



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: Parks
Department No.: 052
For Agenda Of: 7/08/08, 7/15/08
Placement: Set Hearing
Estimated Tme: 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Daniel C. Hernandez, Parks Director (568-2461)
Director
Contact Info: Mike Gibson, Business Manager (568-2477)
SUBJECT: Levy Special Tax for Providence Landing Community Facilities District

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 minutes) to:
- Receive Summary of Proposed Fiscal Year 2008-09 Tax Levy for Providence Landing Community Facilities District No. 2004-1; and,
 - Adopt Resolution Levying Special Taxes within County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing).

Summary Text:

A Community Facilities District (CFD) is a financing entity commonly used by cities and counties to finance new community facilities and services associated with new development by placing an additional special tax on each newly-created residential parcel (i.e., each dwelling unit). The Providence Landing Community Facilities District (PLCFD) is a specific financing entity that was approved by the Board of Supervisors on January 11, 2005 to pay for the maintenance costs associated with Providence Landing Park. Providence Landing Park was built by the developer (Capital Pacific Homes) as a condition of approval for the Providence Landing residential project, which was approved by the Board of Supervisors on July 9, 2002. The Providence Landing residential project is located along the southern portion of Vandenberg Village and north of and adjacent to the Lompoc city limits.

Each year, the special tax rate is levied on the parcels that have been sold and transferred title to the homeowner in accordance with the Rate and Method of Apportionment ("RMA"). The RMA provides the methodology for the collection of the special taxes and was approved with the creation of the PLCFD in January 2005. The RMA specifies the maximum special taxes to be levied within the PLCFD based on the costs associated with the provision of service, which is the cost of maintaining the park.

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For Fiscal Year 2008-09, the special tax requirement to be levied is \$672 per lot, which is the same rate as last year. While the County is legally allowed to increase the rate to reflect the Consumer Price Index (CPI) increase, it has chosen not to do so (the tax with a CPI increase of 3.7% would have been \$697 per lot). Since the Parks Department has not taken possession of Providence Landing Park yet and, therefore, does not have an accurate measure of the **actual** costs to operate and maintain the park, it is not appropriate to include a CPI increase at this time.

The special tax is based on a PLCFD budget of \$243,750 for park maintenance and operations and \$10,000 for administrative expenses (to cover the cost of preparation of the taxes by an independent firm), offset by a General Fund contribution of \$75,000. Without the \$75,000 contribution, the special tax rate would be \$954 per lot. As per the existing agreement, the reduced rate of \$672 per lot will be applied to both homeowner and developer lots (lots that have not yet been sold).

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. Section 53340 of the Mello-Roos Community Facilities Act of 1982 requires that a resolution to levy a special tax on a Community Facilities District must be filed with the County Auditor on or before the 10th day of August for that tax year.

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, in the Third Supervisorial District. The project is approximately 141 acres and consists of both single-family detached residential units and affordable attached residential units. It also includes a 12-acre community park to be dedicated to the County. One of the conditions of approval for this project required the applicant to initiate 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 and a resolution authorizing the levying of special taxes within the Providence Landing CFD was approved. The maximum special tax rate was set at \$1,300 per applicable parcel at that time. However, the park maintenance budget was revised and on July 12, 2005, the Board approved the special tax rate of \$913 annually per applicable assessor parcel. On June 6, 2006, the Board of Supervisors approved the use of \$75,000 from General Fund Contingency toward the Providence Landing CFD to reduce the cost of the special tax assessment on individual homeowners. On August 1, 2006, the special tax rate was levied at \$672 per applicable parcel for FY 2006-07. On July 17, 2007, the special tax rate was levied at \$672 per applicable parcel for FY 2007-08. The special tax rate proposed to be levied on July 15, 2008 is again \$672 per applicable parcel.

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Due to ongoing discussions between the County and the developer regarding the amount of the developer's contribution, Providence Landing Park has not yet been accepted by the County into the parks system. Once the County takes possession of the park, a more accurate measure of the **actual** operations and maintenance costs will be possible. Until that time, there is no justification for applying a CPI increase to the special tax rate. Therefore, it is recommended that the rate remain the same as last year.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 75,000		
State			
Federal			
Fees: Special Tax	\$ 100,799		
Other: Developer Contribution	\$ 77,951		
Total	\$ 253,750	\$ -	\$ -

Narrative:

The total budget of \$253,750 includes \$243,750 for the maintenance and operation of the park and \$10,000 for administrative expenses, offset by the General Fund contribution of \$75,000. For Fiscal Year 2008-2009, there are 150 lots that have closed escrow prior to May 1, 2008 that will be levied \$672 (total of \$100,799). The developer will be levied the \$672 rate on the remaining homes that have not been sold (266 homes at build out -150 homes sold = 116 homes) for a developer contribution of \$77,951.

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Attachments:

Attachment 1 – Administration Report Fiscal Year 2008-09, County of Santa Barbara CFD No. 2004-1

Attachment 2 – Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District (CFD) 2004-1

Attachment 3 – Frequently Asked Questions for Providence Landing CFD

Authored by:

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cc:

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