



September 17, 2014

Mr. Tony Kempton
Community Planner
Development Services Department
City of San Diego
1222 First Avenue
San Diego, CA 92101

RE: Silvergate Rancho Bernardo, Project No. 380393
Request for Initiation of a Community Plan Amendment

Dear Mr. Kempton:

As per the City of San Diego regulations for project development approvals, we hereby submit this Request for Initiation to 1) initiate the process for a Community Plan Amendment to the Rancho Bernardo Community Plan and 2) initiate the process for a Planned Development Permit (PDP) and Conditional Use Permit (CUP), both actions taken as precursors to the submittal process to secure the necessary entitlement approvals required to develop the proposed Silvergate Rancho Bernardo Retirement Residence Project.

REQUEST:

AmeriCare Health & Retirement, Inc., ("AmeriCare") hereby submits this Request for Initiation of a Community Plan Amendment to the Rancho Bernardo Community Plan to the City of San Diego and the Rancho Bernardo Planning Board to initiate the development process of the proposed Silvergate Rancho Bernardo Retirement Residence project (the "Project"). Concurrently, this Request for Initiation will also serve as AmeriCare's Request for Initiation to initiate the development process for the Planned Development Permit (PDP) and Conditional Use Permit (CUP) from the City of San Diego necessary to secure the entitlement approvals required to develop the proposed Project.

BACKGROUND:

Established in 1984, AmeriCare is a San Diego based company that owns and operates the Silvergate Retirement Residences, assisted living communities licensed by the State of California. With two existing communities in Fallbrook and San Marcos, AmeriCare has been an operator of assisted living facilities for over twenty-five years and has been repeatedly recognized as a leader in San Diego's the senior living industry. Most recently, Silvergate was recognized as one of San Diego's Best Retirement Communities in the "2014 San Diego Union-Tribune Readers Poll".

In December of 2013 AmeriCare purchased a 10.88 acre parcel of land in the Bernardo Heights community of Rancho Bernardo known as the Water Tower property (the "Property"), a site previously owned by the Poway Unified School District (the "PUSD"). The Company now proposes to develop a new Silvergate assisted living community on this site to serve the current and future housing needs of local seniors and parents of adult children that may relocate to the Rancho Bernardo area. The site is currently vacant and provides no present benefits to the community.

The Property has an underlying residential zoning of RS 1-14. Since it was originally designated for school use, the site also contains an "Institutional Overlay Zone", per the Rancho Bernardo Community Plan, memorializing this school use. Although the site was originally planned to be developed as an elementary school, in May 2012, the PUSD designated the site as "surplus" property after their Real Property Advisory Committee determined there was no current or future need to develop the site as a school. Although the Property was offered for sale to the City of San Diego several times in Year 2013, the City decided not to purchase the land and elected to pass on the opportunity to acquire the site for park use. Later that year, AmeriCare purchased the Property and the proceeds from the sale went directly to PUSD.

Shortly after acquiring the Property, AmeriCare commissioned a market study by a well-known national consulting firm to examine the market feasibility of its proposed project. The study found that the immediate surrounding area was substantially deficient in senior living units, and that this deficiency would continue to grow over the coming years to the detriment and declining quality of life of those seniors living in the Rancho Bernardo area. This Project is being proposed to address and ameliorate this important underserved community need for additional senior housing offering assisted living services, a need which is absolutely vital to maintaining the ongoing quality of life of Rancho Bernardo's senior residents and their families.

ACTIONS TO BE TAKEN:

Based on the above information, AmeriCare presents this Request for Initiation to seek approval to initiate and proceed with a project submittal application through the City of San Diego and the Rancho Bernardo Planning Board to process the following amendment to the Community Plan:

1. Amend the Community Plan to remove the "Institutional Overlay Zone" designation on the Property and re-designated the site to low-density residential use consistent with the underlying RS 1-14 zoning.
2. Amend the Community Plan to move the Property from its current classification under the Community Facilities Element as a School subcategory designation, and reclassify the Property under a new classification in the Housing and Residential Land Use Element as a Retirement Housing Facilities where similar properties such as Casa de Las Companas and Remington Club are presently classified.

This request to re-designate a site from school use to residential use is consistent with the following earlier amendments to the Rancho Bernardo Community Plan and has established precedence for such action and approval:

- RESOLUTION NO. 254458 (June 1981): re-designated an elementary school site east of I-15 and north of Bernardo Center Drive to low-medium density residential use.
- RESOLUTION NO. 254458 (June 1981): re-designated an elementary school site in the southeast quadrant of the planning area to low-density residential use.
- RESOLUTION NO. 265356 (April 1986): re-designate the elementary school site at the southeast corner of the intersection of Pomerado Road and Escala Road to low-density residential use.
- RESOLUTION NO. 267821 (March 1987): re-designate the proposed intermediate school site and one elementary school site in the Westwood Valley area to low-density residential use.

Further, AmeriCare presents this Request for Initiation to seek the additional approval to initiate and proceed with a project submittal application through the City of San Diego and the Rancho Bernardo Planning Board to process a Planned Development Permit (PDP) and Conditional Use Permit (CUP) to gain the entitlement approvals as necessary to develop the proposed Silvergate Rancho Bernardo Retirement Residence.

INITIATION CRITERIA:

As per the Department of Development Services "General Plan and Community Plan Amendment Manual", this letter will now address the three (3) initiation criteria for a Community Plan Amendment.

CRITERIA #1 The amendment request appears to be consistent with the goals and policies of the General Plan and Community Plan and any Community Plan specific amendment criteria.

The following are elements of consistency with the goals and policies of the City of San Diego General Plan and the Rancho Bernardo Community Plan:

1. The Rancho Bernardo Community Plan has been amended four times to re-designate existing school sites to low (1-9 DU/AC) and low-medium (9-14 DU/AC) residential use. The proposed amendment to re-designate the property from school use to low density residential use is consistent with this prior action by the Community and City.
2. The proposed land use for the Project as a "residential care facility" is allowed under the current zoning designation of RS-1-14 with a Conditional Use Permit and an amendment to the Rancho Bernardo Community Plan designating the land use as a Retirement Housing Facility under the Housing and Residential Land Use Element of the Community Plan.

3. The high quality and established character of the Rancho Bernardo community is reflected by its history as the Nation's first planned community. The Project is consistent with that history and character of such a planned community by addressing the recognized deficiency of senior housing and associated assisted living services in advance of a critical shortage of such housing and providing for quality housing and services for its senior population well in advance. The Project will be planned, designed, constructed and operated by AmeriCare to reflect the high quality and established character of the Rancho Bernardo community that it serves.
4. The Project will improve the community's ability to provide a variety of alternative housing options for its senior population (such as assisted living, memory care and clustered cottages) as well as providing additional employment opportunities to its working age population.
5. The Project will establish a new senior community that can take advantage of the adjacency and access to the open space of the adjoining property and the recreational area of the Bernardo Heights Community Center, while at the same time respecting the environmental assets and constraints inherent in the Rancho Bernardo setting.
6. The Project will possess a density consistent with the other two established retirement communities in Rancho Bernardo, and a design aesthetic compatible with the surrounding neighborhoods.
7. The Project will create a property that offers safe internal community traffic movements and a land use with one of the lowest impacts on the external traffic circulation system. In addition, the development will provide a substantial on-site parking capacity that will not require any off-street parking in the adjacent residential areas.
8. The Project will provide planned open space areas within the Silvergate property and a system of open space trails and areas around the Property.

CRITERIA #2 *The proposed amendment provides additional public benefit to the community as compared to the existing land use designation, density/intensity range, plan policy or site design.*

The following is a list of benefits that will accrue to the Rancho Bernardo community as a result of the proposed Silvergate Rancho Bernardo project:

1. The sale of the property provided over \$7 Million to the PUSD that will benefit the school district's financial resources, directly enhancing PUSD's ability to provide quality educational services to the children of the community. In so doing, it will also enhance the marketability and property values of the homes and businesses in the local area by helping to maintain the reputation of a high quality education in the Rancho Bernardo community.

2. When operational, the new Silvergate Project will pay almost \$700,000 annually in property taxes; in excess of \$7 Million in property taxes over a 10-year period. To the significant benefit of the community, this additional tax revenue can be used to support many of the unfunded local infrastructure needs of the community including fire, police, recreation, library, education, roads, utilities and other services and programs benefiting the community. As a school site, the Property generated no property tax income. As a park site, the Property would generate no property tax income and would add an additional operating expense burden to the City's already underfunded recreation budget.
3. The Rancho Bernardo community currently has a substantial deficiency of over 300 senior living units needed to provide assisted living services to its senior residents. Over the next several years, this deficiency will be further exacerbated as the need for assisted living units grows to over 350 senior units by Year 2018. The new Silvergate property will benefit the community by providing 202 new units of assisted living to help meet this seriously deficient and growing senior housing need of the community.
4. As a result of the new Silvergate Project, Development Impact Fees (DIF) in the approximate amount of \$2 Million will be paid to the City of San Diego to the benefit of local schools, fire services, library services, affordable housing, utility infrastructure, and parks and recreational services.
5. As a publically owned, vacant lot, the Property generated no financial or social benefit to anyone in the Rancho Bernardo community. The development of the Property as a residential care facility, as proposed by AmeriCare, will provide a land use of significant social and economic benefit to the community of Rancho Bernardo, while at the same time establishing a category of land use that offers one of the lowest traffic and parking impacts allowed under the existing zoning designation.
6. The new Silvergate Project will create an economic and social opportunity within the community for the creation of over 100 new permanent jobs to benefit employment and local consumer spending to businesses in the area.
7. The Silvergate Project will create new jobs and business opportunities for local construction contractors and their employees, for local service contractors and their employees, and for local vendors and suppliers and their employees - all of which will pay additional taxes and generate additional consumer spending to help support local community and infrastructure needs.
8. Silvergate intends to join the local homeowners association, the Community Association of Bernardo Heights ("CABH"), and by doing so will pay monthly dues to the financial benefit of the organization and the surrounding communities that CABH serves.

9. Silvergate retirement communities are locally owned and have a rich history of being significant benefactors to many of the community organizations in the local areas that they serve. Rancho Bernardo will benefit significantly from the donation of service, money and use of its facilities to support the ongoing needs of the local community.
10. The development of Silvergate Rancho Bernardo will create a new, aesthetically beautiful property compatible with the surrounding neighborhoods, replacing a vacant fenced lot that is currently an “eyesore” in an otherwise beautiful community.
11. The design of the Project will offer a new style of building massing providing the benefit of single story housing (the “cottages”) on the south half of the property as a buffer between neighboring residential properties and the multi-story residential care buildings on the north half of the property.
12. The Project will include a parkway on the south end of the property to enhance the design aesthetic in the neighborhood along Avenida Venusto and provide pedestrians with a safe and attractive public path of access. A walking trail around the perimeter of the property with places of interest for outdoor activities and exercise is also a part of the design.
13. The Project will benefit the Rancho Bernardo community by providing 48 dedicated assisted living units to support the growing need for additional memory care services. There is an increasing occurrence of Alzheimer’s and dementia health issues in the senior population, and the Rancho Bernardo community is currently severely underserved by the number of memory care units available to its senior population.
14. The Project will benefit the Rancho Bernardo community by providing 132 spacious assisted living units for seniors with various types of living and care needs, along with a full range of assisted living services for assistance with their activities of daily living (ADLs).
15. For most people, making the move from a private single-family residence to an apartment style home is a difficult transition. To aid in this transition, the Project will offer a new type of living unit not currently available at other nearby retirement communities. This new type of senior housing, called the “cottages”, will benefit the senior community by offering housing of a more independent style in the form of duplex homes with full kitchens and 2-car garages with the additional advantage of the availability of a full range of assisted living services if needed.

CRIERTIA #3 Public facilities appear to be available to serve the proposed increase in density/intensity, or their provision will be addressed as a component of the amendment process.

The following items are related to the availability of public facilities to serve the proposed increase in density/intensity from the proposed Silvergate Rancho Bernardo project:

1. The City of San Diego has public utilities (including sewer, water, and power) available to service the property along Avenida Venusto. These utilities are easily available to the property, as they were stubbed in anticipation of a school site during the initial development period of the neighborhood. The Project will obtain "Will Serve" letters from the relevant municipal authorities during the CUP/PDP process.
2. Underground services for gas, electricity, telephone, cable and internet are available along Avenida Venusto. The Project will establish service agreements with these utility providers.
3. Emergency response services (fire and ambulance/paramedic) will be provided to the Project by Fire Station 33, located 1.3 miles from the property.
4. Silvergate intends to join the local homeowners association, CABH, and by doing so its residents will have full access to CABH services and amenities including a wonderful Community Center adjacent to the site, as well as various park and recreational areas.
5. Through a combination of Development Impact Fees (DIF) and ongoing annual property taxes for the Project, Silvergate will be providing the community of Rancho Bernardo with resources to improve or expand upon their existing public park and recreational areas.

In summary, we believe the proposed Silvergate Rancho Bernardo project will provide substantial benefits to the surrounding neighborhoods and address an important underserved community need for seniors and their families.

Please feel free to contact Matt Petree, our Silvergate Rancho Bernardo Project Manager, with any questions that you may have at (858) 792-0696 x110.

Respectfully submitted,



David G. Petree
President/CEO
AmeriCare Health & Retirement, Inc.