Capistrano Unified School District

Update on Plans for the Pacifica San Juan Community Facilities District

Presented by Clark Hampton
Deputy Superintendent
October 23, 2017

Presentation materials provided for distribution at the meeting.
Goals for Tonight

- Briefly provide an update on plans for Pacifica San Juan
- Receive input
- Answer questions
■ History and Background of Pacifica San Juan
  ▶ Development
  ▶ Community Facilities District
  ▶ Site

■ District Plans for Site
  ▶ School Considerations
  ▶ Potential Development
  ▶ Development Considerations
  ▶ Timing

■ Possible Next Steps
Development History

◆ **1998-1999**: CFD 98-1 was originally formed.
◆ **2003**: City approved final development plans for 416 homes.
◆ **Original developer, SunCal’s SJD Partners, and homebuilder, John Laing Homes, built 98 homes.**

◆ **2008**: after SunCal fell behind in debt payments, Lehman Brother’s LV Pacific Point foreclosed on SunCal.
  ▶ Lehman Brothers declared bankruptcy 2 weeks later.
  ▶ SunCal declared bankruptcy 2 months later.
  ▶ John Laing Homes declared bankruptcy 3 months later.

◆ **2012**: Lehman Brothers emerged from bankruptcy.
◆ **2015**: Pacific Point Development Partners, led by Taylor Morrison Homes, purchased the remaining 318 lots.
◆ **2017**: 117 total units on tax roll (based on permits as of 1/1/17).
CFD Tax History

- **2009**: reduction of tax levy to 57.7% of maximum.
- **2015**: one-year tax holiday reduction to 1.0% of maximum.
- **2016**:
  - Maximum tax levy reset to 39.67% of prior maximum.
  - Based on existing homes paying pro-rata share after receiving credit for pay-as-you-go funds already paid.
  - CFD 98-1B added to overlay new homes so they can pay pro-rata share without the credit.
  - Maximum funding amount reset from $45 million to:
    - $13.8 million net funds for the District
    - $13.8 million net funds for the City
  ✓ Total funding reduction of up to $17.4 million.
Tax Reduction Savings

◆ From the original maximum to the new maximum, tax reduction savings by size of home:

<table>
<thead>
<tr>
<th>Tax Class</th>
<th>Homes</th>
<th>Total Savings Per Home</th>
<th>Average Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Class 1 (4,300 SF or greater)</td>
<td>0</td>
<td>Old Tax: $383,102  New Tax: $151,992  Savings: $231,110</td>
<td>$13,682  $5,428  $8,254</td>
</tr>
</tbody>
</table>

◆ Tax savings per home: $193,148 (average $6,898 per year).
✓ Total tax savings over life of CFD: $18.93 million.

Note: tax savings based on information from special tax consultant, David Taussig & Associates.
Site History

◆ Prior to 1981:
  ▶ High Density Housing

◆ 1981:
  ▶ Attached Housing and Park

◆ 2003:
  ▶ Public Institutional (school)

◆ 2014:
  ▶ proposed by City as Very High Density Affordable Housing

Note: master land plan from Taylor Morrison, Pacífica San Juan Site Plan dated 2016.
Considerations for a School

◆ Estimated students generated from Pacifica San Juan:

<table>
<thead>
<tr>
<th>Planned Housing Units at Buildout</th>
<th>Grade Levels</th>
<th>Student Generation Factors</th>
<th>Estimated Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary (K - 5)</td>
<td>0.1452</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Middle (6 - 8)</td>
<td>0.0891</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>High (9 - 12)</td>
<td>0.1262</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.3605</td>
<td>149</td>
<td></td>
</tr>
</tbody>
</table>

✔ Estimated students do not justify need for new school.

◆ Estimated funding generated from Pacifica San Juan:

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Estimated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFD 98-1A Pay-As-You-Go Funds</td>
<td>$2,400,000</td>
<td>$5,978,430</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>CFD 98-1A Bond Proceeds</td>
<td>$1,558,956</td>
<td>$3,863,614</td>
<td>$7,537,386</td>
</tr>
<tr>
<td>CFD 98-1B Bond Proceeds</td>
<td>$3,958,956</td>
<td>$9,842,044</td>
<td>$13,801,000</td>
</tr>
</tbody>
</table>

✔ Estimated funding is insufficient to pay for new school.

Note: student generation factors are the District’s factors (as of March 10, 2016) per the Residential Development School Fee Justification Study.
Rather than build a new school, District staff recommends housing students at existing schools:

- Elementary school boundaries:
  - HAROLD AMBUEHL ELEMENTARY SCHOOL
  - Palisades School

- Middle school boundaries:
  - MARCO FORSTER MIDDLE SCHOOL

- High school boundaries:
  - SAN JUAN HILLS HIGH SCHOOL

Note: Community split between schools is a historical vestige - boundary adjustment is being considered.
Potential Development Under Consideration

- Add Residential Overlay designation to existing zoning.
- Below diagram was shown to City Council in September:
Project Feedback

◆ Project feedback received so far:

▶ Project should be lower density than proposed to City Council
   ● Lower than 18 dwelling units per acre

▶ Project should have a lower height than proposed to City Council
   ● Lower than 3 or more stories
The District’s goals with a development project are:

- Enhance value to receive funds that can be invested in improving the community’s schools.

- Have a project that is comfortable for the community.
Why develop the property?

- Generates funding to improve the community’s schools without increasing taxes.
- City benefits from additional property tax revenue and development fees.
- Existing community benefits from further tax reduction.
  - Average savings per home: up to $197 per year.

Note: tax savings based on information from special tax consultant, David Taussig & Associates.
Development Considerations

◆ New residential density considerations:
  ▶ Similar to “the Cove” townhomes by Taylor Morrison
  ▶ Similar to “the Pearl” small lot homes by Taylor Morrison
  ▶ More closely align with what’s already being built

◆ Environmental considerations to be studied during CEQA evaluation process:
  ▶ traffic and parking, air quality and noise, aesthetics and view impact, grading and hydrology, and public services (utilities, fire protection, and police protection)
◆ Our planned timeline:

- Vesting Letter Received from Pacific Point
- Site Planning
- Site Plan / TTM Processing (15 Months)
- Environmental Documentation
- Homebuilder Selection
- Due Diligence / PSA
- Deposit Funds
- Homebuilder Participation
- Project Approvals
- Close Escrow

◆ Backup plan: if no residential development, District will purchase site for District use.
Next Steps

- Return to City Council for permission to study revised application
- Complete technical studies
- Hold next stakeholder meetings and receive additional input
- Proposed project review, CEQA evaluation, Design Review Committee and Planning Commission recommendations all go to City Council for consideration of approval
Discussion

◆ We invite you to please:
  ▶ share your input
  ▶ ask questions

◆ Thank you!