



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: June 21, 2006

REPORT NO. 06-078

ATTENTION: Council President and City Council
Agenda of June 27, 2006

SUBJECT: Pacific Highlands Ranch Public Facilities Financing Plan, Fiscal Year
2006

REQUESTED ACTION:

Should the Council: 1) Approve the Pacific Highlands Ranch Public Facilities Financing Plan (PFFP) for Fiscal Year 2006; 2) Adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessment (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 for those developments which have never been assessed or otherwise agreed to pay an FBA?

STAFF RECOMMENDATION:

Approve the Pacific Highlands Ranch Public Facilities Financing Plan, Fiscal Year 2006; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for Pacific Highlands Ranch.

SUMMARY:

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 fifteen year period. The most recent review of the Pacific Highlands Ranch Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on December 7, 2004, by Resolution R-299980. This Public Facilities Financing Plan and Facilities Benefit Assessment is a revision and update to the Fiscal Year 2005 plan.

The proposed Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of Pacific Highlands Ranch. Pacific Highlands Ranch is an area in the early stages of development where significant infrastructure construction has occurred. Facilities needs have been determined based on what will be required by the projected

population of Pacific Highlands Ranch at full community development. The required facilities include a library, fire station, police station (located in Carmel Valley), a community park and two neighborhood parks, numerous trails, and major transportation facilities. Many of the facilities listed are located in, and shared with, neighboring community planning areas as 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 transportation improvements.

The Pacific Highlands Ranch Transportation Phasing Plan limits development in the planning area until certain improvements are assured. It is included as an appendix to the PFFP.

The revised Financing Plan for development in Pacific Highlands Ranch identifies total remaining project needs estimated at \$426,082,908. The funding sources for these projects are broken down as follows:

AMOUNT	FUNDING SOURCE	PERCENTAGE of TOTAL
\$142,930,030	Assessments (FBA)	33.55%
\$2,400,407	Developer/Subdivider	0.56%
\$280,752,471	Other	65.89%

The proposed assessments for Fiscal Year 2006 are as follows:

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT per UNIT/ACRE in FY 2006 DOLLARS
SINGLE FAMILY UNITS	\$31,056	\$62,112
MULTI-FAMILY UNITS	\$21,740	\$43,480
DEL MAR HIGHLANDS ESTATES	\$21,119	\$42,237
VILLAGE ACRES	\$250,563	\$501,127
INSTITUTIONAL ACRES	\$89,088	\$178,176
EMPLOYMENT CENTER ACRES	\$167,041	\$334,081

The Proposed Public Facilities Financing Plan and Facilities Benefit Assessment includes the prioritization of FBA funding so that all of the projects required by the 1,900 dwelling units associated with the transportation phasing plan are funded by those 1,900 dwelling units. This prioritization, along with cost increases that are a result of unprecedented rises in cost of construction and materials, necessitates a revision in the rate of the assessment resulting in an increase of 100%. 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 2006 Assessments also be adopted as Development Impact Fees for Pacific Highlands Ranch (see Attachment 2). 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 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.

FISCAL CONSIDERATION:

Adoption of this revised Public Facilities Financing Plan will continue to provide a funding source for the public facilities identified in Pacific Highlands Ranch.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Carmel Valley Planning Group (CVPG) voted (7-2) to support changes to the Pacific Highlands Ranch Transportation Phasing Plan, a part of the Pacific Highlands Ranch Public Facilities Financing Plan, Fiscal Year 2006, associated with the sub-threshold conditions regarding the status of the State Route 56 North Ramps in exchange for sub-thresholds regarding the status of Fire Station 47. The CVPG also supports the addition of \$100,000 of Pacific Highlands Ranch FBA toward funding the preliminary engineering effort of the wildlife undercrossing, which is a part of the El Camino Real Widening (Half Mile Drive to San Dieguito Road) project in this plan.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All property owners with remaining new development are listed on the Pacific Highlands Ranch Public Facilities Financing Plan, Fiscal Year 2006 Assessment Roll, starting on page 225 and will have received notice and a copy of this document in the mail. These property owners will have liens placed on their property and will be required to pay Facility Benefit Assessments upon any building permit issuance when developing their property. Any redevelopment which increases the intensity of existing uses may be subject to an impact fee per Attachment 2.

Respectfully submitted,

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Investment Director

James T. Waring
Deputy Chief of Land Use and
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WARING/ANDERSON/FVJ

Attachments: [1. Pacific Highlands Ranch Public Facilities Financing Plan, Fiscal Year 2006](#)
[2. Development Impact Fee Analysis](#)

Note: Due to the size of the attachment, only a limited distribution was made. These attachments are available on the City's website and a copy is available in the Office of the City Clerk.

ATTACHMENT 2