

Navajo

Public Facilities Financing Plan
Fiscal Year 2015



June 2015



THE CITY OF SAN DIEGO

Planning Department
Facilities Financing

RESOLUTION NUMBER R- 309789

DATE OF FINAL PASSAGE JUN 23 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE FISCAL YEAR 2015
NAVAJO PUBLIC FACILITIES FINANCING PLAN AND
DEVELOPMENT IMPACT FEE SCHEDULE.

WHEREAS, the Council has reviewed and considered the methodology set forth in the Fiscal Year 2015 Navajo Public Facilities Financing Plan and Development Impact Fee Schedule (FY 2015 Navajo Financing Plan), on file in the Office of the City Clerk as Document No.

RR- 309789; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. The FY 2015 Navajo Financing Plan is approved.
2. That the Chief Financial Officer is authorized to establish and modify individual Capital Improvement Program project budgets to reflect the FY 2015 Navajo Financing Plan provided funding is available for such action.
3. Effective sixty days from the date of final passage of this resolution, that all development impact fees due under the FY 2015 Navajo Financing Plan, shall be those fees in effect at the time building permits are issued, plus automatic annual increases in accordance with San Diego Municipal Code section 142.0640(b).
4. That the FY 2015 Navajo Financing Plan, is incorporated by reference into this Resolution as support and justification for satisfaction of findings required pursuant to the Mitigation Fee Act, as set forth in California Government Code section 66000 et seq., for imposition of development impact fees. Specifically, it is determined and found that this documentation:

a. Identifies the purpose of the development impact fee, which is to ensure that new development projects pay a share of the funding needed for community serving infrastructure necessary to serve new development;

b. Identifies the use to which the development impact fee is to be put. The development impact fees will be used to finance transportation, park and recreation, library, and fire-rescue facilities as set forth in the FY 2015 Navajo Financing Plan;

c. Demonstrates how there is a reasonable relationship between the development impact fee use and the type of development project on which the development impact fee is imposed. The development impact fees will be used to provide for a contribution for community serving infrastructure needed to serve both residential and non-residential development; and

d. Demonstrates how there is a reasonable relationship between the need for the public facility and the type of development project on which the development impact fee is imposed.


(i) Transportation Projects: Both residential development and non-residential development utilize the community's transportation system. Various street projects, traffic signal interconnect systems, landscaping, and median improvements are necessary to adequately serve the community.

(ii) Park and Recreation Projects: Residential development utilizes the community's park and recreation facilities, and improvements are necessary based on the projected population at full community development to maintain existing levels of service, and to achieve General Plan standards.

(iii) Library Projects: Residential development utilizes the community's libraries, and improvements are necessary based on the projected population at full community development to maintain existing levels of service, and to achieve General Plan standards.

(iv) Fire-Rescue Projects: Residential and non-residential development will be served by community fire facilities, and additional facilities are necessary based on the projected population at full community development, General Plan standards, and established emergency response times.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Michael T. Reid
Deputy City Attorney

MTR:mcb
4/20/15
Or.Dept: Planning
Doc. No. 999149

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 09 2015.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 4/23/15
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 09 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 23 2015.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By  Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 309789

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Mayor

Kevin Faulconer

City Council

Sherri Lightner, Council President, Council District 1
Lorie Zapf, Council District 2
Todd Gloria, Council District 3
Myrtle Cole, Council District 4
Mark Kersey, Council District 5
Chris Cate, Council District 6
Scott Sherman, Council District 7
David Alvarez, Council District 8
Marti Emerald, Council President Pro Tem, Council District 9

City Attorney

Jan Goldsmith, City Attorney
Michael T. Reid, Deputy City Attorney

Planning Department

Tom Tomlinson, Interim Director
Scott Mercer, Supervising Project Manager
Vicki Burgess, Project Manager
Leon McDonald, Principal Engineering Aide

Navajo Community Planners, Inc.

Mathew Adams, Chair
Jay Wilson, Vice Chair
Richard Burg, Secretary
Lynn Murray, Treasurer
Terry Cords
Marilyn Reed
David Hardy
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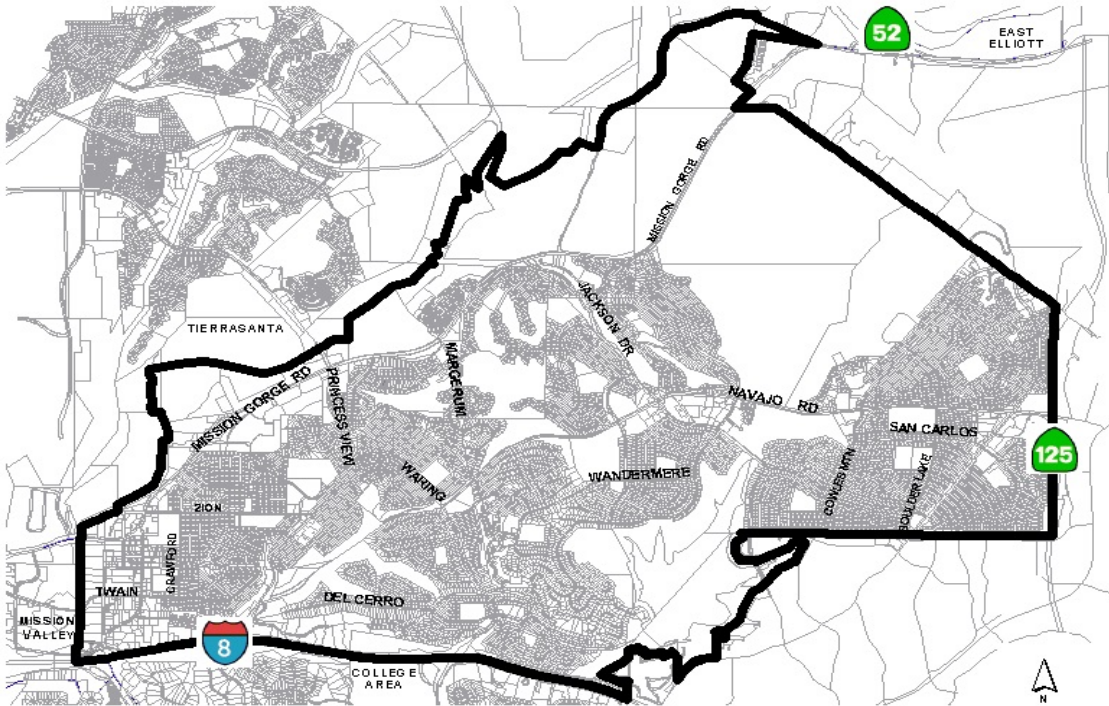
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Figure 1
Navajo Community Boundary Map



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Chapter 1: Introduction

Authority

In 1987, the City of San Diego (City) staff developed and recommended Development Impact Fees (DIF) for 28 urbanized communities within the City. City Council adopted the recommended fees to mitigate the impact of new development on public facilities by Resolution No. R-269019 (adopted August 4, 1987) and R-269274 (adopted September 14, 1987).

The General Plan for the City was updated on March 10, 2008 by Resolution No. R-303473; and new guidelines included the division of the City into two planning designations: Proposition A Lands and Urbanized Lands. Urbanized areas include the developing communities, the central portion of San Diego as well as the remaining older sections of the City. The Navajo Community Planning Area is an Urbanized area.

Previous, Current and Future Public Facilities Financing Plan Updates

This Fiscal Year (FY) 2015 Navajo Public Facilities Financing Plan supersedes the FY 2008 Financing Plan approved on December 18, 2007 by Resolution No. R-303210. This Financing Plan reflects changes in the rate and amount of anticipated development, and changes in Development Impact Fee contributions to capital improvement program (CIP) projects. The City Council may amend this Financing Plan in the future to add, delete, substitute or modify a particular anticipated project to take into consideration unforeseen circumstances.

Purpose and Scope

The Navajo Community Plan is being amended (Grantville Focused Plan Amendment) and serves as a comprehensive policy guide for the physical development of the community. The Navajo community is generally bounded on the north by Mission Trails Regional Park, on the east by the cities of La Mesa and El Cajon, on the south by Interstate 8 and the College Area community, and on the west by the San Diego River and the communities of Mission Valley and Tierrasanta. This Financing Plan identifies public facilities that are anticipated over the next 15 years when full community development (buildout) is anticipated, and serves to establish a financing strategy for the provision of those facilities, and establishes a Development Impact Fee for new development.

Development Forecast and Analysis

The Navajo Community Planning Area encompassed approximately 865 total acres of non-residential development land use (Year 2008). Through FY 2013, the Navajo Community has approximately 20,763 residential dwelling units and a population of 48,857 residents. At 2030 buildout, the Community Plan anticipates a total of 37,734 residential dwelling units and a population of 73,038 residents. At buildout, the Community Plan further anticipates non-residential development will include 12,719,520 square feet (SF) of non-residential development and 523,798 average daily trips (ADTs) are anticipated at full community development.

Chapter 2: Existing Public Facilities and Future Needs

Transportation

The Navajo Community is served by a transportation network which consists of automobile and public transportation systems, a bicycle system, and a pedestrian circulation system. Provision of adequate transportation facilities has been a continuing process of providing those facilities. Additional transportation improvements will be necessary to meet both existing needs and the needs of future development. Transportation improvements in the Navajo Community are dictated by traffic volume, level-of-service and completion of street systems.

Park and Recreation

The Navajo Community is currently served by three community parks, six neighborhood parks, five joint use areas and the Mission Trails Regional Park. The City of San Diego General Plan park guidelines call for 2.8 acres of usable parkland per 1,000 residents. The guidelines include eligibility criteria for population-based park equivalencies which allow community park acreage credit for recreation facilities that are within or adjacent to residential development, as well as various other non-traditional parks. Park equivalencies within a community are to be evaluated as part of the preparation of an anticipated San Diego Parks Master Plan, or at the time of community plan update or amendment, or community-specific parks master plan. Park and recreation facility projects included in this Financing Plan include new parks and improvements to existing parks and recreation facilities.

Library

Library services for the Navajo Community are provided by two branch libraries. The Benjamin Memorial Branch located at 5188 Zion Avenue is a 3,875 square foot facility which was completed in 1964. The San Carlos Branch located at 7265 Jackson Drive is an 8,000 square foot facility which was completed in 1974. The Library Department is recommending the expansion of both libraries.

Fire-Rescue

There are currently two fire stations in the Navajo Community. Fire Station No. 31 located at 6002 Camino Rico and Fire Station No. 34 located at 6565 Cowles Mountain Blvd provide fire-rescue services to the Navajo Community and its surrounding areas. The Fire-Rescue Department is recommending an expansion of Fire Station No. 34 to provide additional service to the community at full community development.

Timing and Cost of Facilities

The projects listed in Table 1 beginning on page 7 are subject to revision in conjunction with council adoption of the Annual Capital Improvement Program Budget. Depending on priorities and availability of resources, substantial changes to these projects are possible from year to year. DIF also funds administration costs associated with the development, implementation and operation of the DIF program. Project categories include Transportation, Park and Recreation, Library and Fire-Rescue. Detailed descriptions of projects begin on page 11.

Chapter 3: Development Impact Fee Calculation

DIF imposed on new development is based on the extent or degree to which each development generates a demand for, or receives benefit from, the various public facilities.

For example, all development generates vehicular traffic and demand for fire-rescue services, and thus, on an equitable basis, should share in the cost of transportation and fire projects. Residential development also generates demand for park and recreation and library facilities. Non-residential development may also create a need for parks or libraries, and may be charged fees for those facilities on an ad hoc basis, as appropriate.

DIF's were determined for the various categories of needed public facilities based on additional public facilities needed at full community development. The DIF basis includes all eligible project needs except those identified as other or subdivider funded. The fees also include an 8 percent charge to cover City administrative costs.

Transportation Component of DIF

The residential portion of the impact fee reflects an average (less than 20 dwelling units: 8 trips/dwelling unit; more than 20 dwelling units: 6 trips/dwelling unit) vehicle trip rate of 7 as a basis for determining the DIF. A considerable range has been found for traffic generation in non-residential developments depending on the character and use of the property. Therefore, the DIF for non-residential development is determined by ADTs generated by the development. For this Financing Plan, transportation estimates are based on the unit pricing list for transportation projects as described in Appendix A.

The total number of trips (ADT's) at full community plan development is anticipated to be 523,798. An analysis of the DIF eligible transportation projects required for full community development totals \$207,700,670. This cost, plus 8% administrative costs, divided by 523,798 ADTs results in a DIF of \$428 per ADT or \$2,996 per dwelling unit. The fee per dwelling unit is calculated by multiplying the per ADT cost by the average vehicle trip rate per dwelling unit (7 ADTs). These amounts will be paid by all future development. Additional fees may be imposed on discretionary projects on a case-by-case basis in order to fully account for a project's public facilities impacts.

Park and Recreation Component of DIF

Park needs are based on population, which is derived from the number of dwelling units estimated at full community development. Non-residential development projects may, with appropriate findings in the future, also be required to participate in funding a share of park facilities. For this Financing Plan, park estimates are based on the cost estimate breakdown for park and recreation projects as described in Appendix B.

Allocating the total DIF eligible park and recreation costs of \$111,828,556 to the total dwelling units (37,734) forecasted at full community development, results in an impact fee, including 8% administrative costs, of \$3,201 per dwelling unit. Additional fees may be imposed on discretionary projects on a case-by-case basis in order to meet the standard of 2.8 acres of parkland per 1,000-population set forth in the General Plan.

Library Component of DIF

Library needs are based on population, which is derived from the number of dwelling units estimated at full community development. Therefore, only residential development is charged a DIF for library facilities. Non-residential development may be charged additional fees on an ad hoc basis for library facilities, as appropriate.

Allocating the total library costs to residential development, results in a DIF of \$933 per dwelling unit. This was calculated by dividing the total estimated cost (\$32,598,000) of needed library projects, plus 8% administrative costs, by the number of dwelling units at full community development (37,734).

Fire-Rescue Component of DIF

The fire-rescue component of the DIF relates to the cost of providing facilities to adequately provide fire-rescue protection services to both residential and non-residential development within the community. Residential impact fees are based on an average cost per dwelling unit. It is assumed that the average size of a dwelling unit is 1,000 square feet. Non-residential development fees are based on the average cost per 1,000 square-feet of gross building area.

Residential and non-residential development is anticipated to total 50,453,520 square feet, which results in a DIF of \$121 per dwelling unit and \$121 per thousand square feet of non-residential development. This was calculated by dividing the total fire-rescue costs needs of \$5,652,898, plus 8% administrative costs, by 50,454.

DIF Fee Schedule

By combining facility-specific impact fee components, a DIF Fee Schedule is created. For residential development, the FY 2015 DIF is \$7,251 per residential unit.* For non-residential development the FY 2015 DIF is \$428 per ADT and \$121 per 1,000 SF.* The actual dollar amount due for an individual building permit will be based on the DIF Fee Schedule and Trip Generation Manual in effect on the date of building permit issuance. The FY 2015 DIF Fee Schedule is shown in Table format below and on the inside back cover.

DIF Fee Schedule*

FY 2015 DIF Fee Schedule*			
	Res. Development	Non-residential Development	
	Per Dwelling Unit	Per ADT	Per 1,000 SF
Transportation	\$2,996	\$428	\$0
Park & Recreation	\$3,201	\$0	\$0
Library	\$933	\$0	\$0
Fire-Rescue	\$121	\$0	\$121
Total	\$7,251	\$428	\$121

Annual Increase to DIF Schedule

City Council Ordinance Number O-20100 (approved October 11, 2011) amended Municipal Code provisions relating to the collection of public facilities fees. Specifically, Chapter 14, Article 2, Division 6 provides for automatic annual increases to the DIF Fee Schedule to occur every July 1st: Section 142.0640(b) states: “unless otherwise specified in the applicable Resolution(s) establishing the Development Impact Fees, the amount of the Development Impact Fee shall be increased, starting on July 1, 2010, and on each July 1st thereafter, based on the one-year change (from March to March) in the Construction Cost Index for Los Angeles as published monthly in the Engineering New-Record. Increases to Development Impact Fees consistent with the Construction Cost Index in Los Angeles shall be automatic and shall not require further action of the City Council.”

Collection and Expenditure of Impact Fees

Payment of DIF is required at time of building permit issuance. At time of DIF calculation, with proof of type and amount of prior land use, and/or provision of demolition permit or demolition sheet within a permit submittal package, DIF credit for previous use (and/or demolished structures on the same parcel) may be applied towards the calculation of impact fees charged on the new use and/or new building structure. DIF revenue is used for projects identified in the Financing Plan, up to the amount listed on each project sheet. Expenditure of DIF revenue may not exceed a project’s DIF basis without further City Council action. A specific project’s DIF basis (DIF-eligible amount of total project cost), can be identified on its CIP project sheet. For current and future projects, without further City Council action the DIF-eligible amount may increase with the Construction Cost Index. DIF funds collected will contribute a portion of the cost of the public facilities included in the Financing Plan. The remaining portion of costs will be provided through funding mechanisms other than DIF.

Chapter 4: Financing Strategies

Residential and non-residential development impacts and creates a need for public facilities and services, including streets, parks, libraries, and fire-rescue facilities. Policy PF-A-3 (Public Facilities, Services and Safety Element) of the General Plan calls for the City to maintain an effective facilities financing program to ensure that impact of new development is mitigated through appropriate fees identified in Financing Plans; to ensure new development pays its proportional fair-share of public facilities costs; to ensure DIFs are updated frequently and evaluated periodically to ensure financing plans are representative of current project costs and facility needs; and to include in the Financing Plans a variety of facilities to effectively and efficiently meet the needs of diverse communities.

Development impacts public facilities and services, including the water supply, sanitary sewer system, fire-rescue facilities, streets, parks and libraries. Anticipated public facility projects that benefit a population larger than the local/adjacent development can be financed by using alternative methods.

The City of San Diego has a variety of potential funding sources for financing public facilities, which will be provided in part by developers as part of the subdivision process. Potential methods for financing public facilities are included in the Funding Sources subsection of the Adopted Budget (Volume III: Capital Improvements Program), which is available online at: <http://www.sandiego.gov/fm/annual/index.shtml>

Chapter 5: General Assumptions and Conditions

In connection with the application of the following methods of financing, these general assumptions and conditions would apply:

1. Developers will be required to provide facilities that are normally provided within the subdivision process as a condition of tentative subdivision map approval. These projects include but are not limited to traffic signals, local roads, and the dedication or preservation of open space located within the proposed development(s).
2. Non-residential development will be charged DIF for infrastructure including transportation and fire-rescue facilities. However, non-residential development will not be charged for park and recreation or library facilities since those facilities primarily serve the residential component of the Navajo Community. In the future, if a basis is developed for charging non-residential development for the cost of park and recreation and library facilities, appropriate fees may be imposed.
3. Any project-specific community plan amendments may result in additional fees being charged on an ad hoc basis.
4. Additional fees may be imposed on discretionary projects on a case-by-case basis in order to meet the standard of 2.8 acres of parkland per 1,000-population set forth in the General Plan, or to otherwise fully account for a project's public facilities impacts.
5. The park and library fee distribution between residential and non-residential development will be reviewed each time findings are made for discretionary projects to charge non-residential development for parks and the library.
6. The DIF is due at the time of building permit issuance.
7. DIF funds collected will be placed in a separate fund with interest earnings accumulated for use in the community for facilities identified in this Financing Plan and program administration.
8. Periodic reviews may be performed to evaluate performance of the program and to consider the need for additional projects and the continuing commitments related to the completion of needed facilities. Project costs and scope charges would be evaluated for all portions of the program.
9. Because of the uncertain timing associated with future DIF revenues, anticipated future revenue cannot be definitively scheduled until it is received.