



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 21, 2006

REPORT NO. 06-134

ATTENTION: Land Use and Housing Committee
Agenda of September 27, 2006

SUBJECT: Carmel Valley Public Facilities Financing Plan, Fiscal Year 2007

REQUESTED ACTION:

Should the Council: 1) Approve the Carmel Valley Public Facilities Financing Plan (PFFP) for Fiscal Year 2007; 2) Adopt a Resolution of Intention to designate two areas of benefit for a Facilities Benefit Assessment (FBA) in Carmel Valley; 3) Adopt a Resolution of Designation; 4) Approve the setting of Development Impact Fees (DIF) consistent with the FBA in Carmel Valley for those developments which have never been assessed or otherwise agreed to pay an FBA; and 5) Authorize the City Auditor and Comptroller, upon the direction of the Financial Management Director, to modify individual Capital Improvement Program project budgets in accordance with the Council-approved update to the Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2007?

STAFF RECOMMENDATION:

Approve the Carmel Valley Public Facilities Financing Plan, Fiscal Year 2007; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for Carmel Valley.

SUMMARY:

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 Carmel Valley over the next six year period. The most recent review of the Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on June 7, 2005, by Resolution R-300501. This Public Facilities Financing Plan and Facilities Benefit Assessment is a revision and update to the Fiscal Year 2006 Plan.

The proposed Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of Carmel Valley, which is currently estimated to be by the

year 2011 in Carmel Valley North and 2012 in Carmel Valley South. Carmel Valley is a substantially developed community with most of the community facilities in place. There is one new project proposed for addition, the Carmel Valley Skate Park. Adjustments have been made to project costs to allow for inflation and updated estimates.

The revised Financing Plan for development in Carmel Valley North identifies total remaining project needs estimated at \$69,526,109. The funding sources for these projects are broken down as follows:

CARMEL VALLEY NORTH

AMOUNT	FUNDING SOURCE	PERCENTAGE of TOTAL
\$44,038,689	Assessments (FBA)	63.34%
\$92,162	Subdividers	0.13%
\$25,395,258	Other	36.53%

The revised Financing Plan for development in Carmel Valley South identifies total remaining project needs estimated at \$85,866,973. The funding sources for these projects are broken down as follows:

CARMEL VALLEY SOUTH

AMOUNT	FUNDING SOURCE	PERCENTAGE of TOTAL
\$32,261,646	Assessments (FBA)	37.57%
\$19,181,596	Subdividers	22.34%
\$34,423,731	Other	40.09%

The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed. The Proposed Public Facilities Financing Plan and Facilities Benefit Assessment is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 7 percent for Fiscal Years 2008 and 2009 and a factor of 4 percent for the years beyond. It is anticipated that the current assessment schedule will provide sufficient funding for the remaining facilities in Carmel Valley, therefore no change to the current assessment schedule is proposed. The assessments for Fiscal Year 2007 in both Carmel Valley North and Carmel Valley South are as follows:

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT per UNIT/ACRE in FY 2007 DOLLARS
SINGLE FAMILY UNIT	\$20,364	\$20,364
MULTI-FAMILY UNIT	\$14,255	\$14,255
COMMERCIAL ACRE	\$75,550	\$75,550
INDUSTRIAL ACRE	\$70,256	\$70,256
INSTITUTIONAL ACRE	\$72,699	\$72,699

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 Fiscal Year 2007 Assessments also be adopted as Development Impact Fees for Carmel Valley (see Attachment 2).

The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into two separate, 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 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 affected 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 the City Council meeting will be mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

FISCAL CONSIDERATION:

Adoption of this revised Public Facilities Financing Plan will continue to provide a funding source for the public facilities identified in Carmel Valley.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Carmel Valley Planning Group (CVPG) voted (11-0) to approve the draft Fiscal Year 2007 Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment at its meeting of July 11, 2006.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All property owners with remaining new development are listed on the Carmel Valley Public Facilities Financing Plan, Fiscal Year 2007 Assessment Rolls, starting on page 237 and will receive notice and a copy of the Plan in the mail. These property owners will have liens placed on their property and will be required to pay Facilities Benefit Assessments upon any building permit issuance when developing their property. Any redevelopment which increases the intensity of existing uses may be subject to an impact fee per Attachment 2.

Respectfully submitted,

William Anderson, FAICP
City Planning & Community
Investment Department Director

James T. Waring
Deputy Chief of Land Use and
Economic Development

WARING/ANDERSON/FVJ

Attachments: [1. Carmel Valley Public Facilities Financing Plan, Fiscal Year 2007](#)
[2. Development Impact Fee Analysis](#)

Note: Due to the size of the attachment, only a limited distribution was made. These attachments are available on the City's website and a copy is available in the Office of the City Clerk.

ATTACHMENT 2