

DATE ISSUED: April 30, 2002 REPORT NO. 02-103

ATTENTION: Land Use & Housing Committee
Docket of May 1, 2002

SUBJECT: Pacific Highlands Ranch (Subarea III) Public Facilities Financing Plan
and Facilities Benefit Assessment

REFERENCE: "Pacific Highlands Ranch Public Facilities Financing Plan and Facilities
Benefit Assessment, Fiscal Year 2003," April 2002 Draft

SUMMARY

Issues - Should the Council: 1) adopt the Pacific Highlands Ranch Public Facilities Financing Plan (PFFP) for Fiscal Year 2003; 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Pacific Highlands Ranch (Subarea III); 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Pacific Highlands Ranch?

Manager's Recommendation – Adopt the four resolutions.

Planning Commission Recommendation – None.

Community Planning Group Recommendation – There is no established planning group in Pacific Highlands Ranch.

Environmental Impact – The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 96-7918 and Mitigation, Monitoring, and Reporting Program for the Pacific Highlands Ranch Subarea 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 this Public Facilities Financing Plan (PFFP) and Facilities Benefit Assessment will continue to provide a funding source for the public facilities identified in the subarea plan.

Code Enforcement Impact – None by this action.

Business Impact Statement – The proposed assessments in the Pacific Highlands Ranch area are substantially higher than the existing assessments, but failure to assure the required infrastructure would have an adverse impact on the development of the area.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in Pacific Highlands Ranch (Subarea III) over the next year period. The most recent review of the Pacific Highlands Ranch Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on September 29, 1998, by Resolution R-290771. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates that Fiscal Year 1999 plan.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Pacific Highlands Ranch area which is presently estimated to be by the year 2016. Pacific Highlands Ranch is an area in the early stages of development, with most of the community facilities remaining to be provided. Facilities needs have been determined based on what will be required by the projected population of Pacific Highlands Ranch at build-out. The facilities required include a library, fire stations, police station (located outside the subarea), a community park and two neighborhood parks, numerous trails, and major transportation facilities (within and outside the subarea). Many of the facilities listed are to be shared with neighboring planning areas and this is identified in the respective project descriptions. Cost allocations have been made based on planned development limits.

The Del Mar Highlands Estates subdivision continues to have its own assessment category based on the separate level of benefit it will derive from the various infrastructure improvements.

The revised Financing Plan for development in Pacific Highlands Ranch identifies total remaining project needs estimated at \$477,243,708. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$91,428,981	Assessments (FBA)	19.2%
\$2,839,407	Developer/Subdivider	.6%
\$382,975,320	Other	80.2%

The proposed assessments for Fiscal Year 2003 are as follows:

Single family dwelling unit	\$19,995
Multi-family dwelling unit	\$13,997
DMHE single family unit	\$13,597
Village per acre	\$161,322
Institutional per acre	\$57,358
Employment Center per acre	\$107,547

The proposed assessment for Fiscal Year 2003 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 4 percent to the year of construction. It also takes into account cash on hand using a 4 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Pacific Highlands Ranch that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2003 Assessments also be adopted as Development Impact Fees for Pacific Highlands Ranch. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special interest earning account for Pacific Highlands Ranch. 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 Pacific Highlands Ranch Transportation Phasing Plan limits development in the planning area until certain transportation improvements are assured. It is included as an appendix to the PFFP.

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 affected 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 last 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 community 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, AICP
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.

Attachments: 1. Draft FY 2002 Pacific Highlands Ranch Public Facilities Financing Plan,
April 2002