



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, Parks
Department No.: 055, 052
For Agenda Of: 8/2/2011
Placement: Departmental
Estimated Tme: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Sharon Friedrichsen, Interim HCD Director,
(805)568-2068
Brian Roney, Interim Parks Director (805) 568-2461
Contact Info: Nicole Koon, Business Manager (805) 568-2477
SUBJECT: 2011-12 Orcutt and Providence Landing Community Facilities Districts Special Tax Levy

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, on August 2, 2011:

- a) Receive the Summary of Proposed Fiscal Year 2011-2012 Tax Levy for Orcutt Community Facilities District No. 2002-1 (Attachment 1) and for Providence Landing Community Facilities District No. 2004-1 (Attachment 3);
- b) Adopt a Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District No. 2002 (Orcutt) (Attachment 2);
- c) Adopt a Resolution Levying Special Taxes within County of Santa Barbara Community Facilities District No. 2004-1 (Providence Landing) (Attachment 4);
- d) Find that the assessment revenue from the Providence Landing Community Facilities District will be used to meet operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment, or materials, meeting financial reserve needs and requirements obtaining funds for capital projects necessary to maintain service within existing service areas, within meaning of Public Resources Code Section 21080(b)(8); and
- e) Find that the calculation and imposition of the annual Orcutt and Providence Landing Community Facilities District Special Taxes are exempt from further CEQA review pursuant to CEQA Guidelines Section 15273.

Summary Text: There are two community facilities districts located within the County: (1) Orcutt Community Facilities District (OCFD) and (2) Providence Landing (PLCFD). A community facilities district is an alternative method for financing capital facilities and services and is considered a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended.

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 in the Orcutt Planning Area located immediately south of the City of Santa Maria. Specifically, the special tax is used to offset operational and maintenance service costs associated with the buildout of the Orcutt Community Plan. The special tax funds four areas of community services: (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 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.

The Providence Landing Community Facilities District No. 2004-1(PLCFD) was formed on January 11, 2005 within the proposed Providence Landing residential development located along the southern portion of Vandenberg Village and north of and adjacent to the Lompoc City limits for the express purpose of funding the maintenance of a park. Specifically, CFD No. 2004-1 is authorized to levy an annual special tax to finance public park maintenance and operation. The special tax is levied on two types of property: (1) Homeowner Property and (2) Residential Property.

The OCFD is administered by the Housing and Community Development Department while the PLCFD is administered by the Parks Department. The levying of the special taxes for the community facilities districts is being presented as a joint item in order to start the preparation of both departments into the Community Services Department.

The independent firm of David Taussig & Associates is retained to calculate a maximum allowable tax levy and determine how to apply the tax to affected properties within both community facilities districts. The firm produces an annual administrative report for the community facilities districts, which are included as attachments to this Board letter.

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:

Orcutt Community Facilities District: The OCFD 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. 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. The OCFD also provides

funding for the maintenance of parks and open space, as well as flood and storm protection services via regional basins.

The Fiscal Year 2011-12 special tax requirement for the Orcutt Community Facilities District was calculated by an independent firm based on the Rate and Method of Apportionment, which specifies the maximum special taxes to be levied within the community facility district. Resolution 02-353, which created OCFD No. 2002-1, directs that the special tax be increased annually by the greater of either 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 2011-2012, the increase in the Los Angeles Urban CPI was 1.34%. Accordingly, a 2% increase to the special tax rate is proposed for FY 2011-12 as illustrated in the table below and within the attached Administration Report Fiscal Year 2011-12, County of Santa Barbara CFD No. 2002-1:

Parcel Type	FY 2010-2011 Actual Special Tax	FY 2011-2012 Recommended Special Tax
<i>Developed Property</i>		
Single Family	\$557.84 per unit	\$569.00 per unit
Multi-Family	\$379.34 per unit	\$386.92 per unit
Non-Retail Commercial/Industrial	\$0.54111/sq.ft	\$0.55194/sq.ft.
Retail Commercial	\$0.38492/sq.ft	\$0.39262/sq.ft
<i>Graded Property</i>	\$50 per lot	\$50 per lot
<i>Undeveloped Property</i>	\$0 per lot	\$0 per lot

If the proposed tax levy is adopted, 529 parcels will be levied, generating approximately \$212,889.66 for the costs of services provided within the OCFD. The total collected levy will increase \$20,207.66, up from \$192,682 last year.

Providence Landing Community Facilities District: On July 9, 2002 the Board of Supervisors approved the Providence Landing Residential Project. 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 a community park. 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.

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. The special tax rate was levied at \$672 per parcel for fiscal years 2006-07, 2007-08, 2008-09, 2009-10, and 2010-11.

The park was formally conveyed to the County and presented at the Board of Supervisors on August 25th, 2009. The Home Owner Association for Providence Landing assumed maintenance and operations

of the park in December 2009. The Home Owner Association for Providence has been managing this park under its non-profit organization with an FY 2010-11 budget of \$170,966. The Providence Landing park budget for FY 2011-12 is \$147,991.47.

The Fiscal Year 2011-12 special tax requirement for the Providence Landing Community Facilities District was calculated by an independent firm based on the Rate and Method of Apportionment. The Rate and Method of Apportionment specifies the maximum special taxes to be levied within the community facility district based on the expenses of providing services within the district, which for Providence Landing CFD is the cost of maintain the park. The special tax rate may escalate each fiscal year by the greater of the change in the Los Angeles Consumer Price Index during the past twelve months prior to December of the previous year or 2.0%. Accordingly, no increase to the special tax rate is proposed for FY 2011-12 as illustrated in the table below and within the attached Administration Report Fiscal Year 2011-12, County of Santa Barbara CFD No. 2004-1:

Parcel Type	FY 2010-2011 Actual Special Tax	FY 2011-2012 Recommended Special Tax
<i>Developed Property</i>		
Homeowner Property	\$672.00 per lot	\$672.00 per lot
Residential Property	\$0 per lot	\$0 per lot

The total budget of \$157,991.47 includes \$147,991.47 for the Providence Landing Park Association maintenance and operations contract, plus \$10,000 for administrative expenses. For Fiscal Year 2011-12, 199 homeowner property lots have closed escrow prior to May 1, 2011 that will be levied at \$672 (total of \$133,728). The developer will be levied the \$672 rate on the remaining 67 residential property lots (total of \$45,022). The CFD designation funds will increase by \$14,263.47 due to cost saving and fundraising by the Providence Landing Park Association to the operations and maintenance budget as shown in the table below:

<u>Providence Landing Park</u>	<u>FY 2011-12 Adopted</u>	<u>FY 2011-12 Designation</u>	<u>FY 2011-12 Revenue</u>
<u>Funding Sources</u>	<u>Budget:</u>	<u>Revenue:</u>	
Administrative Report/Oversight	\$ 10,000.00		
Fees: Special Tax Revenues			\$ 133,728.00
Other: Developer Contribution			\$ 45,022.00
CFD Fund Designation		\$ 14,263.47	
Providence Landing Park Assoc.	\$ 147,991.47		
Total	\$ 157,991.47	\$ 14,263.47	\$ 178,750.00

Fiscal and Facilities Impacts: Budgeted: Yes

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Special Instructions:

Attachments:

Attachment 1 – Administration Report Fiscal Year 2011-12, County of Santa Barbara CFD No. 2002-1

Attachment 2 – Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District (CFD) 2002-1

Attachment 3 – Administration Report Fiscal Year 2011-12, County of Santa Barbara CFD No. 2004-1

Attachment 4 – Resolution Levying Special Taxes within the County of Santa Barbara Community Facilities District (CFD) 2004-1

Authored by:

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cc:

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Dennis Baker, President, Providence Landing Park Inc.