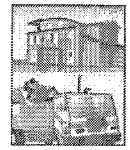


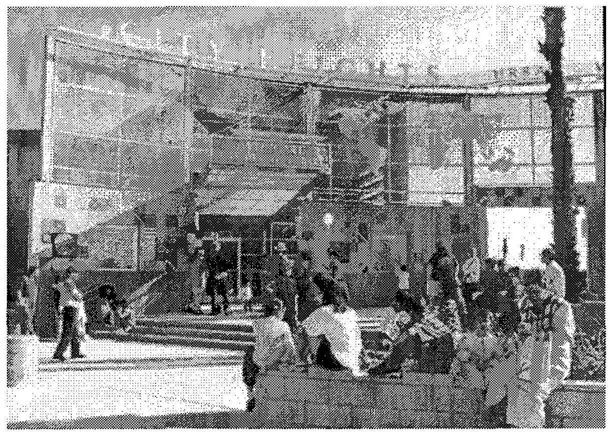
Public Facilities, Services and Safety Element

Purpose

To provide the public facilities and services needed to serve the existing population and new growth.

Introduction

The Public Facilities, Services and Safety (Public Facilities) Element addresses facilities and services that are publicly managed, and have a direct influence on the location of land uses. These include Fire-Rescue, Police, Wastewater, Storm Water, Water Infrastructure, Waste Management, Libraries, Schools, Information Infrastructure, Disaster Preparedness, and Seismic Safety. The policies within the Public Facilities Element also apply to transportation improvements and park and recreation facilities and services with additional guidance from the Mobility Element and the Recreation Element. The Conservation Element addresses the management, preservation, and utilization of natural resources. The Public Facilities and Conservation Element together provide policy on both facility infrastructure and management of vital resources such as water and energy.



City Heights/Weingart Branch Library and Performance Annex

Although publicly or privately managed by organizations other than the City of San Diego (City), regulated Public Utilities, Regional Facilities, and Healthcare Facilities are also included, as they too affect land uses and public health and safety. The Public Facilities Element also provides policies for public facilities financing, prioritization, developer, and City funding responsibilities.

The 1979 Progress Guide and General Plan (1979 General Plan) established a growth management program to address the rapid growth on the periphery of the City, and the declining growth in the central areas of the City. The plan sought to redirect growth into the central business district and established neighborhoods and phase growth and development in outlying areas in accordance with the availability of public facilities and services.

Under the 1979 General Plan, the City was divided into three "tiers" of growth: "urbanized," "planned urbanizing," and "future urbanizing." The "future urbanizing" areas were largely vacant and ultimately required voter approval to shift to "planned urbanizing" in order to develop. The "planned urbanizing" areas consisted of newly planned and developing communities. The "urbanized" areas were the established and developed neighborhoods and the Downtown core.

The planned urbanizing areas required development to "pay its own way," in terms of public facilities and services, through the use of Facilities Benefit Assessments (FBA), or other financing mechanisms such as Mello-Roos Districts. Since their establishment in 1980, FBAs have been effective in assuring adequate and timely development of public facilities, such as police, fire, parks, recreation, library, and transportation. To a limited extent, FBA revenues have also funded water and sewer facilities, although adopted user rate fees have served as the secured revenue source for these capital improvements and operations. Funds collected through FBAs, however, represent a one-time fee for capital expenditures. Once a facility was constructed, the City had to turn to other funding sources for maintenance and operation, primarily the General Fund. In the urbanized communities, it was assumed that General Fund public capital improvement expenditures would be provided in those areas. However, state constitutional and legislative actions adopted since the late 1970s significantly impacted local government financing of operations and capital needs. Passage of Proposition 13 in 1978 reduced property tax revenues and required all "special taxes" be approved by two-thirds of local voters. Subsequent passage of Propositions 62 in 1986 and 218 in 1996 further limited local governments' ability to generate new revenue sources by requiring additional voter approvals for new taxes and special assessments. Remaining General Fund revenues were allocated to many competing needs. As a consequence, urbanized communities were left without a stable, dedicated funding source, and capital improvements did not keep pace with development.

In response to limits on the General Fund and following a period of rapid growth in the 1980s and passage of the Mitigation Fee Act (California Government Code §66000-66025), the City Council adopted a Development Impact Fee (DIF) resolution in 1987. The fee resolution allowed for the establishment of DIFs in urbanized communities to collect a proportional fair-share of capital improvements needed to offset the impact of the development. Unlike the FBA in the planned urbanizing areas, DIFs were not intended to fully fund all capital improvements for existing and future development; fee revenues were contingent upon costs of identified needs, and rate and type of development. Furthermore, costs of new facilities were shared by new growth and the existing resident base. In the years since their adoption, impact fees have contributed to a number of capital improvements. However, as private urban infill development continued, and a funding source to cover the portion of facilities attributed to existing residents was not identified, the public facilities deficit in urbanized communities continued to grow.

As discussed in the Land Use Element, Section J, as of 2006, the communities formerly known as planned urbanizing were largely completed according to the adopted community plans. The City has grown into a jurisdiction with primarily two tiers: Proposition A Lands (formerly the Future Urbanizing Areas) and the Urbanized Lands (formerly the Planned Urbanizing Areas and the Urbanized Areas). As a result, these communities are either already using a combination of FBA and DIF funds to address their public facilities needs or will begin to do so.

Managing growth in the City through the assurance of adequate and timely public facilities to serve the current and future population continues to be a great challenge. The 2002 Strategic Framework Element identified the facilities deficit in urbanized communities, and reaffirmed the need to address existing and future public facility and service needs. Strategic Framework

Element direction has been further developed in the Public Facilities Element through inclusion of a financing strategy, prioritization guidelines, and policies for new growth to pay its fair-share. Other sections of the Public Facilities Element provide updated guidelines and policies for specific facilities and services to guide land use development and guard public safety.

A. Public Facilities Financing

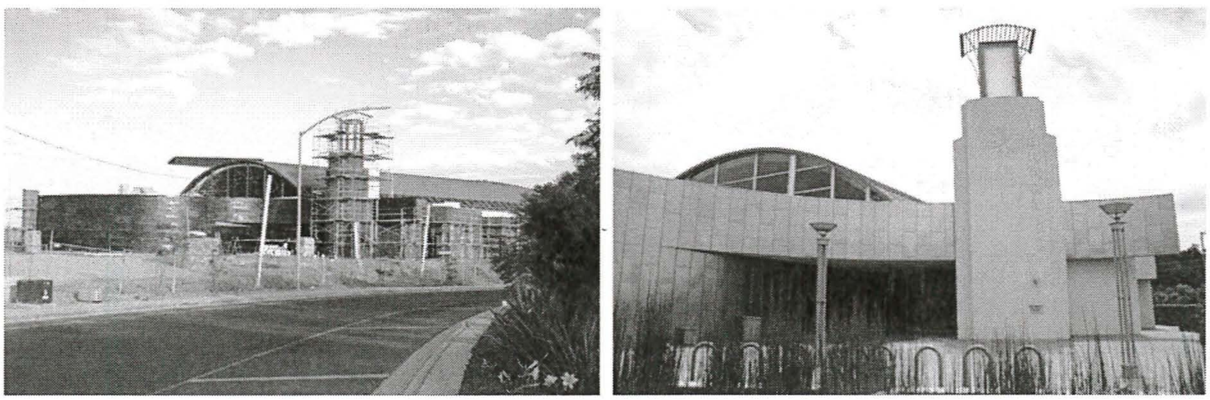
Goal

- Implementation of financing strategies to address existing and future public facility needs citywide.

In 2002, the City Council adopted and approved the City of San Diego Facilities Financing Study. The report was prepared for the Strategic Framework Citizen Committee, Finance Subcommittee.

Discussion

Disinvestment in capital improvements needed for urbanized communities, as discussed in the introduction of this element, must be reversed to successfully plan for the future. Investments in capital improvements are to be increased through: maintaining or enhancing existing funding sources; maximizing joint use efficiencies; strategically prioritizing capital investments (see also P F, Services and Safety Element Prioritization, Section B); and allocating additional revenues for infrastructure. A partial list of potential funding sources is included in each Public Facilities Financing Plan (PFFP) and must be utilized as appropriate and available giving consideration to flexibility in appropriations, voter requirements, and other conditions. The intent of the following policies is to identify a menu of options from which a number of possible financing strategies can be implemented. Additionally, policies are included to ensure that the City maximizes the potential benefit of DIF and Facilities Benefit Assessments (FBA) to improve communities and secure private developer funding for a proportional share of public facility costs. Figure PF-1, Planning Areas by Financing Type, illustrates where DIFs and FBAs are applied throughout the City. Other policies call for the evaluation of the annual Capital Improvements Program (CIP) to help ensure consistency and effectiveness in the implementation of all planning documents.



Mission Valley Branch Library

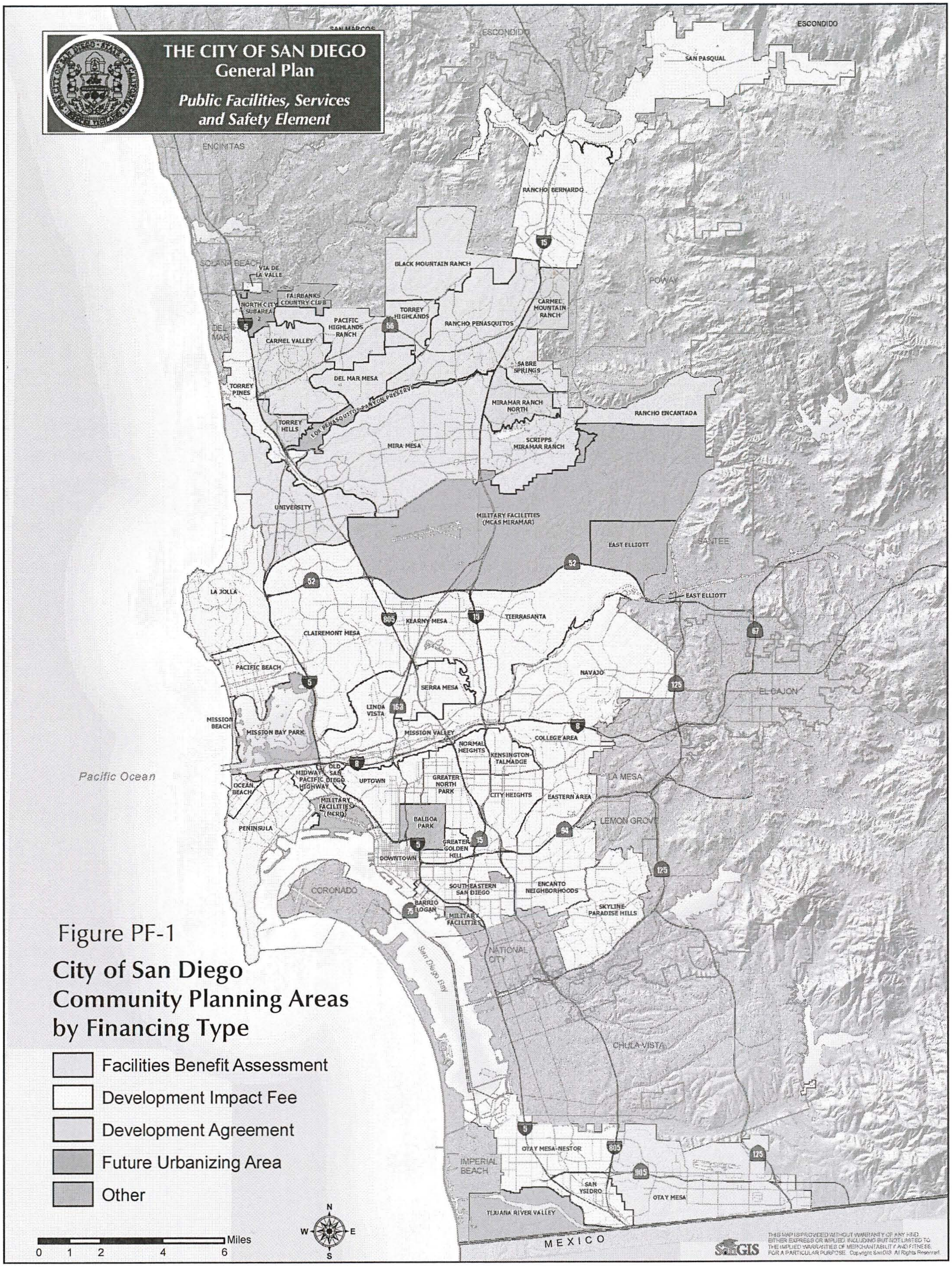


Figure PF-1

City of San Diego Community Planning Areas by Financing Type

Recognizing the increasing number and costs of public facility needs, the City retained a consultant in 2001 to prepare a facilities financing study. The report identified the alternatives available for financing public facilities independent of impact fees in urbanized areas, in order to bring them up to current standards prior to absorbing additional population growth. These alternatives are general taxes, special taxes, special assessments, fees and exactions, leasing, and other methods, as follows:

- General taxes refer to any tax imposed for general government purposes.
- Special taxes consist of any tax imposed for specific purposes, including a tax imposed for special purposes, which is placed into a General Fund. Special taxes include community facilities districts (CFD/Mello-Roos).
- Special assessments fund a specific benefit that exceeds what is typically provided. An example of a special assessment in San Diego is a Maintenance Assessment District (MAD).
- Fees and exactions are one-time charges or dedications collected by local government as a condition of a map approval or building permit. The purpose of the fee or exaction must relate to the development being charged. Fees can be categorized into four major classes: (1) development impact fees, which are levied on new development to cover the cost of infrastructure or facilities needed by that development; (2) permit and application fees which cover the cost of processing permits and development plans; (3) regulatory fees; and (4) "property related fees and charges," as defined by Proposition 218.
- Leasing is a financing alternative to outright purchasing property. Common lease financing arrangements include lease-purchase agreements, sale-leaseback agreements, certificates of participation, and lease revenue bonds.
- Other methods can include general obligation bonds, which are still a common financing mechanism, but they are difficult to issue because of the two-thirds voter approval requirement. Nevertheless, these bonds are used to acquire and construct public capital facilities and real property. A jurisdiction can levy an ad valorem property tax at the rate necessary to repay the principal and interest of the bonds. Other alternatives are public enterprise revenue bonds issued to finance facilities for revenue-producing public enterprises, such as sewer systems that can pay for themselves through service charges. The use of tax increment financing by redevelopment agencies is another method regularly used by jurisdictions to issue tax allocation bonds for major improvements in project areas.

In spite of fiscal constraints, the City's role in implementing the financing strategy described herein is crucial to the planning and provision of public facility and service needs. California law limits development's required contributions for public facilities to a proportional fair-share based on a clear nexus. Therefore, the City must be held responsible for its fair-share of public facility and infrastructure costs to address current needs. The ultimate implementation of the City of

Villages strategy is contingent upon the City's ability to provide and maintain its facilities in a timely fashion.

Policies

PF-A.1. Reduce existing deficiencies by investing in needed public facilities and infrastructure to serve existing and future development.

PF-A.2. Address current and future public facility needs by pursuing, adopting, implementing, and maintaining a diverse funding and management strategy.

a. Ensure effective management and optimal allocation of all financial resources for both capital and operational needs.

b. Maximize operational and capital efficiencies.

c. Continue to develop, evaluate, and apply innovative public infrastructure and facility financing mechanisms and strategies. Employ a public infrastructure financing strategy that includes a variety of financing mechanisms such as:

- Supporting state and local government fiscal reform efforts which provide an equitable redistribution of property tax proceeds or other revenues to the City from the state;
- Assuming an active leadership role in planning and implementing infrastructure investments on a collaborative regional basis and apportion, as applicable and appropriate, eligible infrastructure expenses to support regionally beneficial capital improvements projects;
- Coordinating with all appropriate authorities and agencies for a more efficient use of shared resources, and increased joint use of facilities and services;
- Adopting new, or increase existing, CIP funding sources for needed public facilities and infrastructure;
- Working in partnership with stakeholders to design a bond measure to address the City's unfunded needs for capital improvements projects to support development;
- Adopting facilities, infrastructure, improvements and/or maintenance districts, and other special assessments for locally prioritized facilities and/or services;
- Pursuing Regional Comprehensive Plan and Smart Growth Incentive Program funding for transportation projects that have been prioritized consistent with Section B, Public Facilities and Services Prioritization, of this element;

- Continuing to use and seek a broad range of funding sources to finance public facilities and infrastructure;
- Evaluating City real estate assets for opportunities to address public facility needs;
- Partnering with other agencies and organizations to leverage public financing and resources with private funds and assets;
- Utilizing development, reimbursement, and other agreements to provide timely public facilities to area of benefit;
- Maximizing the extraordinary and other benefits of development-related agreements to address needs in areas of benefit;
- Coordinating with redevelopment agencies to effectively utilize tax increment and other agency financing to leverage additional funds, initiate public and private investment, and address needs; and
- Maximizing the procurement of grants, endowments, and private donations for public facility and services needs.

PF-A.3. Maintain an effective facilities financing program to ensure the impact of new development is mitigated through appropriate fees identified in PFFPs.

a. Ensure new development pays its proportional fair-share of public facilities costs through applicable DIFs pursuant to the California Government Code.

b. Ensure DIFs and FBAs are updated frequently and evaluated periodically to ensure financing plans are representative of current project costs and facility needs.

c. Evaluate and update financing plans when community plans are updated.

d. Include in financing plans a variety of facilities to effectively and efficiently meet the needs of diverse communities.

1. Identify in financing plans those public facility needs that are eligible for DIF funding, including but not limited to: police, fire-rescue, library, parks and recreation, and transportation facilities.
2. Identify in financing plans other public facilities recognized locally as serving the needs of the community, being accessible to and benefiting the public, but not eligible for DIF funding.
3. Promote the joint use of facilities, services, and programs, including schools, parks, recreational centers and facilities, libraries, child care facilities, and others.

e. Identify community-level priorities in community plans and PFFPs, in consultation with community planning groups.

1. Incorporate community specific criteria in community plans to define and describe the desired character and location of needed facilities.
2. Use PFFP to provide a baseline of existing needs and public prioritization preferences, overall and by category.
3. Apply public facility and service guidelines which consider varied community constraints and needs, while providing an equivalent level of service and maintaining consistency with sustainable development policies (see also Conservation Element, Section A).
4. Evaluate and arrange prioritized community needs within a community facilities element of a community plan and within a PFFP, giving consideration to management, operation, and maintenance requirements.
5. Allow for annual community review and update of identified priority lists in PFFPs.

f. Pursue the formation of larger areas of benefit that include multiple communities for the purpose of calculating fees and identifying and addressing public facility needs on a comprehensive basis.

PF-A.4. Integrate all planning and development policies and strategies into the annual development of the CIP to ensure projects are programmed in a cost efficient manner.

a. Review all capital projects for consistency with adopted planning documents, including the General Plan, community plans, PFFP, and others.

b. Evaluate the fiscal impact and timing of needed capital improvements to minimize the burden on operations and maintenance budgets.

c. Conduct annual conformance and audit reports of the CIP.

B. Public Facilities and Services Prioritization

Goals

- Public facilities and services that are equitably and effectively provided through application of prioritization guidelines.
- Maximum efficiency in the annual allocation of capital resources for the Capital Improvements Program (CIP).
- Public facilities expenditures that are linked to implementation of the General Plan.

Discussion

Prioritization guidelines for public facilities and services are needed to efficiently and effectively allocate available resources. Policies within this section call for a formally structured approach to evaluate potential capital improvements projects by identifying appropriate criteria for each facility type. The simplified model displayed on Figure PF-2, CIP Prioritization, generally illustrates the process described by the policies below. The system will be designed to weigh a project's contribution to the protection of health and safety. Consideration will also be given to areas with existing or planned village characteristics and existing facilities deficits. Funds should also be targeted to foster village attributes citywide, through implementation of projects that support greater transit use, walkability, housing opportunities and inviting public spaces. Attention to community-level priorities will also be given during this process.

Capital improvements under construction

Upon complete assessment of criteria and ranking, projects will then be proposed for inclusion in the annual CIP which is ultimately adopted by the City Council as a part of the budget process. To maximize the optimal allocation of resources and implementation of the General Plan, citywide coordination and evaluation of proposed projects and available funding will be a critical step in finalizing the annual CIP. The City's annual budget documents contain additional information about the annual capital budget and CIP. The following policies apply to all public facilities and services discussed in the General Plan.

Policies

Capital Programming and Financing

PF-B.1. Guide the annual programming of capital projects to optimize the appropriation of resources and to implement the General Plan.

a. Ensure the annual CIP is coordinated and developed in a timely manner to allow for required consistency and prioritization reviews.

PF-B.2. Coordinate the allocation of public resources for priorities across the City organization, to maximize operational and capital investment efficiencies.

Facility Type Prioritization

PF-B.3. Create an organization-wide method for identifying and ranking capital improvement projects for proposed inclusion in the annual CIP and to guide the City's applications for regional, state, federal, or other funds.

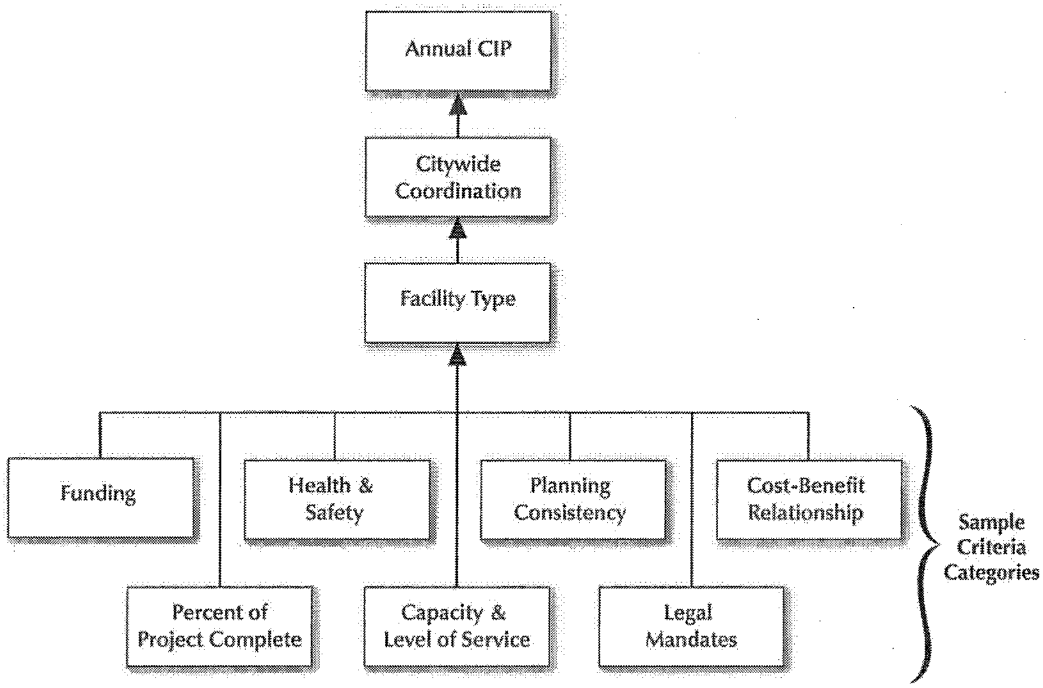
a. Establish an objective rating system which includes criteria that are appropriate for each facility type (bridges, roadways, traffic signals, pedestrian, drainage, water, sewer, parks, libraries, fire, police, etc.). Examples of potential criteria include, as applicable, but not limited to: funding, percent of project complete, health and safety, capacity and level of service, planning consistency, legal mandates, and cost-benefit relationship.

b. Establish an objective rating system which includes criteria that addresses equity, efficiency, and conformance with land use plans. Evaluate and assign values to projects based on the following:

- Conformance with community plans and public facilities financing plans (PFFPs). Additionally consider community priorities, when preferences are expressed in the community plan, PFFP, or by a vote of the recognized community planning group.
- Project is within an existing or potential village area in a community that currently does not meet General Plan-identified public facilities guidelines or acceptable levels of service, for the type of facility or service being considered.
- Project is located outside of an existing or potential village location within a community that is not meeting public facilities guidelines or acceptable levels of service as identified in the General Plan for the type of facility or service being considered.
- Project can address multiple communities.
- Project is located within a community where there are opportunities to leverage other resources and partnerships with other public, private, and not-for-profit entities.

For demonstrative purposes, Figure PF-2, CIP Prioritization, includes seven sample criteria which could be used for a given facility type to evaluate the merits of a project and to determine a prioritization ranking. Funding factors may include the availability of financing. Percent of Project Complete could affect a ranking based on the amount of funds invested in a capital improvement and how close to completion a project may be. A common factor among facility types will be to consider a project's effects on the public's Health and Safety. Capacity and Level of Service may influence ranking based on the impact a project may have on maintaining service levels or based on current capacity levels of the particular facility type. Planning Consistency will be an important factor for all facility types to ensure all strategic planning goals are implemented and community-level priorities are factored in. Legal Mandates are often non-discretionary factors which may result in a high priority ranking. Cost-Benefit Relationship criteria may consider a projected revenue stream, anticipated operations costs, economic impacts, net fiscal impact, and other possible outcomes resulting from a project.

Figure PF-2
CIP Prioritization



The simplified model in Figure PF-2, CIP Prioritization, generally illustrates the process described in Section B, Public Facilities and Services Prioritization. Criteria categories are to be tailored to each facility type for the purpose of prioritizing projects. Citywide coordination will entail a careful evaluation of all identified priorities as a foundation for developing the annual Capital Improvements Program adopted by the City Council.

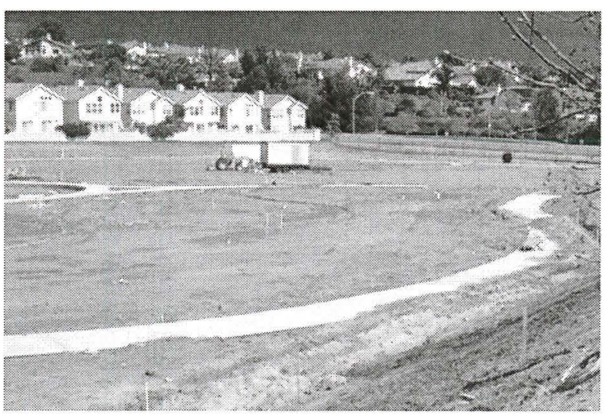
C. Evaluation of Growth, Facilities, and Services

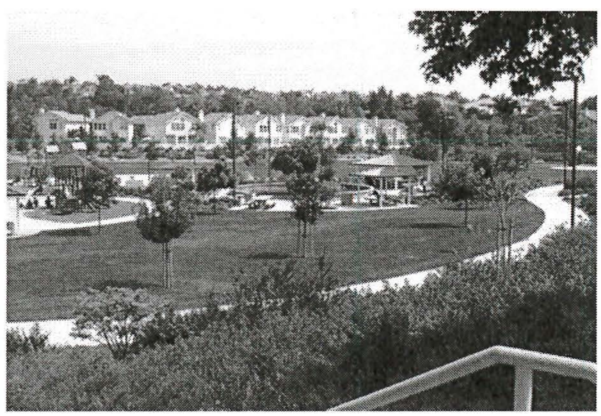
Goals

- Adequate public facilities available at the time of need.
- Public facilities exactions that mitigate the facilities impacts that are attributable to new development.
- Improvement of quality of life in communities through the evaluation of private development and the determination of appropriate exactions.

Discussion

The majority of new growth in the City needs to have a more compact urban form and increase joint use efficiencies in order to achieve progress in remedying existing public facilities shortfalls and provide high quality public facilities and services in the future. In 2002, the City estimated a $2.5 billion shortfall in funding for the provision of all identified capital improvements necessary to serve existing and future development anticipated by 2020. Adequate resources for capital and operational needs need to be secured, operational efficiencies need to be maximized, and facilities and services must be better tailored to meet the needs of diverse communities with respect to demographics. To meet current and future facilities needs, growth must be directed into development patterns that can be served efficiently. Limited, and often restricted existing funds must be targeted to support desired growth patterns (see also Land Use Element, Section A) and new or expanded funding sources must be considered alongside enhanced efficiencies and effective management of resources. Additionally, attention must be directed to the maintenance and operational requirements of all public facilities.





The comprehensive evaluation of development proposals will be critical to ensure any impacts to public facilities and services are identified and addressed. While the City endeavors to respond to existing and future needs with development impact fees (DIF) and other capital funding sources, private development will also be responsible for ensuring existing needs are not compounded by a proposed project. It is the intent of the City to ensure that future development does not adversely affect any community and create procedures which can be applied at the community plan update level which will coordinate planning of new development with a strategy for providing adequate infrastructure for all development in the community. Projects will be subject to DIFs or facilities benefits assessments (FBA) to contribute their proportional fair-share of existing and future facilities, and under certain circumstances are required to provide a physical improvement as a condition of project approval. The City is committed to utilizing its police powers and legislative authority to implement the City of Villages strategy and improve all communities. As the City continues to mature and more communities become urbanized, the provision and timing of assured public facilities will continue to be crucial for effective planning implementation.

Policies

PF-C.1. Require development proposals to fully address impacts to public facilities and services.

- a. Identify the demand for public facilities and services resulting from discretionary projects.
- b. Identify specific improvements and financing which would be provided by the project, including but not limited to sewer, water, storm drain, solid waste, fire, police, libraries, parks, open space, and transportation projects.
- c. Subject projects, as a condition of approval, to exactions that are reasonably related and in rough proportionality to the impacts resulting from the proposed development.
- d. Provide public facilities and services to assure that current levels of service are maintained or improved by new development within a reasonable time period.

PF-C.2. Require a fiscal impact analysis to identify operations and maintenance costs with a community plan amendment proposal of potential fiscal significance.

PF-C.3. Satisfy a portion of the requirements of PF-C.1 through physical improvements, when a nexus exists, that will benefit the affected community planning area when projects necessitate a community plan amendment due to increased densities.

PF-C.4. Reserve the right and flexibility to use the City's police powers and fiscal powers to impose timing and sequencing controls on new development to regulate the impacts and demands on existing or new facilities and services.

PF-C.5. Develop a centralized citywide monitoring system, accessible to the public, to document and report on the following:

- New Development - development proposals, fiscal impacts, operations and maintenance requirements, required plan amendments, exactions, service level and capacity impacts;
- Capital Improvements Program (CIP) - funding sources, project and funding schedules, project amendments, project costs, project locations, project status; and
- Existing Conditions - facility inventory, service and capacity levels, repair and replacement schedules, facility records (size, age, location, useful life, value, etc.).

PF-C.6. Maintain public facilities financing plans (PFFP) to guide the provision of public facilities.

a. Identify in financing plans all facilities costs and needs required to serve existing and future development.

b. Evaluate and amend or update financing plans at developer expense for consistency if needed, when community plans are amended to increase density or intensity according to the following guidelines:

- Evaluate community public facility and service existing conditions, including characteristics such as size, condition, age, performance, and other relevant factors;
- Consider the age of the existing financing plan;
- Assess available resources to perform a financing plan update; and
- Examine community development pressure and relationship to General Plan prioritization policies.

PF-C.7. Conduct periodic review of the fiscal impacts of private development throughout the City. This information will assist in land use and capital planning decisions by providing data regarding the amount, intensity, location, and timing of new development.