

DATE ISSUED: June 6, 2001

REPORT NO. 01-122

ATTENTION: Land Use and Housing Committee
Agenda of

SUBJECT: Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2002," April 2001 Draft.

SUMMARY

Issues: 1) Should the Council adopt the Carmel Valley Public Facilities Financing Plan (PFFP) for Fiscal Year 2002? 2) adopt a Resolution of Intention to designate two areas of benefit for Facilities Benefit Assessments (FBA) in Carmel Valley? 3) adopt a Resolution of Designation? and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Carmel Valley?

Manager's Recommendation: Adopt the four resolutions.

Planning Commission Recommendation: None.

Community Planning Group Recommendation: At its May 8, 2001, meeting, the Carmel Valley Community Planning Board reviewed and approved the financing plan along with the recommendations reflected in Attachment 3. The Board also recommended that the descriptions of Projects 21-44 and 21A-4 be revised to omit a specific project location.

Environmental Impact: The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 73-06-003C and Mitigation, Monitoring, and Reporting Program for the Carmel Valley Community Plan, which covers this action. The City Council shall review and consider the previously certified EIR prior to adoption of the Resolution of Intention.

Fiscal Impact: Approval of this Public Facilities Financing Plan (PFFP) and Facilities Benefit Assessment will continue to provide a funding source for the required public facilities.

Code Enforcement Impact: None by this action.

Business Impact Statement: The assessments in the Carmel Valley Community have been increased only by the anticipated rate of inflation and should therefore have little unanticipated impact on business.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in the Carmel Valley community over the next twelve year period. The most recent review of the Carmel Valley Public Facilities Financing Plan and FBA was approved by Council on November 14, 2000, by Resolution R-294136. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates that Fiscal Year 2001 plan.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Carmel Valley area which is presently estimated to be by the year 2008 in Carmel Valley North and 2011 in Carmel Valley. South. Carmel Valley is a partially developed community, with many of the community facilities in place. This plan calls for the addition of Project 21-47 (Linear Park - SDG&E Easement) as proposed by the Planning Board, which provides for the undergrounding of overhead transmission lines and creating a pedestrian parkway and trail system. It also calls for the addition of Project 21A-29 (East Ocean Air Drive) to provide access to the proposed Carmel Valley Community Park South.

The Carmel Valley Planning Board has proposed the addition of a project to provide a "Library to Community Park Concourse Connection" in Neighborhood 9. This proposal is not recommended for addition to the Public Facilities Financing Plan at this time, as the owner of this site has vested rights for multi-family residential development. Additionally, this owner is processing a community plan amendment to redesignate a portion of the property as a police substation site. The Planning Board opposes both uses at the site. Any decision to add alternative uses, such as a community concourse, should only occur if and when the land use designation is changed.

The revised Financing Plan for development in Carmel Valley North identifies total remaining project needs estimated at \$109,441,475, broken down as follows:

Amount	Funding Source	Percentage of Total
\$65,837,115	Assessments (FBA)	60.2%
\$14,213,963	Sorrento Hills	13.0%
\$ 7,789,860	Carmel Valley South	7.1%
\$ 348,500	CALTRANS	.3%
\$ 2,110,000	Pacific Highlands Ranch	1.9%
\$ 380,000	Del Mar Mesa	.3%
\$17,262,037	TRANSNET	15.8%
\$ 1,500,000	TRANSNET Bonds	1.4%

The Financing Plan for development in Carmel Valley South identifies total remaining project needs estimated at \$125,564,137, broken down as follows:

Amount	Funding Source	Percentage of Total
\$33,704,047	Assessments (FBA)	26.9%
\$22,699,000	Subdividers	18.1%
\$30,237,140	Carmel Valley North	24.1%
\$ 432,000	Del Mar Mesa	.3%
\$17,260,913	Sorrento Hills	13.7%
\$ 2,110,000	Pacific Highlands Ranch	1.7%
\$ 359,000	CALTRANS	.3%
\$17,262,037	TRANSNET	13.7%
\$ 1,500,000	TRANSNET Bonds	1.2%

Due to the large anticipated fund balance in the Carmel Valley North FBA, the rates of assessment are not proposed for increase. Those in Carmel Valley South reflect the normal rate of inflation. The proposed assessments for Fiscal Year 2002 are as follows:

	North	South
Single-family dwelling unit	\$14,916	\$15,662
Multi-family dwelling unit	\$10,441	\$10,963
Commercial Acre	\$55,337	\$58,104
Industrial Acre	\$51,460	\$54,033
Institutional Acre	\$53,250	\$55,913

The proposed assessment for Fiscal Year 2002 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 5 percent to the year of construction. It also takes into account cash on hand using a 5 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Carmel Valley that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2002 Assessments also be adopted as Development Impact Fees for

Carmel Valley. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into special interest earning accounts for Carmel Valley. Annually the Council receives a status report on the program and authorizes the appropriation of funds for construction of facilities which are programmed for the next fiscal year in the Capital Improvements Program budget.

The Carmel Valley Transportation Phasing Plan, which has limited development in the community until certain transportation improvements were assured, was declared satisfied on July 23, 1998. It continues to be included as an appendix to the PFFP for informational purposes.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public hearing, mailed notice will be given to all property owners within the proposed area of designation of the date of the hearing and their right to file a protest with the City Clerk prior to the start of the hearing. Notice will also be given by publication of the Resolution of Intention in the City's official newspaper. Unless overruled by a four-fifths vote of the Council, written protests by owners of more than one-half of the area of the property proposed to be included within the Area of Benefit shall cause the proceedings to be abandoned. A letter advising of today's meeting was mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

ALTERNATIVES

Do not approve the proposed Public Facilities Financing Plan and Facilities Benefit Assessment or the setting of Development Impact Fees. This is not recommended because the new fees will insure that new development contributes its proportional share for new facilities identified in the community plan. In the absence of these fees, alternative sources would have to be identified to fund the share of the identified facilities attributable to new development.

Respectfully submitted,

S. Gail Goldberg
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/GH

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments:

1. Draft FY 2002 Carmel Valley Public Facilities Financing Plan, April 2001
2. Errata to the Draft FY 2002 Carmel Valley PFFP
3. Letter dated May 8, 2001, from the Carmel Valley Planning Board