



Q & A

# CFD SPECIAL TAXES

## What is a Community Facilities District?

A Community Facilities District, or CFD, is a special financing district that provides a mechanism for funding specific facilities and services as granted by the Mello-Roos Community Facilities Act

## CFD Taxation Areas and Rates

The CFD boundary and special tax rates/methodology are approved during the formation process by both the City Council and eligible voters within the CFD. In order to establish a CFD, it must be approved by a two-thirds majority of qualified voters in the district. Additional property may annex to an existing CFD after the formation. In Vacaville, CFDs are generally used to fund public safety services in areas that are being incorporated into City limits and transitioning from vacant property to residential development.

## How are CFD tax liens disclosed?

When property is sold, the seller is responsible for providing a Notice of Special Tax to the buyer. This document is one of the many signed during the escrow process.

## How are the CFD special tax rates calculated?

The CFD special tax rates are calculated at the time of formation based on the cost of providing public safety services, less revenue generated by the development of the property. The net unfunded cost is used to establish the CFD special tax rates. The special taxes are levied annually as part of each parcel's property tax bill and are subject to an annual inflation adjustment.

## What facilities and services do I receive in return for the CFD special taxes I pay?

The special taxes collected contribute to the funding of the additional police and fire services required to serve the property within the CFD in accordance with City Service Level Standards, as well as maintenance of parks and landscaping in the community. The special taxes are collected annually to pay debt service for the facilities financing and services.

### Mello-Roos Community Facilities Act

*The Act allows any county, city, special district, school district or joint powers of authority to establish a CFD, which allows for the financing of public services and facilities. Effectively, the Act grants communities the ability to raise funds for improvements to infrastructure (streets, sewers, storm drains) and/or services, even though Proposition 13 limits their ability to tax property.*

## COMMUNITY FACILITIES DISTRICT NO. 13 (LOWER LAGOON VALLEY) IA-1

**2023/24 Actual Special Tax Rates:** \$807.71 per Acre of Undeveloped Residential Property for the Services Special Tax\*

**Annual Inflation:** April to April San Francisco Consumer Price Index, Series ID CWURS49BSA0

\* 2023/24 Maximum Services Special Tax Rate is \$1,785.11 per Acre of Undeveloped Property. This is the most the City is authorized to charge. The City is applying a lower tax rate as shown above for the year. There is currently no special tax being collected for facilities.

**Any Questions?** Contact the City's consultant, NBS, at 800.676.7516 or visit the CFD webpage at

<https://www.ci.vacaville.ca.us/government/finance/community-facilities-districts>