



Fee/Deposit Schedules for Development & Policy Approvals/Permits

INFORMATION BULLETIN
503
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This information bulletin (IB) lists fees and deposits for discretionary and policy approvals. Fees related to discretionary actions for Wireless Communication Facilities are contained in IB-536, Submittal Requirements and Procedures for Wireless Communication Facilities.

Plan Review – Flat Fees

Table 503A/Flat Fee Worksheet identifies the discretionary permit applications that require a flat fee for the public noticing, plan review, Environmental Initial Study, and public hearing process (except appeals). When the discretionary action includes other approval types that require a deposit account for plan review, the entire project will be reviewed using a deposit account (see below). Note: If the project and/or the environmental determination of a flat fee project are appealed, a \$2,000 deposit will be required to continue processing the project to a final decision.

- Environmental Initial Study Flat Fee Exception. If the Environmental Initial Study is extended due to staff requests for additional information, the extended Initial Study fee will be required at the time of resubmittal.
Historic Review. If the flat fee project requires a historic review, a fee of \$172.87 per hour of review time is charged for the Designated Historical Resource Review or Potential Historical Resource Review.
Planning Department Review. If the flat fee project requires a review by the City Planning Department Facilities Financing Division, an hourly charge will be required at the following amount per hour:

Table with 2 columns: Fee Type, Fee. Rows include Public Spaces (\$193.16), Community Planning (\$194.82), Heritage Preservation (\$172.87), and Biodiverse SD (\$197.91).

Plan Review – Deposit Accounts

Table 503B/Deposit Account Worksheet identifies the discretionary applications that require a deposit for the public noticing, plan review, California Environmental Impact Statement (CEIS) review, and public hearing process. Where multiple permits/approvals are requested (e.g., Coastal Development Permit with a Site Development Permit), the deposit amounts for each permit/approval type are added together, and that amount is required at the time of submittal for completeness review.

A Trust Fund account is established with an initial deposit which is drawn against to pay for the review of your project. The Financially Responsible Party (as identified on the Deposit Account/Financially Responsible Party Form, DS-324) will receive a monthly deposit statement reflecting the charges made against the account.

Affordable, Infill Housing & Sustainable Building Expedite Program. This program provides expedited Development Permit & Policy Approval processing for all eligible affordable, infill housing and sustainable building projects.

Table with 2 columns: Fee Type, Fee. Rows include Residential Projects (\$752.00 per unit), Non-Residential Projects (\$1,328.00), Substantial Conformance Review, Preliminary Review, Mills Act, and Historic Designation Nomination Fee (\$3,366.68).

Table 503A / Flat Fee Worksheet. Summary table showing Administrative Fees and Approval Types (Choose One) with their respective costs.

Table 503B / Deposit Account Worksheet. Summary table showing Administrative Fees and Approval Types (Choose All That Apply) with their respective costs.

Time and Costs Associated with the Discretionary Approval Process. The purpose of this Frequently Asked Questions section is to notify and disclose to all prospective applicants the time, costs and risks inherent within the discretionary approval process.

How Long Will it Take to Process My Discretionary Approval? DSD processes various discretionary applications to change land use entitlements. Approvals include everything from small single-family home additions to master-planned communities of several hundred acres.

How Much Will it Cost to Process My Discretionary Approval? Although simple small-scale projects that require minimal staff review can be processed for just a few thousand dollars, very large, complex and/or controversial projects that take multiple years to process can expend hundreds of thousands of dollars in review and approval costs.

Why Are the Reviews So Extensive? All development (small and large) in San Diego is subject to a wide variety of land use and environmental regulations pursuant to local, state, and federal law, including but not limited to the following: California Environmental Quality Act; California State Map Act; California Coastal Act; San Diego Municipal Code; San Diego General Plans; over 40 Community Plans and many Planned Districts; Community Plan Implementation Overlay Zones; a variety of local coastal programs; Airport Land Use Compatibility plans; Federal Aviation Administration regulations; Regional Water Quality Control Board requirements for stormwater and more.

The San Diego Municipal Code by itself includes development codes that regulate almost every aspect of land development, including but not limited to size, height, bulk, scale, coverage, floor area, setbacks, parking, traffic, landscaping, brush management, environmentally sensitive lands, historic resources, water quality, drainage, wastewater, erosion control, geology, aesthetics, greenhouse gas emissions and water availability.

The Development Services Department is continuously under intense scrutiny from a wide variety of Federal, State, County, community and professional organizations as well as the general public. DSD is the lead agency responsible for regulating land use and applying these complex regulations to every development application.

To ensure thorough, effective, and legal implementation of these regulations, a wide variety of City staff are required to participate in the review of all discretionary approvals. Because almost all of the processing costs associated with discretionary approvals are City staff labor charges, and due to the fact that, as a general rule, San Diego maintains a highly regulated land use environment, most discretionary projects take longer and cost significantly more money than applicants would expect.

In addition to the high level of land use regulation in San Diego, there are several other factors that can also contribute to increased project costs and project delays, including but not limited to the following:

- The property's physical characteristics: If the property contains certain physical or environmental characteristics or constraints such as steep slopes, sensitive biology, wetlands, historic or particular geologic formations, paleontological or archaeological resources, is located in the Coastal Zone or near an airport, has contaminated soils, or other constraining factors, a higher level of staff analysis and longer review periods can result.
The project's design and/or physical characteristics and impacts: If the project, due to its density, intensity, height, size and/or use, could generate significant impacts (i.e., traffic, grading, noise, environmentally sensitive resources, coastal resources, public view blockage, community character, public facility impacts), a higher level of staff analysis and longer review periods can result.

Community and/or neighborhood opposition: If a project generates opposition from the community or neighborhood, significant delays may occur, particularly because the discretionary approval process includes an appeal component that allows any interested person to protest your project by filing an appeal. Prior to scheduling the appeal hearing, City staff is required to analyze and prepare detailed written responses to each appeal issue. Appeals require the project to undergo at least one additional public hearing and in some cases, can require the applicant to attend public hearings. In certain cases, the project may also be subject to appeal to the California Coastal Commission. Appeals, in some cases can generate twice the expense and double the amount of time required to obtain a discretionary approval. The cost of the appeal process is borne by the project applicant, not the appellant.

Inexperienced and/or unresponsive applicant and/or consultant team: Most applicants choose to hire a consulting team to process their applications due to the complexity and time involved in the discretionary approval process. In many cases, more than half of the processing time can be attributed to factors under the applicant's/consultant's control. Most consultants have a variety of other work projects and priorities, which often results in extended periods of time between submittals to the City for review. City staff cannot control how long the consultant may take to respond to staff comments. In addition, applicants or consultants who are inexperienced or unfamiliar with the development process or who consistently fail to adequately resolve identified issues or fulfill other processing requirements can significantly increase the time and costs associated with their discretionary approval.

City staff: In a large metropolitan area like the City of San Diego, the volume of work and complexity of issues demand high-quality service and attention by City staff. To assist with rendering staff of this exceptional service, DSD developed a mission statement to recognize the provision of anything but excellent customer service. As can be expected with human nature, there may be instances where City staff may inadvertently be responsible for mistakes, errors in judgment, or failure to provide timely service. To eliminate project delays and the increased costs that typically result, it is important for the applicant to let the department become aware when they experience this type of staff behavior. A process of identifying, addressing and correcting these behaviors is considered through DSD's Customer Bill of Rights. This document provides all applicants with a number of guarantees including but not limited to the following: all customers have the right to seek a second opinion; all customers have the right to an estimate of costs and approximate time frames; all customers have the right to an itemization of charges and accountability for those charges.

Failure to maintain a positive deposit account balance: All discretionary approvals require applicants to deposit funds into a trust fund account to pay for the cost of City staff review and all other project charges. As City staff expends time reviewing the project, the initial deposit amount is drawn down. Applicants are required to maintain a positive minimum balance within that deposit account, and when the balance goes into deficit, City staff is not allowed to work on the project, resulting in project delays.

Failure to diligently process: Municipal Code §126.0114 requires that a development permit application be closed if the applicant fails to submit or resubmit requested materials, information, fees, or deposits within 90 calendar days. Failure to diligently process the processing of permits typically results in further land and/or unavoidable project delays and additional costs. The longer the delays and period of time a permit is in process, the higher the likelihood that project will be affected by factors beyond the control of either the City or the applicant, including but not limited to the following: Changes in Federal or State law; Revisions to the General Plan and/or relevant Community Plan; Changes in the City's Land Development Code; the adoption of Citywide restrictions or moratoriums affecting development; the discovery of new environmental issues affecting development; and staff attrition resulting in new staff being assigned to the project.

How Shall I Pay for My Discretionary Approval, and How Can I Monitor the Costs? Applicants are responsible for all costs associated with the processing of their discretionary approval. When a trust fund deposit account is established for your discretionary project, funds from the applicant's deposit account are used to pay all City staff labor charges associated with the project. As the initial deposit is drawn down, applicants will be required to deposit additional funds to maintain a minimum balance.

In terms of monitoring your project costs with DSD, the applicant's assigned financially responsible party will receive a monthly Deposit Account Statement. This statement displays all project charges that occurred during the previous month and includes the name of the City staff person who worked on the project, the general tasks completed by that staff person, the total number of hours expended, and the total dollar amount charged against the account. The top of each statement includes the amount due (if any), with instructions to submit additional funds in a timely manner to ensure the continuation of project processing. Payments may be made online via Open DSD by check or credit card, or payments may be made to the cashier at the DSD building.

Several new discretionary flat fees listed in this bulletin went into effect October 1, 2016, and they do not require a deposit account on a flat fee project, the remainder of the charges will be hourly and billed monthly to the applicant.

What Happens When My Deposit Account Balance Goes into Deficit? If the applicant fails to respond to the deposit account statement's request for additional funds in a timely manner (90 days), the project will be closed, and the account will be referred to collectors.

If I Don't Agree with the Project Charges? The applicant can contact their Development Project Manager to discuss the project charges.

Will My Discretionary Application Ultimately be Approved? There is no guarantee that your discretionary application will be approved. Approvals are granted at the discretion of a decision-maker. As outlined in the San Diego Municipal Code, there are four separate City (discretionary) decision-makers, including City Staff (Process 2), Hearing Officer (Process 3), Planning Commission (Process 4), and City Council (Process 5).

The decision maker must make certain findings of fact and may exercise their professional judgment and discretion in granting approval of the project. A public hearing is required for most discretionary approvals. At the public hearing, the decision maker considers all factors prior to approving or denying a permit, including but not limited to the following questions as they relate to the required findings and adequacy of the environmental document:

- Does the permit meet all development regulations pursuant to the Municipal Code? Is the project consistent with the City's General Plan and Community Plan? Are all environmental impacts mitigated? Does the local community planning group support the project? Is there any neighborhood opposition to the project? Is the project beneficial to the community?
What Will Happen if I Refuse to Pay a Project Deposit Account Deficit? If an applicant fails to resolve the deposit account deficit balance in a timely manner, all City staff processing of the application will be suspended until such time as the City receives the requested funds. Municipal Code §126.0114 requires that a development approval application be closed if the applicant fails to submit or resubmit requested materials, information, fees, or deposits within 90 calendar days. Therefore, failure to respond to requests for payment within 90 days could result in closure of the project.

In addition, projects that maintain a deficit for balance for more than 90 days will be referred to the Office of the City Treasurer's Delinquent Accounts Program. The Delinquent Accounts Program's objective is to help applicants resolve their financial obligations as quickly and painlessly as possible by utilizing a variety of collection efforts. Applicants who continue to delay resolving the delinquent account with the Treasurer's Office could become subject to a number of collection effort consequences, including but not limited to the following: Penalties and interest for late payments; Collection letters and telephone calls; Credit reporting; Liens on property; Interception of State Income Tax refund and or lottery winnings; Litigation/Legal action; Treble damages; court costs; service of process fees and or attorney fees.

Why Do I Have to Pay for the Processing of My Approval? DSD is operated through any City general fund activity and must generate its own revenue through an enterprise fund. DSD's Enterprise Fund was established in 1985 to ensure full cost recovery for all services related to processing land development applications. DSD's customers, therefore, pay for the department's operating costs like most businesses.

Full cost recovery is supported by the California Government Code and the City's Municipal Code. It ensures that the fees charged shall not exceed the estimated reasonable cost of providing the service. The level of service the department can provide is directly related to the fees charged.

References

- Project Submittal Manual
Substantial Conformance Review (IB-500)
Preliminary Review (IB-511)
Expedite Program for Affordable, In-Fill Housing and Sustainable Buildings (IB-538)
Submittal Requirements and Procedures for Wireless Communications Facilities (IB-536)

Previous Versions of this Information Bulletin

- 2024-10-11 (IB-503)
2024-06-30 (IB-503)

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