

# Frequently Asked Questions on FRAQMD's Rule 7.10 Indirect Source Fee

Note: This information is provided as clarification of the Districts existing regulation and consolidation of existing guidance. No changes to the regulation or the District's guidance have occurred.

## General

What is the Indirect Source Fee?

The Indirect Source Fees are collected to offset FRAQMD's costs reviewing projects under the California Environmental Quality Act and the National Environmental Policy Act and to mitigate air quality impacts of new development, as directed by the FRAQMD Board of Directors. The Fee was first adopted in 1992 and has been updated in 2002 and 2004.

How is it calculated?

The Fee is based on the land use of the project and has three options: Residential, Commercial, and Industrial. It is not based on zoning but rather the actual use of the building.

## Agricultural

Are Agricultural uses exempt from the fee?

The Indirect Source Fee shall apply to all applicants for building permits, unless the structure being built is only used for agricultural purposes. Agricultural operations have been defined as "The growing and harvesting of crops, including timber, or the raising of fowls, animals or bees, for the primary purpose of earning a living, or making a profit" (FRAQMD Rule 1.1.B.2). Agricultural operations DO NOT include processing or warehousing of crops. Building permits for processing and/or warehousing structures are charged the Industrial rate. Examples of Agricultural structures include greenhouses and barns. When in doubt the applicant should submit a written request to the FRAQMD explaining the reason why the structure should be exempt.

## Commercial/Industrial

What is considered in the square footage calculation for Commercial/Industrial?

The Indirect Source Fee applies to any newly constructed facility, building, structure, installation, real property, road, or highway. This includes paved parking areas. The square footage of landscaping features in a parking area can be deducted from the fee

area. The Fee should include the square footage of the building and associated parking areas.

### Residential

What residential structures are subject to the fee?

The Indirect Source Fee applies to newly constructed residential homes, apartments, condos and mobile homes. The fee is based on the number of units, not the square footage.

The Indirect Source Fee DOES NOT apply to remodels or additions to existing residential properties, or when replacing a home that has been demolished or destroyed.

Regarding mobile homes, if the home is placed on a permanent foundation then it is subject to the Indirect Source Fee. If it is placed on a soft, temporary foundation then it is not subject to the Fee.

Garages and outbuildings for residential structures are not subject to the fee, however industrial or commercial outbuildings are subject to the fee.