



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

A-36

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

REPLACEMENT # 1  
DATE 7/13/07 TIME 2:00 pm

15 JUL - 3 11 25 AM  
COUNTY CLERK  
SANTA BARBARA, CALIFORNIA

Department Name: Parks  
Department No.: 052  
For Agenda Of: 7/10/07, 7/17/07  
Placement: Set Hearing  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel C. Hernandez, Parks Director *DCH*  
Director(s)  
Contact Info: Daniel C. Hernandez, Parks Director (568-2461)

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 17, 2007 (estimated 15 minutes) to:
- (A) Receive Summary of Proposed Fiscal Year 2007-2008 Tax Levy for Providence Landing Community Facilities District No. 2004-1; and,
  - (B) 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. a 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 the Providence Landing Park. The Providence Landing Park was built by the developer 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.

For Fiscal Year 2007-2008, 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 increase, it has not chosen to do so (the tax with a CPI would have been \$702 per lot). The special tax is based on a PLCFD budget of \$10,000 for administrative expenses (to cover the cost of the preparation of the taxes by an independent firm) and \$243,750 for park maintenance offset by a General Fund contribution of \$75,000. Without the \$75,000 contribution, the special tax rate would be \$984 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, Third District. The project is approximately 141 acres and consists of both single family detached residential units and affordable attached residential units and includes 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 and a resolution authorizing the levying of special taxes within the Providence Landing Community Facilities District was approved. The maximum special tax rate was set at \$1,300 per applicable parcel. 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 Community Facilities District 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. The special tax rate proposed to be levied on July 17, 2007 is \$702 per applicable parcel.

**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	\$ 75,000.00		
State			
Federal			
Fees	\$ 80,640.00		
Other: developer	\$ 98,110.00		
Total	\$ 253,750.00	\$ -	\$ -

**Narrative:**

The total budget of \$253,750 includes \$243,750 for the maintenance of the park and \$10,000 for administrative expenses offset by the General Fund contribution of \$75,000. For fiscal year 2007-2008, there are 120 lots that have closed escrow prior to May 1, 2007 that will be levied \$672 (total of \$80,640). The developer will be levied the \$672 rate on the remaining 146 homes that have not been sold (266 homes at buildout-120 sold) for a contribution of \$98,110.90.

**Staffing Impacts:**

**Legal Positions:**  
 N/A

**FTEs:**  
 N/A

**Attachments:**

1. Administration Report Fiscal Year 2007-2008, County of Santa Barbara CFD No. 2004-1
2. Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District 2004-1
3. Frequent Asked Questions for Providence Landing CFD

**Authored by:**

Sharon Friedrichsen, Assistant to the CEO, 568.3400

**cc:** Ed Price, Property Tax Division Chief, Auditor-Controller  
 Marie LaSala, Deputy County Counsel  
 Michael Gibson, Parks Department  
 Jason Stilwell, County Executive Office  
 Jay Higgins, Capital Pacific Homes

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.  
2004-1 (PROVIDENCE LANDING)**

**WHEREAS**, the Board of Supervisors (the “Board of Supervisors”) of the County of Santa Barbara (the “County”) has formed Providence Landing Community Facilities District No. 2004-1 (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. 4562, adopted by the Board of Supervisors of the County on January 18, 2005, 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 2007-2008;

**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 2007-2008 at a rate below the maximum as set in Ordinance No. 4562, and with respect to the parcels as set forth in Exhibit A hereto; provided, however, that the County Executive Officer 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 maximum rate set in Ordinance No. 4562 remains in effect with respect to the future levying of special taxes thereunder. 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, 2006, 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 2007-2008.

**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 2007-2008 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 2007-2008 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 17th day of July 2007, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

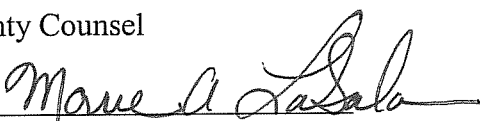
\_\_\_\_\_  
Brooks Firestone, Chair of the Board of Supervisors  
County of Santa Barbara

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 2007-2008**

**1. Developed Property**

a. Special Tax

The Special Tax for Fiscal Year 2007-2008 for each Land Use Class is shown below in Table 1.

**TABLE 1**

**ACTUAL SPECIAL TAXES FOR DEVELOPED PROPERTY**

**For Fiscal Year 2006-2007**  
**Community Facilities District No. 2004-1**

<b>Land Use Class</b>	<b>Land Use</b>	<b>Maximum Special Tax Per Dwelling Unit or Per Square Foot of Non-Residential Floor Area</b>
1	Homeowner Property	\$672 per LOT
2	Residential Property	\$0 per LOT

PROVIDENCE LANDING COMMUNITY FACILITIES DISTRICT  
FREQUENTLY ASKED QUESTIONS

**Question: What is the Providence Landing Community Facilities District?**

**Answer:** 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. a dwelling unit). Most frequently, these districts are formed to ensure localized financing of regional infrastructure or amenities and their ongoing maintenance. For a full discussion of the formation and laws related to a CFD, please refer to the Mello-Roos Community Facilities District Act of 1982, beginning at Section 53311 of the California Government Code.

The Providence Landing Community Facilities District (PLCFD) is a specific financing entity that pays for the maintenance costs associated with the Providence Landing Park, which is programmed with such active amenities as little league fields, a soccer field, a multi-use/roller hockey court, tennis courts, a volleyball court, group picnic facilities, a concession and office building, a tot lot, fencing, landscaping, lighting and irrigation.

Examples of the type of maintenance provided by the PLCFD include mowing, tree and shrub pruning, irrigation repairs, plant replacement, fertilization and other landscape practices such as aeration when required. Other maintenance items would include structural and concrete repairs, to the building, sidewalks and hardscape surfaces as well as repairs due to vandalism or graffiti. Water, sewer, gas, telephone and electricity usage make up a substantial portion of the maintenance budget, as do custodial and solid waste services. A depreciation account is figured into the annual budget to address any deferred maintenance items that may require considerable future funding such as resurfacing of the tennis courts or maintenance to baseball dugouts or fencing.

**Question: Why was it created?**

**Answer:** On July 9, 2002 the County's Board of Supervisors approved the Providence Landing Residential Project. A CFD was created to ensure that the new park facilities being developed for this subdivision would receive adequate funding for its annual operating and maintenance costs. The PLCFD was officially formed on January 11, 2005 by a 4-0-1 vote of the Board of Supervisors. The County's Parks Department provides administrative oversight of the PLCFD and contracts with the Lompoc YMCA to maintain the park and provide recreational programming of the facility.

**Question: Who Operates the Park?**

**Answer:** PLFCD contracts with the local YMCA to provide the community with services at the Providence Landing Park. On an ongoing basis, the YMCA works with County Parks Department staff to address park facility programming, scheduling and administrative concerns.

PROVIDENCE LANDING COMMUNITY FACILITIES DISTRICT  
FREQUENTLY ASKED QUESTIONS

**Question: How is it funded?**

Answer: All single-family detached units within Providence Landing are assessed a special tax that represents a portion of the total cost of maintaining the park and administrative expense related to administering the PLCFD. The special tax amount is shared equally amongst all home owners and is based on the total cost of park maintenance divided by 267 (the number of single-family detached home sites in the project area).

Every single-family detached unit that closed escrow prior to May 1<sup>st</sup> will be levied the special tax in August of the same year. Attached residential units that are considered to be affordable housing are not assessed the special tax, which was a policy decision by the Board of Supervisors to assist in the housing affordability goals for the region.

Each year, on or before August 10<sup>th</sup>, the Board of Supervisors must decide upon the amount of the PLCFD tax for the coming year. A hearing to levy the tax rate occurs every summer (July to early August). Once the Board has approved the rate, the County Auditor places the special tax onto the property tax roll for each residential parcel within the District. The special tax is included on each homeowner's property tax bill and sent out in October 2007. At least one-half of the total property tax amount must be paid by November 1, 2007 (delinquent after December 10, 2007); the second half must be paid by February 1, 2008 (delinquent after April 10, 2008). See your tax bill for details on how to avoid penalties.

To ensure adequate funding to maintain community improvements, the special tax rate may increase or decrease each year. At the time of its creation, the PLCFD was authorized to impose a tax not exceeding \$1,300 per single-family detached unit, plus the annual cost of inflation as indicated by the Los Angeles Consumer Price Index (roughly a 2-5% increase each year). However, each year the rate will vary depending on the actual cost of administration, park maintenance, and the availability of outside funding. For example, the 2006-2007 rate was set at \$672 per single-family detached unit based on a reduced administration and maintenance budget and a County General Fund contribution of \$75,000. The Board of Supervisors has the authority to allocate funds toward the PLCFD during its annual budget hearings (scheduled for the week of June 11, 2007) as well as during the annual levying of the special tax (anticipated to be July 10, 2007). To ensure the accuracy of the calculation of the PLCFD tax, the tax is imposed in arrears, so that it reimburses the County and the YMCA for actual maintenance costs incurred during the prior fiscal year.

**Question: Whom do we contact with questions?**

Answer: Questions may be addressed to the Parks Department, 610 Mission Canyon Road, Santa Barbara, CA 93105. Telephone: 805.568.2461