

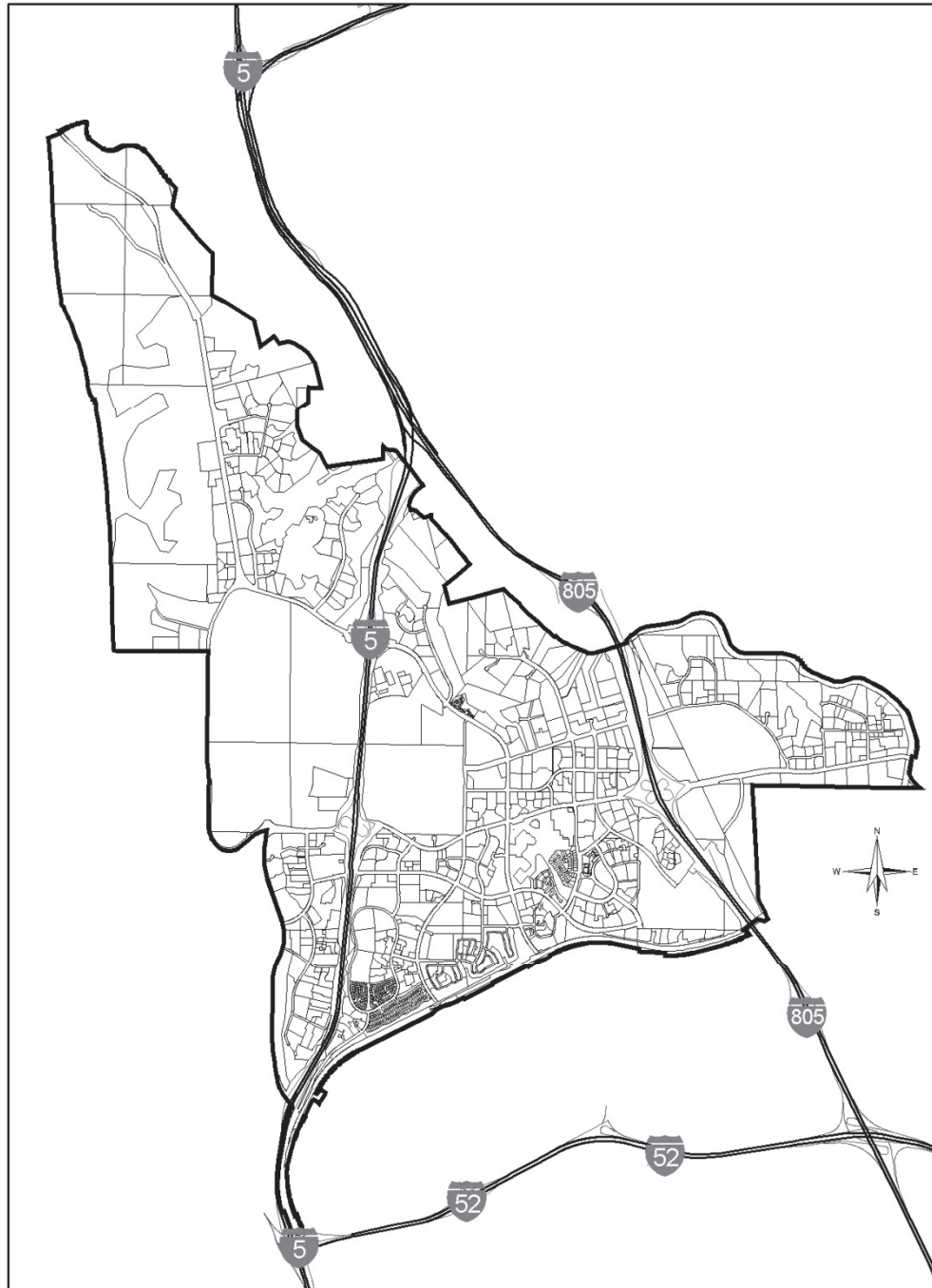
# North University City

## Public Facilities Financing Plan and Facilities Benefit Assessment Fiscal Year 2013 (Amendment II)

November 19, 2015 – Planning Department, Facilities Financing Program

This information will be made available in alternative formats upon request. To request a financing plan in an alternative format, call the Facilities Financing Section, at (619) 533-3670. To view this document online, visit the City of San Diego website at <http://www.sandiego.gov/planning/facilitiesfinancing/plans/northuniversity.shtml>

**Figure 1 North University City Community Map/Area of Benefit**



## *North University City Public Facilities Financing Plan FY 2013*

### **Mayor**

Kevin Faulconer

### **City Council**

Sherri Lightner, Council President, Council District 1  
Lorie Zapf, Council President Pro Tem, 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  
Inga Lintvedt, Deputy City Attorney

### **Planning Department**

Jeff Murphy, Director  
Tom Tomlinson, Assistant Director  
Scott Mercer, Supervising Project Manager  
Frank January, Project Manager  
Solomon Kumbi, Principal Engineering Aide  
Elena Molina, Word Processing Operator

### **University City Planning Group**

Janay Kruger, Chair (R2-A)	Megan Beale, Vice Chair (R1-A)
Caryl Lees Witte (B1-B)	Nan Madden (B1-C)
John Bassler, Membership Chair (B1-A)	Ryan Perry (B3-A)
Donna Andonian (R3-A)	Peter Krysl (UCSD Admin)
Alice Buck (R3-C)	Bruce Rainey (B3-B)
Isabelle Kay (R2-C)	Jason Moorhead (B3-C)
Nancy Groves (R1-C)	Andrew Wiese (R1-B)
Kristopher Kopensky, Secretary (B2-C)	Ash Nasserri (B2-A)
Roger Cavanaugh (R3-B)	Allison Barton (R2-B)
Rebecca Robinson (B2-B)	Mary McGuirk(UCSD Student)
Juan H. Lias (MCAS-Miramar)	Anu Delouri (UCSD Faculty/Staff)

This back page is intentionally left blank.





**TABLE OF CONTENTS**

**INTRODUCTION ..... 1**  
AUTHORITY  
PREVIOUS, CURRENT AND FUTURE UPDATES  
PURPOSE AND SCOPE OF REPORT

**METHODOLOGY ..... 1**  
AREA OF BENEFIT  
FBA PROCEDURE  
TIMING AND COST OF FACILITIES

**DEVELOPMENT FORECAST ..... 2**  
AVERAGE DAILY TRIPS  
DEVELOPMENT SCHEDULE

**DETERMINATION OF ASSESSMENT RATES ..... 3**  
DISTRIBUTION OF PROJECT COSTS  
CASHFLOW ANALYSIS  
FBA FEE SCHEDULE  
AUTOMATIC ANNUAL INCREASES

**PROPERTY ASSESSMENTS ..... 7**

**DEVELOPMENT IMPACT FEES ..... 7**

**COLLECTION OF ASSESSMENTS & IMPACT FEES..... 7**

**FEE DEFERRAL PROGRAM ..... 8**

**EXPENDITURES ..... 8**

**CHANGES TO FBA FUNDED PROJECTS..... 8**

**FINANCING STRATEGIES..... 10**  
FACILITIES BENEFIT ASSESSMENTS  
DEVELOPMENT IMPACT FEES  
DEVELOPMENT AGREEMENT  
ASSESSMENT DISTRICTS  
COMMUNITY FACILITY DISTRICT  
COST REIMBURSEMENT DISTRICT  
DEVELOPER CONSTRUCTION  
REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM  
REIMBURSEMENT FINANCING FOR WATER AND SEWER FACILITIES  
STATE/FEDERAL FUNDING  
GENERAL ASSUMPTIONS AND CONDITIONS

**TABLE OF CONTENTS, CONTINUED:**

**PROJECT SHEETS**

TRANSPORTATION PROJECTS CURRENT & FUTURE ..... 19

TRANSPORTATION - COMPLETED, COMBINED, DELETED..... 35

PARK AND RECREATION PROJECTS..... 63

LIBRARY PROJECTS..... 69

FIRE/RESCUE PROJECTS..... 71

**FACILITIES PHASING PLANS ..... 73**  
 AMENDED OCTOBER 14, 2014

**ASSESSMENT LIST AND MAP ..... 75**

**COUNCIL RESOLUTIONS ..... 77**  
 COUNCIL RESOLUTION APPROVING PFFP AMENDMENT INCLUDED

**TABLES:**

**TABLE 1 DEVELOPMENT SCHEDULE .....4**

**TABLE 2 FBA FEE SCHEDULE .....4**

**TABLE 3 CASHFLOW .....5**

**TABLE 4 LOS ANGELES/SAN DIEGO CONSTRUCTION COST INDEX ..... 6**

**TABLE 5 SAN DIEGO CONSUMER PRICE INDEX ..... 6**

**TABLE 6 LIST OF CHANGES TO FBA FUNDED PROJECTS ..... 9**

**TABLE 7 PROJECT SUMMARY TABLE ..... 13**

**TABLE 8 TRANSPORTATION THRESHOLDS ..... 74**

**TABLE 9 ASSESSMENT LIST ..... 75**

**FIGURES:**

**FIGURE 1 COMMUNITY MAP/AREA OF BENEFIT – LOCATED INSIDE FRONT COVER**

**FIGURE 2 PROJECT SUMMARY MAP .....17**

**FIGURE 3 ASSESSMENT LIST MAP .....76**



## ***Introduction***

### **Authority**

The Procedural Ordinance for Financing of Public Facilities in Planned Urbanizing Areas (the FBA Ordinance) was added to the San Diego Municipal Code August 25, 1980 by Ordinance O-15318. The City's General Plan was updated on March 10, 2008 by Resolution No. 303473; and new guidelines included the division of the City into two planning designations: Proposition A Lands and Urbanized Lands. Communities subject to Facilities Benefit Assessments (previously designated Planned Urbanizing Areas) are now designated Urbanized Areas. In part to implement new General Plan guidelines, Ordinance O-19893, approved September 11, 2009, amended the FBA Ordinance (Sections 61.2200 and 61.2210), and the Municipal Code section pertaining to Payment of Facilities Benefit Assessments and Developer Impact Fees (Municipal Code Section 142.0640).

### **Previous, Current and Future Updates**

On November 13, 2008, by Resolution No. R-304344, the San Diego City Council (City Council) adopted the Fiscal Year (FY) 2009 North University City Public Facilities Financing Plan (Financing Plan) and Facilities Benefit Assessment (FBA). This report constitutes an update of the Financing Plan and reflects changes in the rate and amount of planned development; changes in interest and inflation rates; and changes in FBA contributions to 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 of Report**

The Financing Plan implements the facilities identified in the North University City Community Plan (Community Plan) and is prepared to ensure that all owners of undeveloped and underdeveloped property pay their fair share of the funding required to finance the community's needed public facilities. The Financing Plan applies to all property owners seeking to develop property, even if the subject property has an approved tentative or final map detailing its development.

This FY 2013 Financing Plan identifies public facilities that are anticipated over the next eight years when full community development is expected, and includes a development forecast and analysis, a capital improvement program, and an updated FBA Fee schedule. In addition, as the community builds out and additional development occurs, Development Impact Fees (DIFs) are collected to mitigate impact, in an amount equal to the calculation for FBA.

Development in North University City is subject to a City Council approved Facilities Phasing Plan (Phasing Plan). The Phasing Plan, which includes both Park and Transportation facilities, is intended to serve as a guideline for sequential development of anticipated public improvements. The Phasing Plan, shown on page 73, stipulates that before set traffic and dwelling unit thresholds may be exceeded, the City Engineer must be satisfied that certain transportation and park projects are either completed or under construction.

## ***Methodology***

### **Area of Benefit**

The land within the North University City community boundary is known as the Area of Benefit; as shown on the inside front cover of this Financing Plan. The City Council initiates proceedings for the designation of an Area of Benefit by adopting a resolution stating its intention to do so (a Resolution of Intention).

## **FBA Procedure**

The FBA provides funding for public facilities projects anticipated in the Area of Benefit. The dollar amount of the assessment is based upon the collective cost of anticipated public facilities equitably distributed over the Area of Benefit.

## **Timing and Cost of Facilities**

The public facilities anticipated to be financed by the North University City FBA funds are shown on the Project Summary Table on page 13. Descriptions of projects can be found on individual project sheets beginning on page 19. Project categories include Transportation, Park and Recreation, Library and Fire. The FBA also funds the administrative costs associated with the development, implementation and operation of the FBA program.

This Financing Plan update includes an analysis by each of the sponsoring departments, of project costs for each anticipated public facility project. Since needed facilities are directly related to the growth rate of the community, construction schedules are contingent upon actual development within the community. Therefore, any slowdown in community development will require a modification to the schedule for providing anticipated public facilities.

The Community Plan was amended in 2008 to include additional fire stations for the community, and two fire station projects were added to the FY 2009 Financing Plan update. With this update, FBA will be collected for the cost of land, design, construction, and FF&E (furnishing, fixtures and equipment) for one fire station. The final FBA contributions towards several completed CIP projects have been lower than projected, resulting in money being returned to fund balance; and recent cost estimates on current/future projects are lower than the FY 2009 Financing Plan inflationary estimates applied to FY 2009 cost estimates. In addition, negotiations are in progress between the City and UCSD regarding potential UCSD contribution towards Fire Facilities in North University City.

## ***Development Forecast***

### **Average Daily Trips**

Development in North University City is tracked by the number of average daily traffic trips (ADTs) generated by each type of land use. For non-residential development the amount of assessment is based on the anticipated number of ADTs generated, and each ADT has the same dollar assessment. Residential development is assessed on a per-unit basis, and includes population-based facilities costs as well as ADTs associated with transportation costs. The current Phasing Plan was adopted in FY 2001, and ADT thresholds were set at that time based on anticipated future development. Throughout this Financing Plan, all ADT references will include both the total ADT count, and the number of ADTs which specifically count towards current Transportation Phasing Plan thresholds.

### **Development Schedule**

Development projections are based upon the best estimates as to the timing of future development, including the projections of property owners, developers, land use consultants and City staff. Economic factors can adversely affect these development projections. Changing interest and inflation rates, variable land and housing costs, economic recession, and issues involving transportation thresholds could slow or halt the development rate. Conversely, a period of robust business expansion could significantly increase the rate of development. Indications are that the remaining development of North University City will take place over the next eight years.

Through FY 2020, future residential development is anticipated to add an additional 1,100 multi-family dwelling units, generating 6,600 ADTs. Future non-residential development is anticipated to generate another 41,000 ADTs. While current year development can be estimated based on existing development permits, due to uncertain economic conditions, for purposes of estimating revenue stream, a modified bell curve is used to estimate annual development from FY 2014 through 2020. The development schedule is shown in Table 1, on page 4.

## ***Determination of Assessment Rates***

### **Distribution of Project Costs**

An Equivalent Dwelling Unit (EDU) ratio factor has been established for the purpose of spreading the cost of anticipated public facilities between the different land use classifications. EDU ratios have been calculated for each category of facility to be constructed under the FBA because the relationship between land use and the degree of benefit from different public facilities can vary substantially. The Single-Family Dwelling Unit (SFDU) is the foundation for all other EDU ratios. Other land use classifications are assigned an EDU ratio proportionate to the respective benefit.

### **Cashflow Analysis**

The North University City Cashflow, shown on page 5, presents an analysis of the FBA. For each FY of development the Cashflow shows the difference between anticipated revenues, and capital improvement expenditures inclusive of administrative costs.

### **FBA Fee Schedule**

The FBA Fee Schedule is determined using the development schedule; composite EDU factors, schedule of anticipated facility expenditures (in FY 2013 dollars), and projected annual interest and inflation rates. Assessment rates are calculated to provide sufficient money to meet the scheduled direct payments for anticipated facilities provided by the fund. The assessment rates also consider the timing of credits and reimbursements to be paid to developers for FBA funded facilities. Due to inflation and changes in project scope, the cost for providing facilities may increase over time.

The fee schedule reflects the rate of assessment for each category of land use, during each FY of anticipated future community development. The fee schedule is shown in Table 2, on page 4, and for convenience of reference, printed on the inside back cover of this document.

### **Automatic Annual Increases**

The FBA Ordinance provides for an annual adjustment of FBA. The North University City FBA Fee Schedule reflects an inflation factor of 4% per year for FY 2013 and each year thereafter. This factor is used to provide automatic annual increases in the assessment rate, and is effective at the beginning of each FY (July 1). The automatic increase provision is effective only until such time as the next update is approved by the City Council. Thereafter, subsequent Council-approved annual adjustments will prevail.

The City of San Diego considers historic data while predicting the effect of inflation on construction project costs. The Los Angeles/San Diego Construction Cost Index (CCI) and the Consumer Price Index (CPI) for San Diego are the two indices used by the City while conducting a cashflow analysis. The indices are shown on page 6.

**Table 1 North University City Development Schedule**

<b>FY</b>	<b>Res. Units</b>	<b>Res. ADTs</b>	<b>Non-Res. ADTs</b>	<b>Per-Year Total ADTs</b>
<b>2013</b>	<b>50</b>	<b>300</b>	<b>5000</b>	<b>5300</b>
<b>2014</b>	<b>100</b>	<b>600</b>	<b>5000</b>	<b>5600</b>
<b>2015</b>	<b>200</b>	<b>1200</b>	<b>7000</b>	<b>8200</b>
<b>2016</b>	<b>200</b>	<b>1200</b>	<b>7000</b>	<b>8200</b>
<b>2017</b>	<b>200</b>	<b>1200</b>	<b>6000</b>	<b>7200</b>
<b>2018</b>	<b>200</b>	<b>1200</b>	<b>5000</b>	<b>6200</b>
<b>2019</b>	<b>100</b>	<b>600</b>	<b>4000</b>	<b>4600</b>
<b>2020</b>	<b>50</b>	<b>300</b>	<b>2000</b>	<b>2300</b>

**Table 2 North University City FBA Fee Schedule**

<b>FY</b>	<b>\$ per Single Family Dwelling Unit</b>	<b>\$ per Multi-Family Dwelling Unit</b>	<b>\$ per Non-residential ADT</b>
<b>2013</b>	<b>\$24,167</b>	<b>\$16,918</b>	<b>\$1,628</b>
<b>2014</b>	<b>\$25,134</b>	<b>\$17,594</b>	<b>\$1,693</b>
<b>2015</b>	<b>\$26,139</b>	<b>\$18,298</b>	<b>\$1,760</b>
<b>2016</b>	<b>\$27,185</b>	<b>\$19,030</b>	<b>\$1,831</b>
<b>2017</b>	<b>\$28,272</b>	<b>\$19,791</b>	<b>\$1,904</b>
<b>2018</b>	<b>\$29,403</b>	<b>\$20,583</b>	<b>\$1,980</b>
<b>2019</b>	<b>\$30,579</b>	<b>\$21,406</b>	<b>\$2,059</b>
<b>2020</b>	<b>\$31,802</b>	<b>\$22,262</b>	<b>\$2,142</b>

**Table 3 North University City Cashflow**

Fiscal Year	Res. Units	Res. ADTs	Non-Res. ADTs	Cumm. ADTs	\$ per SFDU	\$ per MFDU	\$/ADT	FBA/DIF Revenue	Interest/Other Revenue	Total Revenue	Expenditures	Balance
<b>Pre-TPP</b>	4,808	33,656	76,344	110,000				\$65,037,687	\$33,569,380	\$13,809,303	\$47,209,948	\$51,397,119
<b>2001</b>	653	3,924	7,912	121,836	\$8,118	\$5,683	\$547	\$9,695,902	\$4,113,400	\$13,809,303	\$11,913,984	\$53,292,438
<b>2002</b>	549	3,294	8,515	133,644	\$8,443	\$5,910	\$569	\$8,100,436	\$2,844,358	\$10,944,794	\$3,836,960	\$60,400,272
<b>2003</b>	494	2,964	6,661	143,270	\$9,034	\$6,324	\$609	\$7,186,569	\$2,736,924	\$9,923,493	\$2,039,115	\$68,284,650
<b>2004</b>	427	2,562	80	145,912	\$9,395	\$6,577	\$633	\$2,859,488	\$538,990	\$3,398,478	\$2,759,783	\$68,923,345
<b>2005</b>	361	2,166	891	148,969	\$10,335	\$7,235	\$696	\$3,248,626	\$1,745,452	\$4,994,077	\$8,994,042	\$64,923,380
<b>2006</b>	690	4,140	9,691	162,801	\$10,748	\$7,524	\$724	\$11,851,892	\$1,809,978	\$13,661,870	\$19,156,389	\$59,428,861
<b>2007</b>	0	0	677	163,477	\$16,229	\$11,361	\$1,093	\$2,870,409	\$2,915,933	\$5,786,341	\$15,388,288	\$49,826,914
<b>2008</b>	0	0	335	163,812	\$17,365	\$12,156	\$1,170	\$451,276	\$2,732,338	\$3,183,613	\$7,296,379	\$45,714,149
<b>2009</b>	0	0	146	163,958	\$18,581	\$13,007	\$1,251	\$182,901	\$1,970,231	\$2,153,133	\$3,369,166	\$44,498,116
<b>2010</b>	-1	-8	-39	163,911	\$20,876	\$14,614	\$1,406	-\$35,738	\$70,209	\$34,472	\$1,192,545	\$43,340,042
<b>2011</b>	0	0	933	164,844	\$21,920	\$15,345	\$1,476	\$1,376,718	\$3,424,553	\$4,801,271	\$5,183,758	\$42,957,556
<b>2012 YTD</b>	0	0	1,027	165,871	\$23,016	\$16,112	\$1,550	\$1,591,525	-\$1,173,498	\$418,027	\$10,877,034	\$32,498,548
<b>2012 Cont.</b>	0	0	3,000	168,871	\$23,016	\$16,112	\$1,550	\$4,650,000	\$1,474,956	\$6,124,956	\$38,622,858	\$647
<b>2013</b>	50	300	5,000	174,171	\$24,167	\$16,918	\$1,628	\$8,985,900	\$824,956	\$9,810,856	-\$979,874	\$10,791,378
<b>2014</b>	100	600	5,000	179,771	\$25,134	\$17,594	\$1,693	\$10,224,400	\$674,956	\$10,899,356	\$10,315,124	\$11,375,610
<b>2015</b>	200	1,200	7,000	187,971	\$26,139	\$18,298	\$1,760	\$15,979,600	\$498,516	\$16,478,116	\$8,042,778	\$19,810,949
<b>2016</b>	200	1,200	7,000	196,171	\$27,185	\$19,030	\$1,831	\$16,623,000	\$751,576	\$17,374,576	\$175,479	\$37,010,047
<b>2017</b>	200	1,200	6,000	203,371	\$28,272	\$19,791	\$1,904	\$15,382,200	\$1,092,071	\$16,474,271	\$18,292,376	\$35,191,941
<b>2018</b>	200	1,200	5,000	209,571	\$29,403	\$20,583	\$1,980	\$14,016,600	\$1,037,527	\$15,054,127	\$19,025,335	\$31,220,733
<b>2019</b>	100	600	4,000	214,171	\$30,579	\$21,406	\$2,059	\$10,376,600	\$918,391	\$11,294,991	\$17,755,052	\$24,760,672
<b>2020</b>	50	300	2,000	216,471	\$31,802	\$22,262	\$2,142	\$5,397,100	\$724,589	\$6,121,689	\$16,413,661	\$14,468,701
<b>Total:</b>	<b>9,081</b>	<b>59,298</b>	<b>157,173</b>	<b>216,471</b>				<b>\$216,053,091</b>	<b>\$65,295,789</b>	<b>\$182,741,813</b>	<b>\$266,880,179</b>	<b>\$14,468,701</b>

Note: FY 2013-2020: Inflation = 4% per Year; FY 2013-2020 Interest = 3% per Year

**Table 4 Los Angeles/San Diego Construction Cost Index**

As reported March 2011 by *Engineering News Record*

<b>YEAR</b>	<b>CCI</b>	<b>% CHANGE/YEAR</b>
2000	7056	3.28%
2001	7073	0.24%
2002	7440	5.19%
2003	7572	1.77%
2004	7735	2.15%
2005	8234	6.45%
2006	8552	3.86%
2007	8873	3.75%
2008	9200	3.69%
2009	9799	6.51%
2010	9770	(0.3%)
2011	10035	2.72%

**Table 5 San Diego Consumer Price Index**

Reported August 2011

<b>YEAR</b>	<b>CPI</b>	<b>% CHANGE/YEAR</b>
2000	179.8	4.72%
2001	190.1	5.73%
2002	195.7	2.95%
2003	203.8	4.14%
2004	211.4	3.73%
2005	218.3	3.26%
2006	226.7	3.85%
2007	231.9	2.29%
2008	242.44	4.55%
2009	240.9	-0.60%
2010	244.2	1.39%
2011	252.5	3.40%

## ***Property Assessments***

An FBA Assessment Roll is prepared for North University City, and identifies the size, location, and anticipated land use of remaining assessed parcels. Liens are placed on undeveloped or under-developed parcels within the Area of Benefit, and the owner or developer is responsible to pay the assessment that applies to the type and amount of development as it occurs.

Assessments on residential development are based on the number and type of dwelling units anticipated. Assessments on non-residential development are calculated based on the amount and type of development in accordance with land uses in the Community Plan (best and highest use), and on the anticipated number of ADTs that would be generated by that development.

The Assessment Roll includes the Parcel Number (APN), Community Subarea Area (SA), and type of Land Use anticipated. The Assessment Roll does not include ADTs or specific dollar amounts because these vary dependent upon the type and amount of development, and upon the ADT and FBA rates in effect when the FBA is paid. For purposes of listing these assessments, identification numbers have been assigned to each parcel, and the remaining list may appear non-sequential as a result of the omission of parcels after assessments are paid, ownership changes, or as parcels are subdivided. Information on ownership is based on County records, as shown on the last Recorded Assessment Roll, as otherwise known to the City Clerk, or by other means which the City Council finds reasonably calculated to apprise affected landowners of Council hearings.

A Resolution of Designation, when adopted by City Council, imposes the FBA in the form of a lien that is placed upon County Assessor parcels and final map properties. After City Council approves the Financing Plan update and sets the assessment schedule, the maps, plats, and summary of the Assessment Roll will be delivered to the County Recorder for recordation. The current assessment numerical list and map can be found starting on page 75.

## ***Development Impact Fees***

As the North University City develops, an increasing amount of future development will occur on non-Assessed properties. Development Impact Fees (DIF) are collected to mitigate the impact of additional development on properties that have either already paid FBAs and/or that have never been assessed. Collection of DIF is required at time of building permit issuance, and in an amount equal to the calculation for FBA.

## ***Collection of Assessments and Impact Fees***

While assessments on parcels are based on best and highest anticipated land use, an individual owner or developer will pay an assessment based upon the specific development being constructed. At the time of building permit issuance, FBA/DIF is calculated according to the FBA Fee Schedule in effect at the time the payment is made. ADT calculations are based on the amount and type of development, and current trip generation rates. The trip generation rates utilized to calculate fees are those as listed in the Municipal Code Land Development Code Trip Generation Manual, specifically Table 7 “Trip Generation Rates for Facilities Financing Purposes”.



With this Financing Plan update, FBA and DIF revenues will be placed into separate interest bearing Special Funds. These funds are used within the Area of Benefit solely for those capital improvements and administrative costs identified in the Financing Plan. Because of the uncertain timing associated with future DIF revenues, DIF funds will be budgeted into CIP projects as revenues are received.

## ***Fee Deferral Program***

Ordinance O-19893 allows for the deferral of FBA/DIF payments. The FBA fee deferral program will be in effect for two years from the date of ordinance approval (termination date 12/31/2014). A Fee Deferral Agreement (Agreement) must be submitted by the applicant with a non-refundable administrative processing fee paid prior to processing. The Agreement must be properly executed, and duly recorded prior to fees being deferred. FBA/DIF can be deferred for a maximum period of two years or until request for Final Inspection, whichever occurs first. The Final Inspection shall not be scheduled until the FBA/DIF is paid. The dollar amount of FBA/DIF due, including annual inflationary rate increases, shall be as set forth in the fee schedule in effect when the Fee Deferral Agreement is executed by the City, or the fees approved by City Council for a subsequent update of the Financing Plan, whichever fee is lower.

## ***Expenditures***

The following are types of expenditures may be applied against FBA and DIF funds: **Direct Payments** for facility costs including administrative costs; **Credits** to developers for facilities provided in accordance with the FBA Ordinance; and **Cash Reimbursement** to developers for providing facilities exceeding the cost of their FBA/DIF obligation pursuant to an approved reimbursement agreement. Whether a developer or the FBA/DIF funds directly provide for a facility, direct payments, credits, and cash reimbursements are all treated as expenses to the FBA/DIF funds.

Pursuant to the terms of a reimbursement agreement with the City, a developer may be issued credits against an assessment for expenditures related to providing facilities in lieu of paying an FBA or DIF. An approved reimbursement agreement with the City may also entitle a developer to cash reimbursement from FBA/DIF funds.

When CIP projects are completed and financial statements closed out, FBA and DIF funds are no longer available for continued or future improvements on or at that project site. For ease of reference and because so many Transportation projects have already been completed, in this Financing Plan the Transportation project sheets are divided into two sections, current and future projects first; followed by projects completed, combined and/or deleted.

## ***Changes to FBA Funded Projects***

Table 6 on page 9 identifies all major changes to FBA-funded projects, including funding adjustments to reflect current project costs and updated future construction cost estimates.



**Table 6 Changes to FBA Funded Projects**

<b>Proj.</b>	<b>Project Title and Change</b>	<b>Amount</b>
<b>3</b>	Genesee Avenue – I5 to Campus Point Drive; completed under budget.	(\$334,997)
<b>13</b>	Regents Road - Executive Dr. to Genesee Ave.; updated cost estimate less than FY 2009 Financing Plan assumed inflationary rates.	\$430,000
<b>18</b>	Regents Road Bridge; on hold pending completion of EIR, and updated funding & cost estimate (less than FY 2009 Financing Plan assumed inflationary rates).	\$2,590,000
<b>18A</b>	Rose Canyon Improvements; deleted.	(\$4,000,000)
<b>18B</b>	Rose Canyon Improvements; deleted.	\$0
<b>21</b>	Nobel Drive Extension & Interchange at I-805; completed under budget.	(\$73,580)
<b>24</b>	Genesee Ave. - Widen I-5 Overcrossing; SANDAG approved financing to fully fund project in FY 2012, resulting in an adjusted FBA contribution.	(\$8,100,980)
<b>33</b>	Judicial Dr. – Golden Haven to Eastgate Mall; completed under budget.	(\$202,729)
<b>41</b>	La Jolla Village Drive and Regents Road; updated cost estimate.	\$390,900
<b>47</b>	La Jolla Village Dr. – Torrey Pines Rd to I-805; completed under budget.	(\$8,861)
<b>50</b>	Miramar Road - I-805 Easterly Ramps to E of Eastgate Mall; updated cost estimate less than FY 2009 Financing Plan assumed inflationary rates.	\$54,019
<b>52</b>	Genesee Avenue – L. Turn Lanes at Eastgate Mall; inflationary increase (only) applied to FY 2009 project cost estimate.	\$265,380
<b>A</b>	Genesee Ave. Widening – Nobel Drive to SR-52; on hold pending completion of EIR, with no change to FY 2009 project cost estimate.	\$0
<b>G</b>	Genesee Ave. & Eastgate Mall Inter. Improve; completed under budget.	(\$23,617)
<b>J</b>	Nobel Drive - Lebon to Regents & Genesee to Towne Centre; updated cost estimate less than the FY 2009 Financing Plan assumed inflationary rates.	\$97,825
<b>29</b>	Nobel Athletic Area; Final project cost anticipated to be slightly higher than originally estimated.	\$26,600
<b>51</b>	Doyle Community Park – Miscellaneous Improvements; completed under budget.	(\$9,616)
<b>53</b>	University City High School Joint Use Project; deleted.	(\$2,975,000)
<b>29A</b>	North University Community Branch Library; completed under budget.	(\$99,423)
<b>54</b>	NUC Fire Station Project #1; updated cost estimate includes cost of land (if a privately owned site is identified), design, construction and equipment.	\$4,600,000
<b>Total:</b>		<b>(\$7,374,079)</b>

## ***Financing Strategies***

City of San Diego General Plan Policy PF-A-3 (Public Facilities, Services and Safety Element) 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 FBAs and 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 and distributions system, sanitary sewer system, streets, parks and open space. According to Council Policy 600-28, such improvements are to be furnished and financed by the developer. Anticipated public facility projects that benefit a population larger than the local/adjacent development can be financed by using the following alternative methods:

### **Facilities Benefit Assessment (FBA)**

This method of financing fairly and equitably spreads costs while following the procedures specified in San Diego Municipal Code Chapter 6, Article 1, Division 22. FBAs result in liens being levied on undeveloped or partially developed parcels located within the Area of Benefit. Liens are renewed with each Financing Plan update and released following payment of FBAs.

### **Development Impact Fee (DIF)**

Within communities which are near full community development, DIF are collected to mitigate the impact of new development through provision of a portion of the financing needed for funding anticipated public facilities and to maintain existing levels of service for that community. Consistent with previous Council direction, DIF, equal to the current FBA, are appropriate for properties in FBA communities that have not been assessed or otherwise agreed to pay FBA.

### **Development Agreement**

A developer may enter into an agreement with the City, in which certain development rights are extended to the developer in exchange for certain extraordinary benefits given to the City.

### **Assessment Districts**

Special assessment district financing, such as the Municipal Improvement Acts of 1913/1915, may be used as a supplementary or alternative method of financing facilities such as streets, sidewalks, sewers, water lines, storm drains, and lighting facilities. Assessment districts provide all of the funding needed for a particular public facility project in advance of the anticipated development activity. However, they create a long-term encumbrance of the benefiting property and require that the funds be repaid over an extended period of time. Assessment districts also require the approval of a majority of the property owners in order to establish the district.

### **Community Facility District (CFD)**

State legislation, such as the Mello-Roos Act of 1982, has been enacted to provide a method of financing public facilities in new and developing areas. A Mello-Roos is also known as a Community Facility District (CFD). The formation of such CFDs may be initiated by owner/developer petition. Mello-Roos districts also require the approval of a majority of the property owners in order to establish the district, as clarified by Council Policy 800-3.

### **Cost Reimbursement District (CRD)**

Occasionally, a developer/subdivider is directed to construct public improvements that are more than that which is required to support their individual property/development. A Cost Reimbursement District provides a mechanism by which the developer/subdivider may be reimbursed by the property owners who ultimately benefit from the improvement. Reimbursement is secured by a lien on the benefiting properties for a period of 20 years, with the lien due and payable upon recordation of a final map or issuance of a building permit, whichever occurs first.

### **Developer Construction**

With approval of City Council, developers may elect to construct some public facility projects in lieu of, or for credit against, paying a Facilities Benefit Assessment (Council Policy 800-12). Facility costs in excess of the FBA fee obligation may be reimbursed to the developer from the FBA fund, subject to the availability of funds and pursuant to the terms of a Council-approved reimbursement agreement.

### **Regional Transportation Congestion Improvement Program**

Where appropriate, Facilities Financing assesses the Regional Transportation Congestion Improvement Program Fees (RTCIP) as authorized by City Council Resolution R-303554, adopted on April 14, 2008. This fee is applicable to new residential development. On-site affordable (low income) units are exempt from the RTCIP fee.

RTCIP fees were established to ensure that new development directly invests in the region's transportation system to offset the impact of growth on congestion and mobility. This fee is in addition to FBA and DIF.

Development within North University City is currently exempt from the RTCIP fee since new development pays FBA or DIF in an amount greater than the average RTCIP rate per residential unit and therefore demonstrates a Maintenance of Effort in financing the Regional Arterial System.

### **Reimbursement Financing for Water and Sewer Facilities**

This method of financing is outlined in Council Policy 400-7, and is commonly used when the first developer/subdivider in an area is required to construct the necessary water and sewer facilities for an entire developing area. These agreements are approved by City Council. Reimbursement to the first developer/subdivider can occur over a period of time as long as 20 years or until all of the subsequently developed lands have participated in the reimbursement, whichever occurs first.

### **State/Federal Funding**

Certain public facilities may be determined to benefit a regional area that is larger than the community planning area. Such projects may be appropriately funded by either the state, federal government, or by a combination of the two.

### **General Assumptions and Conditions**

For the above financing methods of financing, the following general assumptions and conditions will be applied:

1. Except for those projects that are identified as FBA funded, developers will be required to provide facilities that are normally provided within the subdivision process as a condition of tentative subdivision map approval.

2. Non-residential land will be assessed FBAs for infrastructure, including transportation, fire, and utility facilities. However, developers of non-residential land will not be assessed for park and recreation or library facilities since those facilities primarily serve the residential component of the North University City community. In the future, if a basis is developed for charging non-residential development for the cost of park and recreation and library facilities, their fair share will be evaluated at that time.
3. Reviews may be performed to evaluate performance of the program and consider the continuing commitments related to the completion of needed facilities. Project costs and assessments shall be evaluated for all portions of the program.
4. The owner or developer shall pay the FBA or DIF as a condition of obtaining building permits.
5. A developer, or group of developers, may propose to build or improve an FBA funded facility that is identified in the Capital Improvements Program. Upon City Council approval, the developer(s) may enter into an agreement to provide the facility in lieu of, or as credit against the payment of FBA fees, provided that adequate funds are available in the FBA fund. The amount and timing of the credit being sought by the developer(s) must coincide with the expenditure of funds depicted on the CIP sheet for the respective project.

Should the approved, final cost of the facility exceed the amount of credit being sought by the developer(s), the developer(s) may be reimbursed from the FBA fund for the difference, subject to the reimbursement agreement and the availability of funds. If two developers are entitled to cash reimbursement during the same FY, then the first agreement to be approved by the City Council shall take precedence over subsequent agreements.

6. As FBA and DIF are collected they shall be placed in separate City funds that provide interest earnings for the benefit of North University City.
7. The Development Schedule, shown on page 4 as Table 1, is an estimated schedule based on the latest information available at the time this Financing Plan was adopted. Future approvals and/or modifications of precise plans and/or discretionary permit applications may either increase or decrease the extent of development proposed within North University City.
8. Most public facilities anticipated in the Financing Plan are either “population based” or “transportation based.” The estimated year in which funds are budgeted for a given project should not be considered as a binding commitment that the project would be constructed in that year. With each Financing Plan update, permit activity and population projections, coupled with additional traffic study information obtained since the last update, will be evaluated to determine the most appropriate year in which to budget the need for each remaining project. In addition, the City Council may amend the Facilities Financing Plan to add, delete, substitute, or modify a particular anticipated project to take into consideration unforeseen circumstance
9. Only those roadways that have been designed as circulation element roadways per the North University City Community Plan have been considered in this Financing Plan as being funded or partially funded by the FBA. All other roadways located within North University City will be the responsibility of the developer/subdivider and are not reflected in the FBA calculations.