



**CITY COUNCIL AGENDA ITEM NO. F.9  
12/12/2023**

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**SUBJECT:** Combined Community Facilities District (CFD) Annual Report for Special Taxes Levied for Fiscal Year 2022/23

**DEPARTMENT:** Finance and Information Systems

**STAFF:** Kerry Breen, Director of Finance and Information Systems  
Angela Ausemus, Accountant II

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### **TITLE/RECOMMENDATION**

The Combined Community Facilities District (CFD) Annual Report for Special Taxes Levied ensures compliance with Section 50075.3 of the California Government Code which requires an annual report be filed with the Legislative body for voter approved special taxes. Staff recommends City Council receive and file the Combined Community Facilities District Annual Report for Special Taxes Levied for Fiscal Year 2022/23.

### **FISCAL IMPACT**

There is no fiscal impact associated with receiving the annual CFD report. For the fiscal year ended June 30, 2023 the City collected \$7.9 million in CFD revenues, which was spent primarily on police services (\$7.5m) with the remaining amount spent on debt service and administrative costs. The CFD funds have a June 30, 2023 ending balance of \$2.1 million.

### **BACKGROUND**

Community Facilities Districts are a special tax funding mechanism for the increased public facilities and services provided by the City, with approximately 90% historically used for police services. These facilities and services include:

- Community Amenities,
- Public Protection and Safety,
- Joint Use School Sites,
- Flood and Storm Drainage Improvements,
- Roadway Maintenance,
- Utility Undergrounding; and
- Open Space

As a standard condition of approval, all new development is required to mitigate the impacts of any project. As such, property owners elect to annex into the CFD as a



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means to fund the services and facilities provided to address the additional growth and associated impacts.

Section 50075.3 of the California Government Code requires an annual report to be filed with the Legislative body for voter approved special taxes. This annual report must state the amount of funds collected and expended and the status of any construction project that is built with the funding. The Mello-Roos Community Facilities Act of 1982 (Section 53343.1 of the California Government Code) requires that a detailed annual report be prepared for each CFD if requested by a property owner. Among other things, this annual report must detail the special taxes collected within a CFD, the expenditures, the status of any construction activity and a summary of the bonded indebtedness at the time the report is prepared.

In addition, the report includes the delinquency rates by fiscal year for the last ten years for each CFD, which are not required by Section 53343.1. The delinquency rate for all CFDs combined, as a percentage of total amounts levied, have fallen from FY 2021/22 to FY 2022/23, with rates decreasing from 1.37% to 0.77%. While staff has not received a request to prepare the annual report, in an effort to be fiscally transparent, staff has prepared a more detailed report than required under Section 53343.1 of the California Government Code.

**CITY COUNCIL STRATEGIC INITIATIVE**

Not Applicable.

**PREVIOUS ACTION**

Previous Action by the City Council is included on Attachment 1.

**ENVIRONMENTAL DETERMINATION**

Not Applicable.

**ATTACHMENT(S)**

1. Previous Action
2. 22-23 Combined CFD Annual Report for Special Taxes Levied