

DATE ISSUED: August 1, 2001

REPORT NO. 01-163

ATTENTION: Honorable Mayor and City Council
Docket of August 7, 2001

SUBJECT: Rancho Encantada Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Rancho Encantada Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2002," July 2001 Draft.

SUMMARY

Issues: 1) Should the Council adopt the Rancho Encantada Public Facilities Financing Plan (PFFP) for Fiscal Year 2002, 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Rancho Encantada, 3) adopt a Resolution of Designation, 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Rancho Encantada, and 5) Establish the Rancho Encantada Facilities Benefit Assessment Fund?

Manager's Recommendation: Adopt the five resolutions.

Planning Commission Recommendation: None.

Community Planning Group Recommendation: There is no established planning group in Rancho Encantada. The communities of Scripps Ranch and Miramar Ranch North are located adjacent to Rancho Encantada. They have reviewed the project and provided their specific recommendations.

Environmental Impact: The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 99-1094 and Mitigation, Monitoring, and Reporting Program for the Rancho Encantada Precise Plan, which covers this action. The City Council shall review and consider the previously certified EIR prior to adoption of the Resolution of Intention.

Fiscal Impact: Approval of the PFFP will provide the framework to assure that needed public facilities for Rancho Encantada will be funded by new development and provided as needed.

Code Enforcement Impact: None by this action.

Business Impact Statement: The proposed assessments are to assure the funding for the needed public facilities. Failure to assure the required infrastructure would have an adverse impact on the development of the area.

DISCUSSION

This is the first Public Facilities Financing Plan for the Rancho Encantada area. The plan details the public facilities that will be needed through the ultimate development of the area which is presently estimated to be the year 2008. Rancho Encantada has not yet begun development, all of the community facilities are yet to be provided. This plan contains the detail on all of the public infrastructure needed in the area, including information on funding and timing. Some of the projects listed also serve the adjacent planning areas. It should be noted that some of these cost allocations may require adjustment in future updates of all the affected financing plans as development proceeds.

The current draft PFFP for Rancho Encantada identifies total project needs of \$25,532,800, broken down as follows:

Amount	Funding Source	Percentage of Total
\$ 9,525,880	Assessments (FBA)	37%
\$ 16,006,920	Subdividers	63%

The proposed assessments for Fiscal Year 2002 are as follows:

Single-family dwelling unit	\$ 13,260
Multi-family dwelling unit	\$ 9,282
Institutional per square foot	\$ 5,917

The proposed assessments for Fiscal Year 2002 are based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 5 percent to the year of construction. It also takes into account cash on hand using a 5 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when programmed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Rancho Encantada that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2002 Assessments also be adopted as Development Impact Fees for Rancho Encantada. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into special interest earning accounts for Rancho Encantada. 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 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 today's meeting was mailed to all property owners as shown on the proposed assessment roll, or otherwise known to staff.

ALTERNATIVES

Do not approve the proposed Public Facilities Financing Plan and Facilities Benefit Assessment or the setting of Development Impact Fees. This is not recommended because the new fees will insure that new development contributes its proportional share for new facilities identified in the precise plan. In the absence of these fees, alternative sources would have to be identified to fund the share of the identified facilities attributable to new development.

Respectfully submitted,

S. Gail Goldberg
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/GH

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk

Attachment: 1. Draft FY 2002 Rancho Encantada Public Facilities Financing Plan, July 2001