Fallbrook Bonsall Village News

Supervisors to review TIF charges

Joe Naiman
Village News Correspondent

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A November 7 San Diego County Board of Supervisors hearing will address possible changes in the Transportation Impact Fee (TIF) ordinance.

The supervisors were scheduled to review the TIF ordinance on October 24, but with many interested parties impacted by the fires during the week the supervisors continued the hearing to November 7.

The November 7 hearing itself will focus on issues to be analyzed by county staff and brought back to the supervisors in 60 days. The intent of the review is to encourage commercial and industrial development in unincorporated San Diego County.

The Transportation Impact Fee was adopted in April 2005 in order to comply with state law and provide funding for the construction of transportation facilities needed to support the increased traffic generated by new development.

The fee is actually an option rather than a requirement; developers may still perform an individual cumulative impact traffic study and make the appropriate mitigation. The TIF ordinance was expected to help small developers who could address their projects' impacts easier with a single check rather than with a comprehensive cumulative impact study.

Since the adoption of the TIF ordinance, citizens and local community groups as well as applicants and developers have expressed concern that the industrial and commercial fees are too high, producing a heavy strain on economic growth and development in unincorporated communities.

An assessment addressing those concerns is currently being prepared and is slated to be presented to the supervisors in January. The November 7 action would direct the county's Chief Administrative Officer to address specific questions and incorporate those findings into the review.

Prior to a 2002 court case, the California Environmental Quality Act (CEQA) allowed exemptions for relatively small "de minimus" cumulative traffic impacts, but after the exemptions were declared invalid CEQA was changed to require all traffic impacts, no matter how minimal, to be addressed and mitigated. That eliminated the county's ability to make "de minimus" findings, so all new projects now require mitigation for cumulative traffic impacts.

The change in the CEQA law held up approximately 300 projects in the county's unincorporated area due to the difficulty of the smaller projects' developers being able to fund the required traffic studies as well as the road improvements.

In some cases the road improvements on a project by project basis would have exceeded the actual cost of the project, and the TIF program was intended to allow the applicants to pay the fee as a "one-stop" process.

If the supervisors approve the action on November 7, the questions the CAO will be directed to address will focus on the impacts on commercial and industrial development, the amount of money collected under the program and how the fees have been used, whether the TIF has hurt commercial or industrial development in the unincorporated communities, whether other counties are handling the change in state law differently, why regional roads are included in TIF charges and whether the TransNet sales tax was intended to fund regional roads (the TIF assessment also covers state highways, and the question also addresses CalTrans' responsibility for state highway improvements), why there has been subjectivity over the amount an applicant is required to pay, whether the reimbursement program has been successful and to what extent, whether procedures have been implemented to ensure that applicants receive correct TIF information during the early stages of their project, what the absolute minimum fee would be for the TIF program to achieve its goals of addressing a project's cumulative impacts, what can be done to reduce commercial and industrial fees while still complying with state law, what the risk would be if the TIF were eliminated or reduced and whether other alternatives exist, whether the county can apply Proposition 42 funding (Proposition 42, passed by the state's voters in 2002, dedicates the sales tax on gasoline to transportation) to reduce the TIF charges, how the credit or reimbursement value for road improvements is calculated, whether all road improvement costs including right-of-way acquisition are used to reduce TIF charges, why a TIF is required on each permit to build a new home or business where a legal lot already exists, why the TIF is required on each permit to build a new home or business which was created by an approved subdivision which already has a certified environmental document, why projects in process prior to the TIF did not include a grandfather clause, and when the "interim" period ends since the TIF was proposed as an interim measure to allow the delayed projects to proceed.