

**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: 6/29/05
Department Name: County Executive
Department No.: 012
Agenda Date: 7/12/05
Placement: Departmental
Estimate Time: 15 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Executive Officer

STAFF CONTACT: Jason Stilwell
Project Manager, 568-3413

SUBJECT: Orcutt Community Facilities District - Fourth Supervisorial District

Recommendation(s):

That the Board of Supervisors:

- A. Receive report on the status of Orcutt Community Facilities District and summary of expenditures for fiscal year 2004-2005;
- B. Receive Summary of Proposed Fiscal Year 2005-06 Tax Levy to incorporate an inflation increase;
- 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:

The purpose of the hearing will be to receive a presentation on status of the Orcutt Community Facilities District, receive a summary of the proposed Fiscal Year 2005-06 Tax Levy, and to adopt Resolution Levying Special Taxes within the District. The recommended action does not include any new taxes or debt for the Orcutt community; the recommended action is to increase by the permitted inflation rate the existing special tax on new development in the Orcutt community.

This item is being placed on the Board's July 12, 2005 agenda to allow the Board and public an adequate time to consider these issues before the August 10, 2004 tax levy filing deadline with the Auditor-Controller.

LEGISLATIVE HISTORY:

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 within the Orcutt community. In the case of the Orcutt CFD, issuing of bonds is not permitted.

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.

On July 22, 2003, the Board adopted a resolution levying special taxes within the Orcutt Community Facilities District. This levy was for the 2003-2004 tax year. On July 13, 2004, the Board adopted a resolution levying special taxes within the Orcutt Community Facilities District. This levy was for the 2004-2005 tax year. The levy must be adopted on an annual basis.

LAND AREAS INCLUDED IN THE ORCUTT COMMUNITY FACILITIES DISTRICT:

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

- Key Site 5 (Jensen)
- Key Site 6 (Mesa Verde)
- Key Site 7 (Oak Glen)
- Key Site 8 (Harp Springs)
- Key Site 9 (Pine Abbey/Oak Knoll Village)
- Key Site 12 (Rice Ranch)
- Key Site 17 (Stonegate)
- Key Site 29 (Hummel Village, Shared Senior Housing)

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 2005-2006 TAX LEVY:

The attached (Attachment A) “Administration Report Fiscal Year 2005-06” describes the tax levy methodology and identifies projected revenues and cost impacts for FY05-06. The amount of special taxes the CFD may levy is strictly limited by the maximum special taxes set forth in 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 (CPI) during the previous twelve months or two percent. For fiscal year 2005-2006, the increase in the CPI was 4.39%, therefore the annual increase in the special taxes was 4.39%.

Summary Table of Proposed Change in Special Taxes by Parcel Type		
Parcel Type	FY 2004-2005 Adopted Annual Special Tax	FY 2005-2006 Proposed Annual Special Tax
Single Family Property	\$634.81 per unit	\$662.64 per unit
Multi-Family Property	\$431.67 per unit	\$450.60 per unit
Non-Retail Commercial/Industrial Property	\$0.61576 per square foot	\$0.64276 per square foot
Retail Commercial Property	\$0.43803 per square foot	\$0.45724 per square foot

The attached (Attachment B) resolution levying special taxes within the Orcutt Community Facilities District will levy the Special Taxes for Fiscal Year 2005-06.

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 \$50,908.92 will be collected on property developed as of 6/30/05 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 may be collected. Fund 2270 is set up to administer the CFD. Taxes that are collected will go directly into that fund, and a budget will be programmed 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, 2004, a certified list of all parcels subject to the Special Tax levy (identified in Attachment A "Administration Report Fiscal Year 2005-06") including the amount of the Special Tax to be levied on such parcel for Fiscal Year 2005-2006.

Concurrence: County Counsel

Attachments:

- a) Administration Report Fiscal Year 2005-06 (Tax Levy)
- b) Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District 2002-1 (Orcutt Community Plan)

CC: Ed Price, Property Tax Division Chief, Auditor-Controller
Michael Ledbetter, Deputy County Counsel
John Zorovich, North County Development Review Division, Planning & Development
Shirley Moraga, Management Assessment and Planning Division, Housing and Community Development

Landowners of Record (via fax):

Stuart Bartelson	Key Site 9	937-1362
Jon Martin	Key Site 7	962-2919
Jim Van Derhyden	Key Site 6	934-9742
Lynn Simonsen	Key Site 29	937-3281
Tony Wells	Key Site 5, 8, 17, 20	922-9130
Jim La Loggia	Key Site 12	431-5220 (phone)