

Capital Improvement Program

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Biennial Fee Calculation



- 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

(Net Costs = Step 1 - 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)

CFD Sensitivity

Step 1



Building CEQA Mitigations
Removal (CIP Projects)
\$7M \$258M

Step 4

Estimated Revenue

Step 5

Step 5

Key Assumptions



- 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



Table 1-1 FORA Biennial CIP Review CFD Special Tax Options

Land Use	_	Development Fee Policy/CFD Special Tax			
	Basis	Existing Rate [1]	Preliminary Adjusted Rate	Difference	Percentage Change
		July 1, 2016	May 24, 2017		
New Residential	per du	\$23,655	\$23,837	\$182	0.80%
Existing Residential	per du	\$7,108	\$7,163	\$55	0.80%
Office & Industrial	per acre	\$3,103	\$3,127	\$24	0.80%
Retail	per acre	\$63,939	\$64,432	\$493	0.80%
Hotel	per room	\$5,274	\$5,315	\$41	0.80%

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?

Recommendation



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





