



THE CITY OF SAN DIEGO

DATE ISSUED: May 28, 2009 REPORT NO. PC-09-033
ATTENTION: Planning Commission, Agenda of May 28, 2009
SUBJECT: Proposed Fiscal Year 2010 Capital Improvements Program Conformance

SUMMARY

Issue – Is the Proposed FY 2010 Capital Improvements Program (CIP) in conformance with the City's General Plan and with applicable community plans?

Staff Recommendation – Adopt the resolution (Attachment 1) which finds and recommends to the City Council that:

1. The projects in the Proposed FY 2010 Capital Improvements Program are in conformance with the City's General Plan and with applicable community plans.

Community Planning Group Recommendation – None.

Other Recommendations – None.

Environmental Impact – None with this action. Each capital improvement project will be reviewed under the California Environmental Quality Act prior to implementation.

Fiscal Impact – None with this action. The total proposed CIP budget is \$480.5 million, of which \$250.6 million (52%) is specified for citywide projects, \$200.9 million (42%) is designated to projects within identified community planning areas, and \$29 million (6%) is for regional parks and Proposition "A" Lands; Included in the \$480.5 million projects in the proposed CIP is \$283.8 million (59%) of water and sewer projects.

Code Enforcement Impact – None with this action.

Housing Affordability Impact – None with this action.

BACKGROUND

The Mayor has the responsibility for the annual preparation of the citywide, eleven-year Capital Improvements Program (CIP). This program is a listing of capital projects, together with funding estimates and a schedule for their phased completion. The CIP is a means of implementing the City's General Plan and community plans. Sections 65103 (c) and 65401

(Attachment 2) of the State's Planning and Zoning law require that the CIP be submitted by the Planning Commission to City Council with assurance of general plan conformance prior to adoption. In addition to state requirements, Council Policy 800-06 (Attachment 3) states that the annual preparation of the Capital Improvements Program shall be primarily based upon the General Plan, which includes community plans, and adopted growth management strategies.

The General Plan includes policies designed to maximize the optimal allocation of resources and implementation of the General Plan through the annual CIP process. General Plan Policy PF-A.4 calls for the City to "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," and Policy PF-A.4.a is to "review all capital projects for consistency with adopted planning documents, including the General Plan, community plans, public facilities financing plans (PFFP), and others."

The General Plan also calls for 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 (Policy PF-B.3)." In accordance with the General Plan, staff has reviewed the proposed FY 2010 CIP projects for conformance with the General Plan and community plans. In addition, all projects have been evaluated through the City's Capital Improvement Project Review and Advisory Committee (CIPRAC). This committee is comprised of representatives from City departments to assess citywide needs and to prioritize projects in accordance with citywide ranking criteria per Council Policy 800-14 (Attachment 4).

DISCUSSION

The City of San Diego's Proposed FY 2010 Budget, describes the capital improvement projects proposed for Fiscal Years 2010 through 2020. Included in this comprehensive program are the citywide annual allocations; water and sewer facilities; major street and bikeway projects; park and library improvements; facilities to improve the delivery of fire services; and other public improvements to support the economic, social and physical development of the City.

The following table illustrates some of the significant funding sources included in the total proposed CIP budget of \$480.5 million:

REVENUE SOURCE	PROPOSED AMOUNT	PERCENT OF CIP
Water Revenues	\$149.8 million	31%
Sewer Revenues	\$134 million	28%
FBA & DIF	\$65.1 million	14%
Utility Surcharges	\$48.8 million	10%
TransNet Funds	\$28.2 million	6%
Capital Outlay	\$21.8 million	5%

Water and Sewer Projects (\$283.8 million) - These are projects funded from rates and service charges. While major treatment facilities are typically identified in community plans, other types

of water and sewer projects such as pipeline replacement, are allocated as “citywide” projects and are not usually specifically identified in community plans. However, these projects are considered in conformance with the plans as they are needed to provide essential services to the existing and proposed development that is anticipated in the community plans. In addition, the General Plan contains numerous policies in the Public Facilities Services and Safety Element, and the Conservation Element that are implemented by continued improvement and maintenance of the water and sewer systems.

Facilities Benefit Assessments (FBA) and Development Impact Fees (DIF) Projects (\$65.1 million) - FBA and DIF are mechanisms to secure private developer funding for public facility costs to offset the developments impact on the community facilities. FBA typically provide for 100% financing of facilities, while DIF are usually used in conjunction with other funding sources such as grants and TransNet to finance needed infrastructure. Public Facilities Financing Plans are prepared for each community identifying specific projects for future funding.

Utility Surcharges (\$48.8 million) - The City of San Diego, through its Utilities Undergrounding Program, is currently relocating approximately 30-35 miles of overhead utility lines underground throughout the city each year. In addition to utilizing statewide funds for undergrounding, the City's aggressive plans for under-grounding overhead utilities is funded primarily through a 2003 California Public Utilities Commission approved undergrounding surcharge on San Diego residents' electricity bills.

TransNet Projects (\$28.2 million) - TransNet is a half-cent countywide sales tax that helps fund numerous transportation projects in the region. It is administered by the San Diego Association of Governments (SANDAG). The purpose of TransNet is to fund essential transportation improvements that relieve traffic congestion, increase safety, and improve air quality. While funding is limited, these multi-modal projects are important in implementing the General Plan's vision for a multi-modal mobility system. Citywide allocations of TransNet funding are allocated to Engineering and Capital Projects for transportation/design, and traffic engineering operations. In addition, the General Services Department receives a portion of the funding for street maintenance services.

Capital Outlay Funds (\$21.8 million) – Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public improvements or real property; replacement or reconstruction of public facilities; and other improvements of a permanent character. Repair or maintenance expenditures, cannot be made from the Capital Outlay Funds. Revenue for the Capital Outlay Funds is derived primarily from the sale of City-owned property.

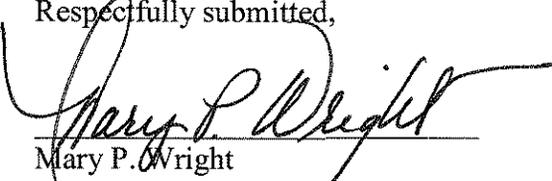
The CIP budget does not include the FY 2010 budgets for CCDC, SEDC, and the City's Redevelopment Division other than continuing CIP commitments. These budgets are adopted separately from the City's Proposed CIP Budget. The budgets for each of the agencies are approved by their respective boards prior to submittal to the City Council, acting as the Redevelopment Agency, for final approval.

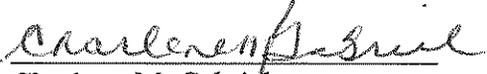
In an effort to enhance community input and involvement, CIP project sheets were distributed to all community planning groups on April 21, 2009, for review. This information was distributed in order to provide the individual planning groups notice of the Planning Commission hearing and the opportunity to review the Proposed FY 2010 CIP and make any comments prior to, or at the Planning Commission hearing.

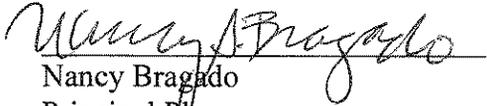
As previously noted, all projects scheduled for FY 2010 have been reviewed by the Planning Division of the City Planning & Community Investment Department and have been found to be in conformance with the General Plan and the appropriate community plans and associated Local Coastal Programs. In many cases, the community plans are silent on the details of specific projects, so the determination of "conformance" is made based on the project meeting general goals for public health, safety and welfare.

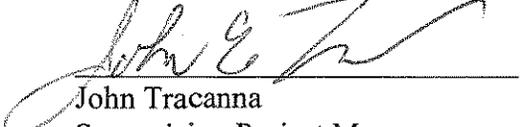
Further information is contained in the attachments. Attachment 5 of this report lists all the proposed FY 2010 CIP projects within each community as well as the full list of projects receiving any funding this coming fiscal year. Attachment 6 of this report shows the proposed FY 2010 CIP Allocation for water and sewer expansion and replacement by community and citywide, and Attachment 7 indicates proposed projects for some of the other significant revenue sources.

Respectfully submitted,


Mary P. Wright
Deputy Director
City Planning & Community Investment
Planning Division


Charlene M. Gabriel
Facilities Financing Manager
City Planning & Community Investment
Facilities Financing


Nancy Bragado
Principal Planner
City Planning & Community Investment
Planning Division


John Tracanna
Supervising Project Manager
City Planning & Community Investment
Facilities Financing

- Attachments:
1. Draft Planning Commission Resolution
 2. Sections 65103 (c) and 65401 of the Planning and Zoning Law of the State of California
 3. Council Policy 800-06
 4. Council Policy 800-14
 5. Proposed FY 2010 CIP/All Revenue Sources Allocation by Community
 6. Proposed FY 2010 CIP/ Allocation for Sewer and Water Revenue Sources
 7. Proposed FY 2010 CIP/Allocation for Other Significant Revenue Sources