



Agenda Item No. 71
December 14, 2021

TO: Honorable Mayor and City Council Members
Attention: Aaron M. Busch, City Manager

FROM: Ken Matsumiya, Director of Finance
(Staff Contact: Shery Enos, Financial Analyst (707) 449-5318)

SUBJECT: SPECIAL TAX ANNUAL REPORTING

ACTION FOR CONSIDERATION:

No action is requested for this item. It is provided for information purposes only.

RECOMMENDATION:

No recommendations are associated with this report. The contents are informational only.

BACKGROUND:

Senate Bill 165 (September 2000) enacted the Local Agency Special Tax and Bond Accountability Act ("Act"). The Act, which applies to the City's Community Facility Districts ("CFD", or "special tax district") adopted on or after January 1, 2001, requires that an annual report be filed with the City Council summarizing the funds collected and expended.

DISCUSSION:

As noted on the attached report, the City has five special tax districts at this time which fall under the Act's reporting requirements: CFD #8 North Village, CFD #9 Portofino, CFD #10 Cheyenne, CFD #11 Southtown, and CFD #12 In-Fill. All five special tax districts are used to generate funds to offset the costs of providing police and fire services to residential properties within the CFD boundaries. All funds collected from the levy of the special tax within the CFD's were used for such purpose. The amount collected for the five CFD's for fiscal year 2020-21 was \$5.2 million. General Fund expenditures – not including Measure M – for police and fire services in fiscal year 2020-21 totaled \$68.99 million.

In accordance with direction from Council, Staff continues to focus on providing transparency around the Community Facilities Districts in Vacaville. The Finance Department maintains a webpage detailing current information and links to historical reports about the City's CFDs. The information available on the website includes:

- An interactive map of CFD boundaries, which allows current and prospective homeowners to view property tax information by address or parcel number
- An introductory video on CFDs including what they are and how they are formed
- A list of Frequently Asked Questions
- Links to external Consumer Price Index (CPI) data, which annual increases to the CFD tax are based on
- Printable one-page reference guides for all districts with active levies
- Previous years' disclosure reports, and more

The webpage is viewable at the link below or via the City's homepage by hovering on the Government drop-down menu and clicking on the Finance link.

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

ENVIRONMENTAL IMPACT:

Receiving a report on the City's Development Impact Fees is exempt from the California Environmental Quality Act (CEQA) because it is not a project, pursuant to California Code of Regulations Title 14 Section 15378(b).

FISCAL IMPACT:

Amount Requested: There are no funds requested for this item.

Funding Source: Not applicable

Budget Distribution: Not applicable

ALTERNATIVES:

No alternatives are suggested. Sharing this annual report with Council is required under California Government Code.

STRATEGIC PLAN GOAL/INITIATIVE:

Goal #4 – Maintain Effective and Efficient Services
Initiative 2B: Manage Impacts from Growth

ATTACHMENTS:

Attachment 1: Senate Bill 165

SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax/local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410.

Purpose of Special Tax

The Community Facilities Districts were formed to provide fire and law enforcement services within each of the districts.

Collections & Expenditures

The requirements of the Act apply to the Services Fund for the following Districts:

District	FY 2020/21 Annual Levy	6/30/2021 Balance	Expended Amount	Service Status
CFD 8 - North Village	395,315.90	0.00	365,315.90	Ongoing
CFD 9 - Portofino	159,835.52	0.00	159,835.52	Ongoing
CFD 10 - Cheyenne	608,475.28	0.00	608,475.28	Ongoing
CFD 11 - Southtown	3,659,225.60	0.00	3,659,225.60	Ongoing
CFD 12 - In-fill	382,775.40	0.00	382,775.40	Ongoing