



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: HCD  
Department No.: 055  
For Agenda Of: 7/08/08, 7/15/08  
Placement: Set Hearing  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department John Torell, CPA, Director, HCD  
Director(s)  
Contact Info: Christa Coski, Chief Financial Officer, ext. 3526

**SUBJECT: Levy Special Tax for Orcutt Community Facilities District**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

**Recommended Actions:**

That the Board of Supervisors set a hearing for July 15, 2008 (estimated 15 min. for July 15 hearing) to:

- (a) Receive Summary of Proposed Fiscal Year 2008-2009 Tax Levy for Orcutt Community Facilities District No. 2002-1; and,
- (b) Adopt Resolution Levying Special Taxes within County of Santa Barbara Community Facilities District No. 2002-1.

**Summary Text:**

A Community Facilities District (CFD) is a financing entity commonly used by cities and counties to finance community facilities and services associated with new development by placing an additional special tax on each newly created parcel.

The Orcutt Community Facilities District No. 2002-1 ("OCFD") was approved by the Board of Supervisors on October 8, 2002 specifically to fund (1) police/sheriff protection services, (2) fire protection services, (3) maintenance of parks, parkways and open space, and (4) flood and storm protection services within the Orcutt Planning Area (located immediately south of the City of Santa Maria - a map depicting the current boundaries of the OCFD is attached for reference).

This funding is achieved via a special tax on residential and commercial properties located within the Orcutt CFD. An annual special tax rate calculated by the independent firm, David Taussig & Associates, is levied on three categories of property: (1) developed property, (2) graded property and (3) undeveloped property. Developed property is further classified as (1) single family, (2) multi-family,

(3) non-retail/commercial industrial and (4) retail commercial property. The proposed rates to be levied for FY 2008-09, upon approval by the Board of Supervisors on July 15<sup>th</sup>, 2008, are depicted in the chart below in the far right column labeled ‘FY 2008-2009 Recommended Special Tax’.

Parcel Type	FY 2007-2008 Actual Special Tax	FY 2008-2009 Maximum Special Tax	FY 2008-2009 Recommended Special Tax
Single Family Property	\$514.92 per unit	\$744.70 per unit	\$536.20 per unit
Multi-Family Property	\$350.10 per unit	\$506.40 per unit	\$364.62 per unit
Non-Retail Commercial/Industrial Property	\$0.49952/sq.ft	\$0.72236/sq.ft.	\$0.52010/sq.ft.
Retail Commercial Property	\$0.34404/sq.ft	\$0.51386/sq.ft.	\$0.36999/sq.ft
Graded Property	\$50 per lot	\$50 per lot	\$50 per lot

This special tax is to be used to offset the operational and maintenance costs for the additional services provided to residents upon buildout of the Orcutt Community Plan. These services, many of which are based upon service ratio standards include, for example, the ratio of one firefighter per 4,000 residents, and one Sheriff patrol officer per 1,400 residents. Given these ratios, the Fire Department would need three additional firefighters and the Sheriff would need eight additional patrol officers at buildout in Orcutt.

In addition to fire and police protection services, the OCFD also includes funding for the maintenance of parks and open space and flood and storm protection services via regional basins. It should be noted that the \$50 special tax on graded property is to offset the potential runoff and contribution to flooding conditions.

Levying the entire maximum permissible tax rates as calculated by Taussig would result in tax levies as indicated in the middle column, above (an increase in the special tax on Developed Property of 45%). **Instead of using the maximum allowable rate, however, to be consistent with FY 2007-08 increase, the proposed special tax rate recommended for the 2008-2009 Fiscal Year represents a 4.17% increase over last year’s rate - an escalation limited to an annual increase consistent with the Los Angeles Urban Consumer Price Index.** Adoption of this proposed rate would adequately fund FY 2008-09 services provided at levels consistent with FY 2007-08.

After the special tax rate is determined, the Board of Supervisors must annually adopt a resolution levying the amounts of the special tax prior to August 10.

**Background:** CFD No. 2002-1 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the “Act”) as amended. The Act provides an alternative method for the financing of certain public facilities and services. Specifically, CFD No. 2002-1 is authorized to levy an annual special tax to finance (i) fire protection and suppression services, (ii) police protection services, (iii) maintenance of parks, parkways and open spaces, and (iv) flood and storm protection services.

The authorized services are funded through an annual levy and collection of special taxes from all property subject to the tax within the community facilities district.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Narrative: If the proposed rates are adopted, some 528 parcels (up from 332 last year) will be levied at the adopted rate to generate an estimated \$154,933 for the costs of services provided within the OCFD (up from \$96,834 last year). However, the maximum special tax rate that may legally be levied by the CFD would generate \$209,258.

**Staffing Impacts:**

**Legal Positions:**  
N/A

**FTEs:**  
N/A

**Attachments:**

1. Administration Report Fiscal Year 2008-2009, County of Santa Barbara CFD No. 2002-1
2. Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District 2002-1

**Authored by:**

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**cc:**

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