Capital Improvement Program

Peter Said
Project Manager
On August 29, 2012, the FORA Board adopted a formulaic approach to establish the FORA Development Fee and CFD special tax rates.

FORA conducts CFD/Development Fee reviews every two years or when a material change to the FORA CIP occurs.

- Fee has decreased since 2012 implementation
- From $44K, Today it is $24K
**Background - Process**

**STEP 1**
Determine **Total Remaining Costs** of CIP (Equals the Sum of all CIP Cost Components)

**STEP 2**
Determine **sources / amount of non-CFD monies**:
- Fund Balances
- Grant Monies
- Loan Proceeds
- CSU Mitigation Fees
- Land Sales / Lease Revenues
- FORA Property Tax Revenues

**STEP 3**
Determine **Net Costs** funded through Policy and CFD Special Tax Revenues

\[
(\text{Net Costs} = \text{Step 1} - \text{Step 2})
\]

**STEP 4**
Calculate Policy and CFD Fee Revenue (Using prior year rates and current reuse forecast)

**STEP 5**
Adjust Policy and CFD Special Tax (as necessary)
Step 1

<table>
<thead>
<tr>
<th>Building Removal</th>
<th>CEQA Mitigations (CIP Projects)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7M</td>
<td>$258M</td>
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</table>

Cost to Complete = ( $265M )

Step 4

Estimated Revenue = $144,818,956

% Change in Fee = +0.8%

Step 5
1. Jurisdiction Forecasts (fluctuate yearly)
   a) Development
   b) Land Sales
2. Construction Cost Index (CCI) **3.9%** on 2017-2018 forecasted CIP costs
3. Building Removal Administration stops at obligation completion (2020)
4. Property Tax collected in arrears
5. Caretaker Cost (funded by Property Tax) spent in arrears
## Biennial Study Results

### FORA Biennial CIP Review
#### CFD Special Tax Options

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<tr>
<th>Land Use</th>
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<th>Preliminary Adjusted Rate</th>
<th>Difference</th>
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<tbody>
<tr>
<td>New Residential</td>
<td>per du</td>
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*Table 1-1*

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Recommendation

Approve Resolution 17-xx to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment

Difference/Delta (Δ) between the CCI (3.9%) and the Recommendation (0.8%)?

0.8% increase ($182 pdu) is the result of the formulaic approach.

CFD automatically indexes by the CCI on July 1st, if the board takes no action.

Questions?
Second Vote: Approve Option B ‘fund local transportation projects first’ & Accept the 2017 FORA Fee Reallocation Study.

Approve Resolution 17-xx to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment
Fund Movement

Capital Improvement Projects
- Habitat Conservation
- Water Augmentation
- Transportation
- Transit
- Administration

Community Facility District - Special Tax

Land Sales

Building Removal
# CFD Sensitivity

## Revenues (must = expenditures)

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<th>Property Tax Growing</th>
<th>CFD - Developer Fees</th>
<th>Land Sale</th>
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<td>Fixed Development - 6160 Res.</td>
<td>Fixed # of Acres</td>
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Funding GAP = Obligation Increase

## Planned Expenditures = ( $254M + Administration) | Operations | Capital Improvement Projects | Building Removal |