



AGENDA STAFF REPORT

DATE: July 23, 2018

TO: Honorable Mayor and City Council

THRU: Jill R. Ingram, City Manager

FROM: Victoria L. Beatley, Director of Finance/City Treasurer

SUBJECT: **Approval of the Annual Special Taxes for Community Facilities District No. 2002-01- Heron Pointe**

SUMMARY OF REQUEST:

That the City Council adopt Resolution 6852 approving the Fiscal Year 2018-2019 special tax levy for Community Facilities District No. 2002-01 Heron Pointe.

BACKGROUND AND ANALYSIS:

On September 23, 2002, the City approved the establishment of Community Facilities District 2002-01 known as Heron Pointe (the District) and approved Ordinance No. 1490 authorizing the levy of special taxes within the District. However, the development was faced with various delays related to the discovery of a Native American burial site within the District's boundaries. As a result, final Coastal Commission approval was not received until July 2005. Immediately upon receipt of final approval, the City issued \$3,985,000 of CFD Bonds to fund the cost of various improvements within the District. Per the Official Statement dated June 5, 2015, the City issued \$3,480,000 Special Tax Refunding Bonds, Series 2015 and scheduled the outstanding amount of the CFD Bonds issued in 2005 to be redeemed in full.

The City contracted with Willdan Financial Services to calculate special taxes for the District for Fiscal Year 2018-2019. The special taxes collected are considered special revenue. Special revenue sources are legally restricted to specific purposes. As a result, this special tax is not included in the General Fund revenues.

The special taxes will satisfy debt service on the Bonds. The method of assessment for the special taxes is described in the Amended Rate and Method of Apportionment section of the CFD Report prepared by Taussig and Associates and submitted to Council on January 12, 2004. The method of assessment defines two primary categories of property: Developed Property and Undeveloped Property. The category of Developed Property is further divided into five separate special tax classifications that vary with land use (e.g.

residential and non-residential) and floor area (in square feet). The Fiscal Year 2018-2019 maximum and actual special taxes per Unit/Acre are listed as follows:

**Community Facilities District No. 2002-01
Fiscal Year 2018-2019 Special Taxes for
Developed and Undeveloped Property**

Tax Class	Description	Residential Floor Area	Assigned/Maximum Special Tax per Unit/Acre	FY 2018-2019 Actual Special Tax per Unit/Acre
1	Residential	≥ 4,000 SF	\$6,521.62	\$4,392.16
2	Residential	3,750 – 3,999 SF	\$6,190.05	\$4,168.84
3	Residential	3,500 – 3,749 SF	\$5,973.07	\$4,022.72
4	Residential	< 3,500 SF	\$5,570.80	\$0.00
5	Non- Residential	NA	\$51,169.73	\$0.00
NA	Undeveloped	NA	\$57,345.15	\$0.00

Exhibit A of the resolution shows the Fiscal Year 2018-2019 special tax levy for each parcel being taxed.

Total expenditures for 2018-2019 are estimated at \$268,719. This estimate includes debt service payments of \$248,906 and administrative expenses of \$19,813. Total revenues from the special tax are estimated at \$268,719 for Fiscal Year 2018-2019. No credit will be applied to the levy this year.

ENVIRONMENTAL IMPACT:

There is no environmental impact related to this item.

LEGAL ANALYSIS:

No legal analysis is required for this item.

FINANCIAL IMPACT:

There is no financial impact related to this item.

RECOMMENDATION:

That the City Council adopt Resolution 6852 approving the Fiscal Year 2018-2019 special tax levy for Community Facilities District No. 2002-01 Heron Pointe.

SUBMITTED BY:

NOTED AND APPROVED:

[Victoria L. Beatley](#)

Victoria L. Beatley, Director of
Finance/City Treasurer

[Jill R. Ingram](#)

Jill R. Ingram, City Manager

Attachments:

- A. Resolution 6852
- B. Budget Worksheet