

# IMPLEMENTATION 12

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## Introduction

The community plan establishes policies and recommendations to guide the growth of the North Park community and provide for its quality of life. The formulation and adoption of a community plan is only the first step in a two-step process. The second and equally important step is the implementation of the policies and recommendations of the plan.

The plan is implemented through a number of different mechanisms which are outlined in this chapter. Necessary actions and key parties responsible for realizing the plan’s vision are identified. Implementing the plan’s proposals will require the active participation of City of San Diego departments and agencies, regional agencies such as SANDAG, and MTS, and the community.

A number of key actions are identified for the City and the North Park community to pursue in order to implement the plan’s policies and recommendations. These actions include, but are not limited to:

- Administration of the Community Plan Implementation Overlay Zone (CPIOZ).
- Approve and regularly update a Fee Impact Study (IFS) identifying the capital improvements and other projects necessary to accommodate present and future community needs as identified throughout this Plan.
- Implement facilities and other public improvements in accordance with the IFS.
- Pursue grant funding to implement unfunded needs identified in the IFS.
- Implement the Plan’s urban design policies and recommendation through the review of development projects.

Longer-term implementation strategies have been identified and focus on various programs, financing mechanisms, and capital improvement priorities that could be considered toward this effort.

The previous community plan provided for community-specific tailored zoning as part of a Planned District. The implementation program for the community plan update included a review of the existing Planned District zones. As a result, the Planned District is being replaced with a combination of citywide zones and tailored zoning using the Community Plan Implementation Overlay Zone.

## 12.1 Zoning

The update to the community plan includes a zoning implementation program that consists of specific rezone actions as well as a larger conversion of the Mid-City Communities Planned District zones to a zone program that uses a combination of citywide zone and community-specific tailored zoning through the CPIOZ. The zoning implementation program is to be processed concurrently with the community plan update. The recommended Planned District / citywide zone conversions are summarized in the table below.

Table 12-1: PDO to Citywide Zone Conversion

Mid-City Communities Planned District Zones	Compatible Citywide Zones
MR-3000	RM-1-1
MR-1750	RM-2-4
MR-1500	RM-2-5
MR-1250B	RM-2-6
MR-1000	RM-3-7
MR-800B	RM-3-8
CN-1-2, CC-3-5	CN-1-1
CL-5, CN-3	CN-1-3
CL-2, CV-3	CN-1-4
CL-1	CC-3-7
CN-1	CC-3-8

## 12.2 Community Plan Implementation Overlay Zone (CPIOZ)

The Community Plan Implementation Overlay Zone (CPIOZ) is applied within the boundaries of the North Park community per Chapter 13, Article 2, Division 14 of the Municipal Code. The purpose of the overlay zone is to supplement the Municipal Code by providing development regulations that are tailored to specific circumstances and/or sites within the community and have been adopted as part of the North Park Community Plan. The CPIOZ also provides for a discretionary review process to more effectively implement community plan policies and recommendations, particularly those of the Urban Design Element.

The CPIOZ is applied to specific geographic areas within the community and also to specific development circumstances. The CPIOZ provides community-specific development regulations and supersedes equivalent regulations in the zones applied within the community. This CPIOZ is not intended to address use. Use categories are determined by the applicable base zone.

The CPIOZ has two types differentiated by their review process: Type A (ministerial review), and Type B (discretionary review). Both types are applied within the community depending on geographic district criteria or regulatory format (e.g. development regulations, height limits or design guidelines). Development proposals identified as CPIOZ Type B require discretionary review to determine if the development proposal is consistent with the community plan as well as the applicable regulations listed below. Such proposals shall be required to process and obtain approval of a Process Three Site Development Permit in accordance with Chapter 12, Article 6, Division 5 of the Municipal Code. Exceptions from these regulations may be granted per Municipal Code Section 132.1403 for development that is minor, temporary, or incidental and is consistent with the purpose and intent of this CPIOZ. Any development proposals that do not comply with the Community Plan, the base zone regulations or these supplemental CPIOZ regulations shall be required to process a community plan amendment and or rezone. The CPIOZ is also applied to specific development categories.

The purpose and applicability of the CPIOZ within each sub-district and development category is described as follows:

### 12.2-1 SUB-DISTRICT APPLICABILITY

The CPIOZ is applied geographically within the community to the following five sub-district. See Figure 12-1: Community Plan Implementation Overlay Zone (CPIOZ) Sub-Districts Map.

#### (a) SFR-A – Single-Family Residential Neighborhoods within RS Zones (Type A)

- (1) Apply supplemental development regulations to new and expanded structures to ensure neighborhood compatibility.

- (A) CPIOZ Type A shall apply to any expansion of the structural envelope within a lot or premise that includes a street facing building façade on a front and/or side yard. The design requirements contained in Section 12.3 apply.

#### (b) HR-B – Hillside Residential & Canyon Rim Neighborhoods within any zone (Type B)

- (1) Apply design guidelines and supplemental development regulations to new and expanded structures to ensure neighborhood compatibility and to preserve the visual quality of the canyon environment.

- (A) CPIOZ Type B shall apply to any expansion of the structural envelope within a lot or premise that that results in a total floor area increase of 15 percent or more square feet. Policies and guidelines of the community plan apply, including those for Public Views and Canyons, and Hillside and Open Space in the Urban Design Element.

#### (c) CM-X and MF - A/B – Commercial, Multi-Family & Mixed-Use Neighborhoods (CPIOZ Type A/B)

- (1) Apply design and supplemental development regulations to new development within a lot or premise to ensure neighborhood compatibility.

- (A) (CPIOZ Type A shall apply to implement the development regulations listed in Section 12.3.

#### (d) Potential Historic Districts (Content to be provided with subsequent draft)

## 12.2-2 DEVELOPMENT CATEGORY APPLICABILITY

### (a) Incentive Zone Program

Establishes a voluntary development option for additional residential density within specific districts in exchange for public benefits (also refer to Land Use Element for discussion).

- (1) CPIOZ Type B shall apply to allow for additional base density up to the maximums shown on Land Use Element Figure 2-1: Community Plan Land Use, 2-2: Community Plan Land Use – North, and 2-3: Community Plan Land Use - South. A development agreement or similar mechanism as determined by the City is required as part of program implementation.

- (2) Public Open Space – Development projects that reserve a portion of their site for the development of public open space (e.g. public park, plaza, etc. as defined by the General Plan) may qualify for a FAR bonus of 0.5.
- (3) Public Parking – One square foot of FAR bonus may be granted for every square foot of parking area made permanently available for public parking use. A public parking easement shall be executed with restrictions and covenants acceptable to the City.

## 12.3 CPIOZ Development Regulations

This section contains development regulations including statements related to the purpose and intent of the regulations.

### 12.3-1 SINGLE-FAMILY NEIGHBORHOOD DESIGN REQUIREMENTS

(Applies to areas identified as SFR on Figure 12-1)

Most of the community's single-family neighborhoods have retained their original character and most homes have retained their traditional architecture and human scale. These include a human-scale of building elements including building mass and overall height; street orientation of porches, entries and living areas; de-emphasis of vehicular parking; attention to architectural detail; variation of simple, geometric roof forms and building massing (often with a horizontal orientation).

Alterations and additions to buildings, or the building of new structures, shall observe basic design forms similar to other homes within surrounding blocks such as street orientation, location within the lot, use of materials, and proportions related to building bulk, massing, and scale. Structural additions or new structures within a lot or premise shall use design forms similar to those used for the primary dwelling unit.

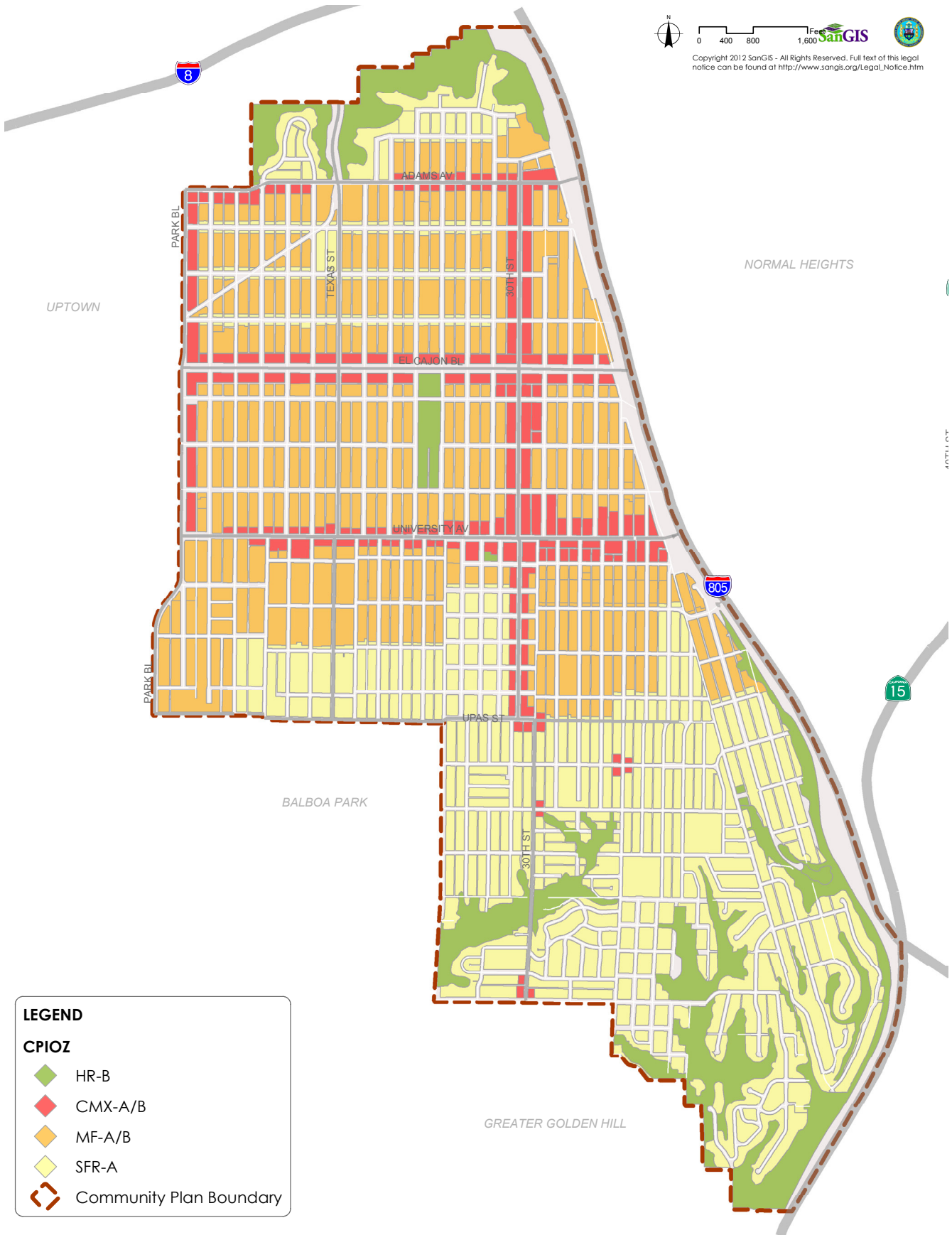
The following design requirements apply to newly constructed dwellings or accessory buildings within a lot or premise as well as to structural additions.

#### (a) Street Yard Setbacks

Uniform setbacks are a neighborhood character-defining feature that shall be maintained within blocks and neighborhoods. Front and street side setback variances are therefore discouraged. However, within certain blocks or neighborhoods, zone setbacks are less than the prevailing development pattern. Building to these setbacks would disrupt the character of the block or neighborhood and is subject to the following:

- (1) Maintain prevailing front yard and street yard setbacks established by existing structures within a block.
  - (A) The prevailing setback shall be established by the average maximum street wall setback of all lot frontages within the block face of the subject property;
  - (B) Require a survey of building street wall setbacks within both sides of the block face when new structures or additions are proposed that face a public street;
  - (C) New structures and additions shall not encroach more than 5 feet into the prevailing setback.

Figure 12-3: Community Plan Implementation Overlay Zone



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**LEGEND**

**CPIOZ**

- ◆ HR-B
- ◆ CMX-A/B
- ◆ MF-A/B
- ◆ SFR-A
- Community Plan Boundary



**(b) Architectural Features**

Traditional design includes many unique architectural features that are worthy of preservation. Of these, street facing entries, windows, covered porches and forecourts are important character-defining features that shall be maintained or replicated in their original architectural form subject to the following:

- (1) The removal or partial removal of more than 50 percent of a porch or forecourt shall be prohibited. Activities for maintenance, repair or architectural enhancement are exempt.
- (2) The following shall be required for new or expanded dwelling units:
  - (A) Provide one porch or forecourt with a minimum 6 foot depth along 70 percent of any street facing building facade;
  - (B) Provide a primary entry door visible from the street;
  - (C) Provide at least one window with transparent glazing of at least 12 square feet on each street-facing building façade.

**(c) Garages and Accessory Buildings**

The location of garages shall be subordinate to the primary dwelling unit. Hollywood (or ribbon style) driveway pavement configurations are encouraged. The following regulations shall apply:

- (1) Access to garages and off-street parking shall be from alleys where available;
- (2) Where alley access is not available, garages shall not be located within the front 30 percent of the lot. Driveways shall be a single-width not more than 10 feet wide;
- (3) The design of all accessory buildings and detached garages shall be integrated into the design of the primary dwelling as subordinate elements and designed with the same materials and of the same architectural style.

**(d) First Story**

A lower profile ground floor height is a feature of the community's traditional architecture. Street facing building facades shall establish apparent height relationships between first and second stories similar to homes within surrounding blocks. Traditional eight foot wall plate heights are encouraged. The following regulations shall apply:

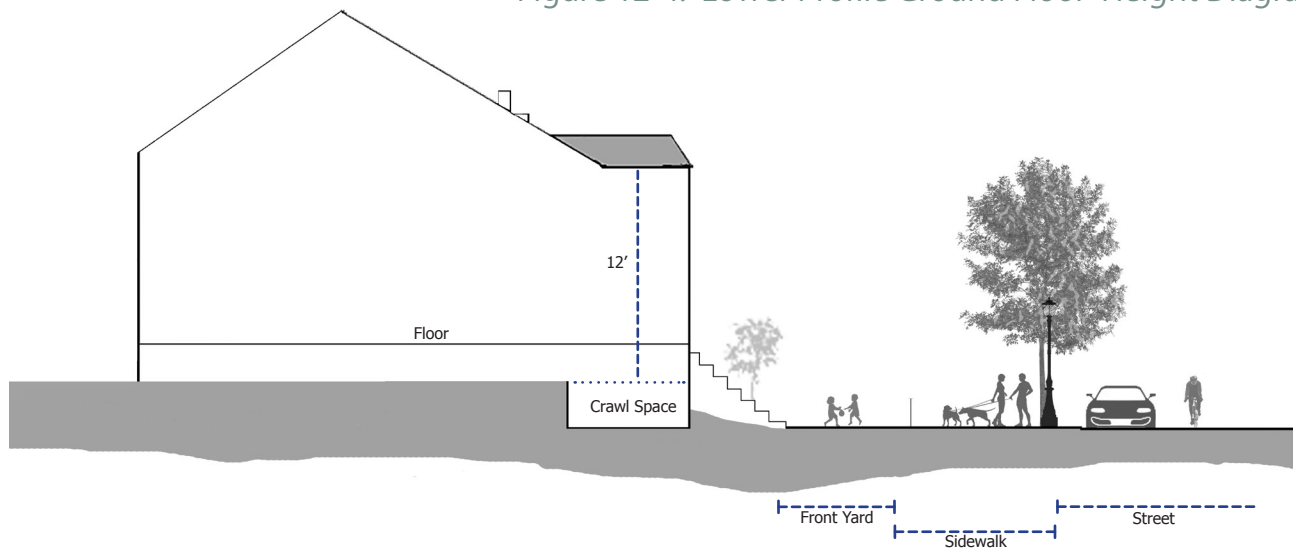
- (1) The top plate height of a single or first story shall not extend more than 12 feet above existing grade. Basements or crawl spaces used to accommodate slopes within hillside lots are not included in the height measurement (see Figure 12-2: Lower Profile Ground Floor Height Diagram);
- (2) Daylight or partial above-grade basements are not allowed within the front or street side yard building façades. Basements or crawl spaces used to accommodate slopes within hillside lots are not included in the height measurement (see Figure 12-2: Lower Profile Ground Floor Height Diagram).

**(e) Second Story**

Many traditional neighborhoods contain a majority of single-story homes, and two story homes typically incorporate design features that reduce the scale and visual impact of the second story. The following regulations shall apply:

- (1) Structural additions to street facing building façades of existing dwellings above the first story shall step back a minimum of 6 feet from the first story building façade (applies to a minimum 70 percent of a single building façade);
- (2) At the side setback line, the height of the building envelope above 19 feet in height is established by a 45-degree building envelope plane sloping inward to the maximum permitted 30-foot structure height (Reference Municipal Code Diagram 131-04M). Applies to a minimum 70 percent of a building façade;
- (3) For interior side yard building facades, window designs that direct views into neighboring windows shall be avoided through use of offsets, staggering, clerestory designs or translucent glazing; and

Figure 12-4: Lower Profile Ground Floor Height Diagram



- (4) Decks and balconies larger than 15 square feet within 15 feet of an interior side or rear residential abutting property line shall be prohibited.

#### (f) Materials

Traditional building practices and materials contribute greatly to the architectural character of older neighborhoods. The following regulations shall apply:

- (1) Traditional stucco, wood and masonry are allowed materials;
- (2) New structural additions shall replicate the materials and finishes on the existing dwelling;
- (3) When using stucco, the method of application and finish shall be similar to homes within surrounding blocks. Contemporary rough-texture finishes are prohibited unless currently used.

### 12.3-2 COMMERCIAL, MIXED-USE & MULTI-FAMILY NEIGHBORHOOD DESIGN REQUIREMENTS

Applies to areas identified as CMX and MF - A/B on Figure 12-1. See Figure 12-3: Upper Story Stepbacks Diagram.

#### (a) General Requirements (applies to all development types)

- (1) Yards, Setbacks & Building Façade Stepbacks – To ensure that new development provides adequate separation, bulk/scale control and landscaping from public streets and abutting property lines apply the following:

- (A) Street-facing residential (ground level). A minimum setback and grade level change shall be provided to preserve the privacy of residential units that face public streets.

- (i) Residential front and street side setbacks shall be the greater of either the base zone requirement or a 6-foot minimum;
- (ii) When street facing building façades are setback less than 15 feet from property line, provide a positive grade change of at least 2 feet from the public sidewalk to the dwelling units on the first story.

- (B) Sideyards (residential/residential-adjacent): Development within residentially-zoned lots and when abutting such lots shall provide:

- (i) A 6-foot wide minimum side setback at ground level to include a minimum 3-foot wide landscape planter measured from abutting property line.

Exception for a lot or premise less than 50 feet in width: each side setback may be calculated as 10 percent of lot width, but not less than 4 feet, and the planter width reduced to 2 feet;

- (C) Sideyards (commercial/commercial-adjacent). Development within commercially-zoned lots or abutting such lots shall provide:

- (i) A side setback is not required;
- (ii) A 6-foot deep façade stepback at a height of 36 feet;
- (iii) A 3-foot deep façade stepback for the top or upper story.

- (D) Sideyard façade stepbacks: All building facades that abut an interior side setback shall provide:
    - (i) A 6-foot deep façade stepback at a height of 36 feet;
    - (ii) A 3-foot deep façade stepback for the top or upper story.
  - (E) Rear yards (residential/residential-adjacent). Development within residentially zoned lots and abutting such lots shall provide:
    - (i) A 15-foot minimum rear setback, except where the rear yard abuts an alley then a setback is not required;
    - (ii) A 3-foot deep façade stepback at a height of 36 feet.
  - (F) Rear yards (commercial/commercial adjacent). Development within commercially-zoned lots and abutting such lots shall provide:
    - (i) A 6-foot minimum rear setback, except where the rear yard abuts an alley then a setback is not required.
- (2) Outdoor Terrace Allowance – Building façade stepbacks may incorporate outdoor terraces as an amenity for users of the building. Any open fencing/safety barriers used for this purpose that have at least 75 percent of surface area open to light are not included in the calculation of structure height.
  - (3) Façade Length Allowance – In order to allow design variation, the following requirements that apply to the length of a building façade or street shall apply only to a minimum 80 percent of the applicable façade length or building frontage: 12.3.4 (a)(1)(D) sideyard façade stepbacks; (b)(2) Street Wall Design, (b)(3) Commercial Uses, (b)(7) Build-to-Line, and (b)(8) Façade Transparency.
  - (4) Parking Location – Above-grade parking shall be located toward the rear of a lot or premise and be separated from the front lot line by enclosed building area.
  - (5) Parking Access – Parking shall be accessed from an alley. If alley access is not available, parking shall be accessed from a secondary street when available. Any garage entries shall be setback from the sidewalk.
  - (6) Utilities – Utility equipment such as electrical transformers and generators may be located above grade only if located on private property, outside the public right-of-way. Utility equipment shall be located below grade if within the public right-of-way.
    - (A) Areas housing trash, storage, or other utility services shall be located in a garage or be completely concealed from view from the public right-of-way and adjoining developments, except for utilities required to be exposed by the City or utility company.
    - (B) Backflow prevention devices shall be located in a building alcove, landscaped area, or utility room within the building, outside of the public right-of-way, and completely screened from view.
  - (7) Billboard Abatement – The Municipal Code’s sign regulations prohibit billboards. A lot or premise shall comply with the sign regulations by removing any existing billboards when such lot or premise develops or redevelops to a more intense use.
- (b) Commercial Requirements (Includes commercial mixed-use)**
- The following requirements apply to single commercial use developments, and developments with a mix of uses, including storefront retail, residential and office. See Figure 12-3: Upper-Story Setbacks Diagram:
- (1) Sidewalk Width – Require additional setbacks or easements where necessary to establish a minimum 12-foot wide sidewalk zone between the curb and any street facing property line
  - (2) Street Wall Design – To ensure that new development provides design parameters intended to control bulk and provide consistent neighborhood scale elements within building facades facing public streets, apply the following:
    - (A) A minimum setback of 10 feet shall be provided at a façade height of 36 feet from each property line that abuts a public street;
    - (B) A minimum 6 foot deep building façade stepback shall be provided for the upper story.



- (3) Commercial Uses (Street Activating) – A minimum 80 percent of the ground floor building frontage shall be limited to Retail Sales and Commercial Services uses as identified in Chapters 13 of the Municipal Code.
- (4) Commercial Space Depth – Municipal Code Section 131.0540(c) applies where lot depths are greater than 100 feet. Where lot depths are equal to or less than 100 feet, provide a minimum 40-foot depth of useable ground floor commercial space along the building frontage.
- (5) Commercial Space Ground Floor Height – Provide a minimum floor-to-ceiling height of 15 feet (minimum 12-foot clear height).
  - (A) Mezzanine and loft space may be exempt from this requirement when located at least 25 feet inward from any street facing building façade;
  - (B) For commercial base zones with a 30 foot maximum height, apply instead a 36 foot maximum height for buildings of 3 stories.
- (6) Ground Floor Elevation – Design ground-floor elevations for commercial uses to be level with the elevation of the adjacent public sidewalk and not more than 2 feet above the sidewalk grade.
- (7) Build-to Line – A street wall of at least 12 feet in height shall be built within 6 feet of the public right-of-way along the lot frontage except where a sidewalk or other public space is provided.
- (8) Façade Transparency – Provide façade transparency comprised of clear, non-reflective windows that allow views of indoor space at a height between 2 feet and 10 feet for ground floor street facing building facades. Windows or other transparent materials that provide visibility into a garage or similar area do not count toward the required transparency.
- (9) Building Base – For commercial/residential mixed-use buildings, differentiate the non-residential ground floor from above stories by identifying one (1) change in material and one (1) color change along street facing building facades.
- (10) Building Corner – Buildings at street intersections shall include one of the following features at building corners: a cupola, a material change, window fenestration, or a chamfered or rounded corner with exaggerated roof element.

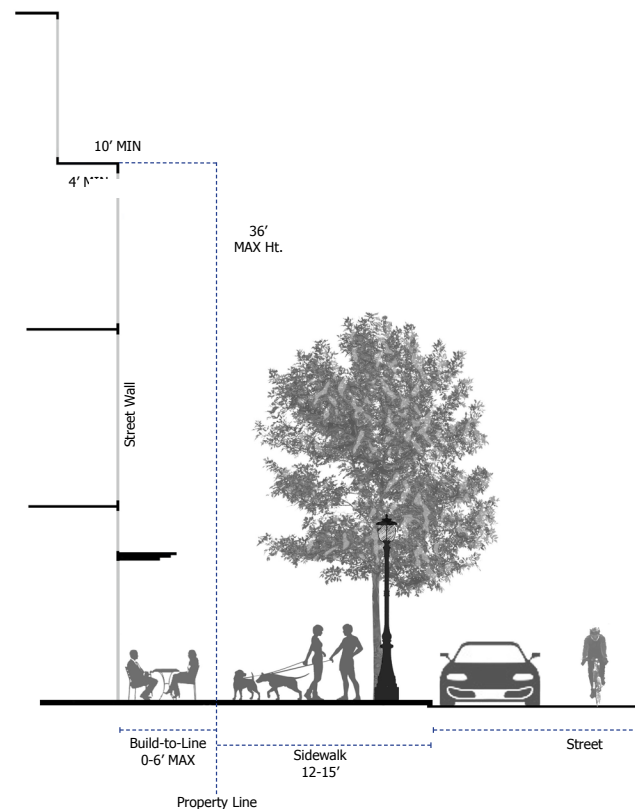
- (11) Commercial Parking Requirement – As an incentive to provide viable designs for ground floor commercial space, the first 4,000 gross square feet of ground floor commercial space shall be exempt from commercial parking requirements.

**(c) Multi-Family Residential Requirements (also includes residential mixed-use)**

The following standards apply to multi-family residential developments or mixed-use developments with a multi-family residential component:

- (1) Street Wall Design – Provide a 6-foot deep façade stepback at a height of 36 feet except for commercial mixed-use developments in which 12.3.4(b)(2) Street Wall Design shall apply.
- (2) Common Exterior Open Space – Each development of 10 or more dwelling units shall provide a unified, common, outdoor open space useable to all residents. The open space shall be based upon a percentage of the lot area as identified in Table 1 and designed to incorporate:

Figure 12-5: Upper-Story Stepbacks Diagram



- (A) A minimum dimension of 20 feet;
  - (B) A location at either finished grade or on a podium level;
  - (C) A minimum 10 percent planted area (the remainder may be hardscape);
  - (D) Access to all residents through a common corridor.
- (3) Private Exterior Open Space – Municipal Code Section 131.0455 applies except for developments of 10 or more dwelling units. For developments of 10 or more dwelling units that provide Common Outdoor Open Space, at least 50 percent of all dwelling units shall provide private open space on a balcony, patio, or roof terrace, with a minimum area of 40 square feet each, and an average horizontal dimension of 6 feet. Balconies shall be proportionately distributed throughout the development in relationship to floor levels and sizes of units.
- (4) Pet Open Space – Each development with 20 or more residential dwelling units shall provide a minimum area of 100 square feet improved for use by pets and clearly marked for such exclusive use. Such areas shall include permeable surfaces, a hose bib, and be drained to the public sewer system (except for at-grade lawn areas).
- (5) Defensible Space Requirements – Each development with 4 or more dwelling units shall provide the following within each street facing building façade:
- (A) A minimum of one primary residential entry;
  - (B) A minimum 30 percent street wall transparency of clear, non-reflective windows that allow views of indoor space at the ground level or first story.

- (C) A minimum of one private exterior useable area, such as a balcony or terrace, above the first story with a minimum net area of 100 square feet. For developments of 10 or more dwelling units, a minimum net area of 40 square feet is required.
- (6) Height Limit within the RM-1-1 Zone – The front 30 percent of the lot shall have a 16-foot height limit for all new construction of 2 or more dwelling units.
- (7) Front Setback RM-4-10 zone – A minimum 10 foot front setback shall be provided.

Table 12-3: Summary of Design Requirements for Commercial & Mixed-Use Buildings

Structure Height	Up to 65' – Base Zone or Figure 2, whichever is more restrictive.
<b>Setbacks</b>	
Front	0-6' max.
Side (commercial adjacent)	No requirement
Side (residential adjacent)	6' min.
Rear (commercial adjacent)	No requirement
Rear (residential adjacent)	10' min.
<b>Street Wall Design &amp; Massing</b>	
Mid-façade stepback	10' min. depth from property line at 36' façade height
Upper story stepback	6' min. depth for top story
Building Articulation	Municipal Code Section 131.0554 applies
<b>Sideyard Façade Setbacks</b>	
<i>Applies above ground level</i>	
Mid-façade (residential adjacent)	6' min. depth at 36' façade height
Mid-façade (commercial adjacent)	6' min. depth at 36' façade height
Upper story façade stepback	3' min. depth for top story
<b>Ground Floor Characteristics</b>	
Uses	Retail Sales & Commercial Services
Height	15' minimum floor to ceiling
Elevation	2' maximum above sidewalk grade
Street wall coverage	Minimum 80 percent of lot width

Table 12-2: Common Outdoor Space

Size of Lot or Premise (Net Square Feet)	Common Outdoor Space
<13,500 sf	10 percent
13,500 – 30,000 sf	15 percent
>30,000 sq sf	20percent

## 12.4 Financing Mechanisms

This section discusses the estimated costs for infrastructure and streetscape improvements for the Village areas, Core, and Mixed-Use Corridor and various financing mechanisms that could be used to encourage public and private development and investment in the community. Table 12-4: City of San Diego Financing Methods describes potential financing strategies that can be pursued by the City of San Diego, their eligible uses, and parameters in which they can be applied. Table 12-5 Local, State and Federal Financing Methods describes potential state and federal funding programs, their eligible uses, and parameters for application. Table 12-6: Developer/Property Owner/User Financing Methods describes financing programs that can be directly or in partnership with the City applied to developers, property owners, and users in the Village areas, Core, and Mixed-Use Corridors, eligible uses; and the parameters for their application.

Implementing improvement projects will require varying levels of funding. A variety of funding mechanisms are available depending on the nature of the improvement project:

- Updated impact fees for new development.
- Requiring public improvements as part of new development.
- Establishing community benefit districts, such as property-based improvement and maintenance districts for streetscape, lighting, sidewalk improvements, etc.

## 12.5 Priority Public Improvements and Funding

Suggested improvements to streets and parks described in this plan vary widely in their range and scope some can be implemented incrementally as scheduled street maintenance occurs, and others will require significant capital funding from City, state, regional, and federal agencies, or are not feasible until significant redevelopment occurs. Grants and other sources of funding should be pursued wherever possible

## 12.6 Action Items and Priorities

This section identifies actions that implement the policies for the Plan. These encompass administrative strategies and physical improvements for mobility, streetscape, infrastructure, and open space. In undertaking these, the City will be making a significant and visible economic commitment to realize the vision of the planning area. They will add value and improve the visual character of the area, thereby laying the foundation for future private sector investment and new development.

The actions are assigned a priority of high, medium, or low and an estimated time frame depending on their importance to help affect or achieve the vision. The highest priorities recognize those items that can be implemented relatively quickly and are within the City's control, as well as those that offer the greatest leverage in stimulating private reinvestment and change. Generally, they fall into three categories:

- (a) Development and implementation of programs to attract developers and secure funding for area improvements;
- (b) Amendment of regulatory requirements and procedural processes to facilitate development consistent with the Plan; and
- (c) Planning for and construction of improvements that provide infrastructure and services sufficient to support planned new development, and improve the quality of place (e.g., pedestrian-oriented streetscape and open space amenities and signage programs).

This is intended to provide a mechanism to establish annual programmatic and budgeting priorities and monitor progress in achieving the Plan's visions. In conjunction with the City's annual budget process, the identified tasks and projects and their priority may be adjusted given funding availability, feasibility of implementation, timing of private development, or as new projects funding opportunities present themselves over time. Detailed mobility improvements are detailed in the Impact Fee Study.

Table 12-4: *City of San Diego Financing Mechanisms*

Funding Mechanism	Description	Eligible Uses	Funding Parameters
Capital Improvement Program (CIP)	The CIP is the City’s multi-year planning instrument used to facilitate the timing and financing of capital improvements. The CIP identifies the sources of funds available for capital improvement projects.	<ul style="list-style-type: none"> <li>• Lease or purchase of land and rights-of-way.</li> <li>• Construction of buildings or facilities.</li> <li>• Public infrastructure construction.</li> <li>• Purchase of major equipment and vehicles.</li> <li>• Studies and plans associated with capital projects.</li> <li>• Projects requiring debt obligation and borrowing.</li> </ul>	Additionally, the City can elect to dedicate portions of specific General Fund revenues, e.g., TOT, sales tax, etc. to targeted capital improvements if the City determines that sufficient benefit exists for the assistance.
Community Development Block Grants (CDBG) / Section 108	<ul style="list-style-type: none"> <li>• Annual grants for use towards economic development, public facilities, and housing rehabilitation.</li> <li>• Section 108 loans provide front-end financing for large-scale community and economic development projects that cannot be financed from annual grants.</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition and disposition of property.</li> <li>• Clearance and demolition</li> <li>• Public facilities and site work.</li> <li>• Funds must be targeted to specific areas benefiting low- and moderate-income persons or to eliminate “blight”.</li> </ul>	Varies, funds are provided by HUD and administered by cities.
Deferral of Permits/Fees	Deferral of select permits and fees that results in upfront development cost reductions.	Permit and fee charges payable to the City.	An application must request fee deferral as part of their project.

Table 12-5: Local, State, and Federal Financing Mechanisms

Funding Mechanism	Description	Eligible Uses	Funding Parameters
California Infrastructure And Economic Development Bank (I-Bank)	Low cost financing to public agencies for a wide variety of infrastructure projects.	<ul style="list-style-type: none"> <li>• City streets.</li> <li>• Educational facilities.</li> <li>• Environmental mitigation measures.</li> <li>• Parks and recreational facilities.</li> <li>• Public transit.</li> </ul>	The infrastructure State Revolving Fund Program offered by the I-Bank offers loans ranging between \$250,000 to \$10,000,000 with eligible repayment sources including General Fund revenues, tax increment revenues, and property assessments.
New Market Tax Credits	The New Markets Tax Credit (NMTC) Program was established in 2000 as part of the Community Renewal Tax Relief Act of 2000. The goal of the program is to spur revitalization efforts of low-income and impoverished communities across the United States and Territories. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out (5% in each of the first three years, then 6% in the final four years, for a total of 39%) over seven years (more accurately, six years and one day of the seventh year).	NMTCs are intended to spur the investment of new capital through Qualified Equity Investments (QEIs) in Community Development Entities (CDEs). Each CDE is certified as such by the CDFI Fund and must use substantially all of its QEIs to provide financial support (generally debt or equity financing) called Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs) by public agency.	CDEs obtain NMTCs awards by submitting an application describing the business plan under which they will use NMTC financing to generate community benefits. In order to be competitive, CDEs generally agree (1) to use more than 85% of QEI proceeds to make QLICIs, (2) to provide NMTC financing under terms and conditions significantly more favorable than those provided by conventional sources and (3) to make QLICIs in communities characterized by greater distress than reflected in the NMTC eligibility criteria.
Transnet	Half-cent sales tax for local transportation projects that has been instrumental in expanding the transportation system, reducing traffic congestion, and bringing critical transit projects to life. Over the next 40 years, TransNet will generate \$14 billion for transportation improvement projects and programs.	<ul style="list-style-type: none"> <li>• The local half-cent sales tax pays for upgrades to streets, highways, and transit systems, as well as environmental protection.</li> <li>• It is expected to raise \$14 billion for important upgrades – such as adding high occupancy vehicle lanes and transit facilities – to Interstates 5 and 15, and 805, as well as State Route 94.</li> <li>• The TransNet extension also funds local roads, bike and pedestrian paths, smart growth projects, and habitat preservation, as well as new Rapid bus lines and rail service expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• Each local agency shall biennially develop a five-year list of projects to be funded with revenues made available for local street and road improvements under Section 4(D).</li> <li>• All projects to be funded with revenues made available under must be consistent with the Regional Transportation Plan (RTP). Project priorities or phasing shall also be consistent with the RTP.</li> </ul>



Table 12-5: Local, State, and Federal Financing Mechanisms (Continued)

Funding Mechanism	Description	Eligible Uses	Funding Parameters
Proposition 1b	<ul style="list-style-type: none"> <li>Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.</li> <li>Approved in 2006, made available \$20 billion for state and local improvement projects.</li> </ul>	<ul style="list-style-type: none"> <li>Congestion relief.</li> <li>Improve air quality.</li> <li>Enhance safety and security of transportation systems.</li> </ul>	<ul style="list-style-type: none"> <li>Varies, competitive application process</li> <li>The program currently contains \$1.5 million in funds available.</li> </ul>
Propositions 42 and 1A	<ul style="list-style-type: none"> <li>Proposition 42 required a portion of sales tax on gasoline be transferred to the Transportation Infrastructure Fund (TIF).</li> <li>Amended by Proposition 1A to limit the State's ability to suspend transfer of revenues from the TIF during fiscal difficulties.</li> </ul>	<ul style="list-style-type: none"> <li>Congestion relief.</li> <li>Safety enhancements.</li> <li>Local streets repair.</li> <li>Public transportation.</li> </ul>	Funds provided directly for local road improvements, as well as for capital projects (highway and transit) selected by Caltrans in the State Transportation Improvement Program.
Proposition 84	Proposition 84 provides funding for a broad range of projects including water quality; Statewide water planning; protection of coastal waters, rivers, lakes, and streams; wildlife conservation; and sustainable communities and climate change.	<ul style="list-style-type: none"> <li>Incentives for the development of local land use plans that are designed to promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, and revitalize urban and community centers.</li> <li>Eligible projects include specific plans, infill plans, zoning ordinances, and other implementation instruments and plans needed for successfully meeting AB 32 greenhouse gas emissions reduction and implementing SB 375, while improving community-wide sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>A total of \$5.38 billion spread over eight broad project areas. One project area is for Sustainable Communities/Climate Change with a \$580 million allocation.</li> <li>Applications for funding are to be submitted to the Strategic Growth Council, with grants to be issued for projects ranging from \$100,000 to \$1 million.</li> </ul>

Table 12-6: Developer/Property Owner/User Financing Mechanisms

Funding Mechanism	Description	Eligible Uses	Funding Parameters
Landscaping & Lighting Districts/Parking Districts	<ul style="list-style-type: none"> <li>Assessment on properties located within a specific district that benefit from landscaping and/or parking.</li> <li>Alternatively, collection of parking in-lieu fees on new development in lieu of on-site parking.</li> </ul>	<ul style="list-style-type: none"> <li>Landscaping districts allow for the funding of lights, recreational equipment, landscaping, and/or parking.</li> <li>Parking districts allow for the acquisition, improvement, and operation of shared parking facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Funds are typically collected concurrently with property tax bill.</li> <li>Parking in-lieu fees can be based on cost of off-site parking facilities.</li> </ul>
Business Improvement Districts (BID)	Annual fees paid by business owners and/or property owners to fund activities and programs intended to enhance the business environment in a defined area.	<ul style="list-style-type: none"> <li>Marketing and promotion.</li> <li>Security.</li> <li>Streetscape improvements.</li> <li>Operating and maintenance of public improvements.</li> <li>Special events.</li> </ul>	<ul style="list-style-type: none"> <li>Once established, annual BID fees are mandatory for businesses/ properties located within the BID boundary.</li> <li>Business-based BID fees are collected with business license fees; property-based BID assessments are collected on property tax bills.</li> </ul>
Developer Impact Fees (DIF)	Fees paid by developers to pay all or a portion of the costs of any public facility that benefits their development.	Capital facilities or ongoing services, such as: School impact fee, Mitigation fee (police, fire, park), Water meter installation, Sanitation capacity charge, Water system, facility/backup facility charge.	Fees are paid in the form of a specified amount as a condition to the issuance of building permits, an occupancy permit, or subdivision map approval.
Exactions	<p>Payments made by developers or property owners in addition to, or in lieu of, development impact fees.</p> <p>Funds contributed are used to install selected public improvements.</p> <p>Alternatively, developers are required to construct and deliver specific improvements.</p>	<ul style="list-style-type: none"> <li>Dedication of right-of-way streets and utilities.</li> <li>Provision of open space.</li> <li>Parks or landscape improvements.</li> <li>Schools and community facilities.</li> </ul>	Typically paid or committed as part of the development approval process.

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