

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:
Prepared on: 7/8/03
Department Name: County Administrator
Department No.: 012
Agenda Date: 7/22/03
Placement: Departmental
Estimate Time: 30 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors
FROM: Michael F. Brown
County Administrator
STAFF CONTACT: Shirley Moore
Principal Analyst, 568-3107
SUBJECT: Orcutt Community Facilities District

Recommendation(s):

That the Board of Supervisors:

- A. Receive presentation on status of Orcutt Community Facilities District;
- B. Receive Summary of Fiscal Year 2003-04 Tax Levy (“Administration Report”);
- C. Adopt Resolution Levying Special Taxes within County of Santa Barbara Community Facilities District No. 2002-1 (Orcutt Community Plan).

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 4: A Community that is Economically Vital and Sustainable.

Executive Summary and Discussion:

Background:

On October 8, 2002 a Community Facilities District (CFD) was formed within the Orcutt Planning Area, located immediately south of the City of Santa Maria. A CFD is a special financing entity through which a local government is empowered to levy special taxes and/or issue bonds authorized by a two-thirds vote of the qualified electors of such district. The special taxes may be used to finance infrastructure construction as well as certain public operations and maintenance services. The Orcutt CFD authorizes funds to be used for fire and sheriff protection services, maintenance of parks, parkways and open space, and flood and storm protection services, as well as administrative expenses incurred in administering the CFD.

Specifically, on October 8, 2002, the Board took the following action:

- A. Accepted the Community Facilities District (CFD) Modifications Impact report which modifies the Rate and Method of Apportionment adopted on July 9, 2002, and accepted the CFD Report describing public services by type that would be required to adequately meet the needs of the CFD;
- B. Adopted resolution 02-352 modifying Resolution of Intention and approving Amended and Restated Rate and Method of Apportionment;
- C. Adopted Resolution 02-353 for Formation of the CFD, Authorizing the Levy of a Special Tax Within the District and Establishing an Appropriations Limit for the District;
- D. Adopted Resolution 02-354 Calling Special Election for the CFD, and trailed the matter so that the election could be held that day and the results tallied;
- E. Adopted Resolution 02-355 Declaring the Results of Special Election and Directing Recording of Notice of Special Tax Lien;
- F. Adopted non-binding Resolution 02-356 Regarding Funding in the Orcutt area.

Status:

The following key sites are a part of the Community Facilities District:

| | |
|---|-------------------------------|
| Key Site 5 (Jensen) | 112 Lots |
| Key Site 6 (Mesa Verde) | 64 Lots |
| Key Site 7 (Oak Glen) | 52 Lots |
| Key Site 8 (Harp Springs) | 48 Lots |
| Key Site 9 (Pine Abbey/Oak Knoll Village) | 3.45 acres General Commercial |
| Key Site 12 (Rice Ranch) | 793 Lots |
| Key Site 17 (Stonegate) | 44 Lots |
| Key Site 29 (Hummel Village, Shared Senior Housing) | 8 Lots (1 legal lot) |

Since the formation of the Community Facilities District in 2002, the only property that is developed is Key Site 9, Pine Abbey/Oak Knoll Village. This is a retail commercial site consisting of Albertsons and a few smaller retail outlets.

There are four additional key sites within the CFD that have received project approval. Key Sites 5, 6, 8, and 29. A land use permit was issued for Key Site 29 on 7/2/03. It is probable that land use permits for Key Site 5 will be requested by the developer over the next few months, and building permits could also be requested for Key Site 5 later this fiscal year. It is also possible that land use permits could be requested for Key Site 6 and Key Site 8 later this fiscal year (winter/spring).

In anticipation of development beginning to occur within the CFD, the County Administrator's Office has initiated a project team consisting of staff from Parks, Public Works, Fire, Sheriff, P&D, County Counsel, and Housing and Community Development. The purpose of this team is to regularly assess the potential impact of new development on services to be provided and funded by the CFD (Parks, Flood Control, Fire and Sheriff). The team will monitor timelines for new development as development is approved through the planning process, and determine cost impacts and services required to be provided within the CFD.

The Orcutt Community Plan requires consideration of alternative funding mechanisms for operations and maintenance for new development. To that end, an annexation process will be created that will enable developers whose property is not currently within the CFD to annex into the existing CFD to meet this requirement. Any developer that chooses not to annex into the CFD must demonstrate alternative sources of funding.

Summary of Fiscal Year 03-04 Tax Levy:

The attached "Administration Report Fiscal Year 2003-04" describes the tax levy methodology and identifies projected revenues and cost impacts for FY03-04.

Resolution Levying Special Taxes within County of Santa Barbara Community Facilities District No. 2002-1 (Orcutt Community Plan):

The attached resolution levying special taxes within the Orcutt Community Facilities District will levy the Special Taxes for Fiscal Year 2003-04.

Mandates and Service Levels:

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.

Fiscal and Facilities Impacts:

Special Taxes of \$13,748 will be collected on property developed as of 6/30/03 within the Orcutt Community Facilities District in accordance with the Rate and Method of Apportionment adopted by the Board of Supervisors on October 8, 2002. In addition to the annual special taxes, a grading permit special tax of \$50 per lot will be collected at issuance of land use permit, and a building permit one-time special tax of \$250 per unit for residential property and \$.20 per square foot for non-residential property will be collected at issuance of building permit. Depending upon level of development over the next year, additional funds (in addition to \$50 grading permit special tax collected on 7/2/03) may be collected. A separate fund is being set up to administer the CFD. Taxes that are collected will go directly into that fund, and a budget will be programmed in as part of the budget process based on anticipated revenues and costs to provide the services authorized by the CFD.

Special Instructions:

Upon adoption of resolution, the Clerk of Board is directed to file with the Auditor-Controller no later than August 10, 2003, a certified list of all parcels subject to the Special Tax levy (identified in Attachment "b" "Administration Report Fiscal Year 2003-04") including the amount of the Special Tax to be levied on such parcel for Fiscal Year 2003-2004.

Concurrence:

County Counsel

Attachments:

- a) Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District 2002-1 (Orcutt Community Plan)
- b) Administration Report Fiscal Year 2003-04 (Tax Levy)

CC:

Auditor-Controller
County Counsel
Planning & Development

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA LEVYING
SPECIAL TAXES WITHIN COUNTY OF SANTA
BARBARA COMMUNITY FACILITIES DISTRICT NO.
2002-1 (ORCUTT COMMUNITY PLAN)**

WHEREAS, the Board of Supervisors (the “Board of Supervisors”) of the County of Santa Barbara (the “County”) has formed Orcutt Community Facilities District No. 2002-1 (Orcutt Community Plan) (the “Community Facilities District”), under and pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”); and

WHEREAS, the Board of Supervisors, as the legislative body of the Community Facilities District, is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain facilities; and

WHEREAS, the Board of Supervisors, pursuant to Ordinance No. 4478, adopted by the Board of Supervisors of the County on October 15, 2002, authorized and levied the Special Taxes within the Community Facilities District; and

WHEREAS, Section 53340 of the Act provides that the legislative body of a community facilities district may provide, by resolution, for the levy of the special tax in the current year or future tax years at the same rate or at a lower rate than the rate provided by ordinance, if the resolution is adopted and a certified list of all parcels subject to the special tax levy including the amount of the tax to be levied on each parcel for the applicable tax year, is filed by the clerk or other official designated by the legislative body with the county auditor on or before the 10th day of August of that tax year; and

WHEREAS, the Board of Supervisors desires to levy the Special Taxes within the Community Facilities District for Fiscal Year 2003-2004;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. All of the above recitals are true and correct.

Section 2. The Board of Supervisors hereby levies the Special Taxes for the Fiscal Year 2003-2004 at the maximum rates and with respect to the parcels as set forth in Exhibit A hereto; provided, however, that the County Administrator or the Finance Director of the County is hereby authorized, prior to the submission to the Santa Barbara County Auditor-Controller and upon consultation with the County’s special tax consultant, David Taussig & Associates, Inc., (a) to make any necessary modifications to such Special Taxes to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed (provided that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels). The Clerk of the Board of the County is hereby authorized and directed to file with the Santa Barbara County Auditor-Controller no later than August 10, 2003, a certified list of all

parcels subject to the Special Tax levy including the amount of the Special Tax to be levied on each parcel for Fiscal Year 2003-2004.

Section 3. The officers and agents of the County are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the levy of the Special Taxes for Fiscal Year 2003-2004 as provided in this Resolution.

Section 4. All actions heretofore taken by the officers and agents of the County with respect to the levy of the Special Taxes for Fiscal Year 2003-2004 are hereby approved, confirmed and ratified.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 22nd day of July 2003, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Naomi Schwartz, Chair of the Board of Supervisors
County of Santa Barbara

ATTEST:

Michael F. Brown
Clerk of the Board of Supervisors

By: _____
Deputy Clerk-Recorder

APPROVED AS TO FORM:
STEPHEN SHANE STARK
County Counsel

By: _____
Deputy County Counsel

APPROVED AS TO FORM:
ROBERT W. GEIS
Auditor-Controller

By: _____
Auditor-Controller

EXHIBIT A
SPECIAL TAX LEVY FOR FISCAL YEAR 2003-2004¹

1. Developed Property

a. Special Tax

The Special Tax for Fiscal Year 2003-04 for each Land Use Class is shown below in Table 1.

TABLE 1

MAXIMUM SPECIAL TAXES FOR DEVELOPED PROPERTY

**For Fiscal Year 2003-04
Community Facilities District No. 2002-1**

| Land Use Class | Land Use | Maximum Special Tax Per Dwelling Unit or Per Square Foot of Non-Residential Floor Area |
|-----------------------|---|---|
| 1 | Single Family Property | \$622.36 per Dwelling Unit |
| 2 | Multi-Family Property | \$423.20 per Dwelling Unit |
| 3 | Non-Retail Commercial/Industrial Property | \$0.60396 per square foot |
| 4 | Retail Commercial Property | \$0.42944 per square foot |

¹ All capitalized terms herein shall have the same meaning as set forth in the Amended and Restated Rate and Method of Apportionment of Special Taxes (hereinafter "Rate and Method") adopted by the Board of Supervisors in resolution 02-358 and on file with the Clerk of the Board.

2. Graded Property

As set forth in the Rate and Method, a Special Tax of \$50 shall be levied on Graded Property.

3. Property Being Issued a Building Permit

As set forth in the Rate and Method, a One-Time Special Tax of \$250 per Dwelling Unit and \$0.20 per square foot of Non-Residential Floor Area shall be levied at a building permit issuance on Developed Property.

**COUNTY OF SANTA BARBARA
COMMUNITY FACILITIES DISTRICT
No. 2002-1**

July 8, 2003

**ADMINISTRATION REPORT
FISCAL YEAR 2003-04**

**COUNTY OF SANTA BARBARA
COMMUNITY FACILITIES DISTRICT NO. 2002-1**

Prepared for

COUNTY OF SANTA BARBARA
105 E. Anapamu Street, Room 406
Santa Barbara, California 93101

Prepared by

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EXHIBITS

Exhibit A: Fiscal Year 2003-2004 Special Tax Levy

Introduction

This Mello-Roos Community Facilities District Administration Report presents the findings of the research and financial analysis performed by David Taussig & Associates, Inc. to determine the special tax requirement for Community Facilities District No. 2002-1 (Orcutt Community Plan) ("CFD No. 2002-1") of the County of Santa Barbara ("the County") for fiscal year 2003-2004.

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 the annual levy and collection of special taxes from all property subject to the tax within the community facilities district. In calculating the special tax liability for fiscal year 2003-2004, this report examines the financial obligations of the current fiscal year and analyzes the level of development within CFD No. 2002-1. Though the Rate and Method of Apportionment describes the collection of an annual special tax as well as a Building Permit One-Time Special Tax and a one-time Grading Permit Special Tax, the focus of this report is the levy of the annual special taxes.

This report is organized into the following sections:

Section I

Section I provides an update of the development status of property within CFD No. 2002-1.

Section II

Section II determines the financial obligations of CFD No. 2002-1 for fiscal year 2003-2004.

Section III

Section III reviews the methodology used to apportion the special tax requirement to Developed Property and Graded Property. A table of the 2003-2004 special taxes for each classification of property is included.

I. Special Tax Classifications and Development Update

Special Tax Classifications

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Rate and Method of Apportionment. The Rate and Method of Apportionment defines three categories of property, namely "Developed Property," "Graded Property," and "Undeveloped Property." The category of Developed Property is in turn divided into four separate special tax classifications based on the type of structure built. A table of the Developed Property special tax classifications is shown below.

Community Facilities District No. 2002-1 Developed Property and Graded Property Classifications

| Land Use Class | Description |
|-----------------------|---|
| 1 | Single Family Property |
| 2 | Multi-Family Property |
| 3 | Non-Retail / Commercial Industrial Property |
| 4 | Retail Commercial Property |
| NA | Graded Property |

Developed Property is distinguished from Graded Property and Undeveloped Property by the issuance of a building permit. Specifically, property for which a building permit was issued on or after March 1, 2002 and as of June 30 of the previous Fiscal Year will be classified as Developed Property in the following fiscal year. For example, all property in CFD No. 2002-1 for which a building permit was issued between March 1, 2002 and June 30, 2003, will be classified as Developed Property in fiscal year 2003-2004. For fiscal year 2003-04, Graded Property is defined as all taxable property other than Developed Property, for which a land use permit for grading was issued between March 1, 2002 and June 30, 2003.

Development Update

The table below indicates the cumulative Developed Property, by class, within CFD No. 2002-1. According to the County of Santa Barbara no building permits or land use permits for grading had been issued within CFD No. 2002-1 after March 1, 2002 and prior to June 30, 2003. Thus the only Developed Property for fiscal year 2003-04 are the five Assessor's Parcels consisting of 32,015 building square feet that are identified in the Rate and Method of Apportionment as Retail Commercial Property.

**Community Facilities District No. 2002-1
Fiscal Year 2003-04
Developed Property and Graded Property**

| Class | Land Use | Number of units/SF/parcels |
|--------------|--|---------------------------------------|
| 1 | Single Family Property | 0 units |
| 2 | Multi-Family Property | 0 units |
| 3 | Non-Retail Commercial/Industrial Property | 0 sq. ft. |
| 4 | Retail Commercial Property | 32,015 sq. ft. |
| NA | Graded Property | 0 parcels |

II. Fiscal Year 2003-2004 Special Tax Requirement

For fiscal year 2003-2004, the special tax requirement is equal to \$14,581 and is calculated as follows:

Community Facilities District No. 2002-1 Fiscal Year 2003-2004 Special Tax Requirement

| | |
|--|-----------------|
| FISCAL YEAR 2003-2004 USES OF FUNDS: | |
| CFD ADMINISTRATIVE EXPENSES | \$10,000 |
| FIRE PROTECTION & SUPPRESSION SERVICES [1] | \$2,454 |
| POLICE PROTECTION SERVICES [1] | \$1,513 |
| MAINTENANCE OF PARKS, PARKWAYS AND OPEN SPACE [1] | \$360 |
| FLOOD AND STORM PROTECTION SERVICES [1] | \$254 |
| FISCAL YEAR 2003-2004 SPECIAL TAX REQUIREMENT: | \$14,581 |
| [1] Represents estimated net annual service and/or maintenance costs for existing Developed Property within CFD No. 2002-1 based on cost and revenue factors established in the Orcutt Community Plan Fiscal Impact Analysis dated October 16, 1997. | |

III. Method of Apportionment

Maximum Annual Special Taxes

The amount of special taxes that CFD No. 2002-1 may levy is strictly limited by the maximum special taxes set forth in the Rate and Method of Apportionment. The Maximum Special Taxes for each classification of Developed Property are specified in Table 1 of Section C of the Rate and Method of Apportionment. The initial Maximum Special Tax will escalate each Fiscal Year by the greater of the change in the Los Angeles Urban Consumer Price Index during the previous twelve months or 2%, commencing July 1, 2003 and continuing every July 1 thereafter. For fiscal year 2003-04 the annual increase in the special taxes was 3.73%.

The maximum annual Grading Permit Special Tax for Graded Property is specified in Section C.2 of the Rate and Method of Apportionment. No Special Taxes shall be levied upon Undeveloped Property.

Apportionment of Annual Special Taxes

The annual special tax that is apportioned to each parcel is determined through the application of Section D of the Rate and Method of Apportionment

The Maximum Special Tax shall be levied against each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax until the amount of the Special Taxes equals the Special Tax Requirement. In addition, the Grading Permit Special Tax shall be levied on each legal lot of Graded Property.

Application of the maximum special taxes on Developed Property generates special tax revenues of \$13,748.49, which is less than the Special Tax Requirement. However, under the Rate and Method of Apportionment, no additional annual special taxes can be levied. The fiscal year 2003-2004 maximum and actual special taxes are shown for each classification of Developed Property in the following table.

**Community Facilities District No. 2002-1
Fiscal Year 2003-2004 Special Taxes
for Developed Property and Graded Property**

| Land Use Class | Description | FY 2003-2004 Maximum Special Tax | FY 2003-04 Actual Special Tax |
|-----------------------|---|---|--------------------------------------|
| 1 | Single Family Property | \$622.36/unit | NA |
| 2 | Multi-Family Property | \$423.20/unit | NA |
| 3 | Non-Retail Commercial/Industrial Property | \$0.60369 per sq. ft. | NA |
| 4 | Retail Commercial Property | \$0.42944 per sq. ft. | \$0.42944 per sq. ft. |
| NA | Graded Property | \$50/ lot | NA |

A list of the actual special tax levied against each parcel in CFD No. 2002-1 is included in Exhibit A.

In addition to the annual special taxes, CFD No. 2002-1 shall levy the following one-time special taxes for Fiscal Year 2003-04.

**Community Facilities District No. 2002-1
Fiscal Year 2003-2004
One-Time Special Taxes**

| Type of Tax | Property Type | FY 2003-04 Special Tax | Time of Levy |
|--------------------------------------|--------------------------|-------------------------------|---|
| Building Permit One-Time Special Tax | Residential Property | \$250 per unit | Issuance of Building Permit |
| Building Permit One-Time Special Tax | Non-Residential Property | \$0.20 per sq. ft. | Issuance of Building Permit |
| Grading Permit Special Tax | NA | \$50 per lot | Issuance of Land Use Permit for Grading |

EXHIBIT A

*CFD No. 2002-1 of
County of Santa Barbara*

*Special Tax Levy
Fiscal Year 2003-2004*

Exhibit A
County of Santa Barbara
Community Facilities District 2002-1
FY 2003-04 Special Tax Levy

| <u>APN</u> | <u>FY 2003-04 SPECIAL TAX</u> |
|-------------------------------|-----------------------------------|
| 103-740-25 | \$4,758.20 |
| 103-740-28 | \$6,089.03 |
| 103-740-31 | \$715.45 |
| 103-740-32 | \$1,311.08 |
| 103-740-34 | \$874.77 |
| Total Number of Parcels Taxed | 5 |
| Total FY 2003-04 Special Tax | \$13,748.53 |