

**Building Industry Association of San Diego County
May 22, 2008**

**Development Fees
Declaration of Principles**

WHEREAS, the health and vitality of the building industry is of great significance to the social and economic well-being of the San Diego region; and

WHEREAS, cumulatively the local building industry employs 140,000 people and collectively is responsible for 12% of San Diego County's gross regional product; and

WHEREAS, the building industry is suffering an acute and prolonged economical downturn; and

WHEREAS, the issuance of building permits and the sale of new homes in the San Diego region are at record lows; and

WHEREAS, development agencies assert a primary role in the regulation of housing and its attendant cost; and

WHEREAS, government has the opportunity and responsibility to promote and enact policies to stimulate and sustain the economic vitality of the region; and

WHEREAS, government fees and exactions have become the preferred method of financing public improvements including, but not limited to, transportation, parks, schools, water and sewer; and

WHEREAS, the effect of fees and exactions represent a substantial and growing cost of a San Diego home and serve as a fundamental deterrent to consumers; and

WHEREAS, the payment and collection of fees in advance of impact result in great economic burden to the industry;

NOW, THEREFORE the Building Industry Association of San Diego does hereby resolve as follows:

- a) To prevail upon all governmental agencies to refrain from increasing any fees borne by new development for an indefinite period. (An exception for previously determined TransNet Regional Transportation Fees).
- b) To request local government agencies to suspend the adoption of new fees during this period of economic challenge.
- c) The timing of payment of development fees should occur at the issuance of a certificate of occupancy for commercial properties or the close of escrow for residential properties commensurate with the actual impact to community services.
- d) BIA is prepared to serve as a resource and call upon local governments to diligently and thoroughly review all fees assessed to new development to ensure conformance with state law, proper nexus and the appropriate or essential purpose of the funds expenditure.
- e) Upon review, any fees exceeding conformance with law shall be amended immediately. Further, any fees supporting services or capital improvement not necessary for the preservation of public health, safety and welfare shall be suspended.

This declaration of principles was adopted by the Board of Directors of the Building Industry Association of San Diego County on the 22nd day of May, 2008.

