



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: Community Services
Department No.: 057
For Agenda Of: November 10, 2015
Placement: Departmental Item
Estimated Tme: 30 minutes
Continued Item: No
If Yes, date from: N/A
Vote Required: N/A

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2467
Director:
Contact Info: Ryder Bailey, Chief Financial Officer (805) 568-3526
SUBJECT: Orcutt Community Facilities District Special Report

County Counsel Concurrence

As to form: Yes

Sheriff Concurrence

As to form: Yes

Public Works Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Fire Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors;

- a) Receive and file the Orcutt Community Facilities District No. 2002-1 (Orcutt Community Plan) Special Report summarizing the existing special tax levy; and
- b) Determine that the Orcutt Community Facilities Districts Special Report is not subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(5), finding that the project is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment and direct staff to file the attached draft Notice of Exemption (Attachment 2).

Summary Text:

On July 7, 2015, during the Fiscal Year 2015-16 special tax presentation to the Board of Supervisors and annual resolution adoption required to levy the special tax for the Orcutt Community Facilities District No. 2002-1 (Orcutt Community Plan), the Board inquired as to the services being provided to residents within the Orcutt Community Facilities District (CFD).

The most recent fiscal study of the Orcutt CFD was performed in 2007 by consulting firm David Taussig and Associates. The Fiscal Impact Report concluded that at full Orcutt Community Plan buildout, the County would need to contribute \$2,295,071. In an effort to eliminate the shortfall, the County's Debt Advisory Committee determined that the formation of a CFD was an appropriate mechanism to fund the net additional operations and maintenance costs associated with new development and initiated the procedures to create the CFD. Those services are police/sheriff protection services, fire protection and suppression services, maintenance of parks, parkways and open space, flood and storm protection services, and administration. The deficit per dwelling unit was estimated at \$765.79. The study used Per Capita Multiplier methodology, which involves calculating the average costs of County services per resident (service ratios). For example industry standards such as one sheriff officer for every 1,200 residents or one firefighter for every 4,000 residents were used.

Parks Division is able to track costs incurred within the Orcutt CFD since it tracks its costs per park. Other Departments receiving funding base their services and costs upon the industry standards identified above.

The attached presentation seeks to present the Community Service Department's findings.

Background:

The Orcutt CFD was created as the financing mechanism to accompany the Orcutt Community Plan. The Orcutt Community Plan, revised in July 2002, updated the County's 1980 Comprehensive Plan for the unincorporated area of Orcutt to identify growth protections and provide for orderly development to meet the housing, commercial and industrial space needs, roads, public facilities and amenities for the community for future development in Orcutt over the next 10-15 years ("buildout"). The Orcutt Community Plan (page 253) states that the County shall strive to ensure that funding is available for the operations and maintenance of public facilities in the community of Orcutt and that all development should be required to pay its fair share of the cost of operation and maintenance of public facilities. The County's Debt Advisory Committee determined that the formation of a CFD was an appropriate mechanism to fund the net additional operations and maintenance costs associated with new development and initiated the procedures to create Orcutt Community Facilities District No. 2002-1.

Orcutt Community Facilities District No. 2002-1 (the Orcutt CFD) 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 and suppression 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.

A community facilities district is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (California Government Code sections 53311 et seq.) as amended, for financing capital facilities and services.

Fiscal and Facilities Impacts:

Budgeted

Fiscal Analysis:

The Orcutt CFD distributed approximately \$252,000 in Fiscal Year 2014-15 to County Departments. While some Departments, such as CSD, are able to identify costs specifically within the Orcutt CFD, others have historically used service ratio standards to determine the additional costs associated with new development. Since the CFD is being taxed at less than the established maximum, currently 72%, the percentage taxed or the methodology used to allocate amongst the Departments may need further review.

Special Instructions:

N/A

Authored by:

Ryder Bailey, CPA, Chief Financial Officer, Community Services Department

Attachments:

Attachment 1 – Orcutt Community Facilities District Special Report PowerPoint

Attachment 2 – Notice of Exemption

Attachment 3 – Ordinance No. 4478 CFD Formation

Attachment 4 – Orcutt CFD FY 15-16 Special Levy Administration Report