



Legislation Text

File #: 21-0115, **Version:** 2

Department of Transportation, with the concurrence of the Chief Administrative Office, Community Development Finance & Administration Division, recommending the Board authorize the Chair to sign the Credit and Reimbursement Agreement for the construction and acquisition of improvements necessary for the development of the Bell Woods, Bell Ranch and Hawk View residential subdivisions within the Bass Lake Hills Specific Plan Area, funded under the Bass Lake Hills Specific Plan Public Facilities Financing Plan (PFFP), between the County and Lennar Winncrest, LLC., (AGMT 20-54961). (Cont. 2/9/2021, Item 20)

FUNDING: Developer Funded and Reimbursed PFFP Funds.

DISCUSSION / BACKGROUND

The Bass Lake Hills Specific Plan was approved in 1996 to facilitate the orderly and systematic development of the Plan area through the establishment of a comprehensive and coordinated planning program. An integral element of the Specific Plan is a Public Facilities Financing Plan "PFFP", approved in 2004 identifying funding mechanisms to pay for a specific list of large backbone infrastructure and other public facilities required to serve the proposed land uses. This PFFP includes a fee program under which developers can construct or acquire specific identified elements of the backbone infrastructure and public facilities necessary for the overall Plan Area, and be reimbursed by future development. This program applies a "PFFP Fee" to each building permit within the Specific Plan area, and reimburses developers for prior improvements or acquisitions. The County's role in the PFFP is simply as the program administrator; we do not have any fiscal interest in the PFFP.

The Bass Lake Hills Specific Plan Public Facilities Financing Plan was created in 2004, and was used by prior developments for improvements including the construction of Hollow Oak Drive, water, sewer and other facilities. All prior facilities and acquisitions have been fully reimbursed, and the PFFP has not been updated since.

The Bell Ranch, Bell Woods and Hawk View residential subdivision projects have been included in the Bass Lake Hills Specific Plan for 20 plus years, and are now under construction. A condition of approval for these projects is to update the PFFP, reaffirming the list of facilities required for the Specific Plan along with updated costs and fees. This update has been underway for quite some time and an item for the Board's approval to move forward adopting an update to the PFFP is included on this agenda under a separate item. If approved, this PFFP update will set a new baseline for the PFFP facilities and fees within the Bass Lake Hills Specific Plan area.

Along with the update to the PFFP, the Bell Ranch, Bell Woods and Hawk View projects were also conditioned to construct and acquire certain backbone and public facilities identified within the PFFP. These include the construction of Morrison Road, North Silver Dove Way, a pavement overlay of Bass Lake Road, bike path and park & ride grading, several right-of-way acquisitions for roadways and utilities, and the design of certain future waterlines. As these improvements fall within the eligible elements of the PFFP, the developer is entitled to reimbursements for these costs. This agreement

will authorize the reimbursement of those costs.

The conditions of approval also allow the developer the ability to receive reimbursement by way of applying a credit for the applicable PFFP fee applied to each home. As an example each home within the Bell Ranch and Bell Woods project currently is required to pay a PFFP fee of \$11,846. If the update is ultimately approved it is estimated to increase to \$12,978. Under the credit provision, the developer will not pay the PFFP fee, but will deduct current fee amount for each credit used from the total reimbursement they are ultimately due.

As the PFFP update has been in process for some time, this Credit and Reimbursement agreement assumes the update will be approved, and includes the updated estimated amounts, as this is the most likely scenario. The Agreement does, however, stipulate that the credits and reimbursements are for the fee in effect at the time a building permit is issued, and as such will be valid an appropriate should the PFFP fee update have another outcome. This agreement will also remain valid should the PFFP be updated in the future.

The total estimated estimate eligible facility costs provided by the developer are \$7,472,768. The developer intends to use PFFP fee credits totaling \$3,966,702, leaving a net reimbursement of \$3,506,066 due to the developer. This reimbursement will be paid by PFFP fees collected from future development.

Provided the Board approves the update to the PFFP, staff recommends the Board also approve and authorize the Chairman to sign this agreement as well.

ALTERNATIVES

N/A

PRIOR BOARD ACTION

Outlined in the Discussion / Background section above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Reimbursements and Fee Credits will be provided from the applicable Bass Lake Hills Specific Plan Public Facilities Financing Plan Fund as follows:

Estimated Eligible Facility Costs: **\$7,472,768**

PFFP Fee Obligation (excluding Admin portion per final note below)

- Bell Ranch: $\frac{113}{\text{(lots)}} \times \frac{\$12,978}{\text{(fee/lot)}} = \frac{\$1,466,514}{\text{(PFFP Fee Oblig)}}$
- Bell Woods: $54 \times \$12,978 = \$700,812$

	(lots)	(fee/lot)	(PFFP Fee Oblig)
- Hawk View:	<u>114</u>	x <u>\$15,784</u>	= <u>\$1,799,376</u>
	(lots)	(fee/lot)	(PFFP Fee Oblig)

PFFP Fee Credits: **\$3,966,702**
(Equal to Total PFFP Fee Obligation,
Since Estimated Facility Costs Exceed Fee Obligation)

PFFP Fee Reimbursement: **\$3,506,066**
(Equal to Estimated Facility Costs minus Total Fee Credits,
Since Estimated Facility Costs exceed Total Fee Credits)

Reimbursements will be made as facilities are accepted and quarterly thereafter as funds are available. The PFFP includes a 4% administration fee to pay for County costs of administering the project. This amount is deducted from what is reimbursable to the developers.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on three (3) originals of the subject Reimbursement Agreement.
- 2) The Clerk of the Board will forward two (2) fully executed originals to Transportation, attention Julie Millard, for further processing.

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

Rafael Martinez, Director
Department of Transportation

Becky Morton, Chief Fiscal Officer
Community Development Services, Administration and Finance Division