

**CITY OF ENCINITAS**  
**INFRASTRUCTURE TASK FORCE**  
**MEETING NOTICE**  
**MONDAY, AUGUST 28, 2023**  
**5:00 PM – 7:00 PM**  
**Encinitas City Hall, Poinsettia Room**

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT/SECTION 504 REHABILITATION ACT OF 1973 AND TITLE VI, THIS AGENCY IS AN EQUAL OPPORTUNITY PUBLIC ENTITY AND DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, ETHNIC ORIGIN, NATIONAL ORIGIN, SEX, RELIGION, VETERAN STATUS OR PHYSICAL OR MENTAL DISABILITY IN EMPLOYMENT OR THE PROVISION OF SERVICE. IF YOU REQUIRE SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT BRANDI LEWIS AT 760-633-2774 AT LEAST 72 HOURS PRIOR TO THE MEETING.

**CALL TO ORDER / ROLL CALL**

Committee Members: Linda Culp (Chair), Scott Maloni (Vice Chair), Nicole A. Moreland, Dianna Mansi Nunez, Kendra Rowley, Richard (Dick) Stern, Nivardo Valenzuela

**CHANGES TO THE AGENDA**

**AGENDA ITEMS**

**1. PUBLIC COMMENT ON AGENDA RELATED ITEMS (3 MINUTES/SPEAKER)**

*To speak on items, please submit a speaker slip to the Committee Secretary. Comments may be sent via email to [blewis@encinitasca.gov](mailto:blewis@encinitasca.gov). Email comments will be forwarded to the Committee and included in the meeting record.*

**2. APPROVAL OF MEETING MINUTES OF THE AUGUST 7, 2023 MEETING**

- a. ATTACHMENT: Meeting Minutes from August 7, 2023 Meeting
- b. RECOMMENDED ACTION: Approve Minutes

**3. PRESENTATION: FUNDING OPPORTUNITIES AND POTENTIAL NEW REVENUE AMOUNT – TASK FORCE CONSULTANT, HARRIS & ASSOCIATES**

- a. ATTACHMENTS:
  - 1. ITF Funding Options PowerPoint Presentation (PDF)
  - 2. ITF Funding Options Matrix
  - 3. Assessment Districts
- b. RECOMMENDED ACTION: Receive Presentation

**4. PRESENTATION: UPDATED RANKING RUBRIC – TASK FORCE CONSULTANT, KIMLEY HORN**

- a. ATTACHMENT:
  - 1. Updated Ranking Rubric PowerPoint Presentation (PDF)
- b. RECOMMENDED ACTION: Receive Presentation and Provide Direction on Ranking Style to be Used.

**5. ADDITIONAL PUBLIC COMMENT ON AGENDA RELATED ITEMS (3 MINUTES/SPEAKER)**

*To speak on items, please submit a speaker slip to the Committee Secretary.*

**6. NEXT MEETING: Monday, September 18, 2023.**

**Primary Topic: Review and Discussion of Ranking Criteria (Rubric)**

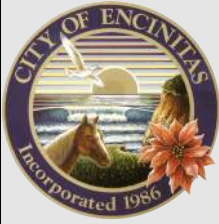
**7. ADJOURNMENT**

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I, Brandi L. Lewis, certify that I caused the above Notice/Agenda to be posted on the City Hall bulletin board on August 25, 2023.

  
Infrastructure Task Force Committee Secretary

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# CITY OF ENCINITAS INFRASTRUCTURE TASK FORCE

MEETING MINUTES  
MONDAY, AUGUST 7, 2023  
Encinitas City Hall, Poinsettia Room

Archived Committee Recordings may be viewed on the City's webpage at:  
<https://encinitasca.gov/Government/Agendas-Webcasts>

## CALL TO ORDER / ROLL CALL

Chair Culp called the meeting to order at 5:00 p.m.

**Present:** Task Force Members: Linda Culp (Chair), Scott Maloni (Vice Chair), Kendra Rowley, Nicole Moreland, Richard (Dick) Stern, Nivardo Valenzuela, Dianna Mansi Nunez, via teleconference from 466 N. Coast Highway 101, Encinitas, CA 92024

**Absent:** Brandi Lewis, Taks Force Coordinator

**Staff Representatives:** Jill Bankston, Engineering Department Director/City Engineer and Task Force Manager; Amanda Bariteau

**Other Attendees:** Edgar Torres, Kimley-Horne; Teresa McBroom, Finance Director

## CHANGES TO THE AGENDA

(Announce Administrative Changes to the Agenda in compliance with the Brown Act.)

a. None

### 1. ORAL COMMUNICATIONS/PUBLIC COMMENT

a. None

### 2. APPROVAL OF MEETING MINUTES OF THE JULY 24, 2023 MEETING

- a. RECOMMENDED ACTION: Approve Minutes
- b. ACTION: Approved (Maloni/Moreland, 7-0)

### 3. PRESENTATION AND DISCUSSION OF MASTER PROJECT LIST

- a. RECOMMENDED ACTION: Review and Discussion of Master Project List
- b. ACTION: Receive presentation from Edgar Torres, Kimley-Horn.
- c. General Committee Discussion and Direction on the Following Topics:
  - Drainage Projects and Facilities Condition Assessment/Implementation will be listed as a program vs itemized projects. The last facilities assessment was approx. 10 years ago, so specific projects are not known until a new assessment can be done.
  - Discussion and consideration for ITF to provide ranking on the Enterprise Fund/Utility projects; general consensus to address the 292 project line items

first. Enterprise projects were presented as informational and project ranking may fall outside the scope of ITF.

- ITF requested the following actions/information:
  - Presentation to be posted to the Website tomorrow.
  - Consultant to double check if identified funding is included in the total ask for Coastal Management.
  - Include the staff ranking in the list
  - “Donut Chart” projects be tagged/referenced in the Matrix

#### **4. PRESENTATION AND DISCUSSION OF Q&A MATRIX**

- a. RECOMMENDED ACTION: Review and Discussion of Q&A Matrix.
- b. ACTION: Receive presentation from Edgar Torres, Kimley-Horn.
- c. General Committee Discussion and Direction on the Following Topics:
  - SANDAG is considering a sales tax increase which may impact a possible local tax increase.
  - Current/potential Mello Roos and requirements.
  - TOT Tax rates in Encinitas vs other cities; options/ability to split TOT tax at different rates based on category (Short Term Rentals vs Hotels).
  - ITF requested the following actions/information:
    - Why Sales Tax is capped at 8.25% for Encinitas when other cities have higher rates (Line Item 7).
    - Breakdown of property tax revenues.
    - Historical information on any previous TOT rate increases
    - Breakdown of total TOT tax dollars received, separated by source (short term rentals vs hotels)
    - Add recent fee updates (Parks and Rec, Planning and Engineering) to ITF Resource Page

#### **7. ADDITIONAL PUBLIC COMMENT ON AGENDA RELATED ITEMS (3 MINUTES/SPEAKER)**

- a. None

8. NEXT MEETING: Monday, August 28, 2023  
Primary Topic: Funding Opportunities and Potential New Revenue Amount

9. ADJOURNMENT **6:05pm**

# INFRASTRUCTURE TASK FORCE FUNDING OPTIONS

CITY OF ENCINITAS

August 28, 2023



# PROJECT TEAM

**Megan Quinn**



Director,  
Municipal + District Finance

**Donna Segura**



Director,  
Municipal + District Finance

**Anna Tan-Gatue**



Project Manager,  
Municipal + District Finance

**Connie Huynh Fife**



Project Manager,  
Municipal + District Finance



# PRESENTATION AGENDA

- Background & Task
- Funding Options Overview & Matrix
- Ballot Initiatives Overview
- Funding Options Details
- Questions



# TASK

## IDENTIFY FUNDING SOURCES

- Matrix of potential funding sources to fund City Infrastructure
- Not Municipal Financial Advisors
- City Staff identified needed projects:
  - Engineering – Capital Improvements
  - Engineering – Traffic/Mobility
  - Utilities – SDWD/Water/Sewer
  - Information Technology
  - Public Works
  - Development Services – Climate Action
  - Development Services – Coastal Management
  - Public Safety – Fire/Marine
  - Parks, Recreation, and Cultural Arts



ENCINITAS:  
\$948 MIL  
IN CAPITAL  
PROJECT NEEDS

# FUNDING OPTIONS

- **Requires 2/3 Voter Approval**
  - Special District Parcel Tax
  - Community Facility Districts (a.k.a Mello-Roos)
  - Public Bond Measure
- **Requires 1/2 Voter Approval**
  - Assessment District
  - General Sales Tax Increase
  - Transient Occupancy Tax Increase
- **Requires Studies and Fee Calculations**
  - Development Impact Fee Update/New Fees
  - Transportation Utility Fee
- **Requires Special Conditions/Agreements**
  - Enhanced Infrastructure Financing District
  - Private Loans/Borrowing
  - Grants
  - Public Private Partnerships



# FUNDING MATRIX – REQUIRES 2/3 VOTER APPROVAL

	Special District	Community Facility District (CFD)	Public Bond Measure
Description	Parcel tax for a specific purpose	Special tax district to fund public improvements and services	Long-term borrowing that governments frequently use to raise money - the loan repayment comes from a tax on all taxable property within that jurisdiction's boundaries
Authority	Laws passed by the State Legislature, Principal Acts	Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et. seq.)	Laws passed by the State Legislature
Eligible for Funding	Specific or particular purpose only	Public services and capital projects, including maintenance	Primarily used for long-lived infrastructure assets, Bond will identify eligible projects
Rate & Methodology	Apportioned out to each parcel within the special district	Not subject to strict principles of benefit assessment, tax formula must be reasonable, allows for defined tax exemptions	Bond amount is set - duration of loan established (usually 30 years) and is repaid by taxpayers over the length of the bond
Assessment	Fixed rate per property parcel based on either square footage or flat charge for a specified length of time	Maximum Annual Special Tax Rate, may run in perpetuity	Payback of loan is dispersed through collection of taxes
Concerns	Requires ballot measure, costly, requires 2/3 registered voter approval	Higher taxes and can be complex to administer when funding public improvements through bonding, requires 2/3 registered voter approval  If less than 12 registered voters, may be a landowner vote, requires 2/3 of all acreage within district boundary in favor for approval	Requires ballot measure, costly, requires 2/3 registered voter approval
Why use this?	Can be used for specific or particular purpose, not subject to Prop 13 limitations	Broadest range of eligible funding, may fund 100% of costs, allows for expedited future annexations – best used in developing areas	Can be used for specific or particular purpose, not subject to Prop 13 limitations
Primary Steps to Complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with attorney general for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (2/3 supermajority vote for approval)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Initiation of CFD</li> <li>3. Adoption of Local Goals and Policies, Proposal of Resolution of Intention</li> <li>4. Public Hearing, Adoption of Resolution of Formation</li> <li>5. Election (2/3 supermajority vote when &gt;12 voters)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with attorney general for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (2/3 supermajority vote for approval)</li> </ol>
Timeframe	Estimate 12 to 24 months	Estimate 9 to 12 months	Estimate 18 to 24 months
Potential Funding	Requires additional information to determine Sample Range: \$9/parcel to \$1500/parcel County PRD	Requires additional information to determine Sample Range: Encinitas Ranch = \$541/parcel to \$2,770/parcel	Varies – No limit Currently maxed out on bond capacity

# FUNDING MATRIX – REQUIRES 1/2 VOTER APPROVAL

	Assessment District (AD)	General Sales Tax Increase	Transient Occupancy Tax Increase
Description	Benefit assessment to fund certain public improvements and services	General Local Sales Tax (percentage increase range 0.125%-2%)	TOTs are imposed on rooms or living spaces at hotels, inns, rental houses, homes, motels, or campsites
Authority	Improvement Act of 1911 Municipal Improvement Act of 1913	Laws passed by the State Legislature	Revenue & Taxation Code Sec. 7280
Eligible for Funding	Public services and capital projects	General Services (goes to General Fund) - measure could be overseen by advisory committee directing funds to be earmarked to specific programs	General Services (goes to General Fund)
Rate & Methodology	Mathematical formula based on how much each property will benefit, if a property benefits it must be assessed	Sales Tax revenue generated from increased sales tax apportioned to the City from County	In CA, the TOT rate varies by locality, but it typically ranges from 8% to 15.5% of the room rate
Assessment	Fixed percentage of total district debt assigned to each parcel, requires annual public hearing process	Fixed rate increase on sales of goods and services	The TOT is collected by the lodging establishment and then remitted to the local government
Concerns	Cannot assess for general benefit (defined as benefit to the public at large or benefits that are not property related, for example, through traffic on arterial roadway, traffic signals, protection of life). 5-year limitation on funding capital improvements for streets, roads or highways. Unless narrowly crafted, unable to fund 100% of a program due to general benefits	Requires ballot measure, costly to campaign for, requires 1/2 registered voter approval	Requires ballot measure, requires 1/2 registered voter approval
Why use this?	Can be used in undeveloped areas and/or established areas to fund public infrastructure and services	Can be used for specific or particular purpose, not subject to Prop 13 limitations	Does not typically produce financial hardship on residents. No cap.
Primary Steps to Complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Resolution of Intention</li> <li>3. Prop 218 ballots mailed to each property owner in the district</li> <li>4. Public Hearing</li> <li>5. Adoption of Resolution of Formation</li> <li>6. Election (majority protest, weighted, of ballots returned)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with attorney general for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (1/2 majority vote for approval)</li> </ol>	<ol style="list-style-type: none"> <li>1. Proposal filed with attorney general for ballot title</li> <li>2. Signature gathering</li> <li>3. Legislative hearings on proposal</li> <li>4. Submission of signatures</li> <li>5. Ballot Measure (1/2 majority vote for approval)</li> </ol>
Timeframe	Estimate 6 to 12 months	Estimate 18 to 24 months	Estimate 6-12 months
Potential Funding	Requires additional information to determine Sample Encinitas tax rate = 1.09437 Sample Oceanside tax rate = 1.11051	Current Sales Tax = 7.75% 0.5% increase = ~ \$8.5 Million 1.0% increase = ~\$17 Million	Current TOT = 10% 1% increase in TOT = ~\$44,000 annually (based on FY 21-22) (Data from ITF Q& A Matrix)

# FUNDING MATRIX –REQUIRES STUDIES & FEE CALCS

	Development Impact Fee Update / Additional DIFs	Transportation Utility Fee
Description	One-time charges applied to new developments for facilities	Fee to fund transportation services.
Authority	Assembly Bill 1600 (Mitigation Fee Act)	Laws passed by the State Legislature
Eligible for Funding	Capital Costs for new improvements only	In CA, TUFs can only be levied as a fee for a service—i.e., to fund transit service. It cannot be linked to larger health and safety purposes
Rate & Methodology	Fair share based on a rational nexus test	Typically assess the fee using a per trip methodology
Assessment	One-time fee on new development to mitigate impacts	TUF is usually paid monthly as part of the utility bill or along with the property tax payments
Concerns	Cannot fund existing deficiencies, ongoing maintenance, or salaries	CA cities have not implemented TUFs yet – may have liability issues or face extreme backlash
Why use this?	Tried and true method of funding new development's share of capital facility costs. Does not impact property taxes	Jurisdictions have typically tried to levy TUF as a fee rather than as a tax to avoid voting
Primary Steps to Complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Public Hearing</li> <li>3. Adoption of ordinance &amp; resolution</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify Fee Type (Fee, Special Fee, Assessment, general tax, or special tax)</li> <li>2. TUF as a special tax is likely the most defensible option legally.</li> <li>3. (See Special District Parcel Tax)</li> </ol>
Timeframe	Estimate 4 to 5 months	Estimate 18 to 24 months
Potential Funding	Varies – depends on new development and fee update FY 22/23 Traffic Fees were \$276K 20% Traffic Fee increase = +\$56K FY 22/23 Flood Control was \$81K 20% Flood Control Fee increase = +\$16K	Varies

# FUNDING MATRIX – REQUIRES SPECIAL CONDITIONS/AGREEMENTS

	Enhanced Infrastructure Financing District	Loans / Borrowing	Public Private Partnerships	Grants
Description	Special financing district that utilizes a portion of tax increment revenue to finance projects within the EIFD	Private loans (private placements) /borrowing from accredited banking institutions	Collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects	Funding given by a government or other organization for a particular purpose
Authority	Laws passed by the State Legislature	General Police Power (California Constitution Article XI, Section 7)	City and Private Entity	Grantee organization
Eligible for Funding	Public infrastructure projects, infrastructure maintenance, affordable housing development, economic development, etc.	Generally, anything the entity would like to spend funds on, as long as they can pay back the loan to bank	Depends on partnership agreement terms, common projects: public transportation networks, parks, and convention centers	Depends on grant terms
Rate & Methodology	Increment increase in property tax is diverted into a separate pool of money, which can be used to pay for improvements or pay back bonds	Lump Sum	Could be lump sum, earmarked for specific use, matching funds, reimbursement	Could be lump sum, earmarked for specific use, matching funds, reimbursement
Assessment	Tax increment over the base amount; uses the growth from existing tax revenues	Likely general fund will pay back loan	Varies	Grantee may require phased delivery of funds
Concerns	Cumbersome administrative process and increase public engagement requirements; need to form Public Financing Authority for oversight	Financial Risk – Poor terms (higher interest rates), potential for accelerated/immediate repayments	Few big businesses within City Limits that would be viable partners	Unpredictable, Competitive pool of applicants, many grants are for lower income communities
Why use this?	No voter requirement for formation or bond issuance (Assembly Bill 116 - 2019)	Lower issuance costs, fewer disclosure requirements, faster execution process	Often times free money	Often times free money, typically requires a 20% match.
Primary Steps to Complete	<ol style="list-style-type: none"> <li>1. Form team</li> <li>2. Evaluate EIFD feasibility</li> <li>3. Conduct outreach</li> <li>4. Initiate formal process</li> <li>5. Prepare Infrastructure Financing Plan</li> <li>6. Pre-adoption / Public Hearings</li> <li>7. Approval and Formation</li> </ol>	<ol style="list-style-type: none"> <li>1. Request private placement terms from multiple accredited banking institutions</li> <li>2. Identify which has best terms for City's interest</li> <li>3. Execute agreement between bank and City</li> </ol>	<ol style="list-style-type: none"> <li>1. Coordinate with Economic Development Team</li> <li>2. Identify viable private partnership opportunities</li> <li>3. Secure agreement</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify grant opportunities</li> <li>2. Submit grant application (typically involves heavy staff involvement)</li> </ol>
Timeframe	Estimate 12-18 months	Estimate 3-6 months	Varies	Varies
Potential Funding	Dependent upon tax revenue growth	Varies Currently maxed out on loan capacity	Varies	Varies

# BALLOT INITIATIVES STEPS

1

Public Outreach

2

Proposal filed with Attorney General for  
Ballot Title

3

Signature Gathering

4

Legislative hearings on proposal

5

Submission of signatures

6

Ballot Measure

# BALLOT INITIATIVES REQUIRED VOTES

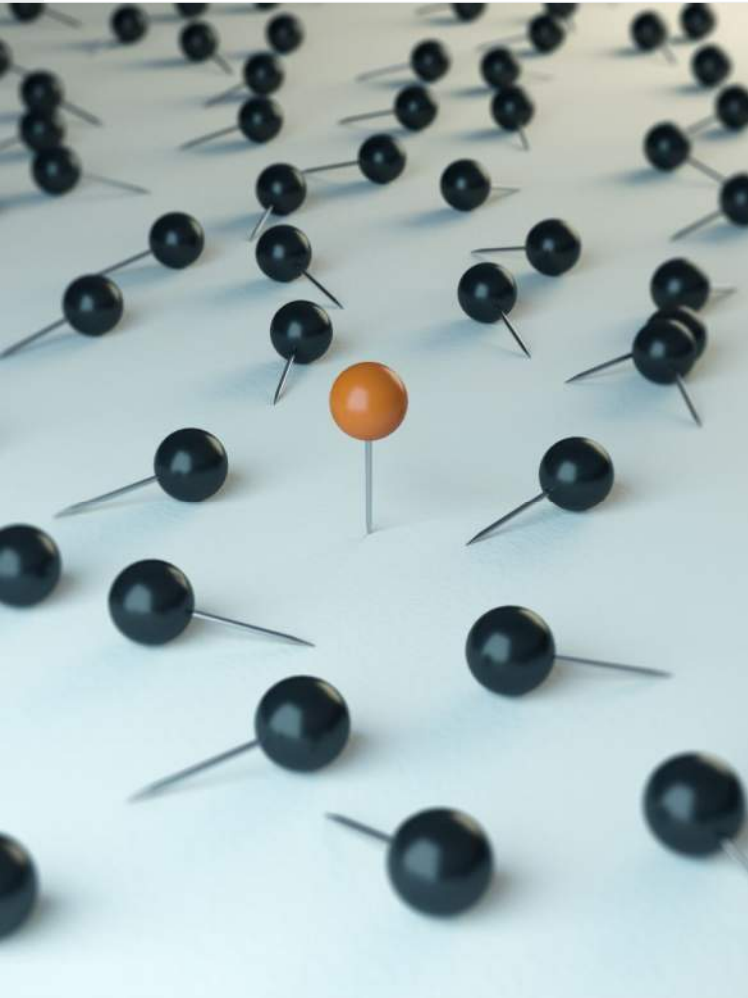
## 2/3 VOTES

- Special District
- Community Facility District
- Public Bonds

## 1/2 VOTES

- General Sales Tax Increase (Special 2/3)
- Transient Occupancy Tax Increase (Special 2/3)
- Assessment District





# SPECIAL DISTRICTS

## PARCEL TAX FOR A SPECIFIC PURPOSE

- District Boundary established based on funding benefits
- 2/3 Voter Requirement
- Can be used for specific or particular purpose
- Not Subject to Prop 13 limitations
- Can take up to 2 years to form
- City Sample Range: \$9/parcel to \$1500/parcel County PRD

# COMMUNITY FACILITY DISTRICTS (CFD)

## SPECIAL TAX DISTRICT TO FUND PUBLIC IMPROVEMENTS AND SERVICES

- a.k.a. Mello Roos
- Often used for new developments
  - Master planned communities
  - Allows for expedited future annexations
- 2/3 Voter Requirement
- Broadest range of eligible funding
  - Can be used for maintenance funding
- Can sunset or be in perpetuity
- Can take up to 1 year to form
- City Sample Range: Encinitas Ranch = \$541/parcel to \$2,770/parcel





# PUBLIC BOND MEASURE

## LONG-TERM BORROWING USED TO RAISE MONEY

- Primarily used for long-lived infrastructure assets
- Bond will identify eligible projects
- Bond amount is set - duration of loan established (~ 30 years) and repaid by taxable property within the jurisdiction over length of the bond
- 2/3 Voter Requirement
- City: Currently maxed out on bond capacity

# ASSESSMENT DISTRICT

## BENEFIT ASSESSMENT TO FUND PUBLIC IMPROVEMENTS AND SERVICES

- Cannot assess for general benefits (benefit to the public at large – ex. through traffic on arterial roadway)
- Examples of potential funding (improvements with a direct and special benefit)
  - Lighting
  - Drainage
  - Flood control facilities
  - Sidewalks, curbs and gutters
- Maintenance can only be funded on projects completed with AD funds
- Can take 6-12 months to form
- Sample Encinitas tax rate = 1.09437
- Sample Oceanside tax rate = 1.11051



# SALES TAX INCREASE

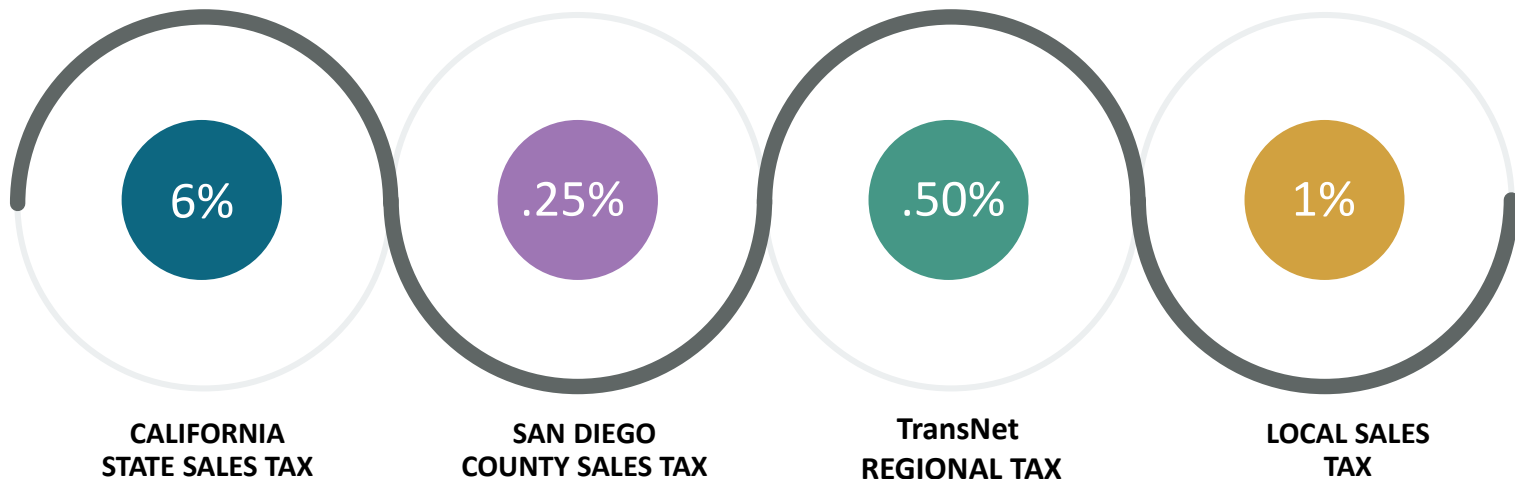
## GENERAL LOCAL SALES TAX INCREASE (RANGE 0.125%-2%)

**ENCINITAS  
SALES TAX  
7.75%**

- 8.75%
  - Del Mar
  - Solana Beach
  - Chula Vista
  - Imperial Beach
  - National City

- 8.5%
  - La Mesa

- 8.25%
  - Oceanside
  - Vista
  - El Cajon



**0.5% TAX INCREASE = ~\$8.5 MILLION**

- 1/2 voter requirement for General
- 2/3 voter requirement for Special

**JB0** SANDAG is floating a 0.5% sales tax for November 2024.

Jill Bankston, 2023-08-22T15:51:10.773



# TRANSIENT OCCUPANCY TAX INCREASE

TAXES IMPOSED ON ROOMS AT HOTELS, INNS, RENTAL HOMES, MOTELS, CAMPSITES, ETC.



<p style="text-align: center;"><b>ENCINITAS TOT TAX 10%</b></p>	<p style="text-align: center;"><b>8 % = GENERAL 2 % = SAND REPLENISHMENT &amp; STABILIZATION</b></p>
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- 1/2 voter requirement for General
- 2/3 voter requirement for Special

- 14%
- Imperial Beach
- National City
  
- 13%
- Solana Beach
  
- 12.5%
- Del Mar
- San Diego
- (12.5% >70 rooms, 10.5% if <70 rooms)
  
- 10%
- Carlsbad (+2% in 2 tourism districts)
  - Coronado
  - El Cajon
  - Escondido
  - Oceanside
  - Poway
  - San Marcos
  - Vista

**1% TOT  
INCREASE =  
~\$44,000**



# DEVELOPMENT IMPACT FEE UPDATE

## ONE-TIME CHARGES ASSESSED ON NEW DEVELOPMENT FOR PUBLIC FACILITIES NEEDED TO SERVE NEW DEVELOPMENT

- City of Encinitas last updated 2015
  - Fees do not have automatic adjustments to CCI
- Requires Nexus Study Update to determine fair share of improvements to new development (~6-12 months)
- Current DIFs collected: Park Development, Park Acquisition, Traffic Mitigation, Open Space Acquisition, Recreational Trails, Community Facilities, Fire Mitigation, Flood Control
  - Comprehensive list compared to surrounding jurisdictions
- Beneficial to jurisdictions with heavy growth projections to accumulate enough funding to fund public infrastructure
- FY 22/23 Traffic Fees = \$276K (20% Traffic Fee increase = +\$56K)
- FY 22/23 Flood Control = \$81K (20% Flood Control Fee increase = +\$16K)

# TRANSPORTATION UTILITY FEE

## FEE TO FUND TRANSPORTATION SERVICES

- Very specific to transportation
  - Mineta Transportation Institute (MTI)  
Study for TUF to fund transit in California
- Fee to fund a transportation service
  - Cannot be linked to larger health and safety purposes
- CA cities have not implemented TUFs yet
  - No real good case samples to understand risks/public sentiment





# ENHANCED INFRASTRUCTURE FINANCING DISTRICT

## TAX INCREMENT FINANCING

- Funds generated from the growth in property taxes collected from within a designated district boundary - diverts revenue to a separate fund
- EIFDs were recently updated to serve as a financing tool for both large scale community-wide benefit projects and urban/rural in-fill projects
- New funding opportunity after redevelopment dissolved
- Does not increase property taxes
- Mainly used for Economic Development projects
- Can be used to fund infrastructure maintenance and housing development, economic development, transportation infrastructure, sewage treatment, and climate adaptation projects
- Potential funding dependent upon tax revenue growth



# PRIVATE LOANS / BORROWING

## WITH ACCREDITED BANKING & LENDING INSTITUTIONS

- Positives:
  - Access to funding quickly (lump sum)
  - Lower issuance cost (as compared to public outreach and campaigning for ballot measures)
- Concerns:
  - Potential high interest rates (as compared to public bonds)
  - Potential for accelerate/immediate repayments
- Clean Water State Revolving Funds – Water and Wastewater Infrastructure loans
  - Generally priced at much lower rates than bonds or other debts
- City: Currently maxed out on loan capacity





# PUBLIC PRIVATE PARTNERSHIP

COLLABORATION BETWEEN A PUBLIC AGENCY AND A PRIVATE COMPANY TO PROVIDE A MUTUALLY BENEFICIAL ARRANGEMENT

- Mechanism for government to procure and implement public infrastructure and/or services using the resources and expertise of the private sector
- Consider big revenue generator businesses in Encinitas
- Consider mutually beneficial possibilities
  - Marketing/Branding
  - Use of public spaces for events
  - Sponsorship/naming of public infrastructure
  - Fundraisers
    - Charitable Donations
    - Tax incentives



# GRANTS

## FUNDING AWARDED BY AN ENTITY FOR A PARTICULAR PURPOSE

- Often times one time source of funding
- Requires effort to secure grant and once awarded, administration and reporting requirements
- Often targets lower income communities
- Typically includes funding contribution/matching requirements from the jurisdiction
- Potential Grant Opportunities:
  - Regional Climate Collaboratives Program
  - REAP 2.0 – Regional Utilities Supporting Housing
  - 2023 Public Works and Economic Adjustment Assistance (PWEAA)
  - 2022 State Transportation Improvement Program (STIP) / Interregional Transportation Improvement Program (ITIP)
  - CalTrans Grants – none available right now, but great opportunity to assist with transportation project needs
  - Bureau of Reclamation – potential funding for Watershed Master Plan and Roadside Drainage projects





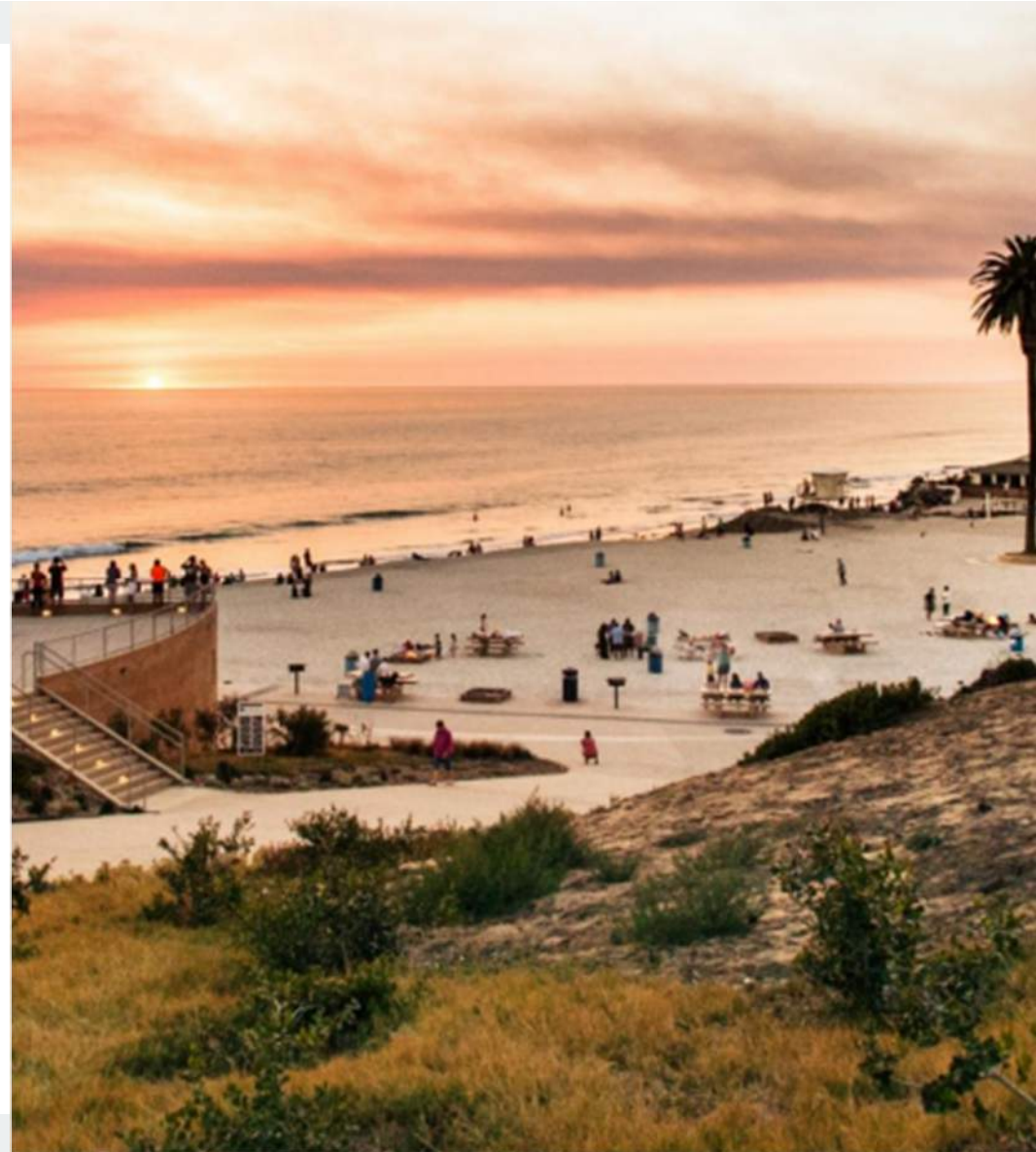
# QUESTIONS & THANK YOU

ENCINITAS ITF FUNDING OPTIONS

Megan Quinn

[megan.quinn@weareharris.com](mailto:megan.quinn@weareharris.com)

916-306-5704





## City of Encinitas - Infrastructure Funding Options

### (Requires 2/3 Voter Approval)

	<b>Special District</b>	<b>Community Facilities District (CFD)</b>	<b>Public Bond Measures</b>
Description	Parcel tax for a specific purpose	Special tax district to fund public improvements and services	Long-term borrowing that governments frequently use to raise money
Authority	Laws passed by the State Legislature, Principal Acts	Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et. seq.)	Laws passed by the State Legislature
Eligible for Funding	Specific or particular purpose only	Public services and capital projects, including maintenance	Primarily used for long-lived infrastructure assets, Bond will identify eligible projects
Rate and Methodology	Apportioned out to each parcel within the special district	Not subject to strict principles of benefit assessment, tax formula must be reasonable, allows for defined tax exemptions	Bond amount is set - duration of loan established (~ 30 years) and repaid by taxable property within the jurisdiction over length of the bond
Assessment	Fixed rate per property parcel based on either square footage or flat charge for a specified length of time	Maximum Annual Special Tax Rate, may run in perpetuity	Payback of loan is dispersed through collection of taxes
Concerns	Requires ballot measure, costly, requires 2/3 registered voter approval	Higher taxes and can be complex to administer when funding public improvements through bonding, requires 2/3 registered voter approval  If less than 12 registered voters, may be a landowner vote, requires 2/3 of all acreage within district boundary in favor for approval	Requires ballot measure, costly, requires 2/3 registered voter approval
Why use this approach?	Can be used for specific or particular purpose, not subject to Prop 13 limitations	Broadest range of eligible funding, may fund 100% of costs, allows for expedited future annexations – best used in developing areas	Can be used for specific or particular purpose, not subject to Prop 13 limitations
Primary steps to complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with Attorney General for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (2/3 supermajority vote for approval)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Initiation of CFD</li> <li>3. Adoption of Local Goals and Policies, Proposal of Resolution of Intention</li> <li>4. Public Hearing, Adoption of Resolution of Formation</li> <li>5. Election (2/3 supermajority vote when &gt;12 voters)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with Attorney General for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (2/3 supermajority vote for approval)</li> </ol>
Timeframe	Estimate 12 to 24 months	Estimate 9 to 12 months	Estimate 18 to 24 months
Potential Funding	Requires additional information to determine Sample Range: \$9/parcel to \$1500/parcel County PRD	Requires additional information to determine Sample Range: Encinitas Ranch = \$541/parcel to \$2,770/parcel	Varies – No limit Currently maxed out on bond capacity

## City of Encinitas - Infrastructure Funding Options

**(Requires 1/2 Voter Approval)**

	<b>Assessment District (AD)</b>	<b>General Sales Tax Increase</b>	<b>Transient Occupancy Tax (TOT) Increase</b>
Description	Benefit assessment to fund certain public improvements and services	General Local Sales Tax (percentage increase range 0.125%-2%)	TOTs are imposed on rooms or living spaces at hotels, inns, rental houses, homes, motels, or campsites
Authority	Improvement Act of 1911 Municipal Improvement Act of 1913	Laws passed by the State Legislature	Revenue & Taxation Code Sec. 7280
Eligible for Funding	Public services and capital projects	General Services (goes to General Fund)	General Services (goes to General Fund)
Rate and Methodology	Mathematical formula based on how much each property will benefit, if a property benefits it must be assessed	Sales Tax revenue generated from increased sales tax apportioned to the City from County	In CA, the TOT rate varies by locality, typical ranges from 8% to 15.5% of the room rate
Assessment	Fixed percentage of total district debt assigned to each parcel, requires annual public hearing process	Fixed rate increase on sales of goods and services	The TOT is collected by the lodging establishment, then remitted to the agency
Concerns	Cannot assess for general benefit (defined as benefit to the public at large or benefits that are not property related, for example, through traffic on arterial roadway, traffic signals, protection of life).  5-year limitation on funding capital improvements for streets, roads or highways.  Unless narrowly crafted, unable to fund 100% of a program due to general benefits.	Requires ballot measure, costly to campaign for, requires 1/2 registered voter approval	Requires ballot measure, requires 1/2 registered voter approval
Why use this approach?	Can be used in undeveloped areas and/or established areas to fund public infrastructure and services	Can be used for specific or particular purpose, not subject to Prop 13 limitations	Does not typically produce financial hardship on residents. No cap.
Primary steps to complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Resolution of Intention</li> <li>3. Prop 218 ballots mailed to each property owner in the district</li> <li>4. Public Hearing</li> <li>5. Adoption of Resolution of Formation</li> <li>6. Protest Hearing (majority protest, weighted, of ballots returned)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Proposal filed with Attorney General for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (1/2 majority vote for approval)</li> </ol>	<ol style="list-style-type: none"> <li>1. Public Outreach</li> <li>2. Proposal filed with Attorney General for ballot title</li> <li>3. Signature gathering</li> <li>4. Legislative hearings on proposal</li> <li>5. Submission of signatures</li> <li>6. Ballot Measure (1/2 majority vote for approval)</li> </ol>
Timeframe	Estimate 6 to 12 months	Estimate 18 to 24 months	Estimate 6-12 months
Potential Funding	Requires additional information to determine Sample Encinitas tax rate = 1.09437 Sample Oceanside tax rate = 1.11051	Current Sales Tax = 7.75% 0.5% increase = ~ \$8.5 Million 1.0% increase = ~\$17 Million (Data from ITF Q&A Matrix)	Current TOT = 10% 1% increase in TOT = ~\$44,000 annually (based on FY 21-22) (Data from ITF Q&A Matrix)

## City of Encinitas - Infrastructure Funding Options

### (Requires Studies and Fee Calculations)

	<b>Development Impact Fees (DIF) Update &amp;/or Additional DIFs</b>	<b>Transportation Utility Fee (TUF)</b>
Description	One-time charges assessed on new development for public facilities needed to serve new development	Fee to fund transportation services
Authority	Assembly Bill 1600 (Mitigation Fee Act)	Laws passed by the State Legislature
Eligible for Funding	Capital Costs for new improvements only and must be tied to new development	In CA, TUFs can only be levied as a fee for a service (i.e., to fund transit service) and cannot be linked to larger health and safety purposes
Rate and Methodology	Fair share based on a rational nexus test	Typically assess the fee using a per trip methodology
Assessment	One-time fee on new development to mitigate impacts	TUF is usually paid monthly as part of the utility bill or along with the property tax payments
Concerns	Cannot fund existing deficiencies, ongoing maintenance, or salaries. Limited large scale new development growth in the City.	CA cities have not implemented TUFs yet – may have liability issues or face extreme backlash
Why use this approach?	Tried and true method of funding new development's share of capital facility costs. Does not impact property taxes.	Jurisdictions have typically tried to levy TUF as a fee rather than as a tax to avoid voting
Primary steps to complete	<ol style="list-style-type: none"> <li>1. Public outreach</li> <li>2. Public Hearing</li> <li>3. Adoption of ordinance &amp; resolution</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify Fee Type (Fee, Special Fee, Assessment, general tax, or special tax)</li> <li>2. TUF as a special tax is likely the most defensible option legally</li> <li>3. (See Special District Parcel Tax)</li> </ol>
Timeframe	Estimate 6 to 9 months	Estimate 18 to 24 months
Potential Funding	Varies – depends on new development numbers and fee update FY 22/23 Traffic Fees were \$276K 20% Traffic Fee increase = +\$56K FY 22/23 Flood Control was \$81K 20% Flood Control Fee increase = +\$16K	Varies

## City of Encinitas - Infrastructure Funding Options

### Requires Special Conditions/Agreements

	<b>Enhanced Infrastructure Financing District (EIFDs)</b>	<b>Private Loans/Borrowing</b>	<b>Public Private Partnerships</b>	<b>Grants</b>
Description	Special financing district that utilizes a portion of tax increment revenue to finance projects within the EIFD	Private loans (private placements) /borrowing from accredited banking institutions	Collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects	Funding awarded by an entity for a particular purpose
Authority	Laws passed by the State Legislature	General Police Power (California Constitution Article XI, Section 7)	City and Private Entity	Grantee organization
Eligible for Funding	Public infrastructure projects, infrastructure maintenance, affordable housing development, economic development, etc.	Generally, anything the entity would like to spend funds on, as long as they can pay back the loan to bank	Depends on partnership agreement terms, common projects: public transportation networks, parks, and convention centers	Depends on grant terms
Rate and Methodology	Increment increase in property tax is diverted into a separate pool of money, which can be used to pay for improvements or pay back bonds	Lump Sum	Could be lump sum, earmarked for specific use, matching funds, reimbursement	Could be lump sum, earmarked for specific use, matching funds, reimbursement
Assessment	Tax increment over the base amount; uses the growth from existing tax revenues	Likely general fund will pay back loan	Varies	Grantee may require phased delivery of funds
Concerns	Cumbersome administrative process and increase public engagement requirements; need to form Public Financing Authority for oversight	Financial Risk – Poor terms (higher interest rates), potential for accelerated/immediate repayments	Few big businesses within City Limits that would be viable partners	Unpredictable, Competitive pool of applicants, many grants are for lower income communities
Why use this approach?	No voter requirement for formation or bond issuance (Assembly Bill 116 - 2019)	Lower issuance costs, fewer disclosure requirements	Often times free money	Often times free money
Primary steps to complete	<ol style="list-style-type: none"> <li>1. Form team</li> <li>2. Evaluate EIFD feasibility</li> <li>3. Conduct outreach</li> <li>4. Initiate formal process</li> <li>5. Prepare Infrastructure Financing Plan</li> <li>6. Pre-adoption / Public Hearings</li> <li>7. Approval and Formation</li> </ol>	<ol style="list-style-type: none"> <li>1. Request private placement terms from multiple accredited banking institutions</li> <li>2. Identify which has best terms for City's interest</li> <li>3. Execute agreement between bank and City</li> </ol>	<ol style="list-style-type: none"> <li>1. Coordinate with Economic Development Team</li> <li>2. Identify viable private partnership opportunities</li> <li>3. Secure agreement</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify grant opportunities</li> <li>2. Submit grant application (typically involves heavy staff involvement)</li> </ol>
Timeframe	Estimate 12-18 months	Estimate 3-6 months	Varies	Varies
Potential Funding	Dependent upon tax revenue growth	Varies Currently maxed out on loan capacity	Varies	Varies



**ASSESSMENT DISTRICTS**

**Encinitas**

**Tax Rate Area: 19006**  
**Fiscal Year: 2022/2023**

Fund	Fund Description	Rate
501800	COUNTY-PROPOSITION 13	1.00000
461550	GEN BOND CARDIFF-PROP E 3/07/2000, SERIES 2000A	0.03543
461552	GEN BOND CARDIFF-MEAS GG 11/8/2016 SERIES 2016A	0.01272
461553	GEN BOND CARDIFF-MEAS GG 11/8/2016 SERIES 2016B	0.00772
475554	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2013 A-2	0.00409
475556	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2015B-2	0.00346
475558	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2016C-2	0.00230
475560	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2018D-2	0.00079
475561	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2020 REF	0.00587
475562	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 REF	0.00124
475563	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 E-1	0.00260
475564	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 E-2	0.00108
495050	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016A	0.00208
495051	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016B	0.01063
495052	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016C	0.00086
672506	MWD D/S REMAINDER OF SDCWA 15019999	0.00350
<b>TOTAL RATE. . . . .</b>		<b>1.09437</b>

**Carlsbad:**

**Tax Rate Area: 09027**  
**Fiscal Year: 2022/2023**

Fund	Fund Description	Rate
501800	COUNTY-PROPOSITION 13	1.00000
481252	UNIF BOND CARLSBAD-PROP B 6/03/1997, SERIES 1997A	0.00000
481254	UNIF BOND CARLSBAD-PROP P 11/07/2006, SER 2009B	0.00873
481255	UNIF BOND CARLSBAD-PROP P 11/07/2006, SER 2011C	0.00392
481256	UNIF BOND CARLSBAD-PROP P 11/07/2006, SER 2011D	0.00401
481257	UNIF BOND CARLSBAD-PROP P 11/07/2006, 2014 REF	0.00534
481258	UNIF BOND CARLSBAD-PROP P 11/07/2006, 2016 REF	0.01323
481259	UNIF BOND CARLSBAD-PROP P 11/07/2006, 2017A REF	0.00000
481260	UNIF BOND CARLSBAD-PROP P 11/07/2006, 2017B REF	0.00518
481261	UNIF BOND CARLSBAD-MEAS HH 11/06/2018, 2019A	0.00477
481262	UNIF BOND CARLSBAD-MEAS HH 11/06/2018, 2021B	0.02049
495050	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016A	0.00208
495051	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016B	0.01063
495052	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016C	0.00086
672506	MWD D/S REMAINDER OF SDCWA 15019999	0.00350
<b>TOTAL RATE. . . . .</b>		<b>1.08274</b>

**Oceanside:**

**Tax Rate Area: 07000**  
**Fiscal Year: 2022/2023**

Fund	Fund Description	Rate
501800	COUNTY-PROPOSITION 13	1.00000
481856	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SER 2008A	0.01781
481858	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2010 REF	0.00000
481859	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SER 2008B	0.00000
481860	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SER 2008C	0.00000
481861	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2012 REF	0.00000
481862	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2014 REF	0.01184
481863	UNIF BOND OCEANSIDE-ELECTIONS 2000&2008 2015 REF	0.00727
481864	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SER 2008D	0.00530
481865	UNIF BOND OCEANSIDE-PROP G 3/07/2000, RESERVE	0.00000
481866	UNIF BOND OCEANSIDE-PROP H 6/03/2008, RESERVE	0.00000
481867	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2018 REF	0.00000
481868	UNIF BOND OCEANSIDE-PROP H 6/03/2008, 2018 REF	0.00526
481869	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SER 2008E	0.00355
481870	UNIF BOND OCEANSIDE-PROP H 6/03/2008, 2008F	0.01295
481871	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2020 REF	0.00000
481872	UNIF BOND OCEANSIDE-PROP H 6/03/2008, 2020 REF	0.00000
481873	UNIF BOND OCEANSIDE-MEAS W 11/03/2020, 2020A	0.02422
481874	UNIF BOND OCEANSIDE-PROP G 3/07/2000, 2021 REF	0.00380
481875	UNIF BOND OCEANSIDE-PROP H 6/03/2008, 2022 REF	0.00143
481876	UNIF BOND OCEANSIDE-PROP H 6/03/2008, SERIES 2008G	0.00001
495050	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016A	0.00208
495051	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016B	0.01063
495052	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016C	0.00086
672506	MWD D/S REMAINDER OF SDCWA 15019999	0.00350
<b>TOTAL RATE. . . . .</b>		<b>1.11051</b>

**Solana Beach:**

**Tax Rate Area: 18005**  
**Fiscal Year: 2022/2023**

Fund	Fund Description	Rate
501800	COUNTY-PROPOSITION 13	1.00000
468152	GEN BOND SOLANA BEACH-SFID2016-1A MEAS JJ 11/08/16	0.01251
468153	GEN BOND SOLANA BEACH-SFID2016-1B MEAS JJ 11/08/16	0.01255
475554	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2013 A-2	0.00409
475556	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2015B-2	0.00346
475558	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2016C-2	0.00230
475560	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2018D-2	0.00079
475561	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2020 REF	0.00587
475562	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 REF	0.00124
475563	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 E-1	0.00260
475564	HI BOND SAN DIEGUITO-PROP AA 11/06/2012, 2021 E-2	0.00108
495050	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016A	0.00208
495051	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016B	0.01063
495052	MIRA COSTA COMM COLL-MEAS MM 11/08/2016 SER 2016C	0.00086
672506	MWD D/S REMAINDER OF SDCWA 15019999	0.00350
<b>TOTAL RATE. . . . .</b>		<b>1.06356</b>

**Poway:**

**Tax Rate Area: 17031**  
**Fiscal Year: 2022/2023**

<b>Fund</b>	<b>Fund Description</b>	<b>Rate</b>
501800	COUNTY-PROPOSITION 13	1.00000
307251	PALOMAR HEALTH 2005A - DEBT SERVICE	0.03700
482053	UNIF BOND POWAY-SFID 2007-1,PROP C 2/05/08, SER B	0.00000
482056	UNIF BOND POWAY-SFID 2002-1, PROP U 11/5/02, 2002B	0.00000
482058	UNIF BOND POWAY-SFID 2007-1,PROP C 2/05/08, SER A	0.03056
482059	UNIF BOND POWAY-SFID 2002-1,PROP U 11/5/02,2011REF	0.00000
482060	UNIF BOND POWAY-SFID 2002-1,PROP U, 2014 REF	0.02283
482062	UNIF BOND POWAY-SFID 2002-1,PROP U 11/5/02,2019REF	0.00918
494051	PALOMAR COMMUNITY COLL PROP M 11/07/06, SER 2006B	0.00236
494052	PALOMAR COMMUNITY COLL PROP M 11/07/06, 2015 REF	0.00322
494053	PALOMAR COMMUNITY COLL PROP M 11/07/06, SER 2006C	0.00045
494054	PALOMAR COMMUNITY COLL PROP M 11/07/06, SER 2017D	0.00382
494055	PALOMAR COMMUNITY COLL PROP M 11/07/06, 2017 REF	0.00236
494056	PALOMAR COMMUNITY COLL PROP M 11/07/06, 2020 REF	0.00380
494057	PALOMAR COMMUNITY COLL PROP M 11/07/06, 2021 REF	0.00304
672506	MWD D/S REMAINDER OF SDCWA 15019999	0.00350
	<b>TOTAL RATE. . . . .</b>	<b>1.12212</b>

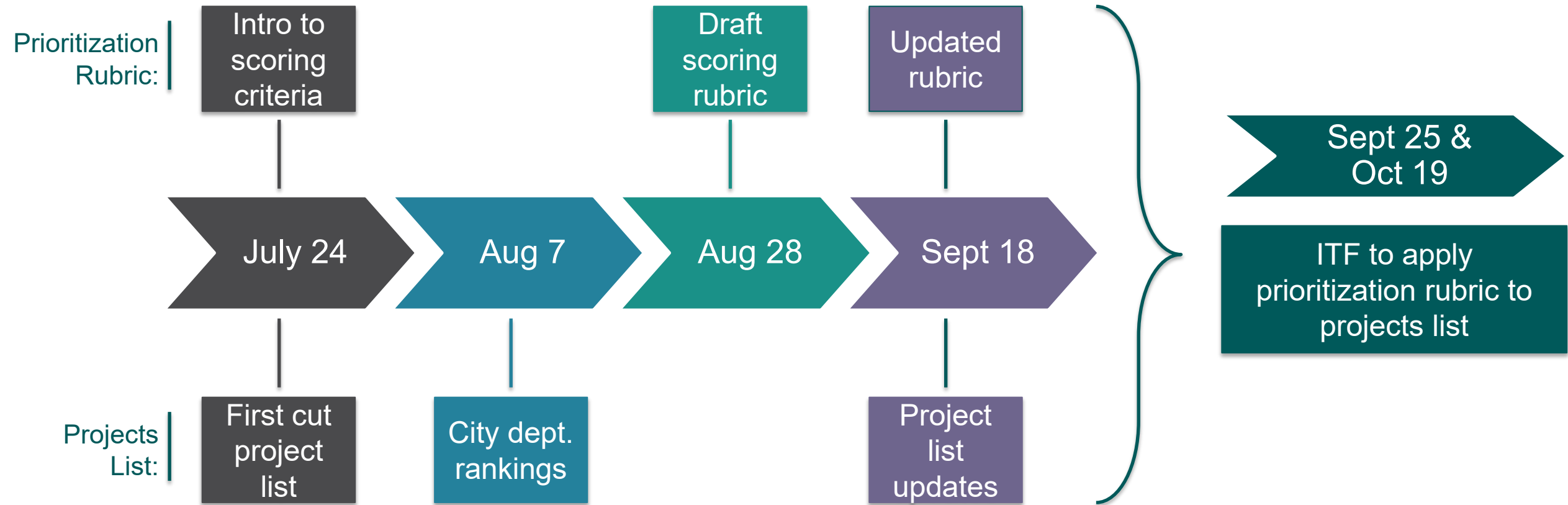


# Infrastructure Ranking Update

Amy Restelli



# PRIORITIZATION PROCESS



# **PRIORITIZATION RUBRIC: WHAT WE'VE HEARD**



# WHAT WE'VE HEARD

## 7/24 ITF Meeting

- Low-medium-high scoring is preferred
- Simplicity in scoring criteria is preferred
- Incorporate a criteria to allow departments to rank/prioritize individually
- Incorporate economic development criteria with a high factor
- High factor for alignment with City goals
- Separate public support from project readiness
- Address subjectivity of criteria list
- Evaluate council's list of goals
- Consider public safety and legal requirements

# WHAT WE'VE HEARD

## 7/24 ITF Meeting (continued)

- Consider how to differentiate between projects that have one time cost versus recurring costs
- Provide definitions for criteria so scoring is consistent
- Incorporate resiliency into environmental quality criteria
- Apply restricted funding criteria
- Balance proactive asset management with creation of a new asset or service
- Prioritize projects that serve multiple activity centers or higher populations

# **INFRASTRUCTURE RANKING**

## **Option 1: Wayland Version**

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Consistency with City Priorities	14	This goal seeks to prioritize projects that are consistent with the City's strategic goals.	Environmental Health and Leadership	2	Project does not address environmental health and leadership.	Project indirectly addresses environmental health and leadership.	Project addresses at least one of the following: decarbonization, mobility mode shift, clean air and water, responsible solid waste disposal, storm and wastewater reuse, shoreline, and open space preservation.
			Engagement and Education	2	Project does not address engagement and education.	Project indirectly addresses engagement and education.	Project takes initiative to listen and learn from the community using diverse and inclusive communication tools that continually adapt and build relationships with community stakeholders. Communication and engagement are characterized as fair, civil, timely and transparent.
			Mobility and Alternate Modes	2	Project does not address mobility and alternate modes.	Project indirectly addresses mobility and alternate modes.	Project provides data driven solutions to create a safe transportation network along with programs that educate and empower people to reach destinations by active transportation and micro-mobility.
			Fiscal Stewardship and Effective City Services	2	Project does not address fiscal stewardship or effective city services.	Project indirectly addresses fiscal stewardship or effective city services.	Project uses resources in a prudent and efficient manner consistent with City goals. Effective City Services means services are provided respectfully, responsibly, timely and predictably.
			Housing and Affordability	2	Project does not address housing and affordability.	Project indirectly addresses housing and affordability.	Project addresses the provision of diverse and affordable housing, including workforce housing, having a roof over everyone's head, engaging underrepresented populations, and ensuring the provision of support services.
			Evolving and Preserving Community Character	2	Project does not address community character.	Project indirectly addresses community character.	Project addresses growth managing while maintaining an accessible, innovative, and welcoming unique beach city; ensuring that diversity of the community includes a great mix of businesses, people, housing and open space that results in a high quality of life.
Risk to Public Health and Safety, and Legal or Mandated Requirements	15	This goal seeks to prioritize projects that support a safe city and are legally required.	Consistency with other plans, policies, and goals	2	Project is not consistent with city plans, policies, or goals	Project is indirectly consistent with city plans, policies, or goals	Project is directly consistent with city plans, policies, or goals
			Health and Safety Impact	8	Project does not address existing healthy and/or safety issues.	Project increases public health and/or safety but is not an urgent need or hazard	Project directly provides, and may be required to provide, an essential service or infrastructure to maintain a safe living environment.
Identified Infrastructure Need	10	This factor serves to allow city staff to prioritize projects important to their departments.	Legal Requirements	7	Project is not mandated by law.	Project addresses anticipated mandates.	Project is mandated by Federal, State, and/or Local law.
			Identified Infrastructure Need	10	Project is not an identified infrastructure need.	-	Project is identified as a priority City need.
Project Readiness	14	This goal seeks to prioritize projects that are shovel-ready.	Shovel-Ready	8	Project has not begun design.	Design phase for the project is complete, project is awaiting funding for construction and has significant obstacles to procurement (i.e. land acquisition or easements).	Design phase for the project is complete, project is awaiting funding for construction and has no significant obstacles for procurement.
			Recurring cost	6	Project is a one-time cost.	Project is planned over a phased schedule.	Project is recurring annually or over a set timeframe.
Public Support	5	This goal seeks to prioritize projects that are supported by project stakeholders.	Public Perception of Need	5	City has not obtained explicit public support through a community engagement process.	Project has received some public support.	Project has obtained extensive public support through community engagement.
Targeted Benefit	20	This goal seeks to prioritize projects that maximize where benefits are most needed.	Community-wide	10	Project will not result in community-wide benefits.	Project will provide minimal benefit(s) community-wide.	Project will benefit the community as a whole.
			DEI	10	Project does not address diversity, equity, and inclusion.	Project indirectly addresses diversity, equity, and inclusion.	Project directly addresses diversity, equity, and inclusion.
ROI	12	This goal seeks to prioritize projects that have an economic return on investment.	Economic Impact	12	Project does not have a return on investment.	Project has low/some return on investment.	Project has a high return on investment over the next 10 years.
Climate Resilience	10	This goal seeks to prioritize projects that improve the city's climate resilience.	Resilience	10	Project does not increase resilience.	Project indirectly improves resilience.	Project directly strengthens the City's resiliency against climate change and weather events.
<b>Total</b>	<b>100</b>			<b>100</b>			

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Consistency with City Priorities	14	This goal seeks to prioritize projects that are consistent with the City's strategic goals.	Environmental Health and Leadership	2	Project does not address environmental health and leadership.	Project indirectly addresses environmental health and leadership.	Project addresses at least one of the following: decarbonization, mobility mode shift, clean air and water, responsible solid waste disposal, storm and wastewater reuse, shoreline, and open space preservation.
			Engagement and Education	2	Project does not address engagement and education.	Project indirectly addresses engagement and education.	Project takes initiative to listen and learn from the community using diverse and inclusive communication tools that continually adapt and build relationships with community stakeholders. Communication and engagement are characterized as fair, civil, timely and transparent.
			Mobility and Alternate Modes	2	Project does not address mobility and alternate modes.	Project indirectly addresses mobility and alternate modes.	Project provides data driven solutions to create a safe transportation network along with programs that educate and empower people to reach destinations by active transportation and micro-mobility.
			Fiscal Stewardship and Effective City Services	2	Project does not address fiscal stewardship or effective city services.	Project indirectly addresses fiscal stewardship or effective city services.	Project uses resources in a prudent and efficient manner consistent with City goals. Effective City Services means services are provided respectfully, responsibly, timely and predictably.
			Housing and Affordability	2	Project does not address housing and affordability.	Project indirectly addresses housing and affordability.	Project addresses the provision of diverse and affordable housing, including workforce housing, having a roof over everyone's head, engaging underrepresented populations, and ensuring the provision of support services.
			Evolving and Preserving Community Character	2	Project does not address community character.	Project indirectly addresses community character.	Project addresses growth managing while maintaining an accessible, innovative, and welcoming unique beach city; ensuring that diversity of the community includes a great mix of businesses, people, housing and open space that results in a high quality of life.
			Consistency with other plans, policies, and goals	2	Project is not consistent with city plans, policies, or goals	Project is indirectly consistent with city plans, policies, or goals	Project is directly consistent with city plans, policies, or goals

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Risk to Public Health and Safety, and Legal or Mandated Requirements	15	This goal seeks to prioritize projects that support a safe city and are legally required.	Health and Safety Impact	8	Project does not address existing healthy and/or safety issues.	Project increases public health and/or safety but is not an urgent need or hazard	Project directly provides, and may be required to provide, an essential service or infrastructure to maintain a safe living environment.
			Legal Requirements	7	Project is not mandated by law.	Project addresses anticipated mandates.	Project is mandated by Federal, State, and/or Local law.



# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Identified Infrastructure Need	10	This factor serves to allow city staff to prioritize projects important to their departments.	Identified Infrastructure Need	10	Project is not an identified infrastructure need.	-	Project is identified as a priority City need.

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Project Readiness	14	This goal seeks to prioritize projects that are shovel-ready.	Shovel-Ready	8	Project has not begun design.	Design phase for the project is complete, project is awaiting funding for construction and has significant obstacles to procurement (i.e. land acquisition or easements).	Design phase for the project is complete, project is awaiting funding for construction and has no significant obstacles for procurement.
			Recurring Cost	6	Project is a one-time cost.	Project is planned over a phased schedule.	Project is recurring annually or over a set timeframe.

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Public Support	5	This goal seeks to prioritize projects that are supported by project stakeholders.	Public Perception of Need	5	City has not obtained explicit public support through a community engagement process.	Project has received some public support.	Project has obtained extensive public support through community engagement.

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Targeted Benefit	20	This goal seeks to prioritize projects that maximize where benefits are most needed.	Community-Wide	10	Project will not result in community-wide benefits.	Project will provide minimal benefit(s) community-wide.	Project will benefit the community as a whole.
			DEI	10	Project does not address diversity, equity, and inclusion.	Project indirectly addresses diversity, equity, and inclusion.	Project directly addresses diversity, equity, and inclusion.

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
ROI	12	This goal seeks to prioritize projects that have an economic return on investment.	Economic Impact	12	Project does not have a return on investment.	Project has low/some return on investment.	Project has a high return on investment over the next 10 years.

# RUBRIC OPTION 1

Criteria	Score Value	Criteria Description	Scoring Category	Factor	Possible Scores (Low - Medium - High)		
					0	0.5	1
Climate Resilience	10	This goal seeks to prioritize projects that improve the city's climate resilience.	Resilience	10	Project does not increase resilience.	Project indirectly improves resilience.	Project directly strengthens the City's resiliency against climate change and weather events.



# **INFRASTRUCTURE RANKING**

## **Option 2: City of San Diego Version**



# RUBRIC OPTION 2

Briefly, the policy states that:

- Projects within restricted funding categories will compete only with projects within the same funding category.
- Projects will compete only with projects within the same asset categories, which include: Enterprise-Funded Assets and Mandated Programs, Mobility Assets, Public Safety Assets, and Neighborhood Assets.
- Prior to inclusion in the CIP Budget, a simple high-level project score will be developed to aide in determining whether the project will be included in the next fiscal year CIP Budget.
- Once included in the CIP Budget, projects will compete only with projects within the same level of completion or project development phase (planning, design, and construction).
- Project Priority Scores will be updated as the condition of the project changes or other information becomes available.
- Low scoring projects may proceed due to unique funding source restrictions.

In addition, projects that were in construction or had completed construction as of Fiscal Year 2012 have not been scored. These projects are noted as not applicable (N/A). Annual allocation project types, funded yearly for ongoing repair and replacement of smaller projects, are not scored and are noted as Annual.

# RUBRIC OPTION 2

	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Risk to Health, Safety and Environment and Regulatory or Mandated Requirements	20	16	20	20	22	8	22	20	10

## Scoring considerations:

- Reduction in accidents, main breaks, sewer spills, flooding
- Improve infrastructure structural integrity
- Increase resiliency to climate hazards
- Safety improvement toward eliminating fatalities
- Urgency of a project to reduce hazards to public, property, environment
- Extent of minimizing liability for failure to comply with law

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Asset Condition, Annual Recurring Costs and Asset Longevity	20	16	8	8	20	8	22	20	26

## Scoring considerations:

- Addresses substandard asset condition
- Serves higher population densities experiencing growth
- Reduces maintenance expenditures
- Addresses infrastructure or facility deficiency identified in other City planning documents

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Equitable Community Investment and Economic Prosperity	18	20	22	22	20	24	14	20	10

## Scoring considerations:

- Contributes to economic development and revitalization efforts
- Prevents displacement, increases rates of homeownership and affordable housing
- Addresses disparities that enhance neglected assets, services and response time in public safety
- Improves access for people of all ages and abilities

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Sustainability, Conservation, and Resilience	14	20	26	26	10	26	8	8	6

## Scoring considerations:

- Advances Climate Action Plan goals
- Promotes climate resiliency
- Improves health of the community and natural environment
- Reduces auto-dependency and promotes other modes of transportation
- Promotes infill development, open space, habitat protection
- Results in greener neighborhoods



# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Funding Availability	4	4	4	4	4	8	8	6	12

## Scoring considerations:

- Projects with high likelihood of funding receive higher score
- Projects that have a funding source identified score higher than those that do not
- Projects that require funding to complete an ongoing phase are scored higher than projects that need funding for the next phase of the project

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Project Readiness	10	10	4	4	10	10	10	10	8

## Scoring considerations:

- Project scores increase depending on the project lifecycle phase
- Project scores increase if there are no unresolved complex environmental issues or legal challenges
- Project scores increase for most expedited delivery

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Public Support	6	6	6	6	4	4	4	4	2

## Scoring considerations:

- Project scores increase depending on level of public support

# RUBRIC OPTION 2

Factors	Engineering		Development Services		Public Safety - Fire & Marine	Parks, Rec, and Cultural Arts	Utilities	Public Works	IT
	Capital Improvements	Traffic	Climate Action	Coastal Management					
Identified Infrastructure Need	8	8	10	10	10	12	12	12	26

## Scoring considerations:

- Project scores increase with tiered rankings from each City department