COLLEGE AREA - PUBLIC FACILITIES FINANCING PLAN

General

The PROGRESS GUIDE AND GENERAL PLAN (General Plan) for the City of San Diego recommends the division of the City into planning areas which are designed as Urbanized, Planned Urbanizing and future Urbanizing areas. Urbanized areas include the central portion of San Diego as well as the remaining developed/older sections of the City. Planned Urbanizing areas consists of newly developing communities. Future Urbanizing areas include land which is presently undeveloped.

The College Area is an Urbanized area. This document constitutes the first Public Facilities Financing Plan for the College Area Community.

Development Forecast and Analysis

The College Area Community, totalling approximately 1,950 acres, is developing in accordance with the Community Plan to be amended by Council concurrently with this document. Currently, the College Area contains approximately 7,500 dwelling units with a population of approximately 19,000 persons. An analysis of projected development and using the Community Plan as a guide, indicates that over the next twenty years, additional development will take place in the following categories:

Use	Estimated Development
Residential	2300 Dwelling Units
Commercial/Industrial	21,900 Trip Ends

Periodic Revision

To ensure that this program maintains its viability, this plan will be periodically revised to include, but not necessarily be limited to, Council changes to the Capital Improvements Program and the Community Plan.

FINANCING STRATEGY

The City of San Diego has at its disposal a wide variety of potential funding sources for financing public facilities. A portion of the funding for the needed facilities will be provided as a part of the subdivision process by developers and by impact fees. Potential methods for financing public facilities are described below:

1. **IMPACT FEES (DIF)** - Impact fees are a method whereby the impact of new development upon the infrastructure is measured and a fee system developed and imposed on developers to mitigate the impact. The impact fees are collected at the time of issuance of individual building permits. Funds so collected are deposited in a special interest bearing account which retains all monies for use in the community in which they were collected. As sufficient funds are collected, the City proceeds with a construction program, in order of priority. This is one of the financing methods recommended for the College Area. The City Council has determined that the payment of development impact fees is not required in redevelopment project areas where redevelopment plans provide for the fair share funding of needed facilities by redevelopment.

2. **TRANSNET, GAS TAX**, and other programs such as a state-local partnership program may provide some funds for community transportation projects. These funds will be allocated annually and may be used to fund a portion of the long-range capital needs for transportation improvements in the College Area in the future.

3. **ASSESSMENT DISTRICTS** - Special assessment financing, using 1913/1915 Assessment Acts or a Mello-Roos District could be used as a supplementary or alternative method of financing some facilities. The Mello-Roos District requires a 2/3 vote for passage. Other assessment districts require the support of the community.

4. **GENERAL OBLIGATION BOND ISSUES** - Prior to the late 1960's, bond issues were considered the most appropriate method of funding many types of public facilities. These require 2/3 vote approval for passage.

5. **ANNUAL ALLOCATION** - In the years prior to the passage of Proposition 13, the City was able to respond to community facility needs by using a portion of the sales tax revenue to support the Capital Improvement Program. This has not been possible for some time. However, if other revenues were increased, annual allocations could again be used to fund some capital facilities. This is a recommended method of funding some park and recreation facilities and transportation improvements.

6. **FACILITIES BENEFIT ASSESSMENT (FBA)** - This method of financing, used solely in Planned Urbanizing Communities, spreads costs fairly and equally and follows the procedures specified in City Council Ordinance O-15318 dated August 25, 1980. However, this method cannot be used in Urbanized areas such as the College Area.

7. **REDEVELOPMENT AGENCY FUNDING** - The Redevelopment Agency will employ a variety of financing methods within the Project Area, which may include financial assistance from governmental agencies, tax increment, special assessment districts, sales and transient occupancy tax funds, donations, interest income, Agency bonds,

loans from private financial institutions, the lease of Agency-owned property, and sale of Agency-owned property.

GENERAL ASSUMPTIONS AND CONDITIONS

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

1. Developers would be required to provide facilities normally provided within the subdivision process as a condition of subdivision approval, including traffic signals.
2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.
3. The DEVELOPMENT IMPACT FEE would be paid by the developer at the time of building permit issuance.
4. DEVELOPMENT IMPACT FEE funds collected would be placed in a trust account providing interest earnings for the community area.
5. A developer or group of developers can propose to build or improve a specific facility identified in the Capital Improvements Program and, upon City Council approval, enter into an agreement to provide the facility for reimbursement.
6. Within the Redevelopment Project Area, the Redevelopment Agency will negotiate the provision of public facilities in lieu of payment of impact fees.

DEVELOPMENT IMPACT FEE

DETERMINATION

Background

The College Area Community Plan Area is almost fully developed. Thus, the majority of the required public improvements will have to be provided through special funding mechanisms. In late 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees, including those for the College Area Community Plan Area, to mitigate the impact of development on public facilities. Since the community is near buildout, the fees will provide only a small portion of the financing needed for the facilities.

Outside the Redevelopment Project Area, all undeveloped or underdeveloped parcels are subject to the DIF. Monies collected are placed in City interest accruing accounts, to be used only for capital improvements in the College Area Community.

Distribution of Project Costs and Fee Determination

Development of the actual charge to be imposed by the DIF is based on the extent or degree to which each type of development generates a demand for, or receives benefit from the various public facilities involved. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in

the cost of transportation projects.

Development Impact Fees were determined for the various categories of needed public facilities on the basis of total amount of development at community plan build-out and on the basis of all additional public facilities needed at community plan build-out. The impact fee base includes all project needs aside from those to be funded by the State, a subdivider or by adjacent existing residents. In addition, the fees include a 2% charge to cover City administrative costs.

Transportation

There is a clear relationship between the use of transportation facilities and the generation of traffic trips based upon land use. In the report "San Diego Traffic Generators," authored by CALTRANS and SANDAG, the traffic generated by various classes of use are detailed. This report summarizes data collected at major regional traffic generators as well as neighborhood and local traffic generators in the San Diego area. Traffic counts taken at each facility are related to various characteristics of the facility such as the size, number of employees, floor area, parking spaces, or number of persons. The report distinguishes between the average daily traffic (ADT) generated by a single-family dwelling and a multi-family dwelling. For impact fee purposes, a single type of residential development was assumed for the College Area (and all other urbanized communities). The residential portion of the impact fee reflects use of an average daily traffic factor (ADT) of

7 as a basis for determining the rate.

A considerable range has been found for traffic generation for commercial and industrial developments depending on the character and use of the property. Non-residential land-uses typically generated between 100 to 900 average daily traffic per acre. For non-residential development in the College Area Community, average daily trips were measured. The 1989 College Area Community Plan and the Transportation and Parking Analysis prepared for the College Area Redevelopment Project in 1992 were used in the development of this Financing Plan.

Using the approved land use intensity and trip generation rates, the total number of trip ends at community plan build-out is estimated to be 238,000. An analysis of the City-funded street improvements required at community build-out (costs estimated FY 1994) totaling $40,877,150 indicates the cost per average daily traffic for transportation facilities is $175 per trip (and $1251/dwelling unit) to be paid by all future development. The fee per dwelling unit was calculated using the average daily trip factor of seven, as previously explained.

Fire Facilities

The Fire Station portion of the fee relates to the cost of fire stations providing fire protection services to both residential and non-residential establishments within the community. Residential

impact fees are based on the average cost per dwelling unit.

Since the Fire Department has determined that existing fire facilities are adequate to meet the needs of existing and future development, no additional facilities are needed. Therefore, no fire fee has been calculated.

Libraries

Library needs are based on population which is derived from the number of dwelling units estimated by staff. Therefore, only residential developments are charged a DIF for library facilities.

Based upon General Plan standards and a forecast of total population in the College Area at build-out the existing branch library is adequate to meet community needs. The facility occupies a 4,430 square foot facility and expansion is not possible. Therefore, it is recommended to construct a new 10,000 square foot branch at a new location. Allocating total library requirements only to residential property results in a library impact fee of $390 per dwelling unit. This was calculated by dividing total library requirements of $3,750,000 by the residential dwelling units at build-out of 9,800.

Park and Recreation

Park and Recreation needs have traditionally been based on population derived from the number of dwelling units in the community. Council Policy 600-17, adopted in November of 1989, provides for the equitable contribution of funds by both residential and non-residential development to park and recreation facilities. However, since there is insufficient data currently available on which to base the allocation of park and recreation facilities costs to industrial and commercial users in the College Area, these costs are attributed only to residential users. Future revisions of this financing plan may include a different cost distribution.

The Park and Recreation Department has identified projects which will be needed in the College Area Community at build-out. These are shown in Table 1 and Appendix A in detail. Allocating total park and recreation facility costs of $8,100,000 only to the residential development at build-out of 9,800 units results in an impact fee of $843 per unit.