Chapter 2: Existing Public Facilities and Future Needs

Transportation
Encanto Neighborhoods 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 Encanto Neighborhoods are dictated by traffic volume, level-of-service and completion of street systems.

Park & Recreation
Encanto Neighborhoods is currently served by two community parks, three neighborhood parks, two undeveloped mini-parks, a pocket park, and three joint use facilities. 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 projects included in this Impact Fee Study include new parks and improvements to existing parks and recreation facilities.

Library
Library services for Encanto Neighborhoods are provided by the 26,000 SF Malcolm X Branch Library located at 5150 Market Street.

Fire-Rescue
Fire Station No. 12 located at 4964 Imperial Avenue provides fire-rescue services to Encanto Neighborhoods and its surrounding areas. The Fire-Rescue Department is recommending a new fire station to serve 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 10.

Chapter 3: Development Impact Fee Calculation

The 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 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 Impact Fee Study, transportation estimates are based on the unit pricing list for transportation projects as described in Appendix B.

The total number of trips at full community plan development is anticipated to be 267,505. An analysis of the DIF eligible transportation projects required for full community development totals $70,872,733. This cost, plus 8% administrative costs, divided by 267,505 ADTs results in a DIF of $285 per ADT or $1,995 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 & 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 Impact Fee Study, park estimates are based on the cost estimate breakdown for park and recreation projects as described in Appendix C.

Allocating the total DIF eligible park and recreation costs of $128,421,062 to the total dwelling units (21,099) forecasted at full community development, results in an impact fee, including 8% administrative costs, of $6,574 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 $36 per dwelling unit. This was calculated by dividing the total estimated cost ($700,000) of needed library projects, plus 8% administrative costs, by the number of dwelling units at full community development (21,099).

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 25,070,600 square feet, which results in a DIF of $430 per dwelling unit and $430 per thousand square feet of non-residential development. This was calculated by dividing the total fire-rescue costs needs of $9,982,082, plus 8% administrative costs, by 25,070.

DIF Fee Schedule

By combining facility-specific impact fee components, a DIF Fee Schedule is created. For residential development, the FY 2016 DIF is $9,035 per residential unit.* For non-residential development the FY 2016 DIF is $285 per ADT and $430 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 2016 DIF Fee Schedule is shown in Table format below and on the inside back cover.

DIF Fee Schedule*

	FY 2016 DIF Fee Schedule*		
	Res. Development	**Non-residential Development**	
	Per Dwelling Unit	Per ADT	Per 1,000 SF
Transportation	$1,995	$285	$0
Park & Recreation	$6,574	$0	$0
Library	$36	$0	$0
Fire-Rescue	$430	$0	$430
Total	**$9,035**	**$285**	**$430**

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 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 Impact Fee Study, 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 Impact Fee Study. 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 City 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 Impact Fee Studies; to ensure new development pays its proportional fair-share of public facilities costs; to ensure DIFs are updated frequently and evaluated periodically to ensure Impact Fee Studies are representative of current project costs and facility needs; and to include in the Impact Fee Studies 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 systems, 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 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/infrastructure 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 Encanto Neighborhoods 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. 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 planning area for facilities identified in the Impact Fee Study.

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.