



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

Submitted on:
(COB Stamp)

Department Name: County Executive Office
Department No.: 012
For Agenda Of: 6/6/06
Placement: Departmental
Estimate Time: 30 minutes
Continued Item: YES
If Yes, date from: 5/23/06
Vote Required 4/5

TO: Board of Supervisors

FROM: Department Director: Michael F, Brown, CEO
Contact Info: Terri Maus-Nisich, Assistant County Executive Officer
568-3400
Jason Stilwell, Interim Parks Director, 568-2475

SUBJECT: Funding Alternatives for Providence Landing Community Facilities District, Third District (Vandenberg Village area)

County Counsel Concurrence:

As to form/legality: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors:

Approve the attached budget revision reflecting the Parks' Department draw of \$75,000 from the General Fund Contingency to Parks' Projects Designation to be used toward the Providence Landing Community Facilities District to reduce the cost of the special tax assessment on individual homeowners.

Summary:

Providence Landing is a development tract located in Vandenberg Village that will include single-family homes, affordable units, a 12-acre public park, trails and open space. As part of the requirements for development, the housing developer is responsible for building a park. Completion of the park is scheduled for August 2006. Ongoing maintenance of the park is estimated to cost \$243,750 and will be financed through the Providence Landing Community Facilities District (PLCFD). Actual maintenance and programming will be provided via a special agreement with the YMCA. The current special tax assessment for park maintenance is \$913 and will be levied on 267 parcels within the development. However, given the regional nature of the park and the likelihood of the park servicing the needs of the outlying community, a General Fund contribution to recognize "general use" by the public other than the residents of Providence Landing is provided for the Board's consideration.

Approving the attached budget revision will reduce the special tax assessment levied on the 267 homes within Providence Landing from \$913 to an estimated \$632 for the first year of the assessment. To date, there has not been an assessment levied on the homes. The \$632 is an estimate based on fiscal year 2005-2006 rates (updated fiscal year 2006-2007 rates will be presented to the Board in July 2006). The levied special tax assessment will be effective after August 10, 2006.

The justification for the estimated \$632 per parcel cost is predicated upon the following:

1. Regional nature of the park: While the park will be located within the Providence Landing development, its use is not exclusive to the 267 homeowners being levied the special tax assessment. If the boundary of the Providence Landing Community Facilities District had encompassed the residentially zoned parcels within Vandenberg Village when it was formed in 2002, more parcels would have been levied the special tax assessment and consequently, the per parcel cost would have been reduced substantially. To provide a General Fund contribution of such an amount equal to the inclusion of all the Vandenberg Village parcels would be well over \$100,000 and would be contrary to the Planning Commission's conditions of approval, which required the revenue for the operation and maintenance of the community park to be through a community facilities district created expressly for this purpose.

Therefore, the \$75,000 contribution for the Board's consideration today recognizes that the park has a benefit to other County residents and reduces the special tax assessment on the PLCFD homeowners without causing economic hardship upon the County.

2. Comparability of tax assessment to the Orcutt CFD: The per parcel cost for the Orcutt Community Facilities District (CFD) for FY 05-06 is \$662.64 for single-family property. The amount paid to the Orcutt CFD includes fire protection and suppression services, sheriff protection services, flood and storm protection services and the maintenance of parks and open spaces. In fiscal year 2005-2006, 182 parcels were levied the special tax assessment and generated \$28,077 in special taxes (compared to the special tax requirement of \$50,909).

3. Maintenance cost of the park: The ability to reduce the special tax assessment by lowering the operating and maintenance cost of the park is not feasible. The Parks Department has closely analyzed the budget for the costs of operating and maintaining the park and has proposed a budget that represents an estimate of the costs of outsourcing the park maintenance function as well as maintaining the park at acceptable service levels.

Background:

On July 9, 2002 the Board of Supervisors approved the Providence Landing Residential Project, located along the southern portion of Vandenberg Village and north of and adjacent to the Lompoc City limits, Third District. The project is approximately 141 acres and will consist of both single family detached residential units and affordable attached residential units and will include a twelve acre community park to be dedicated to the County.

One of the conditions of approval stated the applicant was responsible for initiating the formation of a Community Facilities District (CFD). The CFD would assess all of the new single family detached homes located within the Providence Landing subdivision project for the cost of maintaining the community park. The affordable attached units would not be levied the tax to facilitate affordability.

On June 22, 2004 the Board of Supervisors approved the final map, accepted easements and approved and executed an agreement with the developer to create the park and approved and executed an agreement with the developer to have the YMCA maintain the park.

On January 11, 2005 a Community Facilities District (CFD) was formed within the proposed Providence Landing residential development, located along the southern portion of Vandenberg Village and north of and adjacent to the Lompoc City limits and a resolution authorizing the levying of special taxes within the Providence Landing Community Facilities District was approved.

At the same time the Board directed staff and the developer to look for opportunities to reduce the special tax rate. The Parks Department and the developer reconfigured the parks' operating and maintenance budget and reduced the amount from \$347,099 to \$243,750, which reduced the special tax rate from \$1,300 per parcel to \$913 per parcel. On July 12, 2005, the Board approved the special tax rate of \$913 annually per applicable assessor parcel.

Recently, the Parks Department provided the CEO with information illustrating how General Fund contributions (GFC) to Providence Landing CFD would impact the special tax rate, based on fiscal year 2005-2006 rates: (1) GFC amount of \$50,000 reduces the per parcel cost to \$726; (2) GFC amount of \$75,000 reduces the per parcel

cost to \$632 and (3) GFC amount of \$100,000 reduces the per parcel amount to \$539. The CEO is recommending a GFC of \$75,000.

Fiscal and Facilities Impacts:

The General Fund Contingency draw of \$75,000 has not been budgeted within Contingency nor within the Parks Department for fiscal year 2005-2006. The \$75,000 is one-time draw within fiscal year 2005-2006 that will offset the special tax assessment levied on homeowners beginning in August 2006. The \$75,000 will be transferred to the Providence Landing CFD after July 1, 2006.

Budgeted: Yes No

Fiscal Analysis

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized Cost:</u>	<u>Total Project Cost</u>
General Fund	\$0.00	\$75,000.00	\$0.00
State	\$0.00	\$0.00	\$0.00
Federal	\$0.00	\$0.00	\$0.00
Fees	\$0.00	\$0.00	\$0.00
Other: Providence Landing CFD	\$0.00	\$168,750.00	\$0.00
Other: Developer	\$25,000.00	\$0.00	\$0.00
Total:	\$25,000.00	\$243,750.00	\$ 0.00

Narrative: The current cost of \$25,000 is a developer deposit used for the cost of creating the Providence Landing CFD and will be spent by the end of fiscal year 2005-2006. The annual cost to operate and maintain the Providence Landing park is estimated at \$243,750, or \$913 per parcel. The \$75,000 General Fund Contingency will reduce the special tax assessment for one year to approximately \$632 per parcel, not including any increase in the Consumer Price Index for fiscal year 2005-2006. The exact per parcel cost will be based on a base of \$632 plus an increase by the change in the Consumer Price Index during the past twelve months or 2%, whichever method is greater, and will be presented to the Board in July 2007. It is anticipated that the decision to continue to support the Providence Landing CFD with General Fund monies will be brought to the Board annually either during budget deliberations (as part of the Parks department's budget) or as part of the annual levying of special taxes on both the Providence Landing and Orcutt Community Facilities Districts. After a full year of operations, the Parks Department will also be able to provide a more accurate cost of maintaining and operating the park.

Staffing Impact(s):

Legal Positions:

FTEs:

0

Special Instructions:

Attachments: (list all)

Budget Revision

Authored by: Sharon Friedrichsen, Project Manager, CEO, 568.3107

cc: Ken Masuda, Deputy County Executive Officer
Jay Higgins, Capital Pacific Homes (via fax: 692-2007)