



San Diego County Fire Protection District

GOVERNING BODY

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: April 22, 2025

FP01

TO: Board of Directors, San Diego County Fire Protection District

SUBJECT

NOTICED PUBLIC HEARING:

**ANNUAL FIRE MITIGATION FEE PROGRAM RESOLUTIONS AUTHORIZING
CONTINUED PARTICIPATION AND ADOPTION OF A CAPITAL IMPROVEMENT
PLAN (DISTRICTS: ALL)**

OVERVIEW

The County of San Diego created a Fire Mitigation Fee (FMF) Program following the adoption of an ordinance by the County Board of Supervisors on December 11, 1985 (11). The purpose of the FMF Program is to collect and allocate funds to fire agencies in the unincorporated area of San Diego County so they may provide long-term capital facilities and equipment to serve new development. These funds allow fire agencies, lacking legal authority to directly impose and collect mitigation fees, to provide capital facilities and equipment for fire suppression or emergency medical services, including station construction, station expansion or improvements, and fire or emergency medical apparatus to serve new developments in their districts.

To participate in the FMF Program, fire agencies must adopt a resolution on an annual basis: (1) authorizing participation in the FMF Program and identifying the percentage of the maximum fee for collection (Attachment A), and (2) adopting a plan for the future use of FMF revenue (Attachment B). The Fire Mitigation Fee Program Fee Maximum Chart (Attachment C) includes the proposed fee schedule for San Diego County Fire Protection District (SDCFPD) and reflects the Los Angeles Construction Cost Index annual increase of 0.9% for all participating agencies for Fiscal Year 2025-26. Lastly, a waiver of Board Policy B-29 is requested because San Diego County Fire staff time to administer the program is not eligible for reimbursement from FMF revenue.

The actions in today's request fulfill these requirements and will allow for the continued use of fire mitigation fees to fund expenditures related to new development within the boundaries of the San Diego County Fire Protection District and the other eleven fire protection agencies in the unincorporated area.

RECOMMENDATION(S) EXECUTIVE DIRECTOR

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1. Adopt the Resolution entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT TO PARTICIPATE IN THE COUNTY OF SAN DIEGO FIRE MITIGATION FEE PROGRAM FOR FISCAL YEAR 2025-26 (Attachment A, on file with the Clerk of the Board).
2. Adopt the Resolution entitled: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT TO ADOPT A CAPITAL IMPROVEMENT PLAN FOR THE USE OF FIRE MITIGATION FEE REVENUE (Attachment B, on file with the Clerk of the Board).
3. Waive Board Policy B-29, Fees, Grant, Revenue Contracts-Department Responsibility for Cost Recovery, which requires prior approval of grant applicants and full-cost recovery of grants.

EQUITY IMPACT STATEMENT

The County of San Diego's Fire Mitigation Fee (FMF) Program was established as a mechanism for collecting and allocating funds to the thirteen local fire agencies in unincorporated areas of San Diego County. These funds allow other fire agencies, who lack legal authority to directly impose and collect development impact fees, to provide capital facilities and equipment to serve new developments in their districts. More than 80 percent of the San Diego County Fire Protection District's jurisdictional area qualifies as a disadvantaged unincorporated community, based on a San Diego Local Agency Formation Commission report. Continued participation in the FMF program will provide necessary funding for capital improvements and fire safety resources to help create healthy, safe, and resilient communities in the unincorporated areas of San Diego County.

SUSTAINABILITY IMPACT STATEMENT

The proposed actions in today's request support the County of San Diego's (County) Sustainability goals to provide just and equitable access to services by ensuring fire protection agencies in the unincorporated areas of the County can address future needs for fire protection and emergency medical services in their communities.

FISCAL IMPACT

If approved, the San Diego County Fire Protection District (SDCFPD) will continue to participate in the County's Fire Mitigation Fee (FMF) Program and will use funds collected for capital improvement projects and equipment purchases within the boundaries of the SDCFPD. The FMF annually will generate approximately \$2,000,000 in revenue beginning in Fiscal Year 2025-26. Costs for equipment purchases and facility improvements will be included as needed in future Operational Plans for San Diego County Fire. There will be no change in net General Fund cost and no additional staff years will be required.

The FMF Program does not recover costs associated with the administrative support provided by County Fire and will be funded with existing General Purpose Revenue budgeted in San Diego County Fire.

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BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

On March 3, 2025, with four advisory board members being present, the San Diego County Fire Protection District Fire Advisory Board received an update on the County's Fire Mitigation Fee (FMF) Program and voted unanimously in support of adoption of the continued participation and capital improvement plan resolutions.

BACKGROUND

The Mitigation Fee Act (California Government Code sections 66000, et seq.) provides authority for local governments to impose fees to offset the impacts of development projects on public facilities or services. The statute regulates how public agencies may collect, maintain, and spend development impact fees, including reporting requirements.

On December 11, 1985 (11), pursuant to its authority under the Mitigation Fee Act, the San Diego County Board of Supervisors (Board) adopted the Fire Mitigation Fee (FMF) Ordinance to collect and allocate funds to fire agencies in unincorporated areas of San Diego County (County). These funds allow fire agencies, lacking legal authority to directly impose and collect mitigation fees, to provide capital facilities and equipment for fire suppression or emergency medical services, including station construction, station expansion or improvements, and fire or emergency medical apparatus to serve new developments in their districts.

Effective 2021, AB 602 set forth several new substantive and procedural requirements on the development and reporting of impact fee programs, including conducting a nexus study for each participating agency. The nexus study is a standards-based study, which is focused on achieving a defined level of service per person and maintaining the ratio for future development. Nexus studies, along with a capital improvement plans, must be updated every eight years and adopted at a public hearing with at least 30 days' notice. The nexus study must identify the existing level of service for each public facility, identify the proposed new level of service and explain why the new level of service is appropriate. Maximum fee rates are determined by the land use category, cost per service population and residents or employees per 1000 square feet (KSF) for each fire agency and is calculated using the following equation:

$$\text{Fee Rate} = \frac{\text{Cost Per Service Population} \times \text{Residents/Employees Per 1000 Square Feet (KSF)}}{1,000}$$

Each district has its own cost per service population and the denser the population is within a district, the lower the cost per person. SDCFPD has the largest service area of over 1.73 million acres and is populated by smaller rural communities throughout the unincorporated region. Due to the large service area, smaller population and cost per person rate determined in the March 2023 nexus study, fee rates are higher in the SDCFPD compared to other districts. Over a 12-year period from FY 2009-10 to FY 2022-23, SDCFPD increased fees \$0.12, while fire station construction costs tripled to over \$1,200 per square foot. The passage of AB 602 and completion of a nexus

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study every eight years ensures that the mitigation fees collected can support fire protection needs to serve new developments in the district.

The County's Department of Planning and Development Services collects the FMF from applicants when building permits are issued, then distributes the funds quarterly to the respective fire agencies participating in the program. The Fiscal Year 2025-26 Fire Mitigation Fee Program Fee Maximum Chart (Attachment C) reflects the proposed fee schedule for San Diego County Fire Protection District and all participating fire agencies. The participating fire agencies can use the revenue generated by the fees to purchase equipment and supplies to address fire service needs of new development and are prohibited from using the funds to offset shortages in existing budgets. The participating fire agencies must annually report the amount of fire mitigation fees collected from the prior fiscal year and how the fees were expended.

The County's FMF Ordinance requires all agencies participating in the FMF program to annually submit a resolution to the County which includes:

- Participation: Each fire agency must certify the agency's need for a fee, request that the County collect the fee on the agency's behalf and agree that fee proceeds will be used only for capital facilities and equipment to address new development.
- Capital Improvement Plan: Each fire agency must specify the actions it intends to take to alleviate capital facility, and equipment needs resulting from new development in a five-year facilities and equipment plan.

Today's proposed resolutions will (1) authorize the San Diego County Fire Protection District (SDCFPD) for continued participation in the County's FMF Program (Attachment A), (2) approve a five-year capital improvement plan (Attachment B). The capital improvement plan proposes to allocate FMF revenues and balances in the fund over the next five years to support fire facility projects identified in the Capital Improvement Needs Assessment and fire service vehicles in accordance with the County Fire Fleet Plan.

The FY 2025-26 Fee Maximum Chart (Attachment C) lists Fire Mitigation Fees by building type for SDCFPD and all participating fire agencies. The Fee Maximum Chart reflects the automatic cost escalator based on the annual Los Angeles Construction Cost Index (LACC Index) for the previous 12-month period (October to October). The LACC Index increase for the FMF program for FY25-26 is 0.9%. Individual agencies may elect to collect less than the maximum rate (100%) for each of the building types and will be included in their agency's approved resolution. Adopted resolutions with collection percentages are due to County Fire by June 30th of each year. The Annual Fee Schedule will be provided to County Planning & Development Services for use beginning July 1st of each year.

SDCFPD – FIRE MITIGATION FEE RATES 2025-26							
FY	RESIDENTIAL	COMMERCIAL/ RETAIL	HOTEL	INDUSTRIAL	MEDICAL	OFFICE	AGRICULTURE
2024-25	\$2.29 (75%)*	\$2.66	\$1.43	\$2.10	\$4.99	\$9.98	\$0.09

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2025-26	\$3.08 (100%)	\$2.68	\$1.44	\$2.12	\$5.03	\$10.07	\$0.09
*Phased-In Residential Rate: \$3.05 (100%) FY24/25							
**LACC Index: 0.90%							

To support residential development, the SDCFPD residential building fee was phased in over 3 years; FY23-24: 50%, FY24-25: 75% and 100% for FY25-26. Lastly, a waiver of Board Policy B-29, Fees, Grant, Revenue Contracts-Department Responsibility for Cost Recovery, which requires prior approval of grant applicants and full-cost recovery of grants, is requested as County Fire staffing costs to administer the Fire Mitigation Fee Program will not be recovered by program fees.

ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Community Initiative of the County of San Diego's 2025-2030 Strategic Plan by ensuring that adequate fire and emergency medical services are included in new residential and commercial development, to improve community safety and resiliency.

Respectfully submitted,



Andrew Strong for

EBONY N. SHELTON
Executive Director

ATTACHMENT(S)

Attachment A – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT TO PARTICIPATE IN THE COUNTY OF SAN DIEGO FIRE MITIGATION FEE PROGRAM FOR FISCAL YEAR 2025-26

Attachment B – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY FIRE PROTECTION DISTRICT TO ADOPT A CAPITAL IMPROVEMENT PLAN FOR THE USE OF FIRE MITIGATION FEE REVENUE

Attachment C – FIRE MITIGATION FEE PROGRAM FEE MAXIMUM CHART FOR FISCAL YEAR 2025-26

Attachment D – Notice of Public Hearing