

DATE ISSUED: March 27, 2002

REPORT NO. 02-074

ATTENTION: Land Use and Housing Committee
Agenda of April 3, 2002

SUBJECT: Del Mar Mesa Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Del Mar Mesa Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2002," February 2002 Draft

SUMMARY

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

Manager's Recommendation: Adopt the four resolutions.

Planning Commission Recommendation: None.

Community Planning Group Recommendation: At its February 14, 2002, meeting, the Del Mar Mesa Community Planning Board reviewed and approved the financing plan.

Environmental Impact: The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 95-0353 and Mitigation, Monitoring, and Reporting Program for the Del Mar Mesa Specific 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 Facilities Benefit Assessments in Del Mar Mesa have been increased to accommodate increasing public facilities costs and scheduling

requirements.

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 Del Mar Mesa specific plan area over the next fourteen years. The most recent review of the Del Mar Mesa Public Facilities Financing Plan and FBA was approved by Council on November 14, 2000, by Resolution R-294138. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 2001 plan.

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Del Mar Mesa area which is presently estimated to be 2015. Del Mar Mesa is primarily an undeveloped community, with most of its community facilities to be provided in the future. The facilities needed are in the park, transportation, fire, police, water transmission lines, and open space categories. As the projected population of Del Mar Mesa does not, in many cases, meet community plan standards for full facility requirements, many facilities will be shared with adjacent communities. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

DISCUSSION

The revised Financing Plan for development in Del Mar Mesa identifies total project needs estimated at \$301,030,066. Funding for these projects comes from a variety of sources including:

<u>AMOUNT</u>	<u>FUNDING SOURCE</u>	<u>PERCENTAGE OF TOTAL</u>
\$23,666,331	Del Mar Mesa FBA Assessments	7.9%
\$5,086,850	Developers	1.7%
\$45,021,052	Pacific Highlands Ranch FBA	15.0%
\$15,000,884	Black Mountain Ranch FBA	5.0%
\$10,358,900	Torrey Highlands FBA	3.4%
\$6,560,000	Carmel Valley FBA	2.2%
\$950,000	Sorrento Hills Developers	0.3%
\$5,724,441	Sewer Fees	1.9%
\$8,227,000	Cost Reimbursement District	2.7%
\$7,597,000	Grants/Mitigation Purchases	2.5%

\$172,837,608	Other Funding	57.4%
\$301,030,066	TOTALS	100.0%

The following changes have occurred since the last plan update:

1. Based on approved plans and maps, the amount of projected residential development has decreased by 19 single-family units. The total estimated build-out is now 584 single family units.
2. Two new projects have been added to the plan. The projects are bike interchange lanes at SR-56, one at Camino Ruiz, and the other at Camino Santa Fe.
3. There have been significant increases in the construction costs for Del Mar Mesa Road due to the realignment of the road. Grading, maintenance and mitigation costs have all increased because of this realignment.
4. There have been significant increases in the cost of construction of the neighborhood and community parks.

The changes listed above, in addition to the inflation factor of 5%, resulted in a proposed increase of 38% in the FBA assessment over the FY 2001 level.

The proposed assessments for Fiscal Year 2002 in Del Mar Mesa are as follows:

Single-family dwelling unit (AR-1-1 zone)	\$41,764
Single-family dwelling unit (AR-1-2 zone)	\$39,258
Multi-family dwelling unit	\$29,235
Commercial Acre	\$86,035

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Del Mar Mesa 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 Del Mar Mesa.

The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for Del Mar Mesa. 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 proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public meeting, 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 assessments will insure that new development contributes its proportional share for 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, AICP
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/AA

Attachment: Draft FY 2002 Del Mar Mesa Public Facilities Financing Plan, February, 2002

Note: Due to the size of the attachment, only a limited distribution was made. A copy is available for review in the Office of the City Clerk.