



THE CITY OF SAN DIEGO

Report to the Planning Commission

DATE ISSUED: October 20, 2016

REPORT NO. PC-16-085

HEARING DATE: October 27, 2016

SUBJECT: Southeastern San Diego County Island Annexation - Community Plan/General Plan Amendments and Rezoning

SUMMARY

Issue:

Should the Planning Commission **Recommend** to the City Council the Southeastern San Diego Community Plan and General Plan amendments and rezoning actions associated with an approval of the annexation of the unincorporated county island that is located in the community of Southeastern San Diego?

Requested Action:

Recommend to the City Council approval of staff recommendation.

Staff Recommendation:

Staff recommends that the Planning Commission recommend to the City Council the following:

1. **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; and,
2. **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.

Community Planning Group Recommendation:

On October 10, 2016, at their regularly scheduled public meeting, the Southeastern San Diego Community Planning Group voted to recommend approval of the proposed annexation and associated rezone. Motion passed 10-1-0.

Environmental Review:

The Planning Department has completed a California Environmental Quality Act (CEQA) Section 15162 – Subsequent EIRs and Negative Declaration consistency evaluation for the proposed Southeastern San Diego County Island Annexation (Attachment A). This evaluation was performed to determine if conditions specified in CEQA Guidelines Sections 15162 would require preparation of additional CEQA review for the proposed amendments. The Planning Department has determined that the proposed amendment is consistent with the Southeastern San Diego and Encanto Neighborhoods Community Plan Updates Final Environmental Impact Report (FEIR) (Project

No. 386029/SCH No. 20144051075) certified by the City Council on November 16, 2015, R-310077; and would not result in new impacts.

Fiscal Impact Statement:

The anticipated property tax revenue for the annexation area is roughly \$8,400 annually. The City will also request, as a condition of the annexation, a payment of \$13,569,345 from the County of San Diego for costs associated with storm water infrastructure maintenance and operation costs. Refer to the 'DISCUSSION' section of the staff report for additional information.

Housing Impact Statement:

None

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 the Jackie Robinson Family YMCA. The annexation area is roughly 121 acres, of which Greenwood comprises close to three-quarters of the area. As part of the approval process, the City Council will be provided the applicable information related to the annexation request.

The City's General Plan states within the Land Use Element (Policy LU-K.1 thru LU-K.4) to pursue annexation of county islands in order to ensure orderly growth and to provide the efficient delivery of public services. The 2015 Southeastern San Diego community plan update contemplated this annexation and preassigned land use designations.

The City and County of San Diego have worked closely over the past year and have successfully negotiated the proper funding amount needed to ensure continued services to this area. The City and County jointly agree that the exchange is fair and the annexation of this unincorporated island will best serve the property owners in this area.

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., law enforcement, water services, and fire 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 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.

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 B for supporting documentation.

Regarding trash and recycling services, 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.

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

Considering the limited size of the area, the predominate land uses (cemetery) and that 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 City of San Diego 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).

D. What amendments to City documents are being proposed as part of this annexation?

Amendments are being proposed to the General Plan (Attachment C) and the Southeastern Community Plan (Attachment D) 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. 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.

Upon review of the underlying zoning history of the annexation area, staff determined 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 and charitable organization 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 E and Attachment F includes the rezoning map.

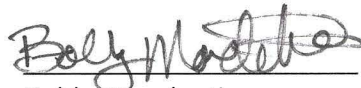
CONCLUSION

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.

Respectfully submitted,



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Director
Planning Department



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Planning Department

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Attachments:

- A. CEQA 15162 Findings
- B. Greenwood Cemetery Annexation: Storm Water Division Cost for Services Memo
- C. General Plan Amendments
- D. Community Plan Amendments
- E. RS-1-1 and AR-1-2 Comparison Table
- F. Rezoning C-Sheet Map
- G. Community Plan/General Plan Amendment Resolution
- H. Rezoning Ordinance