



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: HCD
Department No.: 055
For Agenda Of: 7/13/10
Placement: Set Hearing for 7/27/10
Estimated Tme: 10 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department David Matson, Housing and Community Development Director
Director(s)
Contact Info: Christa Coski, Chief Financial Officer, ext. 3526

SUBJECT: Levy Special Tax for Orcutt 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 27, 2010 to:

- (a) Receive the Summary of Proposed Fiscal Year 2010-2011 Tax Levy for Orcutt Community Facilities District No. 2002-1; and,
- (b) Adopt a Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District No. 2002-1.

Summary Text:

The Orcutt Community Facilities District No. 2002-1 (OCFD) was approved by the Board of Supervisors on October 8, 2002 for the purpose of levying a special tax on residential and commercial properties to fund: (1) police/sheriff protection services, (2) fire protection services, (3) maintenance of parks, parkways and open space, and (4) flood and storm protection services. The Orcutt Planning Area is located immediately south of the City of Santa Maria.

The special tax is levied on three categories of property: (1) developed property, (2) graded property and (3) undeveloped property. Developed property is further delineated as (a) single family, (b) multi-family, (c) non-retail/commercial industrial and (d) retail commercial property. To determine the appropriate tax rate, the independent firm of David Taussig & Associates was retained to calculate a maximum allowable tax levy based on required services.

In fiscal year 2006-2007, it was determined that 72% of the maximum allowable tax levy was sufficient to fund necessary services. Since that time, this proportionate percentage has been applied and adopted each year by the Board in order to maintain reasonable annual rate increases. Remaining consistent with

this approach, the proposed levy for fiscal year 2010-2011 equates to \$192,682 and reflects 72% of the maximum allowable levy as determined by David Taussig & Associates. To collect this amount, a tax rate increase of 2% is necessary and proposed for each type of developed property as shown in the far right column of the following table.

Parcel Type	FY 2009-2010 Actual Special Tax	FY 2010-2011 Recommended Special Tax
Tax Levy	\$163,194	\$192,682
Developed Property		
Single Family	\$546.92 per unit	\$557.84 per unit
Multi-Family	\$371.91 per unit	\$379.34 per unit
Non-Retail Commercial/Industrial	\$0.53050/sq.ft.	\$0.54111/sq.ft
Retail Commercial	\$0.37739/sq.ft	\$0.38492/sq.ft
Graded Property	\$50 per lot	\$50 per lot
Undeveloped Property	\$0 per lot	\$0 per lot

On October 8, 2002, the Board of Supervisors adopted Resolution 02-353, which provides for the special tax to be increased annually by the greater of the change in the Los Angeles Urban Consumer Price Index (CPI) during the twelve months prior to December of the previous Fiscal Year or two percent (2%). For Fiscal Year 2010-2011, the increase in the Los Angeles Urban CPI was 1.83%. Accordingly, and per Board direction, a 2% increase is reflected in the FY 2010-2011 Recommended Special Tax rate.

Background: 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 (1) police/sheriff protection services, (2) fire protection services, (3) maintenance of parks, parkways and open space, and (4) flood and storm protection services.

The authorized services are funded through an annual levy and collection of special taxes from all property subject to the tax within the community facilities district. Specifically, the special tax is used to offset operational and maintenance service costs associated with the buildout of the Orcutt Community Plan. Services paid for through the OCFD are provided to the community based upon established service ratio standards that vary by the type of service. For example, current standards require one firefighter per 4,000 residents, and one Sheriff patrol officer per 1,200 residents. Under full buildout envisioned in the Orcutt Community Plan, the Fire Department would need three additional firefighters and the Sheriff would need eight additional patrol officers. Beyond fire and police services, the OCFD also provides funding for the maintenance of parks and open space, as well as flood and storm protection services via regional basins.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Narrative: If the proposed rates are adopted, some 529 parcels will be levied at the adopted rate to generate an estimated \$192,682 for the costs of services provided within the OCFD (up from \$163,194 last year).

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Attachments:

1. Administration Report Fiscal Year 2010-2011, County of Santa Barbara CFD No. 2002-1
2. Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District 2002-1. (Signed copy to be provided.)

Authored by:

Christa Coski, CFO, HCD

CC:

Ed Price, Property Tax Division Chief, Auditor-Controller
Marie LaSala, Deputy County Counsel
Chris Rich, Fiscal & Policy Analyst, CEO