

DATE ISSUED: January 15, 2004 REPORT NO. 04-018

ATTENTION: Land Use and Housing Committee
Agenda of

SUBJECT: Carmel Valley Public Facilities Financing Plan and Facilities Benefit
Assessment, Fiscal Year 2004

REFERENCE: "Carmel Valley Public Facilities Financing Plan and Facilities Benefit
Assessment, Fiscal Year 2004," January 2004 Draft

SUMMARY

Issues - Should the Council: 1) adopt the Carmel Valley Public Facilities Financing Plan (PFFP) for Fiscal Year 2004; 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.

Community Planning Group Recommendation - At its January 13, 2004, meeting, the Carmel Valley Community Planning Board approved the draft FY 2004 financing plan.

Environmental Impact – As this plan is a financing measure only, it is exempt from CEQA under Section 15060 (c)(3) of the State CEQA Guidelines.

Fiscal Impact - Approval of this Public Facilities Financing Plan (PFFP) and Facilities Benefit Assessment will continue to provide a funding source for the public facilities identified in the community plan.

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 eight year period. The most recent review of the Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on January 14, 2003, by Resolution R-296544. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates that Fiscal Year 2003 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 21A-32 (East San Rafael Street Deceleration Lane). This project has been proposed by the Planning Board to address safety issues on El Camino Real. It provides funding for design and construction of a right-hand turn lane into the San Rafael development from El Camino Real. The plan also calls for the addition of Project 21-50 (ADA Standards – Carmel Grove Mini-Park), which was proposed by the community to expand use of the park by providing amenities called for by the Americans with Disabilities Act.

The revised Financing Plan for development in Carmel Valley North identifies total remaining project needs estimated at \$69,016,000. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$44,073,000	Assessments (FBA)	64.0%
\$74,000	Subdividers	less than .1%
\$24,869,000	Other	36.0%

The Financing Plan for development in Carmel Valley South identifies total remaining project needs estimated at \$90,430,000. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$34,246,000	Assessments (FBA)	37.9%
\$23,642,000	Subdividers	26.1%
\$32,542,000	Other	36.0%

The proposed assessments for Fiscal Year 2004 are as follows:

	<u>North</u>	<u>South</u>
Single-family dwelling unit	\$17,103	\$17,103
Multi-family dwelling unit	\$11,972	\$11,972
Commercial Acre	\$63,450	\$63,450
Industrial Acre	\$59,004	\$59,004
Institutional Acre	\$61,056	\$61,056

The proposed assessment for Fiscal Year 2004 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 3 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 Facilities Benefit 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 2004 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, AICP
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 2004 Carmel Valley Public Facilities Financing Plan, January 2004
2. Development Impact Fee Analysis