



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

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DATE: September 10, 2025

07

TO: Board of Supervisors

SUBJECT

VALIANO PROPERTY TAX EXCHANGE: FIRE PROTECTION DISTRICT REORGANIZATION (DISTRICT: 3)

OVERVIEW

The Valiano project (Project), originally approved by the County of San Diego Board of Supervisors on July 25, 2018 (1), is a 239-acre development consisting of 243 residential units including 53 detached condominiums, parks, public multi-use trails, and 149 acres of open space within the Elfin Forest-Harmony Grove area of the San Dieguito Community Planning Area. The development was designed to demonstrate sustainable design practices through a variety of measures, including energy-efficient home designs, native and drought-tolerant landscaping, and low-impact development stormwater facilities. The project incorporates cool pavement technology, participation in the California Green Builder Program, installation of electric vehicle charging stations, and would provide residential electricity through renewable energy to help reduce energy consumption, air pollution, and greenhouse gas emissions. The project is located west of Interstate 15 (I-15) and south of State Route 78 (SR-78). Currently, this project is in both the Rancho Santa Fe Fire Protection District (FPD) and San Marcos FPD, with 229 acres being within the San Marcos FPD and 10.76 acres in Rancho Santa Fe FPD. The project was subject to legal action and reached a settlement, resulting in project changes that were approved by the County of San Diego Planning Commission on December 6, 2024.

The applicant is in the process of satisfying all project conditions to allow homes to be built. A condition of project approval was to unify the project within a singular FPD to ensure efficient service delivery. Additionally, this consolidation into one FPD is required for the Project to be granted a Grading Permit, necessary to build homes. The County does not have the authority to consolidate or reorganize FPD boundaries. However, in order for Local Agency Formation Commission (LAFCO) to consider annexing the 10.76-acre parcel from the Rancho Santa Fe FPD to the San Marcos FPD, the Revenue and Taxation Code requires that the Board of Supervisors (Board) adopt a Property Tax Exchange resolution prior to LAFCO reorganization of district boundaries.

Today's request is for the Board to consider a resolution to transfer the current fire tax revenue, equivalent to \$676.26 annually, from the Rancho Santa Fe FPD to the San Marcos FPD, allowing LAFCO to finalize the reorganization at a future hearing. Once LAFCO approves the

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reorganization to consolidate the project into one FPD, the condition of approval has been met. Once all conditions of approval have been met, the project can proceed with grading permits and begin construction. If LAFCO does not finalize the annexation, the property tax exchange is considered null and void.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that adoption of the property tax exchange resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to state CEQA Guidelines Section 15378(b)(4) because the proposed action involves government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
2. Adopt the resolution entitled: “Valiano Property Tax Exchange Resolution: Fire Protection District Reorganization” (Attachment A).

EQUITY IMPACT STATEMENT

The requested Property Tax Exchange between the San Marcos Fire Protection District and the Rancho Santa De Fire Protection District would facilitate a LAFCO action to ensure equitable access to fire protection and emergency medical services for residents within the affected parcel. This action would contribute to the County’s Equity goals by ensuring equitable access to necessary services for all members of the community.

SUSTAINABILITY IMPACT STATEMENT

The proposed action consists of an administrative action to transfer tax revenue from one fire district to another to facilitate a LAFCO reorganization for fire services, ensuring efficient fire services can be provided to the Valiano project. The Valiano project would provide 243 new homes, parks, trails, and open space, and was designed to demonstrate sustainable design practices through a variety of measures, including energy-efficient home designs, native and drought-tolerant landscaping, and low-impact development stormwater facilities. The project incorporates cool pavement technology, participation in the California Green Builder Program, installation of electric vehicle charging stations, and would provide residential electricity through renewable energy to help reduce energy consumption, air pollution, and greenhouse gas emissions.

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. If approved by the Board, this resolution would transfer future property tax revenue of approximately \$676.26 annually from the Rancho Santa Fe Fire Protection District to the San Marcos Fire Protection District to fund fire and emergency medical services, following LAFCO reorganization. There would be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

The Valiano project (Project) was originally approved by the County Board of Supervisors (Board) on July 25, 2018 (1), and consists of a General Plan Amendment, Specific Plan, Zone Classification, Vesting Tentative Map, Vesting Site Plan, and Major Use Permit (Attachment B). The Project is a 239-acre development consisting of 243 single-family residential units including 55 condominiums, parks, public multi-use trails, and 149 acres of open space within the Elfin Forest-Harmony Grove area of the San Dieguito Community Planning Area (CPG). The project was designed to demonstrate sustainable design including minimizing the project footprint through clustered design to maximize preserved natural and agricultural open space. The project also incorporates energy-efficient home designs, native and drought-tolerant landscaping, low-impact development stormwater facilities, wildfire safety features, and is required to install rooftop solar to supply 100 percent of the project's electricity needs. The project is located west of Interstate 15 (I-15) and South of State Route 78 (SR-78). Currently, this project is in both the Rancho Santa Fe Fire Protection District (FPD) and San Marcos FPD, with 229 acres being within the San Marcos FPD and 10.76 acres in Rancho Santa Fe FPD. The project was subject to legal action and reached a settlement resulting in project changes, including the addition of a new emergency access road and the requirement for automatic interior fire sprinklers, that were approved by the County Planning Commission in December 2024.

The majority of the 239-acre Valiano project is within the San Marcos Fire Protection District (FPD) for fire protection and emergency medical services. However, one parcel totaling approximately 10.76 acres is within the adjacent Rancho Santa Fe FPD service area and sphere of influence. As a condition of approval of the project, in order to assure efficient fire protection service, the 10.76-acre parcel was required to be annexed into the San Marcos FPD with concurrent detachment from the Rancho Santa Fe FPD. This would allow the entire site to be served by one FPD.

Using property tax revenue data generated in 2021, the Rancho Santa Fe FPD currently receives an Annual Tax Increment (ATI) of 0.065, equivalent to \$676.26 from the 10.76-acre parcel.

The applicant has applied with the Local Agency Formation Commission (LAFCO) for the fire district reorganization; however, County approval of a property tax exchange is required prior to formal reorganization. Section 99 (b)(6) of the Revenue and Taxation Code requires that the County Board of Supervisors adopt a property tax exchange (PTE) resolution before LAFCO can consider the reorganization. The County Board Policy B-45 'Property Tax Exchanges Resulting From Jurisdictional Change', establishes guidelines and procedures for PTEs.

Today's request is for the Board to adopt a property tax exchange resolution that would transfer the existing ATI from the Rancho Santa Fe FPD to the San Marcos FPD.

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ENVIRONMENTAL STATEMENT

Today's action seeks approval to adopt a property tax resolution between the San Marcos Fire Protection District (FPD) and the Rancho Santa Fe FPD. The action would facilitate a Local Agency Formation Commission annexation for a 10.76-acre parcel to the San Marcos FPD with concurrent detachment from the Rancho Santa Fe FPD. This action is exempt from the California Environmental Quality Act (CEQA). In accordance with Section 15378(b)(4) of the State CEQA Guidelines the proposed action involves government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Strategic Initiatives of Equity, Empower, and Community in the County of San Diego's (County) 2025-2030 Strategic Plan with objectives to ensure the capability to respond to immediate needs for individuals and families and facilitating meaningful conversations to maximize resources through community partnerships. Today's action also equitably utilizes policies and finance to provide housing opportunities that meet the needs of the community.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dahvia Lynch', with a stylized flourish at the end.

DAHVIA LYNCH

Deputy Chief Administrative Officer

ATTACHMENT(S)

Attachment A – Valiano Property Tax Exchange Resolution: Fire Protection District Reorganization

Attachment B – Reference Map