Facilities legislation.

The result is the attached document which is provided for your consideration with the objective of achieving a broad-based support throughout San Diego County. This support, in the form of a formal approval by your governing body, will be used to seek legislative sponsorship and backing for the platform.

For this initiative to be effective, it requires immediate attention due to legislative timelines.

If your governing body will approve this platform, please send me a copy of such action by Friday, April 3, 1987, so that your agency can be included in the county-wide base of support on these critical issues.

Sincerely,

Thomas E. Robinson

Thomas & Roberson

Coordinator of Facilities Planning

cc: D. J. Shelton Attached List

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Alicia Kroese, Sweetwater Union High School District Rodney E. Phillips, San Dieguito Union High School District Dan Arbaugh, San Diego AIBD Ray Miller, City of Carlsbad Mary McMahan, Vista Unified Lucy Gross, San Diego County Office of Education Dan McFarland, City of Escondido Bronson Rideout, City of San Diego John E. Linn, Chula Vista City Schools George Simpson, City of San Diego Charles F. Woods, San Diego County Farm Bureau Joan Werner, County Planning Department Peggy Blackler, Fallbrook Union Elementary School District Betty A. Collier, Oceanside Unified School District Mike R. Ringer, Oceanside Unified School District Jim Nessel, City of Poway Planning Department Jack Kriege, Grossmont Union High School District Sandra Barnes, Cajon Valley Union School District Richard M. Gadler, Cajon Valley Union School District Roger Courtney, County Planning & Land Use Department Greg Moser, Vista Unified (Jennings, Engstrand & Henriksen) Bret Vedder, Construction Industry Federation

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PROPOSED 1987 LEGISLATIVE PLATFORM FOR SCHOOL DISTRICTS, CITIES AND COUNTY GOVERNMENTS AND THE CONSTRUCTION INDUSTRY IN SAN DIEGO COUNTY

ITEM: SCHOOL FACILITIES FEE ADMINISTRATION

I. INTRODUCTION

The proposed legislative platform is in response to the 1986 School Facilities legislation. It addresses problems encountered by school districts, planning jurisdictions and builders resulting from the lack of clarity in the intent and terminology in portions of that legislation dealing with school facility fee administration. The recommendations focus on minimizing these problems while allowing the maximum level of local control. More specifically, the goals of the proposed action are to:

- I. Alleviate complications to city and county building permit authorization processes due to unclear categorization of permit type (e.g. which permits are residential vs. industrial/commercial vs. exemptions).
- 2. Maximize uniformity in general application of the law while retaining local control in evaluating individual projects.
- 3. Attain appropriate relief for local costs incurred in administering the developer fee authority.
- 4. Identify reasonable and credible means by which school districts can meet state requirements for estimating building permit activity.

II. ISSUES

A. CATEGORIZATION OF BUILDING PERMIT SUBJECT TO FEE

Background

Existing law provides that a school district can levy a fee on any new commercial, industrial or residential developments for purposes of funding school construction. The law prohibits a city or county from issuing a building permit absent a certificate of compliance from the school district.

2. Reason For Change

Building permits are issued for any type of construction, even minor modifications, such as fences, signs, plumbing, etc. It is not reasonable to require a school certification on all building permits (as literally stated in Government Code Section 53080(b) since many building permits are for construction types which are not for "covered or enclosed" spaces such as electrical, plumbing, signs, fences, swimming pools, etc. Furthermore, other types of construction are not generally considered to be appropriate for school fees, but may be treated differently by different school districts—for example, agri-

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2. Reason For Change (Continued)

cultural, institutional and religious structures. In order to provide for equity statewide as well as consistent application of the law, it is desirable to have clear definition of "residential development", "commercial/industrial development" and "exempt" permit types.

3. Recommendation

- I. Support legislation which would define "residential development" as follows: issuance of a building permit for any construction of residential dwelling units, including mobile homes.
- 2. Support legislation which would define "commercial or industrial development" as follows: issuance of a building permit for other than residential or agricultural uses.
- 3. Support legislation which would specify that the following types of building permits are exempt from the school fee certification requirement:
 - a. Structures other than buildings, including (but not limited to):
 - (I) swimming pools
 - (2) fences
 - (3) signs
 - (4) demolitions and removals of buildings
 - (5) electrical, plumbing and gas, mechanical permits
 - (6) solar array installations
 - (7) retaining walls
 - b. All temporary occupancy permits
 - c. All agricultural buildings (Occupancy Group "M")
 - d. Garages, carports and parking structures
 - e. Interior remodels of existing habitable dwelling space or tenant improvements within existing commercial or industrial space
 - f. Replacement on the same parcel by the owner of dwellings destroyed by fire or other calamity if application for a building permit to replace the dwelling is made within one year and if new construction does not exceed previous square footage. Fees would be paid only on the increase in square footage.
 - g. Any of the following if not enclosed: patio covers, decks, balconies, stairs, awnings and patios
 - h. Move-ons within the same district



B. FINDINGS TO SUPPORT SCHOOL FEE

I. Background

Existing law requires school districts to make findings supporting the levying and amount of school fees to be charged to development projects.

2. Reason For Change

The law allows for a wide interpretation of what constitutes appropriate findings.

3. Recommendation

Support legislation specifying appropriate procedure to be followed and findings to be made by school districts as a condition of levying the fee and which would not be applied retroactively.

C. WHO COLLECTS THE SCHOOL FEE?

I. Background

The new law is silent on the question of who collects the school fee. Past practice for collecting SB 201 fees in San Diego County was that the County collected and rebated the money back to the appropriate school district. This was soon found unsatisfactory to both parties and subsequently most school districts became the collecting agent.

2. Reason For Change

The local school board is the fee levying authority and the local board should have the authority to (a) collect the fee or (b) contract with a political jurisdiction for fee collection. This should be clearly stated in the law.

3. Recommendation

Support legislation which designates the local school district as the fee collecting authority and permits entering into agreements with other parties such as cities and/or counties to collect the fee for the school district.

D. ESTIMATION OF LOCAL MATCH

I. Background

Current law requires that a portion of the local match is to be estimated by the district based on the square footage of building permits issued in the previous three years. This estimate serves to determine how much money a district must borrow or pay in advance to meet the match provisions in the state funding program.

2. Reason For Change

At the beginning of the program (January I, 1987), historical data is not available since school districts have not been notified of building permits issued for commercial, industrial or additions to residential properties and data has not been compiled by cities and counties according to school dis-

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2. Reason For Change (Continued)

trict boundaries. Further, this historical data will not match the definitions and exclusions necessary for a reasonably accurate estimate of the match amount. Accuracy of the estimate is essential to minimize the impact on districts of borrowing too much or paying too little at the time the matching share is due to the state.

3. Recommendation

Support legislation that requires the match be estimated based on experience from January 1, 1987 to the date the estimate is made.

Starting between January and March, 1987, school districts began receiving notification by land use jurisdictions of all building permits covered by the new school fee legislation. Districts will be able to supply this data based on the notifications provided by cities and counties. For the first three years of this program, it will be necessary to use a projection of square footage based on the experience from January 1, 1987 to the date the estimate is made.

E. ADMINISTRATIVE COST RECOVERY

Background

The administration of the developer fee authority, including processing and the collection of fees is a significant burden to school districts. The new law provides for local mandated cost reimbursement with a statewide limit of \$500,000. However, it is not uncommon to find the state funds fall far short of claims submitted.

2. Reason For Change

Districts need assured and timely relief to cover these administrative costs. The mandated claims provision does not meet either requirement. A more direct and locally administered solution is needed.

3. Recommendation

Support legislation which would permit the district to use up to 3% of the fees to pay actual costs associated with the administration of the school fee program and to allow these costs to be deducted from the local matching share requirement.

F. DEFINITION OF RESIDENTIAL CHARGEABLE AREA

I. Background

Existing law provides that the school fee can be levied on various types of development projects and is determined based on the chargeable area as specified in the law.

2. Reason For Change

The chargeable area provisions of the law dealing with residential development are confusing and do not lend themselves to consistent interpretation or measurement. A uniform and easily measured chargeable area definition is needed.

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3. Recommendation

Support legislation specifying that for residential development, the fee is charged on the basis of floor area as defined in the Uniform Building Code, exclusive of the exemptions as specified in Item A of this platform.

G. DEFINITION OF COMMERCIAL/INDUSTRIAL CHARGEABLE AREA

I. Background

Existing law provides that the fee for industrial/commercial development is levied on the basis of covered or enclosed area.

2. Reason For Change

The terms "covered or enclosed" do not lead to consistent interpretation and measurement.

3. Recommendation

Support legislation specifying that for industrial/commercial development, the fee is charged on the basis of floor area as defined in the Uniform Building Code, exclusive of the exemptions as specified in Item A of this platform.

H. WHEN THE FEE IS COLLECTED

1. Background

Existing law provides conflicting direction on when the fee is to be collected, i.e. at issuance of building permit or at time of occupancy.

2. Reason For Change

In addition to the confusion created by these conflicting directives, the option of collecting at time of occupancy would be very difficult for school districts to administer. Past practices in collection of school fees have used building permit issuance as the required time of payment.

3. Recommendation

Support legislation providing that the fee is collected at the time of building permit issuance.

I. PROCEDURES IN CASE OF FEE DISPUTE

1. Background

The law is silent on the resolution of fee disputes between developer and school districts.

2. Reason For Change

Time delays in cases of disputes could cause serious delays to development projects and result in considerable litigation.

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3. Recommendation

Support legislation that gives cities and counties appropriate authority to continue to issue building permits pending resolution of fee disputes between school districts. Support legislation that allows developers to pay school fees for commercial and industrial development under protest, in the same manner as for residential development pursuant to Government Code Section 65913.5.

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IRD Report #87-13 May 29, 1987

To: Committee on Rules, Legislation and Intergovernmental Relations Re: Amendment of Council Policy 000-19 Legislative Policy Guidelines,

Section VI. Housing, Economic and Community Development

Background:

The Housing Commission, at their May 4, 1987 meeting directed the Housing Commission staff to work with the Intergovernmental Relations Department concerning amendments to Council Policy 000-19 regarding Housing. The Housing Commission staff has submitted amendments to Section VI of Council Policy 000-19 dealing with Housing, Economic and Community Development.

Recommendation:

Adopt the amendments as referred by Housing Commission.

Discussion:

The proposed changes and additions to the policy are attached: One change to Section VI.1. further defines adequate housing as "affordable" and includes both home ownership and rentals as programs for providing housing. A second change adds Section VI.3. to the policy which would support efforts to provide adequate housing for the homeless that include both emergency shelters and transitional facilities. A final change adds Section VI.4. to the policy which supports Fair Housing for all through equal access.

Kevin Munnelly

Kein Munnelly

KM:GM:bhs
Attachment

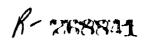
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AMENDMENTS LEGISLATIVE POLICY GUIDELINES COUNCIL POLICY 000-19

VI. HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT POLICY

- A. It shall be the legislative policy of the Council to support:
 - 1. Efforts to develop Federal and State participation and financial support for creative programs to provide adequate <u>affordable</u> housing (home ownership and/or rental opportunities) for the elderly, handicapped, and low income persons throughout the community with the following goals:
 - a. Enhance the City of San Diego's balanced community concept.
 - b. Adoption of State or Federal usury limits.
 - c. Permit but not mandate local jurisdictions to assemble land so that efficiencies of scale allow the land to be returned for private development.
 - d. Lower the cost of any of the major components of housing: i.e., land, materials, labor, financing, marketing and manufactured housing and the elimination of restrictive code requirements.
 - e. Repeal of Article XXXIV of the State Constitution which requires voter approval of low-rent housing projects.
 - 2. Efforts to promote economic and community development programs with the following goals:
 - a. Maintain and create tax incentives for private revitalization of existing commercial, industrial and housing resources where such assistance produces net tax benefits to the City.
 - b. Explore the use of property tax abatement and other State and Federal tax incentives for construction, ownership, improvement and/or maintenance of buildings and structures and as an additional tool for the promotion of redevelopment projects.
 - c. Lower international tariffs with Mexico and encourage free trade between the United States



and Mexico consistent with health and safety requirements.

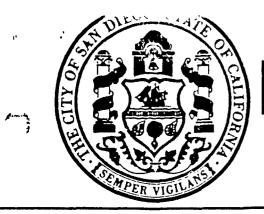
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- d. Exclude redevelopment agencies from competitive bidding statutes, to permit joint development of public facilities by private developers, upon findings of public benefit by the agency.
- e. Lower the cost and increase the availability of liability insurance to small business.
- 3. Efforts to develop Federal and State participation and financial support for creative programs to provide adequate housing for homeless persons throughout the community with the following goals:
 - a. To allow for the establishment of sufficient emergency shelter bed spaces to serve the community need.
 - b. To allow for the establishment of transitional housing facilities that provide a bridge between emergency shelters and conventional housing.
- 4. Efforts to promote Fair Housing through the enhancement of equal access to housing opportunities for all people without regard to their sex, age, race, religion, national origin, color, or handicap.
- B. It shall be the legislative policy of the Council to oppose:
 - 1. Efforts which diminish the housing and community development authority of local elected officials.
 - 2. Efforts which grant the State or Federal government approval or veto authority in the implementation of local redevelopment and rehabilitation projects, particularly with respect to the use of tax increment financing by local agencies.
 - 3. State and Federal mandated referendum requirements for local housing and community development projects which would alter thos contained in the San Diego Charter.

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APR 10 1987

DATE ISSUED: April 16, 1987

REPORT NO. 87-186

ATTENTION:

City Council Docket of April 20, 1987

SUBJECT:

Recommended Legislative Policy Guidelines on Energy

REFERENCE:

Intergovernmental Relations Department Report #87-7

SUMMARY

Issue - Should the City Council approve the 1987-88 Legislative Policy

Guidelines for Energy with deletion of the references to solar

tax credits and to new nuclear power plants?

Manager's Recommendation - Approve deletion of the references to solar tax credits and to new nuclear power plants.

Other Recommendations - None.

Fiscal Impact - None.

BACKGROUND

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Every two years the Council adopts legislative policy guidelines providing general direction to the Intergovernmental Relations Department.

The Energy Program recommended two changes to the 1987-88 proposed legislative policy guidelines, one with reference to solar tax credits and the other with reference to new nuclear power plants.

Solar Tax Credits

It is recommended that the following phrase be deleted:

"Extend the current level of State and Federal tax credits and tax incentives..."

This deletion is recommended because tax credits and tax incentives for encouraging solar energy and conservation were eliminated last year.

Though there was a strong effort by solar industry representatives and others to convince legislators to retain these incentives, especially at the Federal level, they were not retained.

DOCUMENT NO/K/-26884 JUL 13 1987

OFFICE OF THE CITY CLERK SAN DIEGO, CALIFORNIA

As a result, the San Diego solar and construction industries -- mainly small businesses -- have either closed down or have turned their resources to other products and services. It is not likely that new solar/conservation legislation will be at issue in the next two years.

New Nuclear Power Plants

It is recommended that the word "nuclear" be deleted from the following statement:

"Support mixed fuel sources for utility-owned, centralized electrical power generation in order to further reduce dependency upon oil and gas fired generation, including consideration of future use of solar thermal, geothermal and photovoltaic and-nuelear technologies."

This deletion is recommended so that the City's legislative policy with regard to energy will be consistent with the reports and findings contained in the California Energy Commission's 1986 Electricity Report.

The California Energy Commission (CEC) is charged with assessing, evaluating, and planning energy supplies to meet future demand requirements. We have looked to the CEC as an expert in forecasting electricity supply and demand.

The CEC does <u>not</u> recommend nuclear as an immediate alternative for future electricity supplies. Instead, the 1986 report recommends reliance upon out-of-area power purchases and independent power producers. This recommendation is consistent with SDG&E resource plans, which have called for renewal of purchase power contracts from such utilities as Public Service of New Mexico. The utility plans to build a northern transmission line for taking greater advantage of electricity surpluses in the Pacific Northwest. Also, other California utilities will have supply surpluses well into the 1990's and perhaps beyond.

On the other hand, the deletion is of little significance and could be retained. It is not likely that the new nuclear legislation will be at issue in the next two years.

ALTERNATIVE

Retain the language of the legislative policy guidelines which includes consideration of nuclear power as a future source of peak electric supply.

Respectfully submitted,

John P. Fowler

Deputy City Manager

Passed and adopted by the Council of Th	JUL 13 1987 e City of San Diego on
by the following vote:	,
Council Members Abbe Wolfsheimer Bill Cleator Gloria McColl William Jones Ed Struiksma Mike Gotch Judy McCarty Celia Ballesteros Mayor Maureen O'Connor	Yeas Nays Not Present Ineligible
AUTHENTICATED BY: (Seal)	MAUREEN O'CONNOR Mayor of The City of San Diego, California. CHARLES G. ABDELNOUR City Clerk of The City of San Diego, California. B. Jule M. Blackell, Deputy.
	Office of the City Clerk, San Diego, California

CC-1276 (Rev. 12-86)

Resolution 268841 Adopted JUL 13 1987

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