



Preliminary Public Facility Financing Plan

1.1 Introduction

The public and private (improvements) within Valley's Edge will be funded through a variety of financing mechanisms such as City Impact Fees, developer financing, district financing Homeowners Association Fees and other methods. Specific details on financing requirements, fees, maintenance, improvement obligations, and other related obligations will be stipulated in the development agreements with the City. Table 7.1 describes some of the potential financing and maintenance mechanisms for Valley's Edge improvements. There are several types of financing mechanisms that are available for the public improvements and services funding.

Valley's Edge will be build out using a combination of, but not limited to, the following financing mechanisms:

1.2 Community Facilities Districts

Through the Mello-Roos Community Facilities Act of 1982, community facilities districts (CFD)s can be established to help levy special taxes to fund services and facilities that can be required through the build out of the Specific Plan. Proceeds from a Mello-Roos special tax can be used for direct funding of improvements, facilities and services. A separate CFD will be established for services that will be for maintenance of certain facilities that provide benefit to Valley's Edge such as landscaping, park and bike path maintenance and regional park. A similar CFD can be set for services providing benefits for residents of Valley's Edge including police, fire and other governmental services.

1.3 Development Impact Fees

The City of Chico has development impact fees that are used to help finance public improvement projects. These impact fees will be required to be paid prior to the issuance of a building permit, certificate of occupancy or recordation of final subdivision map as specified in the development agreement. The City also collects park/trail fees, drainage fees, sewer fees, water connection fees, traffic mitigation fees and public facilities fees.



1.4 Special Assessment Districts

Special Assessment Districts (SAD) have the ability to provide leveraged financing where a public entity determines an area in which the provision of facilities will benefit real property. One or more special assessment districts may be created for Valley's Edge to cover improvement such as open space areas, regional park and trails. A benefit to Special Assessment Districts is that they directly benefit specific properties at no risk to public agency general funds.

1.5 Homeowners Association

A homeowner's association or 'HOA' is a legal entity that is envisioned to be formed for the Valley's Edge area to oversee the maintenance of common areas in addition to implementing standards and guidelines for the development through the Specific Plan area. With the HOA having control and review of proposed projects throughout the Specific Plan area, there is no need for individual projects to go through the City of Chico's Architectural Review. The HOA will have the authority to update Appendix B (Design Guidelines) of the Specific Plan in the event of changing markets and as conditions evolve subject to City Zoning Administrator review and approval as pursuant to the minor Specific Plan amendment described in Section 7.6. The HOA will be established by the master developer prior to the recordation of the first final map. HOA dues generate funds to provide services, regulate activities, ongoing maintenance of HOA owned property and facilities including open space, trails, parks and clubhouses. It is anticipated that private streets and facilities such as parks, open space, landscape corridors, street lighting, trails/paseos, and other private facilities will be maintained by the HOA.

1.6 Developer Financing

Certain on-site facilities may be tied directly to Valley's Edge Specific Plan and each developer shall pay a proportionate for development rights. Developer financing may also be used to contribute to backbone infrastructure improvements and facilities.