



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: November 12, 2008 REPORT NO: 08-163
ATTENTION: Council President and City Council
Agenda of November 17, 2008
SUBJECT: Torrey Highlands Public Facilities Financing Plan – Fiscal Year 2009
REFERENCE: Torrey Highlands Public Facilities Financing Plan and Facilities
Benefit Assessment; Fiscal Year 2009 - November 2008

REQUESTED ACTION:

1) Approve the Torrey Highlands Public Facilities Financing Plan - Fiscal Year 2009; 2) Adopt a Resolution of Intention to designate an Area of Benefit for Facilities Benefit Assessments (FBA) in Torrey Highlands; 3) Adopt a Resolution of Designation for the FBA in Torrey Highlands; 4) Approve the setting of Development Impact Fees (DIF) consistent with the FBA in Torrey Highlands for those developments which have never been assessed or otherwise agreed to pay an FBA; and 5) Authorize the City Auditor and Comptroller to modify individual Capital Improvement Project Program budgets to reflect this plan.

STAFF RECOMMENDATION:

Approve the Torrey Highlands Public Facilities Financing Plan, Fiscal Year 2009; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for Torrey Highlands.

SUMMARY:

Council Policy 600-36 allows for an annual review of all existing FBA. This is the annual review and will serve as the basis for the Capital Improvement Program (CIP) as it pertains to programming FBA funds in Torrey Highlands. The most recent review of the Torrey Highlands Public Facilities Financing Plan and FBA was approved by Council and became effective on November 14, 2006 by Resolution R-302080.

The proposed financing plan details the public facilities that will be needed through the ultimate development of the Torrey Highlands subarea, and for the projected population at full community development. Torrey Highlands is a partially developed community, with many of its community facilities to be provided in the future. The facilities needed are in the transportation, park, library, water and sewer categories. Due to the low density in Torrey Highlands, many of the facilities will be shared with adjacent subareas as identified in the respective project pages. The objective of the FBA is to ensure that sufficient funds will be available to construct identified facilities as the community develops.

The revised Financing Plan for development in Torrey Highlands identifies total estimated project costs of \$300,197,829. Funding for these projects comes from a variety of sources, including:

AMOUNT	FUNDING SOURCE	PERCENTAGE of TOTAL
\$129,410,326	Torrey Highlands FBA	43%
\$161,303,148	Other(including various FBA's*)	54%
\$9,484,355	Subdividers	3%

*Black Mountain Ranch, Del Mar Mesa, Pacific Highlands Ranch, and Rancho Penasquitos

Changes to the existing plan are detailed in Attachment 3.

The assessment rate is a result of the normal inflationary rate currently used in the approved FY2007 plan. Rates were automatically adjusted on July 1, 2008, no increase over inflation is necessary.

The existing and proposed assessments for Fiscal Year 2009 in Torrey Highlands are the same and are shown below.

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT per UNIT/ACRE in FY 2009
SINGLE FAMILY UNIT	\$98,225	\$98,225
MULTI-FAMILY UNIT	\$68,760	\$68,760
LOCAL MIXED USE ACRES	\$792,676	\$792,676
COMMERCIAL ACRES	\$592,297	\$592,297
EMPLOYMENT CENTER ACRES	\$528,322	\$528,322
LIMITED COMMERCIAL ACRES	\$175,823	\$175,823
INSTITUTIONAL ACRES	\$147,338	\$147,338

Council has previously directed that the same assessment rates are appropriate Development Impact Fees (DIF's) for all properties in Torrey Highlands that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2009 Assessments also be adopted as Development Impact Fees for Torrey Highlands (see Attachment 2).

The Facilities Benefit Assessment will be collected at building permit issuance and deposited into a special interest earning fund for Torrey Highlands. 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, all property owners within the proposed area of

designation will receive a mailed notice advising them of the hearing date and their right to file a protest with the City Clerk prior to 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 CONSIDERATIONS:

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 FY 2009 Torrey Highlands Public Facilities Financing Plan.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:


The existing Torrey Highlands Public Facilities Financing Plan – FY 2007, was approved by City Council on November 14, 2006.


COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Rancho Peñasquitos Planning Group will vote on the Torrey Highlands Public Facilities Financing Plan - FY 2009 on 11/05/08. The Council will be apprised of the planning Group vote at the Council meeting on 11/17/08.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All property owners with remaining new development are listed on the FY 2009 Torrey Highlands Public Facilities Financing Plan Assessment Roll, Facilities Benefit Assessment Listing beginning on page 145. These property owners will be mailed a notice of the hearing and a copy of this document. The owners will have liens placed on their property and will be required to pay Facilities Benefit Assessments at the time of building permit issuance. Any redevelopment that increases the intensity of existing uses may be subject to an impact fee per Attachment 2.


Charlene M. Gabriel
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City Planning & Community Investment


William Anderson, FAICP
Deputy Chief Operating Officer:
Executive Director of City Planning and
Development

- Attachment: 1. Torrey Highlands Public Facilities Financing Plan, Fiscal Year 2009
2. Development Impact Fee Analysis
3. Changes to Torrey Highlands Project Summary List Fiscal Year 2009

Note: Due to the size of the attachment, only a limited distribution was made. A copy is available for review in the Office of the City Clerk and on the FF website located at www.sandiego.gov/planning/facilitiesfinancing/index.shtml