



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 9, 2008 REPORT NO: 08-056
ATTENTION: Committee on Land Use and Housing
Agenda of April 16, 2008
SUBJECT: North University City Public Facilities Financing Plan
REFERENCE: North University City Public Facilities Financing Plan – FY 2009

REQUESTED ACTION:

1) Approve the North University City Public Facilities Financing Plan – Fiscal Year 2009; 2) Adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessment (FBA) in North University City; 3) Adopt a Resolution of Designation for the FBA in North University City; and 4) Approve the setting of Development Impact Fees (DIF) consistent with the FBA in North University City for those developments which have never been assessed or otherwise agreed to pay an FBA.

STAFF RECOMMENDATION:

Approve the North University City Public Facilities Financing Plan, Fiscal Year 2009; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for the North University Community.

SUMMARY:

Council Policy 600-36 calls for an annual review of all existing FBA. This is the annual review and will serve as the basis for the Capital Improvement Program (CIP) as it pertains to programming FBA funds in North University City. The most recent review of the North University City PFFP and FBA was approved by Council, and passed by the Mayor on May 31, 2006, by Resolution R-301465.

The proposed financing plan details the public facilities that will be needed through the ultimate development of North University City and for the projected population at full community development, currently estimated to be the year 2015. North University City is a partially developed community with many community facilities already in place.

The proposed FBA is based on current estimated costs of facilities to be funded under this program. The costs of the facilities are then apportioned equitably among the undeveloped parcels within the Area of Benefit. The objective of the FBA program is to insure that sufficient funds will be available to construct community facilities as the community develops.

The Proposed Public Facilities Financing Plan and Facilities Benefit Assessment includes the addition of approximately \$30 million in FBA funding as a result of existing project cost increases and a new fire station. These increases are due to unprecedented rises in construction costs, material costs, and project delays. In addition, FBA is now the primary funding source for the Regents Road Bridge (Project NUC-18), the sections of Regents Road leading to and from the bridge (formerly Projects NUC 12 & 14, now part of Project NUC-18), Rose Canyon enhancements (new Project NUC-18A) and the limited roadway improvements (new Project NUC-18B).

City staff and the UCPG FBA subcommittee's review of the development schedule resulted in a decrease in anticipated development, primarily due to the removal of those parcels identified as dedicated and designated open space throughout the community and parcels that have no further development rights or are substantially built out. These changes necessitated a revision in the assessment rate, resulting in an increase of 120%.

The following changes are proposed for the assessments of FY 2009:

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT
SINGLE FAMILY UNITS	\$17,365	\$38,203
MULTI-FAMILY UNITS	\$12,156	\$26,743
COMMERCIAL ADTS	\$1,170	\$2,573

Council has previously directed that the same assessment rates are appropriate Development Impact Fees (DIF's) for all properties in North University City that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2009 Assessments also be adopted as Development Impact Fees for North University City (see Attachment 2).

The Facilities Benefit Assessment will be collected at building permit issuance and deposited into a special interest earning fund for North University City. 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, all property owners within the proposed area of designation will receive a mailed notice advising them of the hearing date and their right to file a protest with the City Clerk prior to 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.

FISCAL CONSIDERATIONS:

Adoption of the designated area of benefit will continue to provide a funding source for the public facilities identified in the North University City Public Facilities Financing Plan - FY 2009.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The existing North University Public Facilities Financing Plan, Fiscal Year 2007, was unanimously approved by the Land Use and Housing Committee on March 29, 2006 and by the City Council on April 24, 2006 and May 22, 2006.

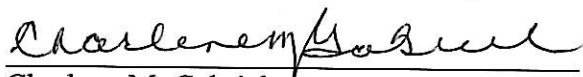
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:


The University City Community Planning Group (UCPG) voted to approve the North University City Public Facilities Financing Plan, Fiscal Year 2009, on March 11, 2008. The UCPG approved the document 12-1-1, based on the following motions:

1. The \$7.7 million appropriation for the Regents Road Bridge project for FY 2009 must be moved to FY 2010.
2. The Limited Roadway Changes should not be fully funded with FBA funds.
3. The \$4 million for improvements in Rose Canyon should be separated from NUC-18.
4. Construction of the new fire station should be moved from FY 2013-2014 to FY 2010.
5. In conformance with the community plan amendment, a second fire station should be added to the financing plan and should be funded no later than FY 2012.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All property owners with remaining new development are listed on the North University City Assessment Roll, beginning on page 155. These property owners will be mailed a notice of the public hearing and a copy of the financing plan. The owners will have liens placed upon their property and will be required to pay the FBA fee in effect at the time of building permit issuance. Redevelopment that increases the intensity of existing uses may be subject to an impact fee.


Charlene M. Gabriel
Facilities Financing Manager
City Planning & Community Investment


William Anderson, FAICP
Deputy Chief Operating Officer:
Executive Director of City Planning and
Development

- Attachment: 1. North University City Public Facilities Financing Plan, Fiscal Year 2009
2. North University City Development Impact Fee Analysis

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.