



THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED: November 29, 2016 REPORT NO: 16-100

ATTENTION: Honorable Council President Sherri Lightner and City Councilmembers,
Agenda of December 13, 2016

SUBJECT: Actions Related to Annexing Unincorporated County Property in
Southeastern San Diego including Resolution of Application,
Community and General Plan Amendments, Rezone, Council District
Boundary Adjustment, and Execution of Agreement Regarding
Stormwater Obligations

REQUESTED ACTION:

Approve the Staff Recommendation.

STAFF RECOMMENDATION:

1. APPROVE the Resolution of Application allowing the City to apply to the Local Agency Formation Committee for Annexation of the County Island with the Southeastern San Diego Community Plan area.
2. APPROVE the Resolution amending the General Plan and the Southeastern San Diego Community Plan as it relates to the potential City annexation of the Southeastern San Diego County Island.
3. APPROVE an Ordinance rezoning 251.15 acres from RS-1-1 to AR-1-2 related to the potential City annexation of the Southeastern San Diego County Island.
4. APPROVE an Ordinance to amend the boundary of Council District 4 to include the property that comprises the Southeastern San Diego County Island.
5. AUTHORIZE the Execution of the Memorandum of Agreement Related to the Annexation of Southeastern San Diego County Island with the County of San Diego.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The annexation area is generally located east of the Mount Hope Cemetery eastern property line towards Interstate 805 and south of K Street towards Imperial Avenue in the community of Southeastern San Diego. The Greenwood Memorial Park comprises most of the annexation area and includes some City and County owned parcels, a private residence, and a small portion of the Jackie Robinson Family YMCA. The annexation area is roughly 121 acres, of which Greenwood comprises close to three-quarters of the area.

The City's General Plan encourages annexation of county islands in order to ensure orderly growth and to provide the efficient delivery of public services. As part of the 2015 Southeastern San Diego community plan update, the community land use plan contemplated this annexation and preassigned land use and zoning designations. However, the annexation action was anticipated to occur at a later time after the community plan update was adopted.

The City and County of San Diego have worked closely over the past year to ensure continued services to this area. City and County staff jointly agree that the annexation of this unincorporated island will best serve the property owners in this area.

Senate Bill 18 (SB 18) requires cities and counties to contact and consult with California Native American tribes prior to amending or adopting any general plan or specific plan, or designating land as open space. On August 30, 2016, the City initiated SB 18 and sent notices to 11 local tribes based on the list provided by the Native American Heritage Commission (NAHC). The notice included information that an Addendum to the PEIR for the Southeastern San Diego and Encanto Community Plan Update was being prepared for this Project, giving the tribes 90 days to request consultation or additional information. No requests for consultation were received at that time; however, in response to the required 45-day notice distributed in November, the Director of Cultural Resources for the Iipay Nation of Santa Ysabel requested additional information from the City's Tribal Liaison in the Planning Department regarding the project scope and annexation process to ensure that tribal resources would not be affected. The project scope was discussed with Mr. Linton and assurance provided that tribal cultural resources would not be affected with this action and therefore, no further consultation in accordance with SB 18 was required.

DISCUSSION:

A. Why should this area be annexed into the City of San Diego?

As part of the framework of the General Plan, the Land Use Element provides policies (Policy LU-K.1 thru LU-K.4) encouraging the annexation of county islands in an effort to ensure orderly growth and to provide the efficient delivery of services.

There are properties within the annexation area that straddle the City/County jurisdictional boundary, which can result in permit processing frustrations (i.e., differing regulatory requirements, varying permit review processes). Annexing the area into City jurisdiction simplifies the process so that only one set of rules apply to those property owners. Also, staff has found that some services are currently duplicated by the City and County (i.e., street cleaning) or solely provided by the City (i.e., water services, emergency services). Annexing the area into City jurisdiction will include the transfer of property tax revenue to help fund these essential services and facilities as well as eliminate any confusion over who is responsible for providing such services.

B. What amendments to the City's land use regulations are being proposed as part of this annexation?

Amendments are being proposed to the General Plan (Attachment A) and the Southeastern Community Plan (Attachment B) in order to remove references to "Unincorporated County Island" from the land use maps and the document text.

In addition, a rezone is proposed to align the zoning designation with the existing uses that includes both cemeteries (Greenwood Memorial and Mount Hope) as well as adjacent parcels. As previously described, the Greenwood Memorial Park and Jackie Robinson Family YMCA are two long-standing and predominate land uses found in the annexation area that are anticipated to remain in the foreseeable future. Attachment C include the proposed rezone map.

Upon review of the underlying zoning history of the annexation area, staff found that during the comprehensive update of the Southeastern Community Plan, the subject annexation area was preassigned a land use designation of RS-1-1, which, upon further review, prohibits cemetery uses. Staff further found that the adjacent Mount Hope Cemetery, which is also a long-standing cemetery use under City jurisdiction, was also assigned the RS-1-1 designation as part of the 2015 comprehensive community plan update.

It was never the intent of the Southeastern Community Plan Update to purposely zone this area in a way that would prohibit the continued and possible expansion of these uses. As such, a rezone is proposed as part of this action to change the zoning from RS-1-1 to a more appropriate zone, AR-1-2. The AR-1-2 zone is very similar to the RS-1-1 zone in many aspects, but the AR designation would allow the existing uses to be modified and/or expanded with a Process 4 Conditional Use Permit, which is similar to how the facilities are currently regulated under County Jurisdiction. A comparative analysis of the RS and AR zones can be found in Attachment D.

C. Why does a Council District Boundary need to be adjusted?

On August 25, 2011, the Redistricting Commission adopted plans that specified the boundaries for the San Diego City Council as they are reflected today. Pursuant to the Filing Statement and Final Redistricting Plan (Attachment E), the subject annexation area is referenced under the district area description for Council District 4. However, since the area was under the jurisdiction of the County at the time of the redistricting, the area was not formally included as part of the Commission's action. The annexation action includes an ordinance to amend the district boundary and formally bring this area into CD4.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

The annexation is in direct alignment with the following City of San Diego Strategic Plan goals and objectives; specifically, Goal 2 – Work in partnership with all of our communities to achieve safe and livable neighborhoods) and, Goal 3 – Create and sustain a resilient and economically prosperous City.

FISCAL CONSIDERATIONS:

A. What new services/responsibilities will the City assume?

With the exception of storm water infrastructure maintenance and trash/recycling services, the City currently provides services to this area for water, sewer, police and streets. As such, no new responsibilities will need to be assumed for these services as part of this annexation. Attachment F includes the Southeastern San Diego County Island Plan For Services letter that is consistent with Government Code 56653.

Based upon the storm water improvement needs in the annexation area for the next 100 years, the City and County have negotiated a fair and equitable cost estimate of \$13,569,345 that will cover associated long-term storm water maintenance and monitoring expenses. Refer to Attachment G for supporting documentation. The Memorandum of Agreement between the City of San Diego and the County of San Diego is attached as Attachment H.

Regarding trash and recycling services, the privately-owned Greenwood Memorial Park, which comprises most of the annexation area, utilizes private haulers. Based on discussions with the business owners, use of private haulers will continue following annexation.

B. What are the financial implications associated with the annexation?

Considering the limited size of the area, predominate land uses (cemetery) and the City has historically provided most of the essential services to this area, staff does not find that the annexation will adversely impact the City's General Fund. In fact, following annexation, staff anticipates receipt of annual property tax revenues that can be used to help fund these expenses.

In 1984, the Unincorporated County of San Diego and San Diego cities entered into a Master Tax Agreement. This agreement establishes the property tax exchange rates for all annexations and incorporations. Pursuant to the agreement and based upon the property tax assessments set by the County Assessor's Office for the properties within the annexation area, the City of San Diego will receive roughly \$8,400 annually in property tax revenues.

Storm water infrastructure maintenance is the most significant financial liability that will be assumed as a result of the annexation. However, City and County staff find that the negotiated \$13.6M one-time cost will adequately cover expenses associated with facility maintenance for the next 100 years. As stipulated in the Resolution of Annexation, the County will release the monies to the City in one lump sum following approval of the annexation by the Local Agency Formation Commission (LAFCO).

EQUAL OPPORTUNITY CONTRACTING INFORMATION (if applicable): N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

On November 16, 2016, the Smart Growth and Land Use Committee voted 3-0-0 to support staff's recommendation.

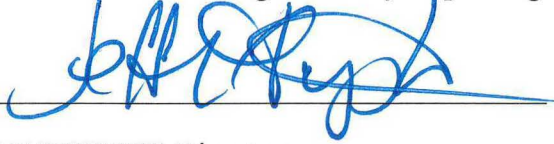
COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

On October 10, 2016, the Southeastern San Diego Planning Group voted 10-1-0 to approve the annexation and associated community plan amendment and rezone. On October 27, 2016 the San Diego Planning Commission voted 6-0-0 to recommend approval of the project.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The North Star Memorial Group (owners of Greenwood Memorial Park) and the Jackie Robinson Family YMCA are the largest stakeholders that would be most impacted by the annexation. As discussed in the discussion section of the staff report, the accompanying rezone being proposed would change the zoning to allow their respective uses to continue, consistent with how they are currently regulated under County jurisdiction. The annexation of the subject area and the accompanying rezone are consistent with the goals and policies of the

General Plan and Southeastern San Diego Community Plan. Staff finds that the annexation of the unincorporated County island will ensure orderly growth and provide the efficient delivery of services without significantly impacting City funds or existing services.



JEFF MURPHY, Director
Planning Department



DAVID GRAHAM
Deputy Chief Operating Officer

Attachments:

- A. Draft General Plan Amendments
- B. Draft Southeastern San Diego Community Plan Amendments
- C. Draft Southeastern San Diego Rezone C-Sheet #962
- D. RS-1-1 and AR-1-2 Use Comparison Table
- E. Filing Statement and Final Redistricting Plan
- F. Southeastern San Diego County Island Plan For Services Letter
- G. Greenwood Cemetery Annexation: Storm Water Division Cost for Services Memo
- H. Memorandum of Agreement between the City of San Diego and County of San Diego