THE CITY OF SAN DIEGO

MEMORANDUM

DATE: April 11, 2017

TO: Lakshmi Kommi, Director, Debt Management

FROM: Sara Osborn, Senior Planner, Planning Department

SUBJECT: Forming the Otay Mesa Enhanced Infrastructure Financing District and Adopting an Infrastructure Financing Plan and Approving Certain Related Actions, California Environmental Quality Act - 15162 Evaluation

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The CEQA Section of the Environment & Policy Analysis Division of the Planning Department has completed a California Environmental Quality Act (CEQA) Section 15162 consistency evaluation for the formation of the Otay Mesa Enhanced Infrastructure Financing District (Otay Mesa EIFD) and creation of the Infrastructure Financing Plan (IFP), which is described in greater detail as follows.

The formation of the Otay Mesa EIFD and creation of the IFP is consistent with the Otay Mesa Community Plan Update PEIR (Project No. 30330/304032 SCH No. 2004651076) in accordance with Public Resources Code Section 21166 and California Environmental Quality Act (CEQA) Guidelines Section 15162. Based on this evaluation, the CEQA Section of the Environment & Policy Analysis Division of the Planning Department determined the project would not result in new significant impacts or changed circumstances that would require a new environmental document.

Previously Certified CEQA Document

A Program Environmental Impact Report (PEIR) for the Otay Mesa Community Plan Update and associated documents, including the Otay Mesa Public Facilities Financing Plan (Project No. 30330/304032 SCH No. 2004651076) was certified by City Council in resolution (R-308809) effective March 25, 2014. Subsequent to certification of the PEIR, the Otay Mesa Community Plan was adopted by the Council March 11, 2014 (R-308810) and amended by the Council June 2, 2015 (R-309773) and the Otay Mesa Public Facilities Financing Plan and Facilities Benefit Assessment was adopted by the Council in Resolution R-308811 effective as of March 25, 2014, and amended by the Council in Resolution R-309815 on July 16, 2015. A Notice of Determination was filed with the San Diego County Clerk on April 18, 2014.

Background

The certified Otay Mesa PEIR analyzed the environmental effects associated with the adoption and implementation of the Otay Mesa Community Plan Update, the Otay Mesa Public Facilities Financing Plan (Otay Mesa PFFP), and other associated actions. The Otay

Mesa Community Plan provides a long-range, comprehensive policy framework and vision for growth and development in the community; and the Otay Mesa PFFP establishes the funding of public facilities projects to serve the community at full community development as identified in the Community Plan. The Otay Mesa PFFP was adopted with the Community Plan to provide for public facilities. The Otay Mesa PFFP includes the community's boundary, a development forecast, planned capital improvements, and an updated fee schedule. Both Facilities Benefit Assessments (FBAs) and Development Impact Fees (DIFs) provide funding sources for public facilities projects in Otay Mesa.

The PEIR indicates the mitigation or construction of the public improvements listed in the Otay Mesa PFFP will be carried out at the project-level and funding will be through construction by individual development projects, collection of FBA fees, fair share contributions to be determined at the project-level, and potentially other sources. The formation of the Otay Mesa EIFD allows for another funding mechanism for public infrastructure as listed in the Otay Mesa PFFP through the proposed IFP.

Scope of the Proposed Action

The Otay Mesa EIFD is intended to finance public facilities identified in the proposed IFP. The facilities listed in the IFP are consistent with those listed in the adopted Otay Mesa PFFP. The Otay Mesa EIFD will be financed with available property tax increment revenue allocable to the City from properties within the Otay Mesa EIFD boundaries, governmental or private loans, grants, bonds or some combination of such financing sources. The boundaries of the Otay Mesa EIFD are the same as the boundaries of the City's Otay Mesa Community Plan Area and Otay Mesa PFFP. The public facilities and development proposed to be financed or assisted by the proposed Otay Mesa EIFD shall be facilities described in California Government Code Section 53398.52 and more particularly described in the proposed IFP.

Section 15162 Criteria

When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the

previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

None of the three criteria listed above has occurred; therefore, the CEQA Section of the Environment & Policy Analysis Division of the Planning Department determined there is no need to prepare subsequent or supplemental environmental documents for the adoption of the proposed Otay Mesa EIFD and IFP.

CEQA 15162 Consistency Evaluation

The CEQA Section of the Environment & Policy Analysis Division of the Planning Department has reviewed the proposed formation of the Otay Mesa EIFD and conducted a consistency evaluation pursuant to Public Resources Code 21166 and CEQA Guidelines Section 15162. The formation of the Otay Mesa EIFD and the projects listed in the Otay Mesa IFP are consistent with those adopted in the Otay Mesa PFFP, which were previously analyzed in the PEIR for the Otay Mesa Community Plan Update. Implementation of this funding mechanism would not result in new significant direct, indirect, or cumulative impacts over and above those disclosed in the previously prepared and certified PEIR for the Otay Mesa Community Plan Update.

for Sara Osborn
Senior Planner
Planning Department