

SUBJECT: Combined Community Facilities District (CFD) Annual Report for Special Taxes Levied for Fiscal Year 2024/25

DEPARTMENT: Finance and Information Systems

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

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 that the City Council receive and file the Combined Community Facilities District (CFD) Annual Report for Special Taxes Levied for Fiscal Year 2024/25.

FISCAL IMPACT

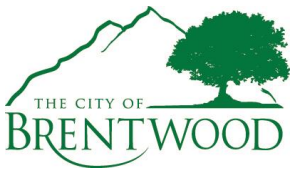
There is no fiscal impact associated with receiving the annual CFD report. For the fiscal year ended June 30, 2025, the City collected \$8.7 million in CFD Special Tax revenues, which was spent primarily on police services (\$8.3 million), with the remainder spent on debt service and administrative costs.

BACKGROUND

CFDs are a special tax mechanism to provide funding for the increased cost of public services and facilities from the impact of new development. CFD taxes can be used to fund the following facilities and services:

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

Over the last five fiscal years, 94% of the special taxes collected have been used to fund police services.



**CITY COUNCIL AGENDA ITEM NO. F.7
12/09/2025**

As a standard condition of approval, all new development is required to mitigate its impacts. To meet this condition of approval, property owners must annex projects into a CFD prior to development. Once annexed into the CFD, special tax revenue is provided annually to fund the additional associated services and facilities costs.

California Government Code Section [50075.3](#) requires an annual report to be filed with the governing body for voter approved special taxes, including the total of all special taxes collected and expended. If requested by a property owner, Government Code Section [53343.1](#) requires that a detailed annual report be prepared for each CFD. Although no request has been received, the 2024/25 Combined CFD Annual Report, included as Attachment 2, satisfies the requirements of both of these Government Code Sections.

CITY COUNCIL STRATEGIC INITIATIVE

Not Applicable.

PREVIOUS ACTION

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

DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

Not Applicable.

ALTERNATIVE OPTIONS

1. The Council may choose to not receive and file the annual report, however, compliance with Section 50075.3 of the California Government Code would not be met.

ATTACHMENTS

1. Previous Action
2. FY 2024/25 Combined CFD Annual Report for Special Taxes Levied